

Av. Dr. Lauro Vieira Chaves, 1030 - Vila União
CEP: 60422-901 • Fortaleza / CE
CNPJ: 07.040.108/0001-57



INTERNATIONAL PUBLIC TENDER NOTICE N.º 20260001

Procedure Nº 1193.000007/2025-05 NUP 43012001516/2025-10

**ADMINISTRATIVE CONCESSION OF THE SERVICES REQUIRED TO ACHIEVE UNIVERSALIZATION OF
WASTEWATER SERVICE IN 127 COUNTRYSIDE MUNICIPALITIES OF THE STATE OF CEARÁ SERVED BY
CAGECE, COMPRISING LOTS 1 TO 5, AS IDENTIFIED IN ANNEX D – SERVICE PROVIDER'S COVERAGE
AREA**



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PREAMBLE

Companhia de Água e Esgoto do Ceará - CAGECE, a mixed-capital company responsible for the public services of water and sanitation in the State of Ceará, headquartered in Fortaleza/CE, at Avenida Dr. Lauro Vieira Chaves, No. 1030, Vila União, CEP 60.422-901, through the Central Tender Commission (PGE/CCC), hereby makes public the conduct of a BIDDING PROCESS, in the form of an International Public Tender, for the purpose of selecting the most advantageous bid, under the criterion of the lowest aggregate amount of the MONTHLY FINANCIAL CONSIDERATIONS over the term of the CONTRACT, for the CONCESSION of the public wastewater service for each of the 5 (five) LOTS of Municipalities identified in EXHIBIT D – SERVICE PROVIDER’S COVERAGE AREA;; in accordance with the specifications of this TENDER NOTICE.

The TENDER is grounded on Article 175 of the Brazilian Constitution of the Republic and complies with the rules and conditions of this TENDER NOTICE and its EXHIBITS, as well as with the provisions set forth in Federal Law No. 11,079, of December 30, 2004; Federal Law No. 8,987, of February 13, 1995; Federal Law No. 14,133, of April 1, 2021; Federal Law No. 9,074, of July 7, 1995; Federal Law No. 11,445, of January 5, 2007; Federal Decree No. 7,217, of June 21, 2010; State Law No. 14,391, of July 7, 2009; State Decree No. 35.067, of December 21, 2022, as well as the CAGECE Bidding and Contracting Regulations and any other applicable laws.

The draft of this TENDER NOTICE, the CONTRACT and the other EXHIBITS were made available for public consultation from October 16, 2025 to November 17, 2025, on the website <https://www.cagece.com.br/ppp-esgoto/> and were the subject of a public hearing held in the city of Fortaleza/CE on November 14, 2025 . Both the public consultation and the public hearing were widely disclosed on CAGECE’s website (<https://www.cagece.com.br/ppp-esgoto/>) and their notices were published in the Official Gazette of the State on October 15, 2025 and October 24, 2025, as well as in a widely circulated newspaper on October 16, 2025 and October 24, 2025.

This TENDER NOTICE is available free of charge at www.portalcompras.ce.gov.br

Any amendments to this TENDER NOTICE will be disclosed on the website www.seplag.ce.gov.br and shall be binding upon all TENDERERS.

In the event of amendments that affect the bid’s preparation, the deadline for bid submission may be reopened or extended, pursuant to item 10.2.6 of this TENDER NOTICE.

The projects and technical studies that preceded the preparation of the TENDER NOTICE, as well as the complementary documents and related legal instruments, including the COOPERATION AGREEMENTS and the PROGRAM CONTRACTS, will be made available to interested parties on CAGECE’s website, at the following link: <https://www.cagece.com.br/ppp-esgoto/>.



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CAGECE shall not be liable for the text or content contained in tender notices, exhibits or documents obtained or made known in a manner and/or at a place other than those indicated above.

The documents evidencing compliance with the requirements prior to the bidding procedure, as provided for in Article 10 of Federal Law No. 11,079/2004, among others, are included in Administrative Proceeding No. 43012001516/2025-10, namely: (i) authorization by the competent authority, duly grounded on technical studies; (ii) an *estimate* of the budgetary and financial impact in the fiscal years during which the concession agreement will be in force; (iii) an estimate of the flow of resources sufficient to ensure compliance with the obligations undertaken by CAGECE; e (iv) guidelines for environmental licensing.

The holding of the International Public Tender and the award of the CONCESSION were duly approved by the Public-Private Partnerships Management Council, in accordance with Article 14, item III, of State Law No. 14,391/2009 and Article 2, item VI, of State Decree No. 29,801/2009, by means of Resolution CGPPP 01/2026.

The ENVELOPES SUBMISSION DATE will be held on June 24, 2026, from 10am to 12pm, at B3 headquarter, located at Rua Quinze de Novembro, 275, Centro Histórico de São Paulo, CEP 01010-901, São Paulo/SP.

The TENDER will be conducted pursuant to Article 13 of Federal Law No. 11,079/2004, with the first phase dedicated to the opening and verification of the PROPOSAL GUARANTEES and the REPRESENTATION DOCUMENTS, the second to the opening and evaluation of the COMMERCIAL PROPOSALS, to be carried out for each of the LOTS, and the third to the opening and verification of the QUALIFICATION DOCUMENTS of the highest-ranked TENDERER in each LOT.

The public sessions for the opening and evaluation of the COMMERCIAL PROPOSALS, by LOT, followed by the opening of the QUALIFICATION DOCUMENTS of the highest-ranked TENDERER in each LOT, will take place on the dates set forth in item **Erro! Fonte de referência não encontrada.**, at B3 headquarter, located at Rua Quinze de Novembro, 275, Centro Histórico de São Paulo, CEP 01010-901, São Paulo/SP.

All times set forth in this TENDER NOTICE refer to Brasília/DF time. For purposes of acts carried out directly before the Central Tender Commission – CCC, whether by e-mail or in person, interested parties shall observe the business days of the Office of the Attorney General of the State of Ceará (PGE/CE).



CHAPTER I – INITIAL PROVISIONS

1. DEFINITIONS

1.1. This TENDER NOTICE sets forth the administrative procedures of the TENDER, as well as establishes the conditions and the legal framework of the procurement that is the subject matter of this TENDER NOTICE, defining the rules that shall apply throughout the entire course of the TENDER.

1.2. The terms indicated below, whenever written in capital letters, whether in the singular or plural, shall have the meanings set forth herein, unless the context clearly requires a different meaning:

1.2.1. **AWARDEE**: WINNING TENDERER to which the subject matter of the TENDER has been awarded;

1.2.2. **AFFILIATE**: a legal entity related, directly or indirectly, to another legal entity as a SUBSIDIARY, CONTROLLING ENTITY, or by being subject to the common CONTROL of another person(s), whether individual(s) or legal entity(ies);

1.2.3. **REGULATORY AGENCY**: the competent entity responsible for the exercise of the regulatory and inspection functions in connection with the public water supply and public wastewater services under CAGECE's responsibility in each of the MUNICIPALITIES comprising the LOTS within the scope of this TENDER NOTICE, as provided for in the COOPERATION AGREEMENTS and in the applicable state and municipal laws and regulations;

1.2.4. **REMAINING LOTS ALLOCATION**: stage of the TENDER subsequent to the completion of the procedure referred to in subitem 28.13, to be carried out exclusively if any LOTS remain without a ranked COMMERCIAL PROPOSAL. In this stage, on an exceptional basis to the rule that awards are limited to one LOT per TENDERER, the TENDERERS already ranked first in a LOT may be ranked in an additional LOT among the remaining ones and, if qualified, be declared winners in both LOTS;

1.2.5. **EXHIBIT**: each of the documents attached to the TENDER NOTICE or to the CONTRACT, as applicable, sequentially identified by letters or Roman numerals, and which, respectively, form an integral part thereof;

1.2.6. **FUNDS PROVISION**: contribution of funds in favor of the CONCESSIONAIRE, which may be made by CAGECE, if so provided for in the CONTRACT, pursuant to Articles 6, paragraph 2, and 7, paragraph 2, of Federal Law No. 11,079/2004, and State Law No. 15,277, of December 28, 2012;

1.2.7. **SERVICE PROVIDER'S COVERAGE AREA**: the area where the SERVICES will be provided by the CONCESSIONAIRE, pursuant to the CONTRACT, as delimited in EXHIBIT D – SERVICE PROVIDER'S COVERAGE AREA;



1.2.8. B3: BRASIL, BOLSA, BALCÃO, company located at Rua Quinze de Novembro, 275, Centro Histórico de São Paulo, CEP 01010-901, specialized technical advisor to the TENDER COMMISSION;

1.2.9. PRIVATE ASSETS: assets owned by the CONCESSIONAIRE that are not deemed REVERSIBLE ASSETS, as they are not essential to the provision of the SERVICES;

1.2.10. REVERSIBLE ASSETS: those identified in Article 4 of Reference Standard No. 3, dated August 3, 2023, issued by the National Water and Sanitation Agency (ANA), as amended, which are owned by the MICROREGION; provided, however, that such assets shall be encumbered by the CONCESSIONAIRE's exploitation rights during the term of the CONTRACT, without prejudice to their inclusion in CAGECE's Regulatory Asset Base – RAB for purposes of calculating the tariff charged to the final USERS of the SERVICE;

1.2.11. LOTS: Lots 1 through 5, within which the SERVICES subject to this TENDER NOTICE will be provided, as described in EXHIBIT D – SERVICE PROVIDER'S COVERAGE AREA;

1.2.12. LOT 1 or NORTH-COASTAL LOT (NORTE-LITORÂNEO): Acaraú, Alcântaras, Bela Cruz, Cariré, Coreaú, Cruz, Forquilha, Frecheirinha, Groaíras, Hidrolândia, Itatira, Jijoca de Jericoacoara, Marco, Martinópolis, Massapê, Meruoca, Moraújo, Morrinhos, Santa Quitéria, Santana do Acaraú, Senador Sá, Sobral and Uruoca;

1.2.13. LOT 2 or CENTRAL-SOUTH LOT (CENTRO-SUL): Abaiara, Acopiara, Altaneira, Antonina do Norte, Araripe, Arneiroz, Assaré, Aurora, Baixo, Barro, Campos Sales, Catarina, Cedro, Granjeiro, Ipaumirim, Jati, Lavras da Mangabeira, Mauriti, Milagres, Orós, Parambu, Penaforte, Porteiras, Potengi, Saboeiro, Salitre, Tarrafas, Tauá, Umari and Várzea Alegre;

1.2.14. LOT 3 or CENTRAL-EAST LOT: Alto Santo, Aracati, Beberibe, Capistrano, Choró, Ereré, Fortim, Ibaretama, Ibicuitinga, Iracema, Itaíba, Itapiúna, Jaguaratama, Jaguaribara, Jaguaruana, Ocara, Palhano, Pereiro, Potiretama, Quixadá, Quixeré, Russas and Tabuleiro do Norte;

1.2.15. LOT 4 or TRÊS CLIMAS-MACIÇO LOT: Acarape, Apuiarés, Aracoiaba, Aratuba, Barreira, Baturité, Caridade, General Sampaio, Guaramiranga, Irauçuba, Itapipoca, Itarema, Miraíma, Mulungu, Pacoti, Palmácia, Paramoti, Pentecoste, Redenção, Tejuçuoca, Tururu, Umirim and Uruburetama;

1.2.16. LOT 5 or SERTÕES DE CRATEÚS-IBIAPABA LOT: Ararendá, Barroquinha, Carnaubal, Catunda, Chaval, Crateús, Croatá, Graça, Guaraciaba do Norte, Ibiapina, Independência, Mombaça, Monsenhor Tabosa, Mucambo, Novo Oriente, Pacujá, Piquet Carneiro, Pires Ferreira, Poranga, Quiterianópolis, Reriutaba, São Benedito, Senador Pompeu, Tamboril, Tianguá, Ubajara, Varjota and Viçosa do Ceará;



1.2.17. CGPPP: the Public-Private Partnerships Management Council of the State of Ceará, established by Law No. 14,391/2009 and regulated by Decrees No. 29,801, dated July 10, 2009, and No. 30,366, dated November 23, 2010;

1.2.18. TENDER COMMISSION: the Central Tender Commission (CCC), appointed to conduct the TENDER, including the evaluation of the COMMERCIAL PROPOSAL, the QUALIFICATION DOCUMENTS and the other documents required under this TENDER NOTICE, based on the opinions and reports issued by the technical and legal departments of the promoting agency and entity, pursuant to State Supplementary Law No. 65/2008 and State Supplementary Law No. 58/2006;

1.2.19. TECHNICAL TENDER COMMISSION: CAGECE's technical commission appointed to carry out the technical analyses within the process, established by Administrative Order DPR/2025/233;

1.2.20. CONCESSION or ADMINISTRATIVE CONCESSION: the services concession referred to in paragraph 2 of Article 2 of Federal Law No. 11,079/2004, the purpose of which is the provision by the CONCESSIONAIRE of the SERVICES and the COMPLEMENTARY SERVICES, with regulatory uniformity and planning compatibility for the MUNICIPALITIES;

1.2.21. CONCESSIONAIRE: the SPE incorporated by the AWARDEE to perform the SERVICES that are the subject matter of the TENDER;

1.2.22. CONSORTIUM MEMBER: each member of a CONSORTIUM;

1.2.23. CONSORTIUM: an association of legal entities, Brazilian or foreign, mixed-capital companies, public companies, supplementary pension entities or investment funds, with the purpose of participating in the TENDER;

1.2.24. MONTHLY FINANCIAL CONSIDERATION: the amount to be paid monthly by CAGECE to the CONCESSIONAIRE in consideration for the performance of the CONTRACT, consisting of a Fixed Component and a Variable Component, the calculation of which shall comply with the specifications of this TENDER NOTICE and the CONTRACT;

1.2.25. CONTRACT or CONCESSION CONTRACT: the legal relationship established between CAGECE and the CONCESSIONAIRE, the main terms of which are set forth in a written instrument (see EXHIBIT A – DRAFT CONTRACTS and their EXHIBITS), without prejudice to their being supplemented or clarified by a management act;

1.2.26. PROGRAM CONTRACT: instrument through which, within their respective competences, the MUNICIPALITIES, represented by the MICROREGION, delegated to CAGECE the provision of the wastewater services, including the instruments referred to as concession contracts or similar instruments;



1.2.27. SUBSIDIARY: any legal entity or investment fund whose CONTROL is exercised by another person, investment fund or private/supplementary pension entity;

1.2.28. CONTROLLING ENTITY: any person, investment fund or private/supplementary pension entity that exercises CONTROL over another person or investment fund;

1.2.29. CONTROL: the power held by a person, whether natural or legal, or by a group of persons bound by a voting agreement or under common control, to, directly or indirectly, individually or jointly: (i) on a permanent basis, exercise rights that ensure the majority of votes in corporate resolutions and elect the majority of directors, officers or managers of another legal entity, investment fund or complementary pension entity, as applicable; or (ii) effectively direct the corporate activities and guide the functioning of the governing bodies of another legal entity, investment fund or private pension entity;

1.2.30. COOPERATION AGREEMENTS BETWEEN FEDERATIVE ENTITIES or COOPERATION AGREEMENT: the instruments provided for in Article 241 of the Federal Constitution and which, in this specific project, established the public potable water supply services and the public wastewater services associated management between the holders of the public services and the STATE;

1.2.31. EXECUTION SCHEDULE: the document to be submitted by the CONCESSIONAIRE and that shall form part of the INVESTMENT PLAN, setting forth all phases of the projects and the execution of the works under the CONCESSIONAIRE's responsibility, in particular the respective deadlines for obtaining the required permits and licenses and for starting operations;

1.2.32. BASE DATE: date of the estimated budget, i.e., September 30, 2024, which shall be used as the initial reference date for the calculation of the time periods to be applied for purposes of price adjustment and contractual review, pursuant to this TENDER NOTICE and its EXHIBITS;

1.2.33. ENVELOPES SUBMISSION DATE: June, 24 of 2026, from 10am to 12pm, the date on which the ENVELOPES shall be submitted by the TENDERERS;

1.2.34. SESSION DIRECTOR: B3's representative who will conduct the Public TENDER Session, on behalf and at the instruction of the TENDER COMMISSION, in accordance with the provisions of the TENDER NOTICE;

1.2.35. QUALIFICATION DOCUMENTS: the documents submitted by the TENDERERS regarding their legal qualification, tax and labor compliance, technical qualification, economic and financial qualification, and compliance with item XXXIII of Article 7 of the Federal Constitution, in accordance with this TENDER NOTICE;



1.2.36. REPRESENTATION DOCUMENTS: the documents required to evidence the authority of the ACCREDITED PARTICIPANTS' representatives;

1.2.37. TENDER NOTICE: this call for bids instrument and its EXHIBITS, settling the terms and conditions of the TENDER;

1.2.38. STATE: the State of Ceará, a federative unity of the Federative Republic of Brazil;

1.2.39. PROPOSAL GUARANTEE: the guarantee required from the TENDERERS to secure pecuniary obligations relating to the TENDER, as set forth in item **Erro! Fonte de referência não encontrada.**;

1.2.40. ASSOCIATED MANAGEMENT OF PUBLIC SERVICES or ASSOCIATED MANAGEMENT: the arrangement provided for in Article 241 of the Federal Constitution, consisting of the voluntary association among each MUNICIPALITY, the STATE and CAGECE, pursuant to the COOPERATION AGREEMENTS and PROGRAM CONTRACTS, for the purpose of governing cooperation in the exercise of public functions relating to the public potable water supply services and the public wastewater services;

1.2.41. COMMERCIAL MANAGEMENT: the execution, by the CONCESSIONAIRE, of the commercial activities relating to the SERVICES and COMPLEMENTARY SERVICES within the SERVICE PROVIDER'S COVERAGE AREA, as described in EXHIBIT IV – CONCESSION SPECIFICATIONS, consisting of: (i) replacement, transfer and relocation of water meters; (ii) implementation of metering at alternative water supply sources; (iii) fraud verification services; (iv) customer record updates; and (v) telemetry for strategic customers;

1.2.42. TENDER: International Competitive Tender No. 20260001, which is the subject matter of this TENDER NOTICE, and which aims to select the most advantageous bid for the CONCESSION of the SERVICES;

1.2.43. TENDERER: a legal entity, including a private pension entity, financial institution or investment fund, Brazilian or foreign, acting individually or as part of a CONSORTIUM, pursuant to this TENDER NOTICE, that participates in the TENDER;

1.2.44. WINNING TENDERER: the TENDERER that submits the best bid for the relevant LOT and is qualified, pursuant to this TENDER NOTICE, and that shall incorporate the SPE for contracting with CAGECE;

1.2.45. PROCEDURES MANUAL: the document prepared by B3 and approved by CAGECE, which forms an integral part of this TENDER NOTICE, and which sets forth guidelines, rules and template documents for the TENDER procedures, in accordance with EXHIBIT E – B3 PROCEDURES MANUAL..



1.2.46. MICROREGION: the West, Central-North and Central-South Water and Wastewater Microregions, intergovernmental autarchies under a special legal regime, with deliberative and normative powers, and legal personality under public law, established by State Supplementary Law No. 247, dated June 18, 2021, which hold the authority over the public services of water supply, wastewater services and urban rainwater management;

1.2.47. MUNICIPALITIES: the municipalities comprised in each of the LOTS subject to the CONCESSION, as described in EXHIBIT D – SERVICE PROVIDER’S COVERAGE AREA;

1.2.48. SYSTEM ASSISTED OPERATION or ASSISTED OPERATION: the period of up to 180 (one hundred and eighty) days, counted from the signing of the CONTRACT, which may be extended for another 90 (ninety) days under the terms of the CONTRACT, during which the CONCESSIONAIRE will intensively monitor the activities related to the SYSTEM OPERATION, with the GRANTING AUTHORITY, for all purposes, being directly responsible for the operation of the system;

1.2.49. SYSTEM OPERATION: comprises the set of operational actions to be developed and executed by the CONCESSIONAIRE, after the issuance of the SYSTEM TRANSFER TERM, for the provision of the SERVICES, observing the parameters and conditions set forth in the CONTRACT and its EXHIBITS;

1.2.50. ACCREDITED PARTICIPANTS: legal entities qualified and authorized to operate at B3, hired by the TENDERERS to represent them in all acts related to the TENDER before B3;

1.2.51. INVESTMENT PLAN: the document to be submitted by the CONCESSIONAIRE, signed by an engineering professional with appropriate technical qualifications, for approval by the GRANTING AUTHORITY within up to 120 (one hundred and twenty) days after the signing of the CONTRACT, containing a detailed description, for the 60 (sixty) months following the date of submission of the INVESTMENT PLAN, of the projects and works that will serve as the basis for managing investments in the SYSTEM IMPROVEMENT WORKS;

1.2.52. BUSINESS PLAN: the document to be submitted by the TENDERER together with the COMMERCIAL PROPOSAL, for purposes of verifying the adequacy of the COMMERCIAL PROPOSAL to the elements and conditions set forth in the TENDER NOTICE, and which shall serve as a parameter for verifying any economic and financial imbalance, in cases where the CONTRACT so provides, in all events observing the established risk allocation matrix;

1.2.53. COMMERCIAL PROPOSAL: the proposal submitted by the TENDERER, indicating the aggregate amount of the MONTHLY FINANCIAL CONSIDERATIONS over the term of the CONTRACT, in Brazilian reais (R\$), to up to two decimal places, which the TENDERER proposes to receive for the provision of the SERVICES, as provided for in the draft CONTRACT;



1.2.54. ADDITIONAL REVENUES: those referred to in ANA Reference Standard No. 6, dated February 5, 2024; issued by the National Water and Sanitation Agency (ANA), as amended;

1.2.55. COMPLEMENTARY REVENUES: a type of ADDITIONAL REVENUES arising from activities directly related to the subject matter of the CONTRACT for the SERVICES provision and that complement the amount charged to the USERS as tariff-based remuneration;

1.2.56. ACCESSORY REVENUES: a type of ADDITIONAL REVENUES derived from activities unrelated to the CONTRACT delegating the SERVICES provision, which may be eliminated without altering the nature of SERVICES provision;

1.2.57. ASSOCIATED PROJECT REVENUES: a type of ADDITIONAL REVENUES obtained from projects distinct from the subject matter of the CONCESSION, more complex and with greater autonomy, and that entail the making of specific investments;

1.2.58. ACCREDITED REPRESENTATIVE: individuals authorized to represent the TENDERERS in all documents and acts related to the TENDER;

1.2.59. SERVICES: integrated activities that comprise the entirety of the CONCESSION's subject matter, characterized as follows: (a) wastewater service: public service encompassing the activities of collection, conveyance, treatment and proper final disposal of sanitary wastewater, from building connections through its proper discharge into the environment; e (b) COMMERCIAL MANAGEMENT of the wastewater services;

1.2.60. COMPLEMENTARY SERVICES: auxiliary, complementary and related activities within the scope of the SERVICES, to be provided by the CONCESSIONAIRE and, when applicable, regulated by the REGULATORY AGENCY, pursuant to the CONTRACT and its EXHIBITS;

1.2.61. SPE: a special purpose entity to be incorporated by the WINNING TENDERER of each LOT, in the form of a corporation, for the specific purpose of the SERVICES provision, which are the subject matter of this CONCESSION;

1.2.62. SYSTEM: set of infrastructures linked to the SERVICES provision, such as wastewater pumping stations, wastewater treatment plants, manholes, interceptors, outfalls, trunk collectors, among other structures necessary for the provision of SERVICES, as described in EXHIBIT D – SERVICE PROVIDER'S COVERAGE AREA;

1.2.63. SYSTEM TRANSFER TERM: the document by means of which CAGECE, at the end of the ASSISTED OPERATION OF THE SYSTEM period, transfers to the CONCESSIONAIRE the responsibility for the SYSTEM OPERATION, enabling it to provide all SERVICES, pursuant to the CONTRACT;



1.2.64. **HOLDERS:** he MUNICIPALITIES, as holders of the public water supply services and the public wastewater services, or the MICROREGION, which holds such authority due to the regionalization of the State of Ceará;

1.2.65. **USERS:** individuals and legal entities who will be the final recipients of the SERVICES and COMPLEMENTARY SERVICES provided by the CONCESSIONAIRE, on behalf of CAGECE, within the SERVICE PROVIDER'S COVERAGE AREA;

1.2.66. **ENVELOPE:** the package containing the set of documents required to participate in the TENDER, totaling 3 (three) for the tendering of each LOT, namely: ENVELOPE 1, relating to the PROPOSAL GUARANTEE and the REPRESENTATION DOCUMENTS; ENVELOPE 2, relating to the COMMERCIAL PROPOSAL and the BUSINESS PLAN; and ENVELOPE 3, relating to the QUALIFICATION DOCUMENTS, pursuant to this TENDER NOTICE.

2. APPLICABLE LAW AND LEGAL INSTRUMENTS RELATED TO THE CONCESSION

2.1. The TENDER and its subject matter shall be governed, without prejudice to other applicable constitutional, legal and regulatory provisions, by the following rules:

- (i) Constitution of the Federative Republic of Brazil;
- (ii) Federal Law No. 8,987, dated February 13, 1995;
- (iii) Federal Law No. 9,074, dated July 7, 1995;
- (iv) Federal Law No. 11,445, dated January 5, 2007;
- (v) Federal Law No. 11,079, dated December 30, 2004;
- (vi) Federal Law No. 13,089, dated January 12, 2015;
- (vii) Federal Law No. 13,460, dated June 26, 2017;
- (viii) Federal Law No. 14,133, dated April 1, 2021;
- (ix) Federal Law No. 14,026, dated July 15, 2020;
- (x) Federal Decree No. 7,217, dated June 21, 2010;
- (xi) Federal Decree No. 11,598, dated July 12, 2023;
- (xii) Federal Decree No. 11,599, dated July 12, 2023;
- (xiii) State Decree No. 35.067, dated December 21, 2022;
- (xiv) State Law No. 14,391, dated July 7, 2009;
- (xv) State Law No. 15,277, dated December 28, 2012;
- (xvi) State Supplementary Law No. 247, dated June 18, 2021;
- (xvii) Administrative Order No. 557 of the Minister of State for Cities, dated November 11, 2016.

2.2. References to the rules applicable to the CONCESSION shall also be understood as references to any legislation that replaces or amends them, in whole or in part.

2.3. The following are related legal instruments connected to the CONCESSION:



2.3.1. COOPERATION AGREEMENTS entered into between the MUNICIPALITIES and the STATE.

2.3.2. PROGRAM CONTRACTS entered into between the MUNICIPALITIES and CAGECE;

3. INTERPRETATION

3.1. In the event of any discrepancy between: (i) the rules applicable to the CONCESSION and to the SERVICES provision; (ii) the instruments referred to in subclause 2.3; (iii) the provisions of this TENDER NOTICE and its respective EXHIBITS; (iv) the provisions of the CONTRACT and its EXHIBITS; and (v) any other legal instruments related to the CONCESSION, the following shall prevail:

- (i) first, an attempt shall be effectuated to resolve the discrepancy through an interpretation that harmonizes the apparently conflicting provisions, so that they become, to the greatest extent possible, consistent with the applicable law and regulatory rules;
- (ii) second, the provisions of the legal, regulatory and technical rules applicable to the CONCESSION and to the SERVICES provision, except for default rules of Private Law;
- (iii) third, the provisions of the TENDER NOTICE and its EXHIBITS, with the provisions of the TENDER NOTICE prevailing over those of its EXHIBITS;
- (iv) fourth, the provisions of the COMMERCIAL PROPOSAL and the BUSINESS PLAN of the WINNING TENDERER, provided they are in accordance with the provisions of this TENDER NOTICE;
- (v) fifth, the provisions of the CONTRACT and its EXHIBITS that are most relevant to the matter at issue, with the provisions of the CONTRACT prevailing over those of its EXHIBITS;
- (vi) sixth, the provisions of the PROGRAM CONTRACTS, with the provisions of the PROGRAM CONTRACTS prevailing over those of their EXHIBITS;
- (vii) seventh, the provisions of the COOPERATION AGREEMENTS.

4. SUBJECT MATTER OF THE TENDER

4.1. The subject matter of this TENDER is to select the most advantageous bid for the ADMINISTRATIVE CONCESSION of the regionalized provision of the SERVICES and COMPLEMENTARY SERVICES within the SERVICE PROVIDER'S COVERAGE AREA, in each of the 5 (five) LOTS, through the exploitation of the infrastructure comprising the SYSTEM, in accordance with the description, characteristics and technical specifications detailed in this TENDER NOTICE, in the respective EXHIBITS, in the CONTRACT and in the applicable law.



4.2. The execution of the SERVICES shall strictly comply with all provisions, deadlines, technical guidelines and procedures set forth in this TENDER NOTICE, in the CONTRACT, in the respective EXHIBITS and in the applicable law.

4.3. The CONCESSION presupposes the adequate SERVICES provision, which shall be deemed to be the provision that fulfills the conditions of regularity, efficiency, safety, modernity, generality, courtesy, equity and continuity, observing the PERFORMANCE INDICATORS and the SERVICE TARGETS set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, as well as the provisions of this TENDER NOTICE, the CONTRACT, their respective EXHIBITS and the applicable law.

5. TERM OF VALIDITY

5.1. The term of the CONCESSION shall commence upon the signing of the CONTRACT and shall comprise the aggregate of the SYSTEM ASSISTED OPERATION period and the 28 (twenty-eight)-year SYSTEM OPERATION term, which shall begin upon the issuance of the SYSTEM TRANSFER TERM, and shall be limited to the PROGRAM CONTRACTS term.

5.2. Under no circumstances may the term of the CONCESSION exceed the legal limit of 35 (thirty-five) years, including any term adjustments made for purposes of rebalancing.

6. AWARD JUDGMENT CRITERION

6.1. The TENDER shall be awarded based on the lowest consideration criterion, pursuant to Article 12, item II, letter “a”, of Federal Law No. 11,079/2004, using the lowest aggregate amount of the MONTHLY FINANCIAL CONSIDERATIONS to be paid to the CONCESSIONAIRE over the CONTRACT term.

6.2. The reference amount for the unit price per cubic meter of collected wastewater is:

- (i) **LOT 1:** R\$ 4.00 (four reais).
- (ii) **LOT 2:** R\$ 4.68 (four reais and sixty-eight centavos).
- (iii) **LOT 3:** R\$ 4.13 (four reais and thirteen centavos).
- (iv) **LOT 4:** R\$ 4.05 (four reais and five centavos).
- (v) **LOT 5:** R\$ 4.41 (four reais and forty-one centavos).

6.3. The reference amount for the Fixed Monthly Amount to Remunerate Investments (VF) is:

- (i) **LOT 1:** R\$ 9,590,069.61 (nine million, five hundred and ninety thousand, sixty-nine reais and sixty-one centavos).



(ii) **LOT 2:** R\$ 12,920,601.65 (twelve million, nine hundred and twenty thousand, six hundred and one reais and sixty-five centavos).

(iii) **LOT 3:** R\$ 12,854,329.23 (twelve million, eight hundred and fifty-four thousand, three hundred and twenty-nine reais and twenty-three centavos).

(iv) **LOT 4:** R\$ 10,945,229.25 (ten million, nine hundred and forty-five thousand, two hundred and twenty-nine reais and twenty-five centavos).

(v) **LOT 5:** R\$ 14,990,958.60 (fourteen million, nine hundred and ninety thousand, nine hundred and fifty-eight reais and sixty centavos).

6.4. The reference amount for the Fixed Unit Amount (*VF_{hid}*) is:

(vi) **LOT 1:** R\$ 212.77 (two hundred and twelve reais and seventy-seven centavos).

(vii) **LOT 2:** R\$ 212.42 (two hundred and eleven reais and forty-two centavos).

(viii) **LOT 3:** R\$ 210.78 (two hundred and ten reais and seventy-eight centavos).

(ix) **LOT 4:** R\$ 213.45 (two hundred and thirteen reais and forty-five centavos).

(x) **LOT 5:** R\$ 212.88 (two hundred and twelve reais and eighty-eight centavos).

6.5. The reference amount for the Unit Price for Alternative Solutions (*P_{USI}*) is R\$ 429.00 (four hundred and twenty-nine reais) for the 5 (five) LOTS.

7. ESTIMATED VALUE FOR CONTRACTING

7.1. For the purposes of this TENDER, the estimated value of the CONTRACTS for each LOT, corresponding to the estimated total nominal amount of payments to be made by CAGECE as MONTHLY FINANCIAL CONSIDERATION over the CONTRACT term, with the ENVELOPES SUBMISSION DATE as the reference date, is:

(i) **LOT 1:** R\$ 3,784,609,256.63 (three billion, seven hundred and eighty-four million, six hundred and nine thousand, two hundred and fifty-six reais and sixty-three centavos).

(ii) **LOT 2:** R\$ 4,960,614,998.19 (four billion, nine hundred and sixty million, six hundred and fourteen thousand, nine hundred and ninety-eight reais and nineteen centavos).

(iii) **LOT 3:** R\$ 5,149,039,995.04 (five billion, one hundred and forty-nine million, thirty-nine thousand, nine hundred and ninety-five reais and four centavos).

(iv) **LOT 4:** R\$ 4,424,564,068.43 (four billion, four hundred and twenty-four million, five



hundred and sixty-four thousand, sixty-eight reais and forty-three centavos).

- (v) **LOT 5:** R\$ R\$ 6,050,034,187.37 (five billion, fifty million, thirty-four thousand, one hundred and eighty-seven reais and thirty-seven centavos).

7.2. The estimated value for the CONTRACTING, per LOT, is provided solely as a reference for the TENDER, and may not be invoked by the TENDERERS for any purpose whatsoever, nor used as a basis or parameter for any rebalancing of the CONTRACT's economic-financial rebalancing, indemnification, reimbursement or similar matters.

8. EXHIBITS TO THE TENDER NOTICE

8.1. The following EXHIBITS form an integral and inseparable part of this TENDER NOTICE:

- 8.1.1. EXHIBIT A – DRAFT CONTRACTS and their EXHIBITS;
- 8.1.2. EXHIBIT B – LETTERS AND STATEMENTS TEMPLATE;
- 8.1.3. EXHIBIT C – COMMERCIAL PROPOSAL TEMPLATE;
- 8.1.4. EXHIBIT C.1 – BUSINESS PLAN TEMPLATE;
- 8.1.5. EXHIBIT D – SERVICE PROVIDER'S COVERAGE AREA;
- 8.1.6. EXHIBIT E – B3 PROCEDURES MANUAL.

9. STUDIES AND MATERIALS FOR REFERENCE PURPOSES ONLY

9.1. The data, studies, materials and supplementary information to this TENDER NOTICE, published by CAGECE on the website <https://www.cagece.com.br/ppp-esgoto/>, either prepared by CAGECE itself or by entities hired by it, are for informational and reference purposes only, solely intended to facilitate the understanding of the subject matter of the CONCESSION, and shall not, for any purpose, form part of this TENDER NOTICE. Opportunely, the following excerpt from the Reference Standard established by Administrative Order No. 557, dated November 11, 2016, of the Minister of State for Cities is reproduced herein: *"Article 3 (...) § 1 The EVTE shall not be: I - part of the contract with the Public Administration; II - one of the parameters for requests for economic-financial rebalancing"*.

9.2. CAGECE and the entities responsible for promoting and/or preparing the materials mentioned in item 9.1 shall not be liable for their correctness, accuracy or sufficiency, and it shall be the sole responsibility of the TENDERERS to fulfill, at their own cost and risk, a complete assessment of all conditions and information required for the submission of their respective COMMERCIAL PROPOSALS.

9.3. Under no circumstances shall requests for economic-financial rebalancing or any other type of indemnification by the TENDERER or the CONCESSIONAIRE be accepted on account of the information referred to in item 9.1 of this TENDER NOTICE.



CHAPTER II – TENDER PROCEDURE

10. TENDER COMMISSION

10.1. The TENDER shall be conducted and adjudicated by the TENDER COMMISSION, which shall be responsible for carrying out the activities required for its conduct, with the support of B3 and other public agents belonging to CAGECE's staff.

10.2. In addition to the prerogatives arising from its legal function, the TENDER COMMISSION may:

10.2.1. request from the TENDERERS, at any time, clarifications regarding the documents submitted by them, which shall be provided by the TENDERERS within the term set by the TENDER COMMISSION;

10.2.2. adopt criteria to remedy defects of a formal nature and to supplement deficiencies during the TENDER;

10.2.3. carry out diligences aimed at clarifying or supplementing the TENDER record, provided that no document or relevant information that should have originally been included in the documents submitted by the TENDERERS is subsequently introduced, except for those required to remedy defects or formal corrections during the procedure, or, alternatively, to verify or clarify a condition pre-existing as of the ENVELOPES SUBMISSION DATE;

10.2.4. extend the deadlines set forth in this TENDER NOTICE, with due justification, in case of public interest, or in the event of force majeure or fortuitous event, without the TENDERERS being entitled to any indemnification or reimbursement of costs and expenses on any grounds;

10.2.5. change the sessions dates or agendas, bring them forward, or even suspend them, depending on the works progress, in compliance with the applicable legal rules. New dates shall be published at least 3 (three) business days in advance; and

10.2.6. in the event of an amendment that unequivocally affects the preparation of the COMMERCIAL PROPOSALS, modify the ENVELOPES SUBMISSION DATE, as well as the date of the Public Session of the TENDER, extending or reopening, as necessary, the initially established term, pursuant to Article 55, § 1, of Federal Law No. 14,133/2021.

10.3. The TENDER COMMISSION shall draw up detailed minutes of the ENVELOPES SUBMISSION DATE and of the Public Session of the TENDER, which shall be signed by its members.

10.4. The TENDER COMMISSION may, at its sole discretion, suspend the submission of the ENVELOPES and the Public Session after the receipt and/or opening of the ENVELOPES, with the review of the respective documents to occur at a later time, and may use technical advisory support for such purpose.



10.5. The TENDER COMMISSION shall always render its decisions in writing and with stated grounds, filing the respective decision and its grounds in the tendering process records.

10.6. In the exercise of its functions, the TENDER COMMISSION shall observe the principle of moderate formalism.

10.7. In compliance with Administrative Order/PGE No. 038/2022, dated March 17, 2022, any hearing that may be requested by a representative of a TENDERER or by an interested party seeking to participate in the TENDER, for the purpose of addressing an appeal or challenge filed by them before the Procurement Center of the Office of the Attorney General of the State, shall be held in person or electronically and remotely, using videoconferencing technology. This formality shall not apply in the case of simple instructions, such as inquiries regarding dates, procedural status, and other purely procedural guidance, without any substantive intervention, which shall be provided by the Central Tender Commission.

10.7.1. Such hearing shall be held in the presence of at least 1 (one) State Attorney or by the coordination of the Procurement Center, as applicable, and shall be recorded by means suitable to allow verification of the act.

10.7.2. The request for a hearing shall be submitted in advance by e-mail, with an express indication of the subject matter and of the tendering process to which it relates. When held electronically and remotely, the hearing shall be recorded by means of image and video recording and storage or by written minutes of the act.

11. CLARIFICATIONS REGARDING THE TENDER NOTICE

11.1. Any interested party may request clarifications regarding the TENDER NOTICE **up to 3 (three) business days prior to the ENVELOPES SUBMISSION DATE**, by means of a written communication addressed to the Chair of the TENDER COMMISSION, to be sent by electronic mail (e-mail) to ccc@pge.ce.gov.br, containing a PDF file with the questions submitted, in accordance with the template set forth in EXHIBIT B – LETTERS AND STATEMENTS TEMPLATE; of this TENDER NOTICE.

11.2. The TENDER COMMISSION shall not respond to questions that have been submitted in non-compliance with the provisions of item 11.1.

11.3. The TENDER COMMISSION shall publish the responses to clarification requests on the website <http://www.seplag.ce.gov.br>, within up to 3 (three) business days, limited to the last business day prior to the ENVELOPES SUBMISSION DATE, and it shall be the responsibility of interested parties to access them on the relevant disclosure portal.



11.4. After the lapse of the term mentioned in item 11.1, if no clarification requests are submitted or if no responses thereto are published, it shall be presumed that the information contained in the TENDER NOTICE is clear and sufficiently precise for the conduct of all stages of the TENDER, and TENDERERS and any other interested parties shall have no right to submit any subsequent complaint or new requests for clarification.

11.5. Participation in the TENDER implies full and unconditional acceptance of all terms and conditions set forth in this TENDER NOTICE and its EXHIBITS.

11.6. The clarifications provided by the TENDER COMMISSION shall form part of this TENDER NOTICE as if transcribed herein, and any other information not contained in this TENDER NOTICE or in the clarifications provided by the TENDER COMMISSION, which may be obtained by TENDERERS in any other manner, shall not be binding upon the TENDER COMMISSION or CAGECE.

12. OBJECTIONS TO THE TENDER NOTICE

12.1. Any person is standing to challenge the TENDER NOTICE due to any alleged irregularities, and must submit the objection up to 3 (three) business days prior to the **ENVELOPES SUBMISSION DATE**.

12.2. Objections to the TENDER NOTICE shall be:

12.2.1 exclusively in writing, duly signed, and addressed to the Chair of the TENDER COMMISSION;

12.2.2 formalized by means of an administrative proceeding filed with the protocol office of the Procurement Center of the PGE and addressed to the Central Tender Commission (PGE/CCC), or submitted by sending an electronic mail (e-mail) to ccc@pge.ce.gov.br, with a request for confirmation of receipt, containing a PDF file with the respective objections;

12.2.3 accompanied by a copy of the signatory's identification document, when submitted by a natural person, or by a copy of the articles of incorporation or bylaws, as well as any other documents necessary to evidence the signatory's legal representation powers, when submitted by a legal entity.

12.3. The TENDER COMMISSION shall publish its decision on the objections on the website www.seplag.ce.gov.br, within up to 3 (three) business days, limited to the last business day prior to the ENVELOPES SUBMISSION DATE, and it shall be the responsibility of interested parties to access them on the relevant disclosure portal.

13. AMENDMENTS TO THE TENDER NOTICE



13.1. At any time up to the ENVELOPES SUBMISSION DATE, the TENDER COMMISSION may amend the TENDER NOTICE, at its sole discretion, as a result of clarifications, objections to the TENDER NOTICE and/or for any other reason of public interest.

13.2. In the event of amendments to this TENDER NOTICE that unequivocally affect the preparation of the COMMERCIAL PROPOSALS, such amendments shall be disclosed under the same terms and deadlines applicable to the original acts and procedures, as set forth in item 10.2.6.

CHAPTER III – GENERAL CONDITIONS

14. CONDIÇÕES DE PARTICIPAÇÃO

14.1. The TENDER is open to Brazilian or foreign legal entities, including private pension entities, financial institutions and investment funds, acting individually or jointly in a CONSORTIUM, provided that they fully fulfill the requirements and conditions set forth in this TENDER NOTICE, as well as in the applicable laws and regulations.

14.2. The following legal entities may not participate in this TENDER, whether individually or in a CONSORTIUM:

- a) those declared unfit to bid or contract with the Federal, State and Municipal Public Administration, by an administrative act of the Government;
- b) those suspended from the right to participate in tenders or prevented from contracting with the Public Administration of the STATE;
- c) those included in the list of sanctioned parties under the hypotheses of Article 14, paragraph 5, of Law No. 14,133/2021;
- d) those that do not meet the conditions of this TENDER NOTICE and its EXHIBITS;
- e) those whose bylaws or articles of association do not include, within their corporate purpose, an activity compatible with the object of the tender, or, in the case of cooperatives, those that do not fully meet the requirements set forth in Article 16 of Federal Law No. 14,133/2021;
- f) Civil Society Organizations of Public Interest (OSCIP), when acting in such capacity;
- g) those under intervention by the Superintendence of Private Insurance (SUSEP) of the Ministry of Finance or by the National Superintendence of Complementary Pensions (PREVIC) of the Ministry of Social Security;



- h) those whose officer(s) or technical manager(s) is/are, or has/have been, within the 180 (one hundred and eighty) days prior to the publication date of the TENDER NOTICE, a public servant(s) holding a position or employment with the contracting bodies or entities, or with those responsible for the TENDER;
- i) those whose officer(s) or technical manager(s) is/are prevented from contracting with the Direct or Indirect Public Administration of the STATE due to a constitutional or legal prohibition;
- j) those convicted, by a final and unappealable court decision, to the penalty of interdiction of rights due to the commission of environmental crimes, as provided in Article 10 of Federal Law No. 9,605/1998;
- k) those that are AFFILIATES of another TENDERER;
- l) those prohibited from contracting with the Public Administration by virtue of a final and unappealable conviction for committing an act of administrative misconduct, under Federal Law No. 8,429/1992;
- m) those prohibited, by a decision currently in force of the Plenary of the Administrative Council for Economic Defense (CADE), from participating in tenders promoted by the Federal, State or Municipal Public Administration, whether Direct or Indirect, due to the practice of an infringement of the economic order, pursuant to Article 38, item II, of Federal Law No. 12,529/2011;
- n) those that have participated, directly or indirectly, whether individually or in a CONSORTIUM, in the preparation of the technical studies that support the TENDER;
- o) those that maintain a technical, commercial, economic, financial, labor or civil relationship with an officer of CAGECE or with a public agent performing a role in the TENDER, or acting in the supervision or management of the CONTRACT, or who is such person's spouse, partner, or relative by blood (direct or collateral line) or by affinity, up to the third degree;
- p) those undergoing judicial or extrajudicial restructuring whose plan has not been accepted (judicial) or confirmed (extrajudicial), pursuant to Articles 58, 72 and 165 of Federal Law No. 11,101/2005;
- q) those whose bankruptcy has been declared or that are in the process of dissolution, merger, spin-off, consolidation or liquidation; and
- r) those that, within the 5 (five) years prior to the disclosure of this TENDER NOTICE, have been judicially convicted, by a final and unappealable decision, for exploitation of child labor, for subjecting workers to conditions analogous to slavery, or for hiring adolescents in cases prohibited by labor legislation.



14.3. For the purposes of item 14.2 “n” indirect participation means the existence of any relevant or permanent technical, commercial, economic, financial or labor relationship between the individuals or legal entities that participated in the preparation of the technical studies that support the TENDER.

14.4. The TENDER COMMISSION shall verify whether the TENDERERS fall under any of the situations described in item 14.2 and the submission of specific documentation by the TENDERERS to evidence non-applicability is waived, unless expressly provided otherwise in this TENDER NOTICE.

14.5. Subject to the restriction set forth in item 14.6, TENDERERS may bid for more than one LOT within the scope of the TENDER, provided that, for each LOT, they submit the required documents and deliver a specific set of ENVELOPES, in accordance with the terms of this TENDER NOTICE.

14.6. Without prejudice to the foregoing, the award to the same TENDERER of more than 1 (one) LOT is prohibited, so that each TENDERER may be declared the winner of only one LOT, except in the event of the procedure set forth in item 28.14, which case this limit may be up to a maximum of 2 (two) LOTS per TENDERER.

14.7. The participation of the same TENDERER, including its AFFILIATES, in different CONSORTIUMS is not permitted, nor is any other arrangement that results in the submission of more than one proposal by a TENDERER or an entity within its economic group for the same LOT.

14.8. If the TENDERER chooses to bid for more than one LOT, its award shall observe the sequential order to be defined, pursuant to subitem 27.1.1.

15. ACCEPTANCE OF THE TERMS OF THE TENDER NOTICE

15.1. Participation in the TENDER implies the full and unconditional acceptance of all terms and requirements of this TENDER NOTICE, the CONTRACT and their respective EXHIBITS, and any subsequent claims of lack of knowledge of, or disagreement with their conditions, as well as with the relevant regulatory rules, shall not be permitted.

15.2. Any deficiencies in meeting the requirements and demands for submission of the COMMERCIAL PROPOSAL and the QUALIFICATION DOCUMENTS shall be deemed the sole responsibility of the TENDERERS.

15.3. The COMMERCIAL PROPOSAL and the QUALIFICATION DOCUMENTS that do not meet the requirements set forth in this TENDER NOTICE shall result in the disqualification or rejection of the TENDERERS, as applicable.

16. TECHNICAL VISIT



16.1. Interested TENDERERS may carry out technical visits to the LOTS areas and to the existing facilities related to the SERVICES.

16.2. The purpose of the technical visit is to allow the TENDERERS, at their own expense and under their sole responsibility, to conduct their own *in loco* assessment of the nature and scope of the works, materials and equipment required for the performance of the SERVICES, as well as to obtain any other data they deem necessary for the preparation of their respective COMMERCIAL PROPOSALS.

16.3. The interested TENDERER shall express its intent to carry out the technical visit, which shall be accompanied by a CAGECE representative, by prior scheduling up to the 15th (fifteenth) Business Day prior to the ENVELOPES SUBMISSION DATE, by means of a written request addressed to the TENDER COMMISSION, to be sent by electronic message (e-mail) to ccc@pge.ce.gov.br, indicating which areas of the LOTS and facilities it wishes to visit.

16.3.1. The technical visit shall be conditional upon the TENDERER's submission of a Confidentiality Undertaking, duly executed by its legal representative, in accordance with the template set forth in EXHIBIT B – LETTERS AND STATEMENTS TEMPLATE;.

16.3.2. The technical visits shall be carried out by the 2nd (second) Business Day prior to the ENVELOPES SUBMISSION DATE.

16.3.3. Transportation to the technical visit locations shall be at the TENDERERS' expense.

16.3.4. Under no circumstances shall visits by different TENDERERS be scheduled for the same day and time.

16.4. The technical visits shall be carried out by the TENDERER's representative(s), duly identified by document(s) evidencing such capacity, and at least one of such representatives shall present a valid professional registration with the Regional Council of Engineering and Agronomy (CREA).

16.4.1. On the day of the technical visit, the TENDERER's representative professionally registered with CREA shall mandatorily present documentation evidencing its link with the TENDERER, without the need for such link to be permanent.

16.5. The technical visit is not a mandatory condition for participation in the TENDER. However, the TENDER COMMISSION shall consider that the COMMERCIAL PROPOSALS submitted were prepared with full knowledge of the SERVICE PROVIDER'S COVERAGE AREA, and under no circumstances may the successful TENDERER request changes to prices, deadlines or conditions of the CONTRACT, or allege any loss or claim any benefit, on the grounds of insufficient data or information about the subject matter of the TENDER, regardless of whether or not the technical visit was carried out.



16.6. As an attachment to the QUALIFICATION DOCUMENTS (VOLUME 3), the TENDERER shall submit the form included in EXHIBIT B – LETTERS AND STATEMENTS TEMPLATE;, indicating whether it chose to participate in the technical visit or not, duly executed by its legal representative.

17. TENDERERS' COSTS

17.1. Any and all expenses and/or costs incurred by the TENDERERS in connection with the TENDER shall be borne at their own expense and shall be their sole responsibility, and CAGECE shall be exempt from any charge or reimbursement, regardless of the outcome of the TENDER.

18. ACCREDITED REPRESENTATIVES

18.1. The TENDERERS shall be represented in the TENDER by ACCREDITED REPRESENTATIVES and by ACCREDITED PARTICIPANTS, duly appointed and vested with sufficient powers for such purposes.

18.2. For the proper progress of the proceedings, each TENDERER shall have at least 1 (one) and at most 2 (two) ACCREDITED REPRESENTATIVES, who shall carry an official photo identification document at the Public Sessions of the TENDER.

18.3. The TENDERERS shall accredit their representatives by submitting the Accreditation Letter, in accordance with EXHIBIT B – LETTERS AND STATEMENTS TEMPLATE; of this TENDER NOTICE, duly executed, granting broad powers for the accredited representative to represent the TENDERER in all acts and phases of the TENDER before the TENDER COMMISSION, including to receive information, be served with notices and waive appeals.

18.4. The Accreditation Letter shall be included in ENVELOPE 1 – REPRESENTATION DOCUMENTS, in 2 (two) counterparts, together with the documents evidencing the powers of attorney-in-fact of the Accreditation Letter signatory to grant powers to the ACCREDITED REPRESENTATIVE(S), as follows:

i.in the case of Brazilian TENDERERS or those authorized to operate in Brazil:

a. where the TENDERER is represented by a statutory representative or a representative appointed under its articles of association/bylaws: the articles of association/bylaws and the minutes of election or other documents evidencing the representation powers of the legal representatives, and a simplified certificate issued by the Board of Trade of the TENDERER's registered office, or a short report certificate issued by the registry of legal entities or other competent authority, shall be accepted;

b. where the TENDERER is represented by an attorney-in-fact: the power of attorney evidencing authority to perform, in the name of the TENDERER, all acts related to the TENDER, together with documents evidencing the powers of the grantors;



- ii. in the case of a CONSORTIUM, documents evidencing the powers of the signatories of each CONSORTIUM MEMBER that will execute the instrument undertaking to form the CONSORTIUM, under the same terms set forth above.

18.5. The Accreditation Letter may, at the discretion of the TENDERER's legal representative, be replaced by a public or private power of attorney containing the same powers indicated in item 18.3.

18.6. In the case of a TENDERER participating in a CONSORTIUM, the Accreditation Letter shall be executed by the CONSORTIUM's representative, together with a simple copy of the relevant Undertaking to Incorporate the Special Purpose Entity, executed by all consortium members and appointing the ACCREDITED REPRESENTATIVE

18.7. If the accredited person is the owner, partner or officer of the TENDERER, they shall submit a document evidencing their powers to represent it.

18.8. Failure to submit, or any inaccuracy in, the accredited person's document or the legal representative's document shall not disqualify the TENDERER or result in its disqualification; however, it shall prevent the accredited person or the legal representative from making statements or responding on behalf of the TENDERER in the respective public sessions, and they shall be limited to monitoring the proceedings, provided that they do not interfere so as to disrupt or prevent the conduct of the works.

18.9. Each ACCREDITED REPRESENTATIVE may represent only one TENDERER.

18.10. At any time during the tendering process, TENDERERS may: (i) designate new ACCREDITED REPRESENTATIVES ; and/or (ii) replace and/or revoke previously granted accreditations, and, to that end, shall submit the REPRESENTATION DOCUMENTS referred to in items 18.3 and 18.4, and comply with the numerical limit of ACCREDITED REPRESENTATIVES set forth in item 18.2.

19. ACCREDITED PARTICIPANTS

19.1. The ACCREDITED PARTICIPANTS shall represent the TENDERERS in the performance of acts carried out before B3, especially in the submission of all ENVELOPES and in the acts of the PUBLIC SESSION that are exclusive to the ACCREDITED PARTICIPANTS.

19.2. Each ACCREDITED PARTICIPANT may represent only one TENDERER, and each TENDERER may be represented and participate in the TENDER through only one ACCREDITED PARTICIPANT.

19.3. The intermediation contract between the ACCREDITED PARTICIPANT and the TENDERER shall contain, at a minimum, the contents specified in EXHIBIT E – B3 PROCEDURES MANUAL. and shall be included, in its original or as a copy, in ENVELOPE 1 – REPRESENTATION DOCUMENTS, together with the corporate act, power of attorney or other documents evidencing the powers of the signatories of both parties; submission of documents evidencing the powers of the representative of the ACCREDITED



PARTICIPANT shall be waived if such representative has powers duly registered and updated in the B3 system, as set forth in EXHIBIT E – B3 PROCEDURES MANUAL..

19.4. In the case of a CONSORTIUM, an agreement may be executed among all CONSORTIUM MEMBERS and the ACCREDITED PARTICIPANT, or individual agreements may be executed between each CONSORTIUM MEMBER and the ACCREDITED PARTICIPANT, or, alternatively, an agreement may be executed by the lead CONSORTIUM MEMBER, on behalf of the CONSORTIUM, provided that it has the powers to do so.

CHAPTER IV – PROPOSAL GUARANTEE, COMMERCIAL PROPOSAL AND QUALIFICATION DOCUMENTS

20. GENERAL RULES FOR DOCUMENTATION SUBMISSION

20.1. The ENVELOPES and the documents contained therein shall be submitted in accordance with the detailing set forth below.

20.2. Within each ENVELOPE, there shall be one digital media device (USB flash drive) per counterpart, containing a true copy of all documentation submitted in the respective physical package, in a non-editable PDF file format, except for the BUSINESS PLAN, which shall be submitted in Excel (.xlsx) format.

20.2.1. In the event of any discrepancy between the printed documents and those recorded on electronic media, the printed texts shall prevail.

20.3. The documentation of each ENVELOPE shall be submitted in 2 (two) counterparts, namely: (i) 1 (one) original counterpart, in certified copy or simple copy, as provided for in Article 12, IV, of Federal Law No. 14,133/2021; and (ii) 1 (one) other counterpart, in simple copy.

20.3.1 Each counterpart shall be bound separately, duly initialed and numbered in ascending order. In addition, each counterpart shall include, at the beginning, an index listing the topics addressed and the respective pages and, at the end, a closing statement reflecting the exact number of pages of the counterpart; no erasures, alterations, interlineations or reservations shall be permitted.

20.4. Without prejudice to the signatures required in the specific fields, as per the templates provided in this TENDER NOTICE, all pages of the ENVELOPES shall be initialed, always by the legal representative of the TENDERER.

20.4.1. All subscribed documents may be signed physically, with signature notarization required pursuant to Article 12(V) of Federal Law No. 14,133/2021, or digitally, with digital certification under the Brazilian Public Key Infrastructure standard (ICP-Brasil), provided that, in the submitted document, there are appropriate means to verify its authenticity, including,



but not limited to, QR codes and validation codes through links to websites expressly indicated in the relevant document.

20.5. All documents submitted in the TENDER shall be delivered in Portuguese, except for technical expressions of common usage, and shall be typed and printed in a legible manner.

20.5.1. Documents containing handwritten content shall be deemed to have erasures, except for official and public documents presented in such form.

20.5.2. Foreign-origin documents submitted in other languages shall be certified by a notary public in the country of origin, authenticated by the Consulate General of Brazil in the country of origin, and accompanied by the respective sworn translation into Portuguese, prepared by a sworn translator registered with any of the Boards of Trade in Brazil, except in the case of catalogues, publications, manuals, technical reports and similar documents, in addition to being registered pursuant to Article 129, § 6, of Federal Law No. 6,015/1973.

20.5.3. The consular authentication referred to in item 20.5.2 may be replaced by the apostille referred to in Articles 3 and 4 of Federal Decree No. 8,660/2016. In this case, the power of attorney and the respective apostille shall be translated into Portuguese by a sworn translator.

20.5.4. Powers of attorney of foreign origin shall be registered with the Registry of Deeds and Documents, together with their sworn translations.

20.6. Only and exclusively the documents required under this TENDER NOTICE shall be submitted, avoiding duplication or inclusion of unnecessary or unsolicited documents.

20.7. In the event of any discrepancy between numeric figures and those written out in words in the documentation, the amounts written out in words shall prevail.

20.8. All ENVELOPES shall be delivered on the ENVELOPES SUBMISSION DATE, at B3, located at Rua Quinze de Novembro, 275, Centro Histórico de São Paulo, CEP 01010-901, in the City of São Paulo, State of São Paulo, by a representative of the ACCREDITED PARTICIPANTS, as set forth in EXHIBIT E – B3 PROCEDURES MANUAL..

20.9. The ENVELOPES shall be delivered in separate envelopes, opaque, sealed and initialed across the seal, each envelope bearing, on its front outer side, the following:

ENVELOPE 1 – PROPOSAL GUARANTEE AND REPRESENTATION DOCUMENTS

International Public Tender No. 20260001 – Administrative Concession for the public wastewater services provision of LOT 

Corporate name or legal name of the TENDERER (in the case of a CONSORTIUM, indicate its members and its lead member)



Av. Dr. Lauro Vieira Chaves, 1030 - Vila União
CEP: 60422-901 • Fortaleza / CE
CNPJ: 07.040.108/0001-57



Corporate name of the ACCREDITED PARTICIPANT.

Name, phone number and email adress of the ACCREDITED REPRESENTATIVE(S).

ENVELOPE 2 – COMMERCIAL PROPOSAL AND BUSINESS PLAN

International Public Tender No. 20260001 – Administrative Concession for the public wastewater services provision of LOT [●]

Corporate name or legal name of the TENDERER (in the case of a CONSORTIUM, indicate its members and its lead member)

Corporate name of the ACCREDITED PARTICIPANT.

Name, phone number and email adress of the ACCREDITED REPRESENTATIVE(S).

ENVELOPE 3 – QUALIFICATION DOCUMENTS

International Public Tender No. 20260001 – Administrative Concession for the public wastewater services provision of LOT [●]

Corporate name or legal name of the TENDERER (in the case of a CONSORTIUM, indicate its members and its lead member)

Corporate name of the ACCREDITED PARTICIPANT.

Name, phone number and email adress of the ACCREDITED REPRESENTATIVE(S).

20.10. Upon submission of the ENVELOPES, the TENDERERS acknowledge their full understanding that:

20.10.1. they are responsible for the truthfulness and authenticity of the information contained in the documents they submit;

20.10.2. they authorize the TENDER COMMISSION, at any stage of the TENDER, to carry out any due diligence it deems necessary to clarify or supplement the record, and the curing of defects, supplementation of insufficiencies or, further, formal corrections shall be permitted where their content reflects a factual or legal situation already existing on the COMMERCIAL PROPOSAL submission date, provided that any missing elements may be submitted within the maximum deadline set by the TENDER COMMISSION, under penalty of disqualification or failure to qualify of the TENDERER, as applicable; and

20.10.3. they are aware of the conditions and other existing facilities in the SERVICE PROVIDER'S COVERAGE AREA, as well as the characteristics of the SERVICES comprised in the CONCESSION.

20.11. The TENDERER shall include, within ENVELOPE 1, the statements indicated below, in the form of the template set forth in EXHIBIT B – LETTERS AND STATEMENTS TEMPLATE; of this TENDER NOTICE:

20.11.1. Statement of independent preparation of the COMMERCIAL PROPOSAL;



20.11.2. Statement acknowledging the tie-breaking criteria set forth in Article 60 of Federal Law No. 14,133/2021; and

20.11.3. Statement acknowledging and agreeing to be bound by CAGECE's Code of Conduct and Integrity.

20.12. Should the TENDERER be declared the winner as a result of the application of the legal preferences referred to in item 20.11.2, it shall evidence its compliance by submitting the relevant documents in a single copy for review by the TENDER COMMISSION, within the deadline to be set by the TENDER COMMISSION.

21. PROPOSAL GUARANTEE

21.1. For each LOT for which it intends to bid, the TENDERER shall provide a PROPOSAL GUARANTEE to ensure the full and faithful performance of the obligations set forth in this TENDER NOTICE, pursuant to Article 58 of Federal Law No. 14,133/2021, in the following amounts:

- 21.1.1. R\$ 6,000,000.00 (six million reais) for LOT 1;
- 21.1.2. R\$ 8,000,000.00 (eight million reais) for LOT 2;
- 21.1.3. R\$ 8,000,000.00 (eight million reais) for LOT 3;
- 21.1.4. R\$ 7,000,000.00 (seven million reais) for LOT 4;
- 21.1.5. R\$ 9,000,000.00 (nine million reais) for LOT 5.

21.2. The PROPOSAL GUARANTEE, which shall name CAGECE as beneficiary, may be provided in any of the following forms:

21.2.1. Cash collateral, in Brazilian legal tender, to be deposited into the following bank account: Banco do Brasil – 001, Branch: 0008-6, Current Bank Account: 500.000-9;

21.2.2. Pledge of public debt securities, issued in book-entry form, through registration in a centralized settlement and custody system authorized by the Central Bank of Brazil, and valued at their economic values, as defined by the Ministry of Finance;

21.2.3. Surety bond;

21.2.4. Bank guarantee, issued by a bank or financial institution duly authorized to operate in Brazil by the Central Bank of Brazil;

21.2.5. Capitalization bond funded by a single payment, redeemable for the full amount.



21.3. The PROPOSAL GUARANTEE, in the form chosen by the TENDERER, must be submitted, mandatorily, either in its original physical form or in electronic form with digital certification, and delivered to the TENDER COMMISSION in VOLUME 1, on the ENVELOPES SUBMISSION DATE.

21.4. For purposes of the PROPOSAL GUARANTEE, only instruments, assets and resources available on the ENVELOPES SUBMISSION DATE shall be accepted.

21.5. Where the PROPOSAL GUARANTEE is provided in the form of government bonds, only Treasury Fixed Rate Bonds (Tesouro Prefixado - LTN), Treasury Selic Bonds (Tesouro Selic - LFT), Treasury IPCA+ Bonds (Tesouro IPCA+ - NTN-B Principal), Treasury IPCA+ Bonds with Semi-Annual Interest (Tesouro IPCA+ com Juros Semestrais - NTN-B), National Treasury Notes – Series C – NTN-C (Notas do Tesouro Nacional – série C – NTN-C), or Treasury Fixed Rate Bonds with Semi-Annual Interest (Tesouro Prefixado com Juros Semestrais - NTN-F) shall be accepted, which must be issued in book-entry form, through registration in a centralized settlement and custody system authorized by the Central Bank of Brazil, and valued at their economic values, as defined by the Ministry of Economy.

21.5.1. The blocking of the securities as collateral shall be carried out in accordance with the operational routines set forth in the B3 PROCEDURES MANUAL.

21.6. Where the PROPOSAL GUARANTEE is provided in the form of surety bond, the following rules shall be observed: (i) the surety bond insurance must be issued by an insurance company registered with the Superintendence of Private Insurance (SUSEP), in compliance with SUSEP Circular No. 662/2022, or any regulation that replaces it; (ii) the surety bond must cover the full 24 (twenty-four) hours of both the start date of its term, i.e., the ENVELOPES SUBMISSION DATE, and the end date of its term; and (iii) the surety bond must comply with the terms below and the minimum conditions set forth in EXHIBIT B – LETTERS AND STATEMENTS TEMPLATE, of this TENDER NOTICE.

21.6.1. The insurance policy must contain:

21.6.1.1. an indication of the TENDERER as the policyholder and CAGECE as the exclusive beneficiary;

21.6.1.2. digital certification, and its authenticity shall be verified through the means indicated in the policy or through other reliable means that allow verification;

21.6.1.3. a statement by the insurer that it is aware of and accepts the terms and conditions of the TENDER NOTICE;

21.6.1.4. a statement by the insurer that it will pay the amounts provided for in this TENDER NOTICE within a maximum period of 30 (thirty) calendar days counted from the date of submission of all documents listed by the insurer as necessary for the characterization and settlement of the claim;



21.6.1.5. o the right of the insured to demand from the insurer the compensation due as a result of the policyholder's non-compliance with the obligations covered by the surety bond policy, where the notice served upon the policyholder proves unsuccessful.

21.6.2. No clauses may be added to the policies that exempt the TENDERERS or the insurance company from their liabilities.

21.7. In the case of a bank guarantee, in the exact terms of the model set forth in EXHIBIT B – LETTERS AND STATEMENTS TEMPLATE; , of this TENDER NOTICE, it must contain a specific waiver clause by the guarantor of the benefit of order referred to in article 827 of the Brazilian Civil Code, so as to bind it jointly and severally with the TENDERER, and it must be issued by a bank rated in the first or second tier, i.e., between “A” and “B” on the long-term rating scale of at least one of the following rating agencies: Fitch Ratings, Moody's, or Standard & Poor's.

21.8. Where the PROPOSAL GUARANTEE is provided in the form of a capitalization bond, it must be funded by a single payment, redeemable for the full amount, comply with Federal Law No. 14,133/2021, including the amendments implemented by Federal Law No. 14,770/2023, and with the prevailing conditions established by SUSEP, and meet the following requirements:

21.8.1. the issuing capitalization company must be duly incorporated and authorized to operate by SUSEP and may not be under fiscal management, intervention, or extrajudicial liquidation;

21.8.2. the bond(s) must indicate the TENDERER as the holder, observing the rules of this TENDER NOTICE applicable to CONSORTIUMS;

21.8.3. the bond(s) must indicate CAGECE as the assignee and the total redemption amount in an amount not less than that indicated in item 21.1;

21.8.4. electronically issued capitalization bond(s) with digital certification must allow verification of authenticity on the website of the issuing capitalization company and/or SUSEP; and

21.8.5. capitalization bond(s) issued in physical form must bear the signatures of the legal representatives of the issuing capitalization company, with notarization of signatures.

21.9. Regardless of the modality adopted, the PROPOSAL GUARANTEE shall remain valid for a minimum term of 180 (one hundred and eighty) calendar days, counted from the ENVELOPES SUBMISSION DATE, and it shall be incumbent upon the TENDERER to evidence to the TENDER COMMISSION, when necessary, its renewal, for an equal period, up to 10 (ten) business days prior to the expiration of said term.



21.9.1. If the TENDERER does not evidence the renewal of the PROPOSAL GUARANTEE within the term set forth in the preceding item, it shall be notified by the TENDER COMMISSION to do so within 05 (five) calendar days, counted from receipt of the notice, under penalty of being disqualified in the TENDER and prevented from extending the validity of its COMMERCIAL PROPOSAL.

21.9.2. If the renewal of the PROPOSAL GUARANTEE occurs more than 1 (one) year after its original issuance, the PROPOSAL GUARANTEE shall be adjusted by the variation of the IPCA – Broad Consumer Price Index, published by the Brazilian Institute of Geography and Statistics – IBGE, between the month immediately prior to the ENVELOPES SUBMISSION DATE and the month immediately prior to the renewal.

21.10. If the TENDERER participates in the TENDER individually, the PROPOSAL GUARANTEE shall be provided in its own name. In the case of a CONSORTIUM, the PROPOSAL GUARANTEE may be provided by one or more CONSORTIUM MEMBERS, and different modalities are permitted, provided that the sum reaches the minimum amount set forth in this TENDER NOTICE and that the CONSORTIUM's name is stated, with identification of the CONSORTIUM MEMBERS and the lead member (corporate name and CNPJ/ME), together with their respective participation percentages.

21.10.1. In the case of participation as a CONSORTIUM, the PROPOSAL GUARANTEE shall secure the liability of the CONSORTIUM, and any instrument that secures only the participation of the CONSORTIUM MEMBER(S) is forbidden;

21.11. Without prejudice to the provisions of items 10.2.1, 10.2.2 and 10.2.3 of the TENDER NOTICE, if the TENDERER willfully falls within one of the events set forth below, it shall be subject, with the right to adversarial proceedings and full defense ensured, to a fine corresponding to the full amount of the PROPOSAL GUARANTEE, which shall be enforced for purposes of collecting said fine:

21.11.1. if the TENDERER withdraws its COMMERCIAL PROPOSAL during its validity period;

21.11.2. if the TENDERER breaches any of its obligations arising from law or from this TENDER NOTICE, including refusal to sign the CONTRACT if it is declared the winning TENDERER, and if the TENDERER has submitted the best-ranked COMMERCIAL PROPOSAL in more than one LOT and fails to indicate its preferred LOT within the term set forth in this TENDER NOTICE;

21.11.3. if the TENDERER declared the winner fails to meet the requirements for signing the CONTRACT within the terms set forth in this TENDER NOTICE, except for a justified reason accepted by the TENDER COMMISSION;

21.11.4. if the TENDERER performs acts intended to frustrate the objectives of the tender procedure; and



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21.11.5. if the WINNING TENDERER fails to renew the PROPOSAL GUARANTEE within the term set forth in this TENDER NOTICE.

21.12. Any amendment to the terms or conditions of the PROPOSAL GUARANTEE after its submission by the TENDERER may only be implemented with the TENDER COMMISSION's prior consent.

21.13. The TENDER COMMISSION may request the supplementation or replacement of the PROPOSAL GUARANTEE in the events of loss of financial value or change in its quality.

21.14. The PROPOSAL GUARANTEE may not contain any provision excluding any liabilities assumed by the TENDERER in connection with its participation in the TENDER under the terms of the TENDER NOTICE.

21.15. The PROPOSAL GUARANTEE submitted by the TENDERERS shall be returned, as applicable, within up to 10 (ten) business days, counted: (i) from the signing of the CONTRACT; or (ii) from the date on which the TENDER is declared unsuccessful, pursuant to article 58, paragraph 2, of Federal Law No. 14.133/2021.

21.16. Documents evidencing the authority of the issuer's representatives of the guarantees shall only be submitted within VOLUME 1 if its registration is not up to date, pursuant to the B3 PROCEDURES MANUAL.

21.17. The PROPOSAL GUARANTEE may be enforced to cover fines, penalties and indemnities that may be due by the TENDERERS to CAGECE as a result of their participation in the TENDER, without prejudice to the application of other penalties and residual liability for any amount exceeding the PROPOSAL GUARANTEE.

21.17.1. The provision in the item above does not exclude the TENDERER's duty to indemnify CAGECE for any losses arising from its participation in the TENDER that exceed the amount of the PROPOSAL GUARANTEE.

22. COMMERCIAL PROPOSAL

22.1. Each TENDERER shall be responsible, at its own cost and risk, for carrying out investigations, surveys and studies, as well as for developing projects, to support the preparation of its COMMERCIAL PROPOSAL. For purposes of this section, reference is made to Administrative Order No. 557/2016 of the Minister of State for Cities, which established reference rules: *"Article 3 (...) § 1 The EVTE shall not be: I - part of the contract with the Public Administration; II - one of the parameters for requests for economic-financial rebalancing"*.

22.2. The TENDERERS may submit a COMMERCIAL PROPOSAL for all LOTS, provided that, specifically for each of them, the documentation required under this TENDER NOTICE is submitted; the award to



the same TENDERER of more than one LOT is prohibited, except in the case set forth in item 28.14, in which the award of 1 (one) additional LOT shall be permitted, totaling a limit of up to 2 (two) LOTS for the same TENDERER.

22.3. The COMMERCIAL PROPOSAL for each LOT shall be submitted in the respective ENVELOPE 2, in its original form, following the general rules for submission of documentation, typed in clear and objective language, strictly in accordance with the template set forth in EXHIBIT C – COMMERCIAL PROPOSAL TEMPLATE; of this TENDER NOTICE, and without errors or erasures, and shall be signed by the TENDERER's legal representative or by a person legally authorized to do so on its behalf.

22.4. The TENDERER's COMMERCIAL PROPOSAL shall indicate the aggregate amount of the MONTHLY FINANCIAL CONSIDERATIONS over the term of the CONTRACT, in Brazilian reais (R\$), to up to two decimal places, which the TENDERER proposes to receive for the provision of the SERVICES for the relevant LOT, in accordance with the template set forth in EXHIBIT C – COMMERCIAL PROPOSAL TEMPLATE;.

22.4.1. The TENDERERES shall consider as maximum reference amount for the MONTHLY FINANCIAL CONSIDERATIONS sum over the CONTRACT term the following:

22.4.1.1. **3,784,609,256.63** (three billion, seven hundred and eighty-four million, six hundred and nine thousand, two hundred and fifty-six reais and sixty-three centavos) for **LOT 1**, as follows:

22.4.1.1.1. R\$ 2,736,657,770.89 (two billion, seven hundred and thirty-six million, six hundred and fifty-seven thousand, seven hundred and seventy reais and eighty-nine centavos) corresponding to the aggregate of the FIXED COMPONENTS; and

22.4.1.1.2. R\$ 1,047,951,485.74 (one billion, forty-seven million, nine hundred and fifty-one thousand, four hundred and eighty-five reais and seventy-four centavos) corresponding to the aggregate of the VARIABLE COMPONENTS.

22.4.1.2. **R\$ 4,960,614,998.19** (four billion, nine hundred and sixty million, six hundred and fourteen thousand, nine hundred and ninety-eight reais and nineteen centavos) for **LOT 2**, as follows:

22.4.1.2.1. R\$ 3,693,023,560.65 (three billion, six hundred and ninety-three million, twenty-three thousand, five hundred and sixty reais and sixty-five centavos) corresponding to the aggregate of the FIXED COMPONENTS; and



22.4.1.2.2. R\$ 1,267,591,437.55 (one billion, two hundred and sixty-seven million, five hundred and ninety-one thousand, four hundred and thirty-seven reais and fifty-five centavos) corresponding to the aggregate of the VARIABLE COMPONENTS.

22.4.1.3. **5,149,039,995.04** (five billion, one hundred and forty-nine million, thirty-nine thousand, nine hundred and ninety-five reais and four centavos) for **LOT 3**, as follows:

22.4.1.3.1. R\$ 3,699,702,099.85 (three billion, six hundred and ninety-nine million, seven hundred and two thousand, ninety-nine reais and eighty-five centavos) corresponding to the aggregate of the FIXED COMPONENTS; and

22.4.1.3.2. R\$ 1,449,337,895.19 (one billion, four hundred and forty-nine million, three hundred and thirty-seven thousand, eight hundred and ninety-five reais and nineteen centavos), corresponding to the aggregate of the VARIABLE COMPONENTS.

22.4.1.4. **R\$ 4,424,564,068.43** (four billion, four hundred and twenty-four million, five hundred and sixty-four thousand, sixty-eight reais and forty-three centavos) for **LOT 4**, as follows:

22.4.1.4.1. R\$ 3,216,660,142.37 (three billion, two hundred and sixteen million, six hundred and sixty thousand, one hundred and forty-two reais and thirty-seven centavos) corresponding to the aggregate of the FIXED COMPONENTS; and

22.4.1.4.2. R\$ 1,207,903,926.05 (one billion, two hundred and seven million, nine hundred and three thousand, nine hundred and twenty-six reais and five centavos) corresponding to the aggregate of the VARIABLE COMPONENTS.

22.4.1.5. **R\$ 6,050,034,187.37** (six billion, fifty million, thirty-four thousand, one hundred and eighty-seven reais and thirty-seven centavos) for **LOT 5**, as follows:

22.4.1.5.1. R\$ 4,357,103,066.56 (four billion, three hundred and fifty-seven million, one hundred and three thousand, sixty-six reais and fifty-six centavos) corresponding to the aggregate of the FIXED COMPONENTS; and

22.4.1.5.2. R\$ 1,692,931,120.81 (one billion, six hundred and ninety-two million, nine hundred and thirty-one thousand, one hundred and twenty



reais and eighty-one centavos), corresponding to the aggregate of the VARIABLE COMPONENTS.

22.4.1.6. The maximum limits indicated in the subclauses above apply both to the amounts corresponding to the total value of the COMMERCIAL PROPOSAL for each LOT and to the amounts stipulated for each of the COMPONENTS.

22.5. In the event of any discrepancy between numeric figures and their respective amounts written out in words, the latter shall prevail.

22.6. Together with the COMMERCIAL PROPOSAL, the TENDERER shall submit its BUSINESS PLAN, pursuant to EXHIBIT C.1 – BUSINESS PLAN TEMPLATE, for the purpose of enabling verification of the PROPOSAL's adequacy to the elements and conditions set forth in this TENDER NOTICE, as well as to serve as a parameter to assess any economic-financial imbalance of the CONCESSION, in the cases provided for in the CONTRACT.

22.6.1. The amounts indicated in the BUSINESS PLAN shall be consistent with the unit values contained in the bid spreadsheet.

22.7. If there are indications that the COMMERCIAL PROPOSAL is unfeasible, the TENDERER may be called upon to demonstrate the feasibility of its PROPOSAL, under penalty of disqualification, by submitting additional clarifications and supporting documentation, which may be used by CAGECE during the CONTRACT execution for purposes of inspection and monitoring.

22.7.1. CAGECE may require the TENDERER to submit a technical report attesting to the technical soundness of the BUSINESS PLAN, issued by a professional or company of recognized reputation, accredited by the National Institute of Metrology, Quality and Technology (Inmetro) as an Accredited Inspection Body for Infrastructure Projects, or that demonstrates having been pre-qualified by a federal financial institution, within the last five years, to carry out concession and public-private partnership structuring studies, and that is able to act with impartiality and independence.

22.8. It is noted that the amounts indicated in the COMMERCIAL PROPOSAL are estimates of amounts due to the CONCESSIONAIRE over the CONTRACT term, presented exclusively for purposes of the TENDER. The amounts of the MONTHLY FINANCIAL CONSIDERATIONS that will actually be paid to the CONCESSIONAIRE will be calculated as set forth in the CONTRACT, since, inter alia, their measurement will depend on compliance with the performance indicators and the targets set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, and future estimated financial flows, like any estimate, may not materialize.



22.9. The validity term of the COMMERCIAL PROPOSALS shall be 180 (one hundred and eighty) days counted from the ENVELOPES SUBMISSION DATE, and all their conditions shall remain in force throughout such period.

22.9.1. If the TENDER extends beyond the validity term of the COMMERCIAL PROPOSAL, the TENDERER shall renew the validity of the PROPOSAL for an equal period, up to 10 (ten) days prior to its expiration.

22.9.2. If the TENDERER does not evidence the renewal of the COMMERCIAL PROPOSAL within the term indicated in item 22.9.1, the TENDER COMMISSION shall notify it to do so within 5 (five) calendar days, under penalty of being disqualified from the TENDER.

22.10. In preparing the COMMERCIAL PROPOSAL, the TENDERERS shall consider:

22.10.1. all obligations and risks allocated to the CONCESSIONAIRE under the CONTRACT and its EXHIBITS;

22.10.2. all costs related to fulfillment of the CONTRACT subject matter, including, but not limited to: amounts related to the CONCESSIONAIRE's tax, labor and social security burdens and obligations, which shall be borne at its sole expense; costs of its subcontractors, suppliers and others; mobilization and demobilization costs for the installation of the works and services to be performed; other direct or indirect costs incident to the performance of the SERVICES subject to the CONCESSION; costs of procuring insurance and guarantees, of meeting deadlines, and any other costs necessary to comply with its obligations set forth in the CONTRACT;

22.10.3. all applicable taxes, pursuant to legislation enacted by the FEDERAL GOVERNMENT, the STATE or the MUNICIPALITIES, as of the submission of the COMMERCIAL PROPOSAL;

22.10.4. amounts due as reimbursement for the work of preparing the studies for structuring this TENDER NOTICE, CONTRACT and EXHIBITS, pursuant to Article 21 of Law No. 8,987/1995, and for conducting the tender procedure, as provided for in item **Erro! Fonte de referência não encontrada.**;

22.10.5. only the 127 (one hundred and twenty-seven) MUNICIPALITIES comprising the CONCESSION's COVERAGE AREA, and the TENDERERS shall fully disregard, for purposes of preparing, pricing or economic-financial structuring of the PROPOSAL, any assumptions, costs, revenues, demand, investments or economies of scale related to other municipalities potentially eligible for future inclusion in the COVERAGE AREA; and

22.10.6. that any future inclusion of municipalities in the COVERAGE AREA shall observe the procedures and conditions set forth in the CONTRACT, including with respect to any applicable economic-financial contractual rebalancing, producing effects only after effective inclusion, and



may not, until then, support any expectation, pricing, discount, competitive advantage or request for rebalancing.

22.11. For purposes of preparing the PROPOSAL, the TENDERERS shall not take into account any other offers or advantages not provided for in this TENDER NOTICE, the CONTRACT and their respective EXHIBITS, nor prices or advantages based on the offers of other TENDERERS.

22.12. COMMERCIAL PROPOSALS that do not comply with the maximum amounts set forth in item 22.4.1 and its subitems shall be automatically disqualified.

23. QUALIFICATION DOCUMENTS

General provisions

23.1. The TENDERERS are required to fulfill the requirements relating to legal qualification, tax and labor compliance, technical qualification, economic and financial qualification, and compliance with Article 7, item XXXIII, of the Federal Constitution, Articles 62 to 70 of Federal Law No. 14,133/2021, Section 9 – Qualification of the CAGECE Bidding and Contract Regulation (2021), and this TENDER NOTICE.

23.2. If the certificates submitted to meet the qualification requirements do not indicate a validity term, only those issued up to 90 (ninety) days prior to the ENVELOPES SUBMISSION DATE shall be accepted.

23.3. Certificates obtained via the internet shall be accepted, provided that they were issued by official websites and that the document indicates the website where the authenticity of the information may be verified.

23.4. Along with the QUALIFICATION DOCUMENTS, all documents required to evidence the authority of the TENDERERS' representatives acting as the signatory(ies) to the statements included in the documentation shall be submitted, without the need for notarization for the statements.

23.5. Foreign documents equivalent to those requested in this TENDER NOTICE must be submitted in a manner that allows clear identification of their validity and effectiveness for purposes of meeting the qualification requirements.

23.6. Foreign legal entities participating in the tender procedure, whether individually or jointly in a CONSORTIUM, shall submit the documentation required under this TENDER NOTICE in accordance with the laws of their country of origin, and shall additionally submit:



23.6.1. an express statement that it submits to Brazilian law and waives any claim through diplomatic channels, as provided for in EXHIBIT B – LETTERS AND STATEMENTS TEMPLATE; of this TENDER NOTICE;

23.6.2. a statement indicating the correlation between the legal administrative documents and their validity terms, as required in tenders in Brazil, and the corresponding documents in the country of origin, as per the template set forth in EXHIBIT B – LETTERS AND STATEMENTS TEMPLATE; of this TENDER NOTICE; and

23.6.3. if there are no documents equivalent to those requested in this TENDER NOTICE, a statement informing such fact, as per the template set forth in EXHIBIT B – LETTERS AND STATEMENTS TEMPLATE; of this TENDER NOTICE.

23.7. The TENDERER may be disqualified if it fails to submit any of the qualification documents required under this TENDER NOTICE or fails to meet any of the qualification conditions set forth herein.

Legal Qualification

23.8. The legal qualification of the TENDERERS shall be evidenced by demonstrating that the TENDERER has the capacity to exercise rights and assume obligations, through the submission of documents capable of evidencing the TENDERER's legal existence and, when applicable, the existence of authorization to participate in the TENDER and, for such purposes, the following documents shall be accepted:

23.8.1. in the case of a sole proprietorship, by submitting the TENDERER's commercial registration;

23.8.2. in the case of a business company, by submitting the TENDERER's articles of incorporation, bylaws or articles of association currently in force, together with evidence of the current administrators, or the respective consolidated bylaws or articles of association currently in force, with any subsequent amendments, if any, duly registered with the commercial registry authority of the place of its registered headquarter;

23.8.3. in the case of corporations and limited liability companies, in addition to the articles of association or bylaws, by submitting duly registered documents evidencing the election of the officers currently in office and, when applicable, the publications required under Federal Law No. 6,404/1976;

23.8.4. in the case of a simple partnership, by submitting registration of the TENDERER's constitutive act and all its subsequent amendments currently in force, duly registered with the Civil Registry of Legal Entities, along with a document evidencing the administrators currently in office;



23.8.5. in the case of a foreign company or corporation operating in Brazil, by submitting the authorization decree and the act of registration or operating authorization issued by the competent authority.

23.9. In the case of a financial institution, the TENDERER shall submit, in addition to documents equivalent to those listed in item **Erro! Fonte de referência não encontrada.**, evidence of authorization to operate as a financial institution, issued by the Central Bank of Brazil (BACEN).

23.10. In the case of an open or closed private pension entity, the TENDERER shall submit, in addition to documents equivalent to those listed in item **Erro! Fonte de referência não encontrada.**, evidence of express and specific authorization for the incorporation and operation of the private pension entity, granted by the competent supervisory authority, as well as a statement that the plans and benefits managed by it are not under liquidation or intervention by the competent supervisory authority.

23.11. In the case of an investment fund, the TENDERER shall submit, in addition to documents equivalent to those listed in item **Erro! Fonte de referência não encontrada.**, the following:

- a) evidence of registration of the investment fund with the Brazilian Securities and Exchange Commission (CVM), established by Federal Law No. 6,385/1976;
- b) the constitutive act with its most recent amendment filed with the competent authority;
- c) a full text of the bylaws, regulations and any amendments, if any, duly registered with the Registry of Deeds and Documents or with the CVM, pursuant to CVM/SIN Circular Letter 12/19;
- d) evidence of registration of the administrator and, if any, the investment fund manager with the CVM;
- e) evidence of election of the administrator's representatives;
- f) evidence that the investment fund has been duly authorized by its unitholders to participate in the tender procedure, through authorization arising from the fund's investment policy described in its bylaws/regulations, and that its administrator may represent it in all acts and for all purposes of the TENDER, assuming, on behalf of the investment fund, all obligations and rights arising from the TENDER;
- g) evidence that the administrator and the fund are not undergoing judicial liquidation, by means of a certificate issued by the distribution clerk's office(s) of their registered office, or extrajudicial liquidation, by means of proof obtained through consultation of the Central Bank of Brazil's website.



23.12. In the case of participation in a CONSORTIUM, the TENDERER shall submit, in addition to the legal qualification documents of all consortium members, the consortium agreement or undertaking to incorporate the SPE, executed by the consortium members, in accordance with item 24.2 of this TENDER NOTICE.

Economic-Financial Qualification

23.13. The economic-financial qualification of the TENDERERS shall be evidenced as follows:

23.13.1. the case of a business company, a certificate of no filing for bankruptcy, judicial or extrajudicial restructuring shall be submitted, issued by the judicial distribution office of the judicial district (Civil Courts and equivalents) where the company is headquartered, dated no more than 90 (ninety) days prior to the ENVELOPES SUBMISSION DATE.

23.13.1.1. Together with the required certificates, the TENDERERS shall submit a statement issued by the forum of their registered headquarters indicating which registries or clerk's offices control the distribution of bankruptcy and judicial restructuring proceedings.

23.13.1.2. Submission of the certificate referred to in item 23.13.1 is waived in cases where the judicial district of the TENDERER's registered headquarter does not issue an official document with such content; in such case, the TENDERER shall submit a statement signed by the ACCREDITED REPRESENTATIVE informing the impossibility of submitting such document, without prejudice to the TENDER COMMISSION's right to carry out diligences to verify the truthfulness of the statements made.

23.13.1.3. If the certificate submitted is positive for judicial restructuring, the duly approved and court-ratified judicial restructuring plan shall be submitted.

23.13.2. In the case of an open or closed private pension entity, the TENDERER shall submit a statement that the plans and benefits managed by it are not under liquidation or intervention by the Superintendence of Private Insurance (SUSEP) of the Ministry of Finance or by the National Superintendence of Complementary Pensions (PREVIC) of the Ministry of Social Security;

23.13.3. In the case of an investment fund, the TENDERER shall submit a certificate of no bankruptcy, or a positive certificate with the effects of a negative certificate, regarding the fund's administrator and manager, issued by the distribution clerk's office(s) of their registered headquarter, dated no more than 90 (ninety) days prior to the ENVELOPES SUBMISSION DATE.

23.13.4. The TENDERER and, in the case of a CONSORTIUM, each of its members, proportionally to its participation in the CONSORTIUM, shall declare that it has, or has the capacity to obtain, sufficient financial resources, such as financing, to comply with the obligations to contribute



equity and third-party funds necessary to achieve the subject matter of this Concession, pursuant to EXHIBIT B – LETTERS AND STATEMENTS TEMPLATE;

Technical Qualification

23.14. The technical qualification of the TENDERERS shall be evidenced as follows, cumulatively:

23.14.1. Evidence of technical-operational capacity, to be provided by submitting a certificate issued by a public-law or private-law legal entity evidencing that, within the last 18 (eighteen) years, the TENDERER, its AFFILIATE or, in the case of participation in a CONSORTIUM, one or more CONSORTIUM MEMBERS, raised investments for infrastructure projects, in any sector, in at least the following amounts:

- i. **For LOT 1:** R\$ 323,457,192.00 (three hundred twenty-three million, four hundred fifty-seven thousand, one hundred ninety-two reais).
- ii. **For LOT 2:** R\$ 425,648,754.00 (four hundred twenty-five million, six hundred forty-eight thousand, seven hundred fifty-four reais).
- iii. **For LOT 3:** 426,373,534.00 (four hundred twenty-six million, three hundred seventy-three thousand, five hundred thirty-four reais).
- iv. **For LOT 4:** R\$ 376,106,103.00 (three hundred seventy-six million, one hundred six thousand, one hundred three reais).
- v. **For LOT 5:** R\$ 503,854,036.00 (five hundred three million, eight hundred fifty-four thousand, thirty-six reais).

23.14.1.1. To evidence the amount indicated in the preceding item, the aggregation of certificates shall be permitted, provided that, in at least one of the projects referred to in the supporting documents, the TENDERER has made investments of at least the following amounts:

- i. **LOT 1:** R\$ 161,728,596.00 (one hundred sixty-one million, seven hundred twenty-eight thousand, five hundred ninety-six reais).
- ii. **LOT 2:** R\$ 212,824,377.00 (two hundred twelve million, eight hundred twenty-four thousand, three hundred seventy-seven reais).
- iii. **LOT 3:** R\$ 213,186,767.00 (two hundred thirteen million, one hundred eighty-six thousand, seven hundred sixty-seven reais).



iv. **LOT 4:** R\$ 188,053,052.00 (one hundred eighty-eight million, fifty-three thousand, fifty-two reais).

v. **LOT 5:** R\$ 251,927,018.00 (two hundred fifty-one million, nine hundred twenty-seven thousand, eighteen reais).

23.14.1.2. Certificates in an amount below R\$ 50,000,000.00 (fifty million reais) shall not be accepted.

23.14.1.3. If a certificate refers to experience carried out by the TENDERER within a consortium, the TENDERER's participation percentage in such consortium shall be considered, unless such participation is equal to or greater than 50% (fifty percent), in which case the full amounts stated in the certificate shall be considered.

23.14.1.4. The certificate shall indicate the amount of resources applied and the project to which such resources were directed.

23.14.1.5. If the TENDERER submits a COMMERCIAL PROPOSAL for more than one LOT, it may evidence compliance with the requirement set forth in item 23.14.1 by means of the same certificate(s), provided that the minimum specific requirements for each LOT for which it bids are met.

23.14.1.6. The amounts described in the certificates shall be updated by the TENDERER itself based on the IPCA or, in its absence, another official inflation index that replaces it, from the date of the relevant financial transaction closing through the latest IPCA published by IBGE prior to the ENVELOPES SUBMISSION DATE.

23.14.2. Evidence of registration or enrollment of the TENDERER and of the technical officer referred to in subitem 23.14.3 with the Regional Council of Engineering, Architecture and Agronomy – CREA, by means of a certificate valid on the ENVELOPES SUBMISSION DATE. In the case of a CONSORTIUM, at least one of the CONSORTIUM MEMBERS shall submit such evidence;

23.14.3. Evidence of technical-professional capacity, to be provided by submitting certificates or statements issued by public-law or private-law entities in the name of a professional holding a higher-education degree and maintaining a professional connection with the TENDERER, together with the respective CATs – Technical Experience Certificates (Certidões de Acervo Técnico), evidencing the professional's experience, for a minimum period of 2 (two) years, in holding executive position(s) within up to the third-highest hierarchical level of a business company or other entity responsible for the operation of household wastewater collection and sanitary wastewater treatment systems in a coverage area with at least 150,000 (one hundred and fifty thousand) inhabitants, including the direct provision of services to serve the population.



23.14.3.1. For purposes of verifying compliance with the threshold set forth above, the data made available by the Brazilian Institute of Geography and Statistics (IBGE) in the latest demographic census, conducted in 2022 and available for consultation at <https://censo2022.ibge.gov.br/panorama/>, shall be considered.

23.14.3.2. The professional referred to in item 23.14.3 shall be connected to the TENDERER or its AFFILIATE through an employment relationship, as an officer, under a service contract, or through a letter of intent, and the TENDERER shall submit documentation evidencing such link together with the respective certificate or statement.

23.14.3.3. In the case of participation in a CONSORTIUM, the professional's connection may be established with any CONSORTIUM MEMBER.

23.14.3.4. If the connection is an employment relationship, the TENDERER shall submit the Employee Registration Record (FRE) and the Employment Record Book (Carteira de Trabalho), duly updated.

23.14.3.5. To evidence the taking office to an administrator position, the TENDERER shall submit evidence of election of the officers currently in office, duly filed with the commercial registry or competent registry office.

23.14.3.6. To evidence the connection by means of a letter of intent, the TENDERER shall submit technical assistance undertaking instrument, with notarized signature, under which the qualified professional undertakes to provide the TENDERER with the technical advisory support necessary for performance of the CONTRACT.

23.14.3.7. It is forbidden for the qualified professional to have a connection with more than one TENDERER.

23.14.3.8. The professional indicated by the TENDERER for purposes of evidencing technical-professional capacity shall participate directly in the execution of the TENDER subject matter and be indicated as the technical officer responsible for the INVESTMENT PLAN; its subsequent replacement by a professional with equivalent or greater experience shall be permitted, provided that approved by CAGECE.

23.14.4. Form duly completed by the TENDERER indicating whether it participated in the technical site visit, as set forth in EXHIBIT B – LETTERS AND STATEMENTS TEMPLATE;.

23.15. With respect to the certificates and statements required under item 23.14, the name and identification of the documents issuer shall be provided, with updated telephone numbers, address and



e-mail for contact, to enable any diligence by the TENDER COMMISSION regarding the compliance of the certificates and statements.

23.16. Any non-compliance of the certificates or statements, or the failure to confirm their content after diligences carried out by the TENDER COMMISSION, shall result in the TENDERER being deemed unqualified, without prejudice to other applicable sanctions due to the falsity of the information provided.

23.17. Certificates originally issued in the name of third parties shall be accompanied by evidence of how they were acquired or incorporated by the TENDERER or its AFFILIATES.

23.18. Subject to the foregoing conditions, the submission of certificates in the name of AFFILIATES shall be permitted, and, in the case of certificates of AFFILIATES, the TENDERER shall submit a corporate chart executed by its legal representative.

23.19. In the event of corporate changes and in cases of merger, consolidation, split-up and spin-off, only certificates in which the definitive transfer of the technical experience portfolio is unequivocally evidenced by documentation shall be considered.

Tax and Labor Compliance

23.20. The TENDERER's tax and labor compliance shall be evidenced by submitting the following documents:

23.20.1. Evidence of registration with the National Registry of Legal Entities – CNPJ;

23.20.2. Evidence of registration with the state and municipal taxpayer registry, if any, relating to the TENDERER's registered headquarter, as applicable to its corporate purpose, or, if the TENDERER is not registered, its own statement to that effect.

23.20.3. Evidence of good standing with the State Treasury in respect of the TENDERER's domicile or registered office, by submitting a negative tax clearance certificate or a positive certificate with the effects of a negative certificate for state tax liabilities, or, if the TENDERER is not registered, evidence of such status.

23.20.4. Evidence of good standing with the Municipal Treasury in respect of municipal taxes, relating to the TENDERER's domicile or registered office, by submitting a negative tax clearance certificate or a positive certificate with the effects of a negative certificate, or, if the TENDERER is not registered, evidence of such status.



23.20.5. Evidence of tax good standing with the Federal Treasury, by submitting a negative tax clearance certificate or a positive certificate with the effects of a negative certificate for liabilities relating to federal taxes and the Federal Government's outstanding debt (dívida ativa da União), covering the taxes administered by the Brazilian Federal Revenue (RFB) and the social contributions provided for in Federal Law No. 8,212/1991;

23.20.6. Certificate of good standing relating to social security and to the Severance Indemnity Fund – FGTS, issued by Caixa Econômica Federal at the TENDERER's registered headquarter, or, in the case of an investment fund, a statement by the TENDERER that it is not registered with the FGTS;

23.20.7. Certificate of No Labor Debts – CNDT, or a Positive Certificate with the same effects as the CNDT, pursuant to Title VII-A of the Consolidation of Labor Laws – CLT;

23.20.8. Evidence of compliance with item XXXIII of Article 7 of the Federal Constitution.

Declarations

23.21. The TENDERERS shall also submit the following declarations, in ENVELOPE 1, in accordance with the respective templates set forth in EXHIBIT B – LETTERS AND STATEMENTS TEMPLATE;:

23.21.1. Statement that it is in good standing with the Ministry of Labor, in compliance with the prohibitions set forth in Article 7, item XXXIII, of the Federal Constitution, namely: prohibition of nocturne, dangerous or unhealthy work for persons under eighteen years of age and of any work for persons under sixteen years of age, except as an apprentice from the age of fourteen;

23.21.2. Statement of full compliance with the qualification requirements;

23.21.3. Statement that it has taken knowledge of all information and local conditions for the fulfillment of the obligations that are the subject matter of this TENDER;

23.21.4. Statement regarding the absence of any impediment to participate in the TENDER; and

23.21.5. Statement regarding the undertaking to maintain, throughout the CONTRACT term, the technical officer(s) holding technical qualifications equal to or higher than those required under the TENDER NOTICE, with replacement permitted, provided that approved by CAGECE, as set forth in item 23.14.3.8.

24. PARTICIPATION IN A CONSORTIUM



24.1. The QUALIFICATION DOCUMENTS shall be evidenced individually by each CONSORTIUM MEMBER, provided that, with respect to technical qualification requirements, they may be met in accordance with the conditions set forth in the specific chapter.

24.2. In addition to other documents required under this TENDER NOTICE, participation by a TENDERER as a CONSORTIUM shall be conditional upon the submission, in ENVELOPE 1, of an undertaking to incorporate the SPE, executed by the CONSORTIUM MEMBERS, containing at least the following information:

24.2.1. the CONSORTIUM's name;

24.2.2. the CONSORTIUM's objectives, limited to participation in the TENDER;

24.2.3. the percentage participation of the CONSORTIUM MEMBERS in the CONSORTIUM;

24.2.4. identification of the CONSORTIUM's lead member;

24.2.5. the grant of broad powers to the CONSORTIUM's lead member to represent the CONSORTIUM MEMBERS, actively and passively, judicially and extrajudicially, in all acts related to the TENDER, and to assume obligations on behalf of the CONSORTIUM;

24.2.6. a statement of joint and several liability of the CONSORTIUM MEMBERS for the acts performed in the TENDER; and

24.2.7. an undertaking that, if it is declared the winner of the TENDER, its CONSORTIUM MEMBERS shall incorporate the SPE under Brazilian law, in the form of a corporation, with its headquarter in one of the MUNICIPALITIES of the awarded LOT and with a specific administrative, accounting and tax structure.

24.3. The disqualification or rejection of any CONSORTIUM MEMBER shall automatically result in the disqualification or rejection of the CONSORTIUM and of each of the CONSORTIUM MEMBERS.

24.4. No inclusion, substitution, withdrawal, exclusion or change in the participation of any CONSORTIUM MEMBER shall be permitted from the ENVELOPES SUBMISSION DATE until the signing of the CONTRACT.

24.5. There shall be no restriction on the number of CONSORTIUM MEMBERS.

25. **PARTICIPATION OF FOREIGN TENDERERS**



25.1. Foreign TENDERERS shall fulfill the qualification requirements set forth in this TENDER NOTICE by submitting documents equivalent to those required from domestic TENDERERS, and the applicable legal requirements in the countries of origin of the foreign TENDERERS shall be complied with.

25.1.1. The equivalent documents referred to in the item above shall be issued in the name of the headquarter or branches of the foreign TENDERERS and shall be supplemented with the following documentation: (i) power of attorney granted to a legal representative in Brazil, with express powers to receive service of process and to respond administratively and judicially for their acts; (ii) a statement submitting to the laws of the Federative Republic of Brazil and waiving any claim through diplomatic channels; and (iii) the administrative order authorizing operation in Brazil, published in the Official Gazette of the Federal Government and filed with the Board of Trade of the federative unit where the branch, agency, subsidiary or establishment is located, which shall be considered its head office, pursuant to DREI/ME Normative Instruction No. 77, dated March 18, 2020.

25.1.2. If there are no equivalent documents in the respective countries of origin of the foreign TENDERERS capable of meeting the qualification requirements set forth in this TENDER NOTICE, the foreign TENDERERS shall submit a statement to that effect, under penalty of law, executed by their ACCREDITED REPRESENTATIVES.

CHAPTER V – ANALYSIS AND JUDGEMENT PROCEDURE

26. REFERENCE SCHEDULE OF THE TENDER

26.1. The reference schedule below is for indicative purposes only and may be subject to amendments that may partially or fully affect the dates provided for herein.

Events	Event Description	Dates
1	Deadline to schedule the technical site visit	June 1, 2026 15th business day prior to the ENVELOPES SUBMISSION DATE
2	Deadline to submit requests for clarifications	June 19, 2026 3 (three) business days before the ENVELOPES SUBMISSION DATE
3	Deadline to file objections to the TENDER NOTICE	June 19, 2026 3 (three) business days before the ENVELOPES SUBMISSION



		DATE
4	Deadline to carry out the technical site visit	June 22, 2026 2nd business day before the ENVELOPES SUBMISSION DATE
5	Deadline for responses to clarification requests	June 23, 2026 limited to the last business day prior to the ENVELOPES SUBMISSION DATE
6	Deadline to publish the decision on the objections filed	June 23, 2026 Limited to the last business day prior to the ENVELOPES SUBMISSION DATE
7	Date for receipt, by the TENDER COMMISSION, of ENVELOPES 1, 2 and 3	June 24, 2026
8	Publication of the analysis result of the PROPOSAL GUARANTEES and of the TENDERERS eligible to participate in the TENDER	June 29, 2026 1 (one) day before the public opening session of ENVELOPE 2
9	Public Session for opening ENVELOPE 2 relating to LOTS 1 through 5 of the TENDERERS deemed eligible to participate in the tender procedure. Ranking of the COMMERCIAL PROPOSALS and conduct of the oral bidding session.	June 30, 2026 Hour: 2pm
10	Disclosure of the classification order for all LOTS.	June 30, 2026
11	Public Session for opening ENVELOPE 3 of the highest- ranked TENDERER in each of the LOTS.	June 30, 2026
12	Publication of the result of the TENDER award decision, commencing the appeal period.	July 29, 2026
13	Expression of intent to appeal	July 30, 2026
14	End of the period for review of the records and submission of appeal grounds.	August 3, 2026
15	Notice of the filing of appeals to the other TENDERERS, and commencement of the term to submit objections to the appeals.	August 4, 2026
16	Deadline to submit objections to the appeals.	August 7, 2026



17	Expected date for publication of the decision on the appeals.	August 26, 2026
18	Expected date for award of the TENDER's subject matter to the WINNING TENDERER(S) and homologation of the TENDER result by CAGECE	At the discretion of the GRANTING AUTHORITY
19	Final deadline for the AWARDED TENDERER(S) to evidence fulfillment of the conditions precedent to signing of the CONTRACT.	Up to 60 days from the date of notification
20	Expected date for signing of the CONTRACT.	At the discretion of the GRANTING AUTHORITY

26.2. Any changes to dates shall be disclosed at www.seplag.ce.gov.br and published in the official gazette.

26.3. All procedures provided for in this TENDER NOTICE, including those relating to the opening and judgement of the COMMERCIAL PROPOSAL and the QUALIFICATION DOCUMENTS, shall observe the sequential order to be established by CAGECE after receipt of the ENVELOPES, as provided for in subitem 27.1.1.

27. ENVELOPES SUBMISSION SESSION

27.1. On the ENVELOPES SUBMISSION DATE, the TENDERERS shall deliver, at B3's premises, ENVELOPE 1 – REPRESENTATION DOCUMENTS and PROPOSAL GUARANTEE, ENVELOPE 2 – COMMERCIAL PROPOSAL and ENVELOPE 3 – QUALIFICATION DOCUMENTS for each of the LOTS for which they choose to participate.

27.1.1. After receipt of the ENVELOPES, depending on the number of COMMERCIAL PROPOSALS received in each LOT, on the logistics for accommodating participants at the Public Session, or aiming at fostering greater competition in the tender procedure, a relevant notice shall be published up to 1 (one) day prior to the Public Session for opening ENVELOPE 2, to establish the sequential order for opening the ENVELOPES for each of the LOTS and any oral bidding phase.

27.1.2. The sequential order shall be defined by CAGECE, which shall notify the TENDER COMMISSION so that it publishes it within the term set forth above.

27.2. The submission of ENVELOPE 3 – QUALIFICATION DOCUMENTS at the ENVELOPES submission session shall not prevent, after the ranking of the COMMERCIAL PROPOSALS, the submission by the TENDERERS, in response to a diligence by the TENDER COMMISSION, of supplemental documentation for purposes of meeting qualification requirements.



27.3. At the ENVELOPES submission session, while still sealed, all ENVELOPES of the TENDERERS, relating to LOTS 1 through 5, shall be initialed by the members of the TENDER COMMISSION and by the TENDERER's ACCREDITED REPRESENTATIVE or ACCREDITED PARTICIPANT.

27.4. Thereafter, the TENDER COMMISSION shall, with the support of B3, open ENVELOPE 1 of all TENDERERS and analyze it.

27.5. The TENDER COMMISSION shall, with the support of B3, analyze the regularity and effectiveness of the PROPOSAL GUARANTEES submitted and shall decide on the eligibility of the TENDERERS for each of the LOTS.

27.6. The decision on whether to accept the documents contained in the submitted ENVELOPE 1 shall be published on the portal <http://www.seplag.ce.gov.br>, pursuant to the reference schedule, and the appeal phase shall be opened in accordance with item 30.3.

28. OPENING, EXAMINATION AND JUDGEMENT OF THE COMMERCIAL PROPOSALS

28.1. On the date set forth in the reference schedule, ENVELOPES 2 containing the TENDERERS' COMMERCIAL PROPOSALS shall be opened. The SESSION DIRECTOR, on behalf of the TENDER COMMISSION, shall examine, read and rank the PROPOSALS, and shall conduct the oral bidding phase, in accordance with the rules set forth below, observing the sequence of LOTS established in item 27.1.1. The procedure shall be carried out on a LOT-by-LOT basis, so that ENVELOPES 2 submitted for the next LOT in the established sequential order shall only be opened after the ranking of the PROPOSALS and any oral bidding phase in respect of the preceding LOT.

28.1.1. The judgement of the COMMERCIAL PROPOSALS shall consider that a maximum of 1 (one) LOT may be awarded per TENDERER, and the award of more than one LOT to the same TENDERER shall not be permitted, subject to the exception set forth in subitem 28.14.

28.2. COMMERCIAL PROPOSALS may be disqualified if they are:

28.2.1. submitted in non-compliance with the template set forth in EXHIBIT C – COMMERCIAL PROPOSAL TEMPLATE; of this TENDER NOTICE, or if they do not contain all documents required under the TENDER NOTICE;

28.2.2. containing erasures, smudges, interlineations or wording that hinders the exact understanding of the statement;

28.2.3. containing amendments, reservations or omissions;

28.2.4. failing to indicate the LOT to which the proposal relates;



- 28.2.5. involving an offer subject to a condition or term not provided for in this TENDER NOTICE;
- 28.2.6. presenting prices exceeding the limit set forth in item **Erro! Fonte de referência não encontrada.** of this TENDER NOTICE;
- 28.2.7. not accompanied by the BUSINESS PLAN, as set forth in item 22.6 of this TENDER NOTICE;
- 28.2.8. where documents are not signed by a duly authorized person, or are not accompanied by documents evidencing authority to sign and/or represent; or
- 28.2.9. containing other defects capable of compromising their validity.
- 28.3. The ranked TENDERERS shall be those whose COMMERCIAL PROPOSAL meets all requirements set forth in the applicable legislation and is subject to the conditions and terms provided for in this TENDER NOTICE.
- 28.4. After the COMMERCIAL PROPOSALS have been analyzed, the TENDER COMMISSION shall rank them in ascending order of value, and, therefore, the first-ranked COMMERCIAL PROPOSAL shall be the one with the lowest aggregate amount of the MONTHLY FINANCIAL CONSIDERATIONS to be paid to the CONCESSIONAIRE over the term of the CONTRACT. After the ranking, as applicable, the oral bidding phase shall take place, pursuant to Article 12, item III, letter b, of Federal Law No. 11.079/2004.
- 28.5. Once the COMMERCIAL PROPOSALS have been provisionally ranked, if there are COMMERCIAL PROPOSALS with a value up to 20% (twenty percent), inclusive, higher than the value proposed in the COMMERCIAL PROPOSAL initially ranked first, an oral bidding phase shall be conducted among such TENDERERS.
- 28.6. If the oral bidding phase is opened and no bids are submitted, the COMMERCIAL PROPOSAL initially ranked first shall be declared the highest-ranked proposal.
- 28.7. Oral bids shall meet the following requirements to be deemed valid:
- (a) each bid shall reduce the value of the lowest COMMERCIAL PROPOSAL at the time the bid is submitted, and intermediate bids shall not be accepted; and
 - (b) each bid shall observe the minimum variation amount of R\$ 30,000,000.00 (thirty million reais) in the total amount of the MONTHLY FINANCIAL CONSIDERATIONS to be paid to the CONCESSIONAIRE over the term of the CONTRACT, such variation having as its reference the lowest COMMERCIAL PROPOSAL submitted up to that moment.
- 28.7.1. The interval between bids shall not exceed 10 (ten) minutes.



28.7.2. If no TENDERER submits new bids within the time period indicated by the SESSION DIRECTOR, the proposal that has submitted the best bid up to that moment shall be declared the highest-ranked for the respective LOT.

28.8. Bids shall be submitted in reverse order of the provisional ranking of the written PROPOSALS. Thus, the highest-ranked TENDERER in this stage shall always be the last to submit bids in the oral bidding rounds, until no TENDERER expresses an interest in submitting new bids.

28.8.1. At each oral bidding round, the COMMERCIAL PROPOSALS shall be re-ranked in ascending order.

28.9. At the end of the oral bidding phase, if carried out, the SESSION DIRECTOR shall announce the TENDERERS' ranking order, considering all bids submitted, in ascending order of the aggregate amount of the MONTHLY FINANCIAL CONSIDERATIONS over the term of the CONTRACT.

28.10. If an oral bidding phase is carried out, ratification of the final bids shall be made by all TENDERERS that submitted bids, by affixing their signatures to the ratification instrument issued by the TENDER COMMISSION at the Public Session itself.

28.10.1. If there is no oral bidding phase, there shall be no ratification of COMMERCIAL PROPOSALS.

28.10.2. The TENDERER that submits the lowest bid shall send to ccc@pge.ce.gov.br, within up to 2 (two) business days of the Public Session, an updated version of the BUSINESS PLAN to reflect the new value of the COMMERCIAL PROPOSAL, maintaining the parameters originally submitted and reducing only the Internal Rate of Return.

28.10.3. The final bid ratified pursuant to item 28.10 above shall be reflected in a new discount in relation to the Fixed Amount to Remunerate Investments contained in the COMMERCIAL PROPOSAL.

28.10.4. For purposes of evidencing the feasibility of the new value of the COMMERCIAL PROPOSAL, CAGECE may request the TENDERER that the updated version of the BUSINESS PLAN be attested by a professional or company that meets the requirements set forth in Article 2, caput, item II, of Federal Decree No. 11.598/2023.

28.11. The TENDERER that submits the lowest aggregate amount of the MONTHLY FINANCIAL CONSIDERATIONS over the CONTRACT term shall be ranked first for the relevant LOT, in accordance with the order established pursuant to subitem 27.1.1.



28.11.1. If the same TENDERER submits a COMMERCIAL PROPOSAL for more than one LOT, its first-place ranking in any of the LOTS shall not prevent it from participating in the bidding process for subsequent LOTS.

28.12. In the event of a tie between two or more COMMERCIAL PROPOSALS, the TENDER COMMISSION shall apply, in the order in which they are listed, the criteria set forth in Article 60 of Federal Law No. 14.133/2021, notably: (i) a final dispute, in which the tied TENDERERS may submit a new sealed bid; and, (ii) the other criteria set forth in Article 60 of Federal Law No. 14.133/2021.

28.13. After the ranking of the COMMERCIAL PROPOSALS, upon completion of the procedure in relation to all LOTS, the SESSION DIRECTOR shall summon, in the order established pursuant to subitem 27.1.1, the TENDERERS ranked first in more than one LOT, so that they select their preferred LOT and state their intention to withdraw their COMMERCIAL PROPOSAL(S) with respect to the other LOT(S).

28.13.1. The withdrawal referred to in the subitem above shall not constitute an administrative offense nor grounds for enforcement of the PROPOSAL GUARANTEE.

28.13.2. In the event described in subitem 28.13, observing the order established pursuant to subitem 27.1.1, the TENDERER shall have up to 15 (fifteen) minutes to select its preferred LOT and to state its intention to withdraw its COMMERCIAL PROPOSAL(S) with respect to the other LOTS, counted from the announcement of the TENDERERS' ranking order made by the SESSION DIRECTOR, and such statement shall be made orally.

28.13.3. Failure by the TENDERER to make a statement under the terms set forth in subitem 28.13 shall be deemed a withdrawal of its COMMERCIAL PROPOSALS in all LOTS and shall authorize enforcement of the PROPOSAL GUARANTEES provided for all LOTS for which the TENDERER submitted a COMMERCIAL PROPOSAL.

28.14. After completion of the procedure referred to in subitem 28.13, if there remain LOTS without a COMMERCIAL PROPOSAL due to the intention to withdraw expressed by TENDERERS, the SESSION DIRECTOR shall commence the REMAINING LOTS ALLOCATION, consisting of 2 (two) stages, in which TENDERERS already ranked first for a LOT may be ranked for 1 (one) additional LOT among the remaining ones.

28.14.1. The first stage of the REMAINING LOTS ALLOCATION shall aim to rank TENDERERS for the LOTS that had only 1 (one) valid COMMERCIAL PROPOSAL submitted and which was subject to an intention to withdraw by the proponent pursuant to subitem 28.13, and the SESSION DIRECTOR shall observe the following:



28.14.1.1. Initially, any TENDERER that, in only 1 (one) of the remaining LOTS, was the sole party to submit a valid COMMERCIAL PROPOSAL shall be called upon. For such remaining LOT, the TENDERER shall be ranked first and, if qualified, declared the winner.

28.14.1.2. Thereafter, any TENDERER that, in 2 (two) or more remaining LOTS, was the sole party to submit a valid COMMERCIAL PROPOSAL shall be called upon, and the TENDERER shall choose one of such LOTS, for which it shall be ranked first and, if qualified, declared the winner.

28.14.2. TENDERERS ranked first for any of the remaining LOTS in the first stage of the REMAINING LOTS ALLOCATION shall not be called upon to participate in the second stage, so as to avoid the same TENDERER being awarded more than 2 (two) LOTS.

28.14.3. The second stage of the REMAINING LOTS ALLOCATION, which shall be carried out only if there still remain LOTS without a ranked COMMERCIAL PROPOSAL, shall aim to rank TENDERERS for the LOTS that had more than one valid COMMERCIAL PROPOSAL submitted, but all PROPOSALS were subject to an intention to withdraw by the proponents. In this case, the following shall be observed:

28.14.3.1. Initially, any TENDERER that, in only 1 (one) of the remaining LOTS, was responsible for submitting the best COMMERCIAL PROPOSAL, disregarding the TENDERERS referred to in subitem 28.14.2, shall be called upon. For such remaining LOT, the TENDERER shall be ranked first and, if qualified, declared the winner.

28.14.3.2. Thereafter, any TENDERER that, in 2 (two) or more remaining LOTS, was responsible for submitting the best COMMERCIAL PROPOSAL, disregarding the TENDERERS referred to in subitem 28.14.2, shall be called upon. In this case, the TENDERER shall choose one of the LOTS, for which it shall be ranked first and, if qualified, declared the winner.

28.14.3.2.1. The option granted to the TENDERER in the preceding item may be set aside if the choice results in the desertion of any of the LOTS.

28.14.4. The TENDERERS called upon for the REMAINING LOTS ALLOCATION and ranked first in the procedure may not withdraw their respective COMMERCIAL PROPOSALS, under penalty of enforcement of the PROPOSAL GUARANTEE provided.

28.14.5. This phase shall always be conducted in a manner that favors having the greatest possible number of LOTS with ranked TENDERERS.



28.15. The ranking of the COMMERCIAL PROPOSALS shall be published on the portal www.seplag.ce.gov.br, pursuant to the reference schedule of the TENDER.

28.16. All acts carried out at the Public Session of the TENDER shall be recorded in minutes signed by the accredited representatives of the TENDERERS present and by the TENDER COMMISSION.

28.17. The procedures set forth in this item **Erro! Fonte de referência não encontrada.** shall be adopted autonomously for each of the LOTS, pursuant to the schedule, observing the order established in item 27.1.1, except for item 28.14, which shall follow the specific rules set forth in this TENDER NOTICE.

29. OPENING, EXAMINATION AND JUDGEMENT OF THE QUALIFICATION DOCUMENTS

29.1. Following the final ranking of the TENDERERS, and on the date set forth in the reference schedule, ENVELOPE 3 of the TENDERER ranked first in each LOT, containing the QUALIFICATION DOCUMENTS, shall be opened in order to verify compliance with the qualification requirements set forth in this TENDER NOTICE.

29.2. Once compliance with the requirements set forth in this TENDER NOTICE is verified, the TENDERER ranked first for each of the LOTS shall be declared the winner, and the subject matter shall be awarded to it after completion of the appeal phase.

29.3. If the TENDERER ranked first does not meet the qualification requirements, the TENDER COMMISSION, once the possibilities for curing defects or clarifications have been exhausted, shall open the QUALIFICATION DOCUMENTS of the second highest-ranked TENDERER in the tender procedure for the relevant LOT, and so on, in accordance with the ranking order, until a TENDERER meets the qualification requirements and is then declared the winner.

29.3.1. In the event above, the WINNING TENDERER shall be called upon to submit the updated BUSINESS PLAN referred to in item 28.10.2, within the deadline set by the TENDER COMMISSION.

29.3.2. For purposes of complying with this subitem, the TENDER COMMISSION shall consider the ranking published at the end of the Public Session for opening ENVELOPE 2, after any oral bidding phase and the REMAINING LOTS ALLOCATION.

29.4. If, in any of the LOTS, all TENDERERS are deemed ineligible or disqualified, the TENDER COMMISSION may set a term of 8 (eight) business days for the submission of new documentation or new proposals free from the causes of ineligibility or disqualification of each TENDERER, for the relevant LOT.



29.4.1. Pursuant to CAGECE's Internal Bidding and Contract Regulation, if all TENDERERS are disqualified or deemed ineligible, due to the finding of incurable defects in all PROPOSALS submitted, the TENDER COMMISSION shall declare the TENDER unsuccessful.

29.4.2. Curable defects include, among others, material defects relating to the description of the subject matter of the PROPOSAL and its technical specifications, including aspects related to the execution of the subject matter, formalities, representation requirements, price composition spreadsheets and, in general, declaratory documents regarding situations pre-existing the opening of the tender procedure.

29.5. If there is refusal to sign the CONTRACT within the term and under the conditions set forth, or if any of the requirements necessary for its signing are not met, the TENDER COMMISSION may call upon the remaining TENDERERS, in ranking order, to sign under the conditions proposed by the WINNING TENDERER, or revoke the TENDER in whole or in part, without prejudice to the applicable administrative and civil sanctions.

29.6. In the exercise of its functions, the TENDER COMMISSION shall observe the principle of moderate formalism.

29.7. The procedures set forth in this item shall be adopted autonomously for each of the LOTS, pursuant to the schedule, observing the order established in subitem 27.1.1.

30. APPEALS

30.1. Pursuant to Article 165 of Federal Law No. 14,133/2021, the TENDERERS may appeal the decisions of the TENDER COMMISSION rendered in any of the acts referred to in items **Erro! Fonte de referência não encontrada., Erro! Fonte de referência não encontrada. and Erro! Fonte de referência não encontrada.,** in a single-instance appeal phase, which shall begin after the publication of the minutes of TENDER judgement, as provided for in the reference schedule of the TENDER.

30.2. If a TENDERER intends to file an administrative appeal against the decisions referred to in item 30.1, it shall state its intention to appeal within 1 (one) business day and submit its grounds of appeal within 3 (three) business days, both terms counted from the publication date of the TENDER judgement decision.

30.3. The statement of intention to appeal and the appeal shall be sent to the electronic address ccc@pge.ce.gov.br or formalized by means of an administrative proceeding filed with the protocol office of the Procurement Center of the PGE and addressed to the Central Tender Commission (PGE/CCC), and shall be subscribed by the TENDERER's ACCREDITED REPRESENTATIVE or another representative duly empowered for such act.



Av. Dr. Lauro Vieira Chaves, 1030 - Vila União
CEP: 60422-901 • Fortaleza / CE
CNPJ: 07.040.108/0001-57



30.4. Appeals sent by mail or by facsimile shall not be accepted.

30.5. The filing of an appeal shall be communicated to the other TENDERERS, which may file an objection thereto within a maximum term of 3 (three) business days, counted from receipt of the communication.

30.6. The appeal shall be addressed to the TENDER COMMISSION, which may reconsider its decision within 3 (three) business days, or, within the same term, forward it to the competent authority for judgement, which shall decide within 10 (ten) business days, counted from receipt of the appeal.

30.7. The tendering process records shall be made available for inspection by the interested TENDERERS as from publication of the minutes of judgement, pursuant to the reference schedule of the TENDER.

30.8. Appeals filed for delaying purposes or for reasons unrelated to the TENDERERS' rights and the public interest shall be deemed acts of disruption of the tendering process and shall, in such case, be reported by CAGECE to the Public Prosecutor's Office, to support the filing of criminal charges before the Judiciary, for the offense set forth in Article 337-I of Decree-Law No. 2,848/1940.

30.9. Once judgement of any appeals is concluded, the result shall be disclosed on the website www.seplag.ce.gov.br and published in the Official Gazette of the State of Ceará, and no further appeal shall lie from the decision of the highest competent authority.

30.10. The result of the TENDER shall be submitted by the TENDER COMMISSION to the highest competent authority for ratification (homologation) and award of the subject matter of the CONCESSION.

30.11. The procedures provided for in this item shall be adopted autonomously for each of the LOTS, pursuant to the reference schedule, observing the order established in subitem 27.1.1.

CHAPTER VI – CONDITIONS FOR FORMALIZATION OF THE CONTRACT

31. CALL FOR SIGNING THE CONTRACT

31.1. Once the subject matter of the TENDER has been adjudicated and the tender procedure has been homologated, the AWARDED TENDERER shall be called to, within up to 60 (sixty) days counted from the date of the summons, fulfill the formalities required for entering into the CONTRACT, as described in the following sections, under penalty of forfeiture of its right to contract, without prejudice to the application of the penalties set forth in Article 90, paragraph 5, of Federal Law No. 14,133/2021.

31.2. By the end of the term set forth in item 31.1, the AWARDED TENDERER shall submit to CAGECE:



31.2.1. Documents relating to the incorporation of the SPE, namely:

- 31.2.1.1. Certificate from the competent commercial registry authority;
- 31.2.1.2. Evidence of registration with the National Registry of Legal Entities (CNPJ/MF);
- 31.2.1.3. Articles of associations;
- 31.2.1.4. Shareholders' agreement or similar document, if any;
- 31.2.1.5. In the case of an individual TENDERER, evidence that the SPE is a wholly owned subsidiary, pursuant to the Corporation Law;

31.2.2. Description of the shareholding and management structure of the SPE, containing:

- 31.2.2.1. Description of the types of shares;
- 31.2.2.2. Shareholders and their respective holdings by share class;
- 31.2.2.3. Indication of the corporate structure of the SPE, as applicable, and of its controlling entities, as defined in the draft CONTRACT;
- 31.2.2.4. Shareholders' agreements of the SPE, when applicable;
- 31.2.2.5. Identification of the main administrators, including their respective *curriculum vitae*;
- 31.2.2.6. Description of the corporate governance principles adopted in the management of the SPE; and
- 31.2.2.7. Identification of the AFFILIATES, as defined in the draft CONTRACT.

31.2.3. Evidence of subscription and payment-in of 10% (ten percent) of the SPE's minimum share capital, corresponding to:

- i. R\$ 8,000,000.00 (eight million reais) for LOT 1;
- ii. R\$ 10,000,000.00 (ten million reais) for LOT 2;
- iii. R\$ 10,000,000.00 (ten million reais) for LOT 3;



iv. R\$ 9,000,000.00 (nine million reais) for LOT 4; and

v. R\$ 12,000,000.00 (twelve million reais) for LOT 5.

31.2.4. Evidence that, connected to the management structure of the AWARDED TENDERER, there is a professional holding a higher-education degree, holder of a technical responsibility certificate issued by a public-law or private-law legal entity, duly registered with CREA, demonstrating such professional's experience, for a minimum period of 2 (two) years, in holding executive position(s) within up to the third-highest hierarchical level of a business company or other entity responsible for the operation of household wastewater collection and wastewater treatment systems in a coverage area with at least 150,000 (one hundred and fifty thousand) inhabitants, including the direct provision of services to serve the population.

31.2.4.1. Evidence of the referred connection and of the professional's experience shall be provided in the manner set forth in item 23.14.3 of this TENDER NOTICE.

31.2.5. Evidence that the AWARDED TENDERER has paid the amounts due as reimbursement to the respective creditors, pursuant to item **Erro! Fonte de referência não encontrada.**;

31.2.6. Evidence that the ACCREDITED PARTICIPANT representing the AWARDED TENDERER for each LOT has paid the remuneration due to B3, updated annually by the positive variation of the IPCA published by IBGE, after the lapse of 1 (one) year as from the September 2025 base date, to be made by payment of a bank transaction slip issued by B3 as from the date of award of the tendered subject matter, with a due date of 15 (fifteen) calendar days counted from its issuance, and, in the event of late payment, a penalty of 2% (two percent) and default interest of 0.5% (zero point five percent) per month, *pro rata temporis*, calculated from the due date until the date of effective settlement, without prejudice to enforcement of the PROPOSAL GUARANTEE, in the following amounts:

- i. R\$ 375,110.46 (three hundred and seventy-five thousand, one hundred and ten reais and forty-six centavos) for LOT 1;
- ii. R\$ 375,110.46 (three hundred and seventy-five thousand, one hundred and ten reais and forty-six centavos) for LOT 2;
- iii. R\$ 375,110.46 (three hundred and seventy-five thousand, one hundred and ten reais and forty-six centavos) for LOT 3;
- iv. R\$ 375,110.46 (three hundred and seventy-five thousand, one hundred and ten reais and forty-six centavos) for LOT 4; and
- v. R\$ 375,110.46 (three hundred and seventy-five thousand, one hundred and ten reais and forty-six centavos) for LOT 5.



31.2.7. Evidence of the contract of the PERFORMANCE GUARANTEE, pursuant to this TENDER NOTICE and the CONTRACT;

31.2.8. Submission of a duly executed personal data processing term, pursuant to EXHIBIT IX – PERSONAL DATA PROCESSING AGREEMENT.

31.3. Payment of the remunerations referred to in items 31.2.5 and **Erro! Fonte de referência não encontrada.** shall be made directly to the creditor entities, without intermediation by CAGECE, under penalty of non-fulfillment of the condition required for formalization of the CONTRACT.

31.4. Once the requirements set forth in item 31.2 have been fulfilled, the SPE shall be called by CAGECE to sign the CONTRACT within a maximum of 5 (five) business days.

31.5. If requested by the AWARDED TENDERER, the terms set forth in items 31.1 and 31.4 may be extended for an equal period, provided that the request is based on a justified reason and is accepted by CAGECE.

31.6. CAGECE may, if the SPE or the AWARDED TENDERER fail to comply with the formalities set forth in item 31.2 within the established term, or if the SPE fails to appear to sign the CONTRACT within the term and under the conditions established, called upon the remaining TENDERERS, in ranking order, to incorporate an SPE within the same term and under the conditions of the first-ranked COMMERCIAL PROPOSAL, in which case their QUALIFICATION DOCUMENTS shall be reviewed, observing the provisions of this TENDER NOTICE.

32. THE CONCESSIONAIRE

32.1. For purposes of signing the CONTRACT, the AWARDED TENDERER shall incorporate an SPE, in accordance with Brazilian law, with its headquarter in a MUNICIPALITY comprised in the relevant tendered LOT.

32.2. If the AWARDED TENDERER is an individual TENDERER, the SPE shall be its wholly owned subsidiary.

32.3. In the case of a CONSORTIUM, the AWARDED TENDERER shall incorporate the SPE with a shareholding composition equivalent to the participation percentage of each CONSORTIUM MEMBER set forth in the undertaking to incorporate the SPE submitted in the TENDER.

32.4. The CONCESSIONAIRE incorporated by the AWARDED TENDERER shall take the form of a corporation and shall have as its sole corporate purpose the performance of the SERVICES and the COMPLEMENTARY SERVICES, and the exploitation of sources of ADDITIONAL REVENUES and related activities, pursuant to the CONTRACT.



32.5. The SPE and its controlling shareholders shall ensure that the revenues, assets and expenses arising from the performance of the CONTRACT are carried out solely by the SPE, with full accounting, economic and financial segregation, and it is prohibited for the SPE's assets, receivables, obligations and cash availability to be held, even temporarily, by the controlling shareholders or any third parties, unless expressly authorized by CAGECE.

32.6. The term of existence of the CONCESSIONAIRE shall correspond to the period necessary for the performance of all obligations set forth in the CONTRACT.

33. REIMBURSEMENT OF STUDIES RELATED TO THE CONCESSION

33.1. The AWARDED TENDERERS shall, pursuant to Article 21 of Federal Law No. 8,987/1995, make the reimbursements specified in the items below, in view of the technical services rendered in connection with the structuring of the TENDER.

33.2. Within the term set forth in item 31.1, the AWARDED TENDERER shall evidence full payment of the following amounts:

33.2.1. R\$ 375,110.46 (three hundred seventy-five thousand, one hundred ten reais and forty-six centavos), per awarded LOT, based on the base date of September 2025, to be paid directly to B3, relating to the reimbursement due for conducting the Public Auction Session together with the TENDER COMMISSION, pursuant to EXHIBIT E – B3 PROCEDURES MANUAL.

33.2.1.1. In the event that only a portion of the tendered LOTS is awarded, CAGECE shall be responsible for paying the amount indicated in the item above in respect of the LOT(S) not awarded.

33.2.2. From R\$ 210,000.00 (two hundred and ten thousand reais) to R\$ 350,000.00 (three hundred and fifty thousand reais), per awarded LOT, based on the base date of June 2024, to be paid directly to the law firm Manesco, Ramires, Perez, Azevedo Marques, relating to the reimbursement due as a result of the works and studies for the legal structuring of the TENDER, depending on the total number of LOTS awarded by all AWARDED TENDERERS, as follows:

- i. R\$ 350,000.00 (three hundred and fifty thousand reais) per LOT, if up to three lots are awarded;
- ii. R\$ 262,500.00 (two hundred sixty-two thousand five hundred reais) per LOT, if four lots are awarded;
- iii. R\$ 210,000.00 (two hundred and ten thousand reais) per LOT, if five lots are awarded;

33.2.3. From R\$ 613,400.00 (six hundred thirteen thousand four hundred reais) to R\$ 3,067,000.00 (three million sixty-seven thousand reais) per awarded LOT, based on the base date



of June 2024, to be paid directly to CAGECE, relating to reimbursement of amounts disbursed in the engagement of the preparation of the legal and economic-financial structuring studies of the TENDER, depending on the total number of LOTS awarded to all AWARDED TENDERERS, as follows:

- i. R\$ 613,400.00 (six hundred thirteen thousand four hundred reais) per LOT, if five lots are awarded;
- ii. R\$ 766,750.00 (seven hundred sixty-six thousand seven hundred fifty reais) per LOT, if four lots are awarded;
- iii. R\$ 1,022,333.33 (one million, twenty-two thousand, three hundred thirty-three reais and thirty-three centavos) per LOT, if three lots are awarded;
- iv. R\$ 1,533,500.00 (one million, five hundred thirty-three thousand, five hundred reais) per LOT, if lots blocks are awarded;
- v. R\$ 3,067,000.00 (three million sixty-seven thousand reais) per LOT, if one lot is awarded.

33.3. The amounts indicated in item 33.2 shall be updated annually by the IPCA published by IBGE, or, in its absence, by another official inflation index that replaces it, as from the respective base dates indicated, and shall be paid by means of a payment slip (*boleto*) issued by each beneficiary legal entity.

33.4. In the event of delay in the payment of any reimbursements provided for in this clause, default interest at the rate of 0.5% (zero point five percent) per month, or 6% (six percent) per year, shall accrue on the amount due by the CONCESSIONAIRE, by application of the following formulas:

$$I = (TX/100) / 365$$

$$EM = I \times N \times VP$$

Where:

I = Financial adjustment index;

TX = Annual late-payment interest rate percentage;

EM = Late-payment charges;

N = Number of days between the due date and the actual payment date;

VP = Amount of the overdue installment

33.4.1. Without prejudice to the foregoing, failure to pay the amounts charged as provided for in item 33.2 may result in negative credit reporting with credit protection agencies and/or entities.

33.5. All amounts due as reimbursement shall be considered by the TENDERERS for purposes of preparing their COMMERCIAL PROPOSALS.



CHAPTER VIII – FINAL PROVISIONS

34. FUNDS PROVISION

34.1. Pursuant to Article 6, paragraph 2, of Federal Law No. 11,079/2004, and State Law No. 15,277/2012, the CONTRACT may provide for the FUNDS PROVISION of monetary resources and movable assets in favor of the CONCESSIONAIRE, for the performance of works and acquisition of reversible assets.

34.2. In the event of a FUNDS PROVISION of material or monetary resources during the investment phase, the CONTRACT shall establish a schedule and milestones for the transfers to the CONCESSIONAIRE, which shall be directly proportional to the progress of the works and investments to be carried out by the CONCESSIONAIRE, pursuant to Article 7, paragraph 2, of Federal Law No. 11,079/2004.

34.3. For purposes of preparing the COMMERCIAL PROPOSAL, the TENDERERS shall consider that no FUNDS PROVISION will be made in favor of the CONCESSIONAIRE.

34.4. If CAGECE makes the FUNDS PROVISION during performance of the CONTRACT, the GRANTING AUTHORITY shall be entitled to economic-financial rebalancing of the CONTRACT.

34.5. Pursuant to Article 2 of State Law No. 15,277/2012, the use of the FUNDS PROVISION, whether monetary or in kind, shall be conditional, in each specific project, upon authorization by the Public-Private Partnership Management Council – CGPP.

35. COMMUNICATIONS

35.1. All correspondence relating to the TENDER sent to the TENDER COMMISSION shall be deemed delivered on the date on which the physical document is filed, except for those received after 6:00 p.m., which shall be deemed received on the immediately following business day, or, if sent to an electronic address, on the date of sending, with a cut-off time of 11:59 p.m. applying to electronic correspondence.

35.2. All correspondence relating to the TENDER sent to the TENDER COMMISSION shall be drafted in Portuguese.

35.3. For purposes of the TENDER, statements, requests for clarifications, objections and any other documents digitally signed with digital certification under the Brazilian Public Key Infrastructure standard (ICP-Brasil) shall be accepted, provided that the submitted document contains appropriate means to verify its authenticity, including, but not limited to, QR codes and validation codes through links to websites expressly indicated in the relevant document.



36. COUNTING OF DEADLINES

36.1. In counting the deadlines referred to in this TENDER NOTICE, the initial day shall be excluded and the due date shall be included, and calendar days shall be counted, except where expressly provided otherwise.

36.2. Unless otherwise provided, deadlines shall begin and end only on business days at CAGECE, and shall be extended to the next business day whenever the start date or due date falls on a non-business day.

36.3. For the purposes of the TENDER, statements, requests for clarification, objections and any other documents digitally signed with certification under the Brazilian Public Key Infrastructure – ICP-Brasil shall be accepted, provided that the submitted document includes appropriate means to verify its authenticity, including, but not limited to, QR codes and validation codes for verification through links to websites expressly indicated in the relevant document.

37. MISCELLANEOUS PROVISIONS

37.1. Any questions arising in the application of this TENDER NOTICE, as well as any omitted matters, shall be resolved by the TENDER COMMISSION or, afterward of the subject matter of the TENDER, by CAGECE, in accordance with the applicable law.

37.2. After award of the TENDER's subject matter and until signing of the CONTRACT, CAGECE reserves the right to decide any and all specific cases not provided for in this TENDER NOTICE, and any other matters that, in any way, relate directly or indirectly to its subject matter.

37.3. The terms set forth in this TENDER NOTICE, as well as the clauses and conditions of the CONTRACT and of the other EXHIBITS, shall complement each other, with one document referring to the other in the event of doubts or omissions, and the rules of interpretation set forth in the CONTRACT shall be observed.

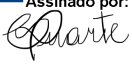


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CNPJ: 07.040.108/0001-57



37.4. The TENDER referred to in this TENDER NOTICE may be postponed, revoked for reasons of public interest arising from a duly evidenced supervening fact, or annulled, and the TENDERERS shall not be entitled to any indemnification on such grounds, pursuant to Article 71 of Federal Law No. 14,133/2021.

[Fortaleza, Digital Signature Data]

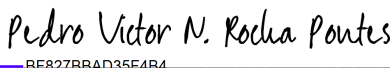
Assinado por:

5412E24A085245C...
Cecília Duarte Paiva
SERVICE CONTRACTING MANAGER

Assinado por:

E44DCEAACCAC4C3...
Francisco Diego de Araújo Oliveira
COORDINATOR OF THE TECHNICAL COMMITTEE

DocuSigned by:

56785075E2B24E8...
Thomaz Othon de Vasconcelos
LEGAL CONSULTING MANAGER

Assinado por:

BE827BBAD35F4B4...
Pedro Victor Nogueira Rocha Pontes
LEGAL ATTORNEY

Assinado por:

DE2BEB75B61E45A...
Flávia Liduina Costa Gurgel
SUPERINTENDENT OF ACCOUNTING
IN THE ROLE OF FINANCIAL DIRECTOR
AND INVESTOR RELATIONS

Assinado por:

46752F267C7D40C...
Neurisângelo C de Freitas
CHIEF EXECUTIVE OFFICER



Certificado de conclusão

ID de envelope: C468A2FC-4693-472D-843C-5E8F82601DF1
 Assunto: TENDER NOTICE - CONCORRÊNCIA INTERNACIONAL Nº 20260001
 Envelope de origem:
 Página do documento: 67
 Certificar páginas: 4
 Assinatura guiada: Ativada
 Selo do ID do envelope: Ativada
 Fuso horário: (UTC-03:00) Brasília

Estado: Concluído

Autor do envelope:
 GRUPO GECOS
 Rua LAURO VIEIRA CHAVES 1030
 FORTALEZA, 60422-700
 grupo.gecos@cagece.com.br
 Endereço IP: 191.52.226.66

Controlo de registos

Estado: Original
 14/04/2026 11:22:24

Titular: GRUPO GECOS
 grupo.gecos@cagece.com.br

Local: DocuSign

Eventos do signatário

GRUPO GECOS
 grupo.gecos@cagece.com.br
 CAGECE

Assinatura

Assinado por:

 5412E24A985245C...

Carimbo de data/hora

Enviado: 14/04/2026 11:25:07
 Visualizado: 14/04/2026 11:25:23
 Assinado: 14/04/2026 11:25:45

Nível de segurança: Correio eletrónico, Autenticação de conta (Nenhuma)

Adoção de assinatura: Imagem de assinatura carregada
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 Assinado através de dispositivo móvel

Aviso legal de registos e assinaturas eletrónicos:

Aceite: 02/09/2025 17:08:42
 ID: 6143ca29-e5db-41f4-89fb-5c285f31f9cb

Francisco Diego de Araújo Oliveira
 diego.oliveira@cagece.com.br

Assinado por:

 F44DCFAACCAC4C3...

Enviado: 14/04/2026 11:25:53
 Visualizado: 14/04/2026 11:31:45
 Assinado: 14/04/2026 11:32:13

Nível de segurança: Correio eletrónico, Autenticação de conta (Nenhuma)

Adoção de assinatura: Estilo pré-selecionado
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Aviso legal de registos e assinaturas eletrónicos:

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 ID: 290014e5-b4f3-483e-9ca2-c4734a8d9704

Thomaz Othon de Vasconcelos
 thomaz.othon@cagece.com.br
 Coordenador GCONS CTR

DocuSigned by:

 56785075E2B24E8...

Enviado: 14/04/2026 11:32:20
 Visualizado: 14/04/2026 11:35:55
 Assinado: 14/04/2026 11:36:07

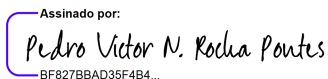
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Aceite: 07/02/2025 14:10:31
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Pedro Victor N. Rocha Pontes
 pedro.rocha@cagece.com.br

Assinado por:

 BF827BBAD35F4B4...

Enviado: 14/04/2026 11:36:15
 Visualizado: 14/04/2026 11:38:51
 Assinado: 14/04/2026 11:39:13

Nível de segurança: Correio eletrónico, Autenticação de conta (Nenhuma)

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 ID: 9d9ae6af-b673-4255-a9de-0ccd46af88af

Eventos do signatário	Assinatura	Carimbo de data/hora
Flávia Liduina Costa Gurgel flavia.costa@cagece.com.br CAGECE Nível de segurança: Correio eletrônico, Autenticação de conta (Nenhuma)	Assinado por: <i>Flávia Liduina Costa Gurgel</i> DE2BEB75B61E45A... Adoção de assinatura: Estilo pré-selecionado Utilizar o endereço IP: 191.52.226.66	Enviado: 14/04/2026 11:39:21 Visualizado: 14/04/2026 11:44:53 Assinado: 14/04/2026 11:45:13

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Neurisangelo Cavalcante de Freitas presidencia@cagece.com.br Nível de segurança: Correio eletrônico, Autenticação de conta (Nenhuma)	Assinado por: <i>Neurisangelo Cavalcante de Freitas</i> 46752F267C7D40C... Adoção de assinatura: Estilo pré-selecionado Utilizar o endereço IP: 191.52.226.66	Enviado: 14/04/2026 11:45:20 Visualizado: 14/04/2026 13:50:08 Assinado: 14/04/2026 14:07:04

Aviso legal de registos e assinaturas eletrónicos:
Aceite: 14/04/2026 13:50:08
ID: 35f8b931-3375-418d-a4ad-50706455b03a

Eventos de signatário presencial	Assinatura	Carimbo de data/hora
Eventos de entrega do editor	Estado	Carimbo de data/hora
Eventos de entrega do agente	Estado	Carimbo de data/hora
Evento de entrega do intermediário	Estado	Carimbo de data/hora
Eventos de entrega certificada	Estado	Carimbo de data/hora
Eventos de cópia	Estado	Carimbo de data/hora
Igor Malveira igor.malveira@cagece.com.br Nível de segurança: Correio eletrônico, Autenticação de conta (Nenhuma)	Copiado	Enviado: 14/04/2026 11:25:08 Visualizado: 14/04/2026 11:29:07
Aviso legal de registos e assinaturas eletrónicos: Aceite: 02/06/2025 11:55:07 ID: b0f8b4f3-b531-45e0-8d4c-e73b08485cb1		

Eventos relacionados com a testemunha	Assinatura	Carimbo de data/hora
Eventos de notário	Assinatura	Carimbo de data/hora
Eventos de resumo de envelope	Estado	Carimbo de data/hora
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Entrega certificada	Segurança verificada	14/04/2026 13:50:08
Processo de assinatura concluído	Segurança verificada	14/04/2026 14:07:04
Concluído	Segurança verificada	14/04/2026 14:07:04
Eventos de pagamento	Estado	Carimbo de data/hora
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To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at brenda.andrade@cagece.com.br and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address

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- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to brenda.andrade@cagece.com.br and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process.

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EXHIBIT A
TENDER NOTICE N.º 20260001

Procedure No. 1193.000007/2025-05 NUP 43012001516/2025-10

**ADMINISTRATIVE CONCESSION OF THE SERVICES REQUIRED TO ACHIEVE UNIVERSALIZATION
OF WASTEWATER SERVICE IN THE COUNTRYSIDE OF THE STATE OF CEARÁ, IN THE
MUNICIPALITIES COMPRISING LOT [●]**



**ADMINISTRATIVE CONCESSION OF THE SERVICES REQUIRED TO ACHIEVE UNIVERSALIZATION
OF WASTEWATER SERVICE IN THE COUNTRYSIDE OF THE STATE OF CEARÁ, IN THE
MUNICIPALITIES COMPRISING LOT [●]**

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**ADMINISTRATIVE CONCESSION OF THE
SERVICES REQUIRED TO ACHIEVE
UNIVERSALIZATION OF WASTEWATER SERVICE
IN THE COUNTRYSIDE OF THE STATE OF CEARÁ,
IN THE MUNICIPALITIES COMPRISING LOT [●]**

By this instrument,

COMPANHIA DE ÁGUA E ESGOTO DO CEARÁ – CAGECE, a mixed-capital company responsible for the provision of water and sanitation services in the State of Ceará, enrolled with the CNPJ/ME under No. 07.040.108/0001-57, headquartered at Av. Lauro Vieira Chaves, 1030, Vila União, Fortaleza – Ceará, herein represented by Mr. [●], hereinafter referred to simply as the “GRANTING AUTHORITY” or CAGECE; and

(CONCESSIONAIRE’S NAME), [qualification], hereinafter referred to simply as the CONCESSIONAIRE;

enter into this CONTRACT for the operation of the SERVICES in LOT [●], which shall be followed by the applicable laws and by the clauses and conditions set forth below,

WHEREAS:

- a) this CONTRACT has been duly authorized and validated by the public bodies and entities involved in the provision of wastewater services within the SERVICE PROVIDER’S COVERAGE AREA, as evidenced in the records of Administrative Proceeding No [●];
- b) the existence, validity and effectiveness of the COOPERATION AGREEMENTS and their respective PROGRAM CONTRACTS entered into, as well as of this CONCESSION, pursuant to Federal Law No. 11,445/2007, Federal Law No. 14,026/2020, Federal Law No. 11,107/2005, Federal Law No. 13,089/2015, and the applicable state and municipal laws governing the matter;



- c) the effective participation of the population in the contracting process of this CONCESSION, ensured by the conduct of the Public Consultation between October 16, 2025 and November 17, 2025 , as well as by the Public Hearing held on November 14, 2025; and
- d) the national and international call for participation in the TENDER, with the respective publication in the Official Gazette of the State of Ceará and the conduct of the tender, on which occasion [CONCESSIONAIRE] was declared the winner and incorporated as a Special Purpose Entity, in compliance with item 31 of the TENDER NOTICE of International Public Tender No. 20260001.

1. DEFINITIONS

1.1. The PARTIES agree that the terms and expressions identified below are used, for purposes of this CONTRACT, in accordance with the definitions set forth in this clause, unless the context unequivocally requires a different meaning:

1.1.1. AFFILIATE: a legal entity related, directly or indirectly, to another legal entity as a SUBSIDIARY, CONTROLLING ENTITY, or by being subject to the common CONTROL of another person(s), whether individual(s) or legal entity(ies);

1.1.2. REGULATORY AGENCY: the competent entity responsible for performing the regulatory and inspection functions in connection with the public water supply services and the public wastewater services under CAGECE's responsibility in each of the MUNICIPALITIES comprising the LOTS, as provided for in the COOPERATION AGREEMENTS and in the applicable state and municipal laws and regulations;

1.1.3. GUARANTEE AGENT: the financial institution responsible for managing the PUBLIC GUARANTEE and for paying the MONTHLY FINANCIAL CONSIDERATION, pursuant to this CONTRACT and EXHIBIT VII – GUIDELINES FOR ENTERING INTO THE COLLECTION AND ACCOUNT MANAGEMENT CONTRACT, and which, at the GRANTING AUTHORITY's discretion, may be the same financial institution operating the existing CENTRALIZED ACCOUNT;

1.1.4. EXHIBIT: each of the documents attached to the TENDER NOTICE or to the



CONTRACT, as applicable, sequentially identified by letters or Roman numerals, and which, respectively, form an integral part thereof;

1.1.5. SERVICE PROVIDER'S COVERAGE AREA: the area where the SERVICES will be provided by the CONCESSIONAIRE, pursuant to this CONTRACT, as delimited in EXHIBIT D – SERVICE PROVIDER'S COVERAGE AREA;

1.1.6. AWARDEEE: WINNING TENDERER to which the subject matter of the TENDER has been awarded;

1.1.7. REMOTE AREA: areas of the municipal seats and their respective urban districts within the MUNICIPALITIES where ADEQUATE ALTERNATIVE SOLUTIONS may be adopted for wastewater services provision, pursuant to Article 11-B, paragraph 4, of Law No. 11,445/2007, provided that authorized by the GRANTING AUTHORITY;

1.1.8. FUNDS PROVISION: contribution of funds in favor of the CONCESSIONAIRE, to be eventually made by the GRANTING AUTHORITY, pursuant to Articles 6, paragraph 2, and 7, paragraph 2, of Federal Law No. 11,079/2004, and State Law No. 15,277, dated December 28, 2012.

1.1.9. ACT OF THE ADMINISTRATION: any action or omission by the Public Administration that, by directly and specifically affecting this CONTRACT, delays, aggravates or prevents its performance by the CONCESSIONAIRE, thereby giving rise to the corresponding indemnities; an Act of the Administration includes the non-execution of this CONTRACT due to a change in the political-administrative structure of the GRANTING AUTHORITY that directly affects the works, services and activities comprised in this CONTRACT.

1.1.10. B3: BRASIL, BOLSA, BALCÃO, company located at Rua Quinze de Novembro, 275, Centro Histórico de São Paulo, CEP 01010-901, specialized technical advisor to the TENDER COMMITTEE;

1.1.11. PRIVATE ASSETS: assets owned by the CONCESSIONAIRE that are not deemed REVERSIBLE ASSETS, as they are not essential to the provision of the SERVICES;

1.1.12. REVERSIBLE ASSETS: those identified in Article 4 of Reference Standard No. 3, dated August 3, 2023, issued by the National Water and Sanitation Agency (ANA), as amended, which are owned by the MICROREGION; provided, however, that such assets shall be



encumbered by the CONCESSIONAIRE's exploitation rights during the term of the CONTRACT, without prejudice to their inclusion in CAGECE's Regulatory Asset Base – RAB for purposes of calculating the tariff charged to the final USERS of the SERVICE;

1.1.13. LOT []: the set of MUNICIPALITIES within which the SERVICES will be provided, as described in EXHIBIT D – SERVICE PROVIDER'S COVERAGE AREA to the TENDER NOTICE;

1.1.14. FORTUITOUS EVENT or FORCE MAJEURE: Any situation arising from a fact beyond the will and control of the PARTIES, whether foreseeable or not, whose consequences cannot be avoided or mitigated by any of the PARTIES; constitutes a fortuitous event of force majeure, including, but not limited to: acts of war, hostilities, acts of vandalism, invasion or terrorism; global epidemics recognized by the World Health Organization (WHO), atomic radiation, severe floods, cyclones, earthquakes and other natural cataclysms, which directly affect the works, services and activities included in the CONTRACT;

1.1.15. CGPPP: the Public-Private Partnerships Management Council of the State of Ceará, established by Law No. 14,391, dated July 7, 2009 and regulated by Decree No. 29,801, dated July 10, 2009, and by Decree No. 30,366, dated November 23, 2010;

1.1.16. DISPUTE RESOLUTION COMMITTEE: the committee for the prevention and amicable resolution of disputes, responsible for proposing non-binding solutions for disputes between the PARTIES, to be established pursuant to this CONTRACT;

1.1.17. TRANSITION COMMITTEE: a collegiate body formed by the PARTIES, with equal representation between the CONCESSIONAIRE and the GRANTING AUTHORITY, whose purpose is to facilitate communication and interaction between the teams of the GRANTING AUTHORITY and the CONCESSIONAIRE, thereby contributing to the exchange of information regarding aspects essential to the SYSTEM transfer and the SERVICES operation;

1.1.18. UNIVERSALIZATION TECHNICAL COMMITTEE: the committee for the prevention and amicable resolution of disputes, responsible for proposing non-binding solutions for technical disputes relating to works, to be established pursuant to this CONTRACT, and to remain in place on a permanent basis until the year 2033;



1.1.19. CONCESSION or ADMINISTRATIVE CONCESSION: the services concession referred to in paragraph 2 of Article 2 of Federal Law No. 11,079, dated December 30, 2004, and paragraph 2 of Article 2 of Law No. 14,391, dated July 7, 2009, the purpose of which is the provision by the CONCESSIONAIRE of the SERVICES and the COMPLEMENTARY SERVICES, with regulatory uniformity and planning compatibility for all MUNICIPALITIES in LOT [●];

1.1.20. CONCESSIONAIRE: the SPE incorporated by the AWARDEEE for the execution of the SERVICES that are the subject matter of this CONTRACT;

1.1.21. CENTRALIZED ACCOUNT: a current bank account held by the GRANTING AUTHORITY, not exclusively linked to the CONCESSION, operated by a financial institution hired by the GRANTING AUTHORITY, into which the RECEIVABLES shall be deposited and, up to the limit of the ASSIGNED REVENUE, transferred to the LINKED ACCOUNT;

1.1.22. RESERVE ACCOUNT: the current bank account held by the GRANTING AUTHORITY, opened with the GUARANTEE AGENT, not movable by the GRANTING AUTHORITY, and to be operated exclusively by the GUARANTEE AGENT, in accordance with the terms and conditions of this CONTRACT, in which the MINIMUM AMOUNT OF THE RESERVE ACCOUNT shall be deposited;

1.1.23. LINKED ACCOUNT: the current bank account held by the GRANTING AUTHORITY, opened with the GUARANTEE AGENT and specific to the LOT, not movable by the GRANTING AUTHORITY, and to be operated exclusively by the GUARANTEE AGENT, in accordance with the terms and conditions of this CONTRACT, through which the ASSIGNED REVENUE shall flow and from which the guarantee system shall be managed and the MONTHLY FINANCIAL CONSIDERATION shall be paid;

1.1.24. MONTHLY FINANCIAL CONSIDERATION: the amount to be paid monthly by the GRANTING AUTHORITY to the CONCESSIONAIRE, as consideration for the execution of the CONTRACT, consisting of the FIXED COMPONENT and the VARIABLE COMPONENT;

1.1.25. CONTRACT or CONCESSION CONTRACT: this legal instrument and its EXHIBITS, entered into between the GRANTING AUTHORITY and the CONCESSIONAIRE;



1.1.26. PROGRAM CONTRACT: the instrument through which, within their respective competences, the MUNICIPALITIES, represented by the MICROREGION, delegated to CAGECE the provision of the water supply and wastewater services, including the instruments referred to as concession contracts or similar instruments;

1.1.27. SUBSIDIARY: any legal entity or investment fund whose CONTROL is exercised by another person, investment fund or private/supplementary pension entity;

1.1.28. CONTROLLING ENTITY: any legal entity, investment fund or private/supplementary pension entity that exercises CONTROL over another person or investment fund;

1.1.29. CONTROL: the power held by a person, whether natural or legal, or by a group of persons bound by a voting agreement or under common control, to, directly or indirectly, individually or jointly: (i) on a permanent basis, exercise rights that ensure the majority of votes in corporate resolutions and elect the majority of directors, officers or managers of another legal entity, investment fund or complementary pension entity, as applicable; or (ii) effectively direct the corporate activities and guide the functioning of the governing bodies of another legal entity, investment fund or private pension entity;

1.1.30. COOPERATION AGREEMENTS: the instruments provided for in Article 241 of the Federal Constitution and which, in this specific project, established the public potable water supply services and the public wastewater services associated management between the holders of the public services and the STATE;

1.1.31. EXECUTION SCHEDULE: the document to be submitted by the CONCESSIONAIRE and that shall form part of the INVESTMENT PLAN, setting forth all phases of the projects and the execution of the works under the CONCESSIONAIRE's responsibility, in particular the respective deadlines for obtaining the required permits and licenses and for starting operations;

1.1.32. UNIVERSALIZATION SCHEDULE: the document to be submitted together with the INVESTMENT PLAN, intended to detail, by locality, district and MUNICIPALITY, the targets and annual deadlines for wastewater service coverage and service provision, observing the minimum compliance with the targets set forth in EXHIBIT III – PERFORMANCE INDICATORS



AND SERVICE TARGETS;

1.1.33. NECESSARY COSTS: cost required to establish adequate operating conditions for the facilities comprising the SYSTEM, even if it increases the asset's utility, including: (i) costs of maintenance, deactivation, preservation, regularization and facilitation of the assets used connected to the CONCESSION; (ii) costs required for the reversion of the facilities to the GRANTING AUTHORITY in conditions appropriate for use and for the provision of the SERVICES, as set forth in this CONTRACT; and (iii) costs arising from compliance with applicable law and with technical and regulatory standards the observance of which is assigned to the CONCESSIONAIRE;

1.1.34. REPOSITIONING COSTS: extraordinary costs intended to increase and confer new utility to the asset, provided that: (i) they are not necessary to ensure its regular use, maintenance, deactivation, regularization, facilitation, preservation or reversion under conditions appropriate for the provision of the SERVICES, pursuant to the parameters set forth in this CONTRACT; and (ii) they do not arise from compliance with applicable law and with technical and regulatory standards the observance of which is assigned to the CONCESSIONAIRE;

1.1.35. BASE DATE: date of the estimated budget, i.e., September 30, 2024 which shall be used as the initial reference date for the calculation of the time periods to be applied for purposes of price adjustment and contractual review;

1.1.36. FINANCIAL EXPENSE: comprises all costs incurred by the CONCESSIONAIRE to finance the CONCESSION project, such as loan interest, management fees, financial charges and any other costs related to debt service, directly associated with financing the project's CAPEX;

1.1.37. PREEMPTIVE RIGHT: the prerogative granted to the PREFERRED PARTIES to be contracted by the CONCESSIONAIRE, to the exclusion of third parties, for the development of technological solutions, acquisition of goods or services provision that may be supplied or rendered by the relevant PREFERRED PARTY, provided that it matches the price and the main payment terms of the proposal formally received by the CONCESSIONAIRE;

1.1.38. TENDER NOTICE: the call for bids instrument and its Exhibits (International Public



Tender Notice No [●]), governing the terms and conditions of the TENDER;

1.1.39. STATE: the State of Ceará, a federative unity of the Federative Republic of Brazil;

1.1.40. IDO: the Operational Performance Indicator, which measures the quality of the wastewater system operation within the SERVICE PROVIDER'S COVERAGE AREA, as set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS

1.1.41. IDU: the Wastewater System Universalization Indicator, which reflects compliance with the coverage expansion targets through wastewater connections of the SYSTEM in the MUNICIPALITIES included in LOT [●] of the CONCESSION AREA;

1.1.42. IGAM: the General Indicator for Micrometering Update, which reflects compliance with micrometering update targets, calculated as the ratio between the number of water meters whose installation time is within the service-life limit established by the GRANTING AUTHORITY and the total number of installed water meters;

1.1.43. FACTUM PRINCIPIS: any state determination, general and abstract, unforeseen and unpredictable, whether affirmative or negative, that substantially increases or reduces the burden of performing this CONTRACT;

1.1.44. LENDER: the financial institution responsible for providing financing to the CONCESSIONAIRE for purposes of making the investments;

1.1.45. CASH FLOW: instrument representing the CONCESSIONAIRE's cash movements, both internally and externally, so as to reflect its liquidity and its capacity to finance operations and investments;

1.1.46. MARGINAL CASH FLOW: a projection of the variation in the CONCESSIONAIRE's CASH FLOW performance, measuring the impact that changes in operational and investment activities arising from a given event have on the CONCESSIONAIRE's cash behavior, in the cases and under the conditions expressly set forth in the CONTRACT;

1.1.47. CONTRACT PERFORMANCE GUARANTEE: contractual instruments intended to ensure the faithful performance of the obligations set forth in this CONTRACT, in all its terms, as provided in clause 17;



1.1.48. PUBLIC GUARANTEE: the payment guarantee provided by the GRANTING AUTHORITY for the MONTHLY FINANCIAL CONSIDERATIONS due to the CONCESSIONAIRE, as well as for any other PECUNIARY OBLIGATIONS, fines or indemnities arising from the CONTRACT, in connection with the SERVICES provision;

1.1.49. ASSOCIATED MANAGEMENT: the arrangement provided for in Article 241 of the Federal Constitution, consisting of the voluntary association among each MUNICIPALITY, the STATE and CAGECE, pursuant to the COOPERATION AGREEMENTS and PROGRAM CONTRACTS, for the purpose of governing cooperation in the exercise of public functions relating to the public potable water supply services and the public wastewater services;

1.1.50. COMMERCIAL MANAGEMENT: the execution, by the CONCESSIONAIRE, of the commercial activities relating to the SERVICES and COMPLEMENTARY SERVICES within the SERVICE PROVIDER'S COVERAGE AREA, as described in EXHIBIT IV – CONCESSION SPECIFICATIONS, consisting of: (i) replacement, transfer and relocation of water meters; (ii) implementation of metering at alternative water supply sources; (iii) fraud verification services; (iv) customer record updates; and (v) telemetry for strategic customers;

1.1.51. PERFORMANCE INDICATORS: the quality and availability indicators for the SERVICES set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS;

1.1.52. REVERSIBLE ASSETS INVENTORY: permanently updated report issued by the CONCESSIONAIRE, listing the REVERSIBLE ASSETS, with their descriptions and minimum information, pursuant to this CONTRACT;

1.1.53. GRANTING AUTHORITY INVESTMENTS: the investments made by the GRANTING AUTHORITY in the MUNICIPALITIES' wastewater systems to be delivered for operation by the CONCESSIONAIRE, as set forth in EXHIBIT VIII – GRANTING AUTHORITY'S INVESTMENTS;

1.1.54. TENDER: International Public Tender No. [●], which is the subject matter of the TENDER NOTICE, and which aimed to select the most advantageous bid for the GRANTING AUTHORITY, for purposes of awarding the CONCESSION that is the subject matter of this CONTRACT;



1.1.55. SUBDIVIDERS: entrepreneurs responsible for obtaining approvals from competent authorities for the implementation of subdivisions and plot divisions of real property, being responsible for implementing sanitation infrastructure in such properties, pursuant to applicable law and this CONTRACT;

1.1.56. CONCESSION ASSETS MANUAL: document to be prepared collaboratively by the GRANTING AUTHORITY and the CONCESSIONAIRE during the SYSTEM ASSISTED OPERATION period, the content of which shall govern, among other matters, the parameters to be observed in updating the REVERSIBLE ASSETS INVENTORY, as well as the flow and deadlines for the CONCESSIONAIRE to submit information regarding assets built or otherwise transferred or moved, for purposes of recordkeeping and control;

1.1.57. CORPORATE AND REGULATORY ACCOUNTING MANUAL FOR CONCESSION ASSETS: document to be prepared collaboratively by the GRANTING AUTHORITY and the CONCESSIONAIRE, during the SYSTEM ASSISTED OPERATION period, the content of which shall govern, among other matters, the procedures for accounting for the payment of the FIXED MONTHLY FINANCIAL CONSIDERATION, FINANCIAL EXPENSE and/or RETURN ON CAPITAL, as well as the accounting treatment applicable to assets built or otherwise transferred or moved;

1.1.58. CONTRACTUAL UNIVERSALIZATION TARGETS: the coverage and service targets, through connection and service provision, set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, established in accordance with the universalization targets legally provided for in Article 11-B of Federal Law No. 11,445/2007, as amended by Federal Law No. 14,026/2020, and regulated by ANA and the REGULATORY AGENCY;

1.1.59. MICROREGIONS: e West, Central-North and Central-South Water and Wastewater Microregions, intergovernmental autarchies under a special legal regime, with deliberative and normative powers, and legal personality under public law, established by State Supplementary Law No. 247, dated June 18, 2021, which hold the authority over the public services of water supply, sanitation and urban rainwater management;

1.1.60. MUNICIPALITIES: the municipalities comprised within the SERVICE PROVIDER'S COVERAGE AREA, as described in EXHIBIT D – SERVICE PROVIDER'S COVERAGE AREA,



relating to LOT [●];

1.1.61. CONSOLIDATED INFORMAL URBAN SETTLEMENTS: clandestine or irregular human settlement nuclei, or those in which it has not been possible, by any means, to grant title to their occupants, and which are difficult to reverse, considering the time of occupation, the nature of the buildings, the location of circulation routes and the presence of public facilities, among other circumstances to be assessed by the MUNICIPALITIES, pursuant to Federal Law No. 13,465, dated July 11, 2017;

1.1.62. PREEMPTIVE SUBJECT MATTER: the utility, good, service or solution that is the subject matter of the PREEMPTIVE RIGHT in relation to a given PREFERRED PARTY;

1.1.63. SYSTEM IMPROVEMENT WORKS: any and all works of maintenance, refurbishment, improvement, expansion and implementation of infrastructure in the wastewater systems, the performance of which is the CONCESSIONAIRE's responsibility, including works on facilities and the construction of infrastructure for the adequate provision of the SERVICES in the wastewater systems, pursuant to EXHIBIT IV – CONCESSION SPECIFICATIONS;

1.1.64. SYSTEM ASSISTED OPERATION: a period of up to 180 (one hundred and eighty) days, counted from the signing of the CONTRACT, which may be extended for an additional 90 (ninety) days under the conditions set forth in this CONTRACT, during which the CONCESSIONAIRE will closely monitor the activities related to the SYSTEM OPERATION, and the GRANTING AUTHORITY shall, for all purposes, remain directly responsible for the SYSTEM OPERATION;

1.1.65. SYSTEM OPERATION: comprises the set of operational actions to be developed and executed by the CONCESSIONAIRE, after the issuance of the SYSTEM TRANSFER TERM, for the provision of the SERVICES, observing the parameters and conditions set forth in the CONTRACT and its EXHIBITS;

1.1.66. FIXED COMPONENT: the portion of the MONTHLY FINANCIAL CONSIDERATION corresponding to the remuneration of direct investments in the SYSTEM;

1.1.67. VARIABLE COMPONENT: the portion of the MONTHLY FINANCIAL CONSIDERATION corresponding to the remuneration of costs and expenses for the SYSTEM maintenance



and operation and for the COMPLEMENTARY SERVICES provision;

1.1.68. PARTIES: the GRANTING AUTHORITY and the CONCESSIONAIRE, which enter into this CONTRACT;

1.1.69. RELATED PARTIES: with respect to the CONCESSIONAIRE: (a) its controlling shareholders, its subsidiaries and affiliated companies, as well as the subsidiaries and affiliated companies of a common controlling shareholder; (b) its managers and directors, when the transaction's subject matter is outside the competences and statutory duties inherent to their positions; and (c) legal entities that share managers or directors;

1.1.70. PRE-EXISTING LIABILITIES: the set of obligations, expenses and liabilities arising from acts, facts or omissions occurring prior to the start of the CONCESSIONAIRE's SYSTEM OPERATION, the responsibility for which has been formally attributed to the GRANTING AUTHORITY, whether by its express acknowledgement through administrative, contractual or judicial instruments or regulatory provisions, or as a result of an order issued by a competent authority by means of a final decision or a decision not challenged, including, among others, regulatory fines and penalties, environmental violation notices, and labor, tax, social security, judicial or administrative obligations related to the provision of the SERVICES;

1.1.71. CAGECE STRATEGIC MANAGEMENT PLAN: document prepared by CAGECE as part of its strategic planning, with annual update cycles, the scope of which is to outline the company's guidelines, objectives and strategies for a five-year period. The publication date of this document, or its equivalent, shall serve as a parameter for the review and update of the INVESTMENT PLAN.

1.1.72. INVESTMENT PLAN: the plan submitted by the CONCESSIONAIRE to the GRANTING AUTHORITY for approval, setting forth the investment planning for the 60 (sixty)-month period of the CONCESSION, to be updated annually by the CONCESSIONAIRE;

1.1.73. BUSINESS PLAN: the document submitted by the CONCESSIONAIRE during the TENDER for purposes of verifying the adequacy of the COMMERCIAL PROPOSAL to the elements and conditions set forth in the TENDER NOTICE, and which shall serve as a reference for the assessment of any rebalancing of the economic-financial equilibrium, in



cases where so provided under this CONTRACT, in all cases subject to the risk allocation matrix established therein;

1.1.74. BUSINESS PLANS FOR EXPLOITING ADDITIONAL REVENUES: the documents through which the CONCESSIONAIRE may propose to the GRANTING AUTHORITY the business structure with expectations of shared gains;

1.1.75. TRANSITION PLAN: document to be prepared by the CONCESSIONAIRE prior to the end of the CONCESSION, setting forth all measures to be taken by the GRANTING AUTHORITY and, especially, by the CONCESSIONAIRE so that the SYSTEM may be returned to the GRANTING AUTHORITY under the conditions set forth in this CONTRACT and without any prejudice to the continuity of the SERVICES provision;

1.1.76. MUNICIPAL WATER AND WASTEWATER PLAN: the planning instrument approved by each MUNICIPALITY containing provisions and information related to the public water supply and wastewater services, pursuant to Article 19 of Federal Law No. 11,445/2007;

1.1.77. MICROREGIONAL WATER AND WASTEWATER PLAN: the planning instrument approved by each MICROREGION, containing provisions and information related to the public water supply services and the public wastewater services, pursuant to Articles 17 and 19 of Federal Law No. 11,445/2007;

1.1.78. OPERATIONAL PLAN: document to be prepared by the CONCESSIONAIRE in accordance with the CONTRACT and its EXHIBITS, with a view to standardizing operating and maintenance guidelines for the systems, and which shall be subject to the GRANTING AUTHORITY's prior approval;

1.1.79. WORK PLAN: document to be prepared by the CONCESSIONAIRE, clearly and with justification, addressing the measures to be taken to implement the investments set forth in the INVESTMENT PLAN, covering topics such as: methodology, deliverables, flowchart, human resources, material resources, logistics, organization chart and schedule;

1.1.80. GRANTING AUTHORITY: CAGECE, which acts as the contracting party by virtue of the express delegation set forth in the PROGRAM CONTRACTS entered into between CAGECE and the MUNICIPALITIES located within the SERVICE PROVIDER'S COVERAGE AREA, as described in EXHIBIT D – SERVICE PROVIDER'S COVERAGE AREA;



1.1.81. PREFERRED PARTY: a legal entity in which the GRANTING AUTHORITY is a shareholder, quotaholder or controlling shareholder, or any of its subsidiaries, or that maintains or may come to maintain an effective agreement with the GRANTING AUTHORITY that qualifies it as a business opportunity partner, pursuant to Article 28, paragraph 4, of Law No. 13,303/2016, the scope of which involves the provision of services, supply of goods or technological solutions that may be demanded by the CONCESSIONAIRE in the performance of this CONTRACT;

1.1.82. BASIC PROJECT: document to be prepared by the CONCESSIONAIRE in accordance with the CONTRACT and its EXHIBITS, consisting of a set of necessary and sufficient elements, with an appropriate accuracy level to define and size the work or set of works, ensuring technical feasibility and adequate treatment of the project's environmental impact, and enabling the assessment of the work's cost and the definition of execution methods and schedule;

1.1.83. EXECUTIVE PROJECT: document to be prepared by the CONCESSIONAIRE in accordance with the CONTRACT and its EXHIBITS, consisting of a set of elements necessary and sufficient for the complete execution of the work, detailing the solutions set forth in the BASIC PROJECT, identifying the services, materials and equipment to be incorporated into the work, as well as their technical specifications, in accordance with the applicable technical standards;

1.1.84. COMMERCIAL PROPOSAL: the proposal submitted by the winning tenderer of the TENDER, within the tendering process, set forth in EXHIBIT II – COMMERCIAL PROPOSAL;

1.1.85. RECEIVABLES: future revenues arising from tariff collection resulting from the provision by the GRANTING AUTHORITY of the public water supply and wastewater services, including the principal as well as any complementary amounts that may be due by the USERS, such as fines and interest, which shall be allocated to the CONCESSION to constitute the PUBLIC GUARANTEE for payment of the MONTHLY FINANCIAL CONSIDERATION, up to the limit of the MINIMUM RESERVE ACCOUNT AMOUNT and the ASSIGNED REVENUE;

1.1.86. ADDITIONAL REVENUE: any and all alternative, complementary and accessory



revenue to be earned, directly or indirectly, by the CONCESSIONAIRE as a result of the exploitation of an associated project or the provision of an additional service to the SERVICES, pursuant to Article 11 of Federal Law No. 8,987/1995, upon the GRANTING AUTHORITY's prior and express authorization;

1.1.87. ASSIGNED REVENUE: the minimum amount defined in this CONTRACT that must flow through the LINKED ACCOUNT, composed of the RECEIVABLES;

1.1.88. RETURN ON CAPITAL: the financial return obtained by the CONCESSIONAIRE on the capital invested in the CONCESSION project, including compensation for assumed risks. It is associated with the recovery of investments and the remuneration of equity and third-party capital, aiming to ensure the project's economic feasibility and financial sustainability;

1.1.89. ORDINARY REVIEW: the review of the CONTRACT, to be carried out every 5 (five) years, counted from the start date of the SYSTEM OPERATION, pursuant to clause 30;

1.1.90. INSURER: a Brazilian or foreign insurance company authorized to operate in Brazil;

1.1.91. SERVICES: integrated activities that comprise the entirety of the subject matter of the CONCESSION, characterized as follows: (a) wastewater service: public service encompassing the activities of collection, transportation, treatment and proper final disposal of wastewater, from households connections through its proper discharge into the environment; and (b) COMMERCIAL MANAGEMENT of the wastewater services, pursuant to EXHIBIT IV – CONCESSION SPECIFICATIONS;

1.1.92. COMPLEMENTARY SERVICES: auxiliary, complementary and related activities within the scope of the SERVICES provision, to be provided by the CONCESSIONAIRE and, when applicable, regulated by the REGULATORY AGENCY;

1.1.93. SYSTEM: set of infrastructures linked to the provision of SERVICES, such as wastewater pumping stations, wastewater treatment plants, manholes, interceptors, outfalls, trunk collectors, among other structures necessary for the SERVICES provision, as described in EXHIBIT D – SERVICE PROVIDER'S COVERAGE AREA;



1.1.94. ALTERNATIVE SOLUTION: an individual or collective wastewater service method, deemed adequate pursuant to the REGULATORY AGENCY's regulations, in locations where the public network is not available;

1.1.95. ACCEPTANCE AND TRANSFER TERM: the formal acceptance and receipt document by which the CONCESSIONAIRE acknowledges and receives the GRANTING AUTHORITY INVESTMENTS, after the joint inspection has been carried out and the other conditions set forth in the CONTRACT have been fulfilled.

1.1.96. SYSTEM REVERSION TERM: the formal acceptance and receipt document by which the GRANTING AUTHORITY acknowledges and receives the SYSTEM, after the reversion of the REVERSIBLE ASSETS;

1.1.97. SYSTEM TRANSFER TERM: the document by means of which the GRANTING AUTHORITY, upon completion of the SYSTEM ASSISTED OPERATION period, transfers to the CONCESSIONAIRE responsibility for the SYSTEM OPERATION, enabling it to provide all SERVICES pursuant to this CONTRACT;

1.1.98. HOLDER: the MUNICIPALITIES, as holders of the public water supply and the public wastewater services, or the MICROREGION, which holds such authority as a result of the regionalization of the State of Ceará;

1.1.99. USERS: individuals and legal persons who will be the recipients of the SERVICES and the COMPLEMENTARY SERVICES provided by the CONCESSIONAIRE within the SERVICE PROVIDER'S COVERAGE AREA;

1.1.100. MINIMUM AMOUNT OF THE RESERVE ACCOUNT: the minimum amount defined in this CONTRACT that shall remain deposited in the RESERVE ACCOUNT, in order to ensure compliance with the GRANTING AUTHORITY's obligations;

1.1.101. INDEPENDENT VERIFIER: an independent private-law legal entity, with technical knowledge of services and activities similar to those performed by the CONCESSIONAIRE, tasked with gathering information and carrying out acts to support the oversight of the CONTRACT, notably with respect to compliance with the PERFORMANCE INDICATORS set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, and which demonstrates full independence and impartiality vis-à-vis the PARTIES, as well as the



absence of any effective agreement with the CONCESSIONAIRE and companies in its economic group, and with the GRANTING AUTHORITY.

1.2. Acronyms, terms and expressions listed in the singular include the plural, and vice versa.

2. APPLICABLE LAW AND CONTRACT LEGAL FRAMEWORK

2.1. This CONTRACT shall be governed by the laws applicable in Brazil, with the express waiver of the application of any other laws, as well as by the general rules of Public Law.

2.2. Without prejudice to any other applicable constitutional, legal and regulatory provisions, the following rules shall apply in particular:

- (i) Constitution of the Federative Republic of Brazil;
- (ii) Federal Law No. 8,987, dated February 13, 1995;
- (iii) Federal Law No. 9,074, dated July 7, 1995;
- (iv) Federal Law No. 11,445, dated January 5, 2007;
- (v) Federal Law No. 11,079, dated December 30, 2004;
- (vi) Federal Law No. 13,089, dated January 12, 2015;
- (vii) Federal Law No. 13,460, dated June 26, 2017;
- (viii) Federal Law No. 14,026, dated July 15, 2020;
- (ix) Federal Law No. 14,133, dated April 1, 2021;
- (x) Federal Decree No. 7,217, dated June 21, 2010;
- (xi) Federal Decree No. 11,598, dated July 12, 2023;
- (xii) Federal Decree No. 11,599, dated July 12, 2023;
- (xiii) State Law No. 14,391, dated July 7, 2009;
- (xiv) State Law No. 15,277, dated December 28, 2012;
- (xv) State Supplementary Law No. 162, dated June 20, 2016;
- (xvi) State Supplementary Law No. 247, dated June 18, 2021;
- (xvii) Administrative Order No. 557 of the Minister of State for Cities, dated November 11, 2016.

2.3. References to the rules applicable to the CONCESSION shall also be understood as references to any legislation that replaces or amends them, in whole or in part.

2.4. This CONTRACT shall be governed by its provisions and by the rules of Public Law, and, on a supplementary basis, by the principles of the general theory of contracts and the provisions



of Private Law specifically applicable to it.

2.5. The legal framework of this CONTRACT, together with the related legal instruments, grants the GRANTING AUTHORITY the prerogative to:

- i. amend it unilaterally, in order to better align it with the purposes of public interest, as set forth in this CONTRACT and in the applicable laws and regulations, always ensuring the maintenance of the CONTRACT's economic and financial balance;
- ii. intervene in the CONCESSION and terminate the CONTRACT, if necessary, in accordance with this instrument and the applicable laws and regulations;
- iii. impose on the CONCESSIONAIRE the sanctions set forth in this CONTRACT, due to partial or total non-execution, as set forth herein and in the applicable laws;
- iv. inspect the CONTRACT execution, pursuant to this instrument and the applicable laws and regulations;
- v. to take over the CONCESSION or declare its termination due to default, in accordance with the terms of this CONTRACT and the applicable laws and regulations.

2.6. Given the existence of related legal instruments connected to this CONTRACT, the interpretation of its content shall be understood in accordance with the legal instruments indicated in subclause 2.7.

2.7. The following are related legal instruments connected to this CONTRACT, without prejudice to others:

- i. COOPERATION AGREEMENTS entered into between the HOLDERS of the SERVICE and the STATE.
- ii. PROGRAM CONTRACTS entered into between the MUNICIPALITIES and the GRANTING AUTHORITY.

3. INTERPRETATION

3.1. In the event of any discrepancy between: (i) the rules applicable to the CONCESSION and



the SERVICES provision; *(ii)* the instruments referred to in subclause 2.2; *(iii)* the provisions of this CONTRACT and its respective EXHIBITS; *(iv)* the provisions of the TENDER NOTICE and its EXHIBITS; and *(v)* any other legal instruments related to the CONCESSION, the following shall prevail:

- i. first, an attempt shall be made to resolve the discrepancy by means of an interpretation that harmonizes the apparently conflicting provisions, so that they become, to the greatest extent possible, consistent with the applicable laws and regulatory rules;
- ii. second, in the event of any discrepancy between the provisions of the CONTRACT and the TENDER NOTICE, the provisions of the TENDER NOTICE shall prevail, due to the principle that the CONTRACT is bound to the TENDER call instrument; likewise, the provisions of the winning tenderer's COMMERCIAL PROPOSAL shall prevail over the CONTRACT, provided that they do not conflict with the TENDER NOTICE, unless this CONTRACT expressly provides otherwise;
- iii. third, the provisions of the CONTRACT, which shall prevail over those of its EXHIBITS;
- iv. fourth, the provisions of the PROGRAM CONTRACTS, which shall prevail over those of their exhibits;
- v. fifth, the provisions of the COOPERATION AGREEMENTS.

4. EXHIBITS

4.1. The following **EXHIBITS** form an integral part of this **CONTRACT** for all legal purposes:

4.1.1. EXHIBIT I – TENDER NOTICE, EXHIBITS AND PROVIDED CLARIFICATIONS

4.1.2. EXHIBIT II – COMMERCIAL PROPOSAL

4.1.3. EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS

4.1.4. EXHIBIT IV – CONCESSION SPECIFICATIONS

4.1.5. EXHIBIT V – GUIDELINES FOR PREPARATION OF THE INVESTMENT PLAN



- 4.1.6. EXHIBIT VI – PROVISIONS FOR CONTRACTING PERFORMANCE GUARANTEES
- 4.1.7. EXHIBIT VII – GUIDELINES FOR ENTERING INTO THE COLLECTION AND ACCOUNT MANAGEMENT CONTRACT
- 4.1.8. EXHIBIT VIII – GRANTING AUTHORITY’S INVESTMENTS
- 4.1.9. EXHIBIT IX – PERSONAL DATA PROCESSING AGREEMENT
- 4.1.10. EXHIBIT X – RISK MATRIX

5. SUBJECT MATTER OF THE CONCESSION

5.1. This CONTRACT has as its subject matter the ADMINISTRATIVE CONCESSION for the regionalized provision of the SERVICES and COMPLEMENTARY SERVICES within the SERVICE PROVIDER’S COVERAGE AREA of LOT [●], through the operation of the pre-existing infrastructure and the infrastructure to be built during the term of this CONTRACT, comprising the SYSTEM, in accordance with the description, characteristics and technical specifications detailed in this CONTRACT, its EXHIBITS and the applicable law.

5.2. The SERVICES shall be executed by the CONCESSIONAIRE in strict compliance with the TENDER NOTICE, the BUSINESS PLAN, the UNIVERSALIZATION SCHEDULE, as well as with all provisions, deadlines, technical guidelines and procedures set forth in the CONTRACT, the INVESTMENT PLAN, the BASIC PROJECT, the EXECUTIVE PROJECT, the other EXHIBITS, and in accordance with Brazilian technical standards, the regulatory rules applicable to the SERVICES, the applicable law, and any guidelines common to the CONCESSIONAIRE’S and the GRANTING AUTHORITY’S investments.

5.3. The CONCESSION aims at the proper provision of the SERVICES and execution of the investments, in compliance with the planning instruments, project documents and technical and regulatory definitions, and the conditions of regularity, efficiency, safety, modernity, generality, courtesy, equity and continuity shall be met, observing the PERFORMANCE INDICATORS and service targets set forth in the CONTRACT, its EXHIBITS and the applicable law.



5.4. The SERVICES shall be performed by the CONCESSIONAIRE in a manner that optimizes the management of its resources, whether human or material, with a view to the quality of the SERVICES and to the satisfaction of the public interest to be achieved by the GRANTING AUTHORITY, without prejudice to strict compliance with the provisions of the plans, project documents and the applicable technical and regulatory standards and laws.

5.5. The sanitary wastewater and its effluents, the by-products associated with the SERVICES provision, the CONCESSION ASSETS or any other derivatives shall be owned by the GRANTING AUTHORITY, without prejudice to the management and responsibility, including environmental liability, of the CONCESSIONAIRE.

5.5.1. It shall be exclusively incumbent upon the GRANTING AUTHORITY to commercialize them or assign other uses to them, or any other form of exploitation, and the GRANTING AUTHORITY shall earn the resulting revenues, or, alternatively, to enter into partnerships with the CONCESSIONAIRE itself or with third parties, under result-sharing criteria that comply with regulatory parameters and tariff affordability.

5.5.2. With respect to the subclause above, the CONCESSIONAIRE may not hinder or create any obstacle to the GRANTING AUTHORITY in the exercise of its powers and rights, under penalty of application of the applicable penalties.

5.6 The provisions of this CONTRACT do not prevent the HOLDERS, with their own resources or transferred resources, from carrying out urbanization and sanitation works, which, to the extent they impact the CONCESSIONAIRE'S obligations, may give rise to economic-financial rebalancing in its favor or in favor of the GRANTING AUTHORITY.

6. VALUE OF THE CONTRACT

6.1. The value of this CONTRACT, for all legal purposes, is R\$ [●] ([●]), corresponding to the aggregate amount of the estimated MONTHLY FINANCIAL CONSIDERATIONS for the entire term of the CONTRACT, excluding the SYSTEM ASSISTED OPERATION period, as indicated in the winning proposal of the tender procedure for LOT [●].

6.2. The value referred to in subclause 6.1 is for indicative purposes only and may not be used by either PARTY to request economic-financial rebalancing of this CONTRACT.



7. CONCESSION TERM

7.1. The term of this CONTRACT shall commence upon signing of the CONTRACT and shall comprise the aggregate of the SYSTEM ASSISTED OPERATION period and the 28 (twenty-eight)-year SYSTEM OPERATION period, which shall begin upon issuance of the SYSTEM TRANSFER TERM, limited to the term of the PROGRAM CONTRACTS.

7.2. The term of this CONTRACT may be extended for purposes of restoring the economic-financial balance, provided that (i) such extension is the alternative that best serves the public interest, as evidenced in economic-financial, technical and legal opinions assessing the cost-effectiveness of service continuity and the CONCESSIONAIRE'S compliance with the contractual performance standards and indicators; and (ii) it does not exceed the term of the instruments related to this CONTRACT, notably the PROGRAM CONTRACT.

7.3. Under no circumstances may the term of the CONCESSION exceed the legal limit of 35 (thirty-five) years, taking into account any extensions granted for rebalancing purposes.

8. SYSTEM ASSISTED OPERATION

General provisions

8.1. On the date of signing the CONTRACT, the GRANTING AUTHORITY and the CONCESSIONAIRE shall commence the SYSTEM ASSISTED OPERATION period, which shall last for up to 180 (one hundred and eighty) calendar days.

8.1.1. The CONCESSIONAIRE may request an extension of the SYSTEM ASSISTED OPERATION period, once only, for an additional period of up to 90 (ninety) calendar days, and it shall be the CONCESSIONAIRE'S responsibility to submit the extension request to the TRANSITION COMMITTEE.

8.1.2. The extension request shall be submitted up to 30 (thirty) calendar days prior to the scheduled end date of the SYSTEM ASSISTED OPERATION.

8.1.3. The CONCESSIONAIRE shall be entitled to an extension of the SYSTEM ASSISTED OPERATION period in the event of failure to provide the information and documents



mentioned in items 8.5.2, 8.5.3, 8.5.4 and 8.6 that prevents or hinders the commencement of the SYSTEM OPERATION; due to the need for a longer period to complete the INVESTMENT PLAN, as set forth in subclause 9.2; or due to the occurrence of an event for which liability lies with the GRANTING AUTHORITY by operation of law or pursuant to the risk allocation set forth in subclause 34.4 of this CONTRACT.

8.1.4. In the situation described in the preceding subclause, the extension request for the SYSTEM ASSISTED OPERATION period shall specify the documents and information requested by the CONCESSIONAIRE and not provided by the GRANTING AUTHORITY, and shall also detail the pending matters for the commencement of the SYSTEM OPERATION and their economic implications.

8.1.5. If the missing information is not provided by the end of the extension period of the SYSTEM ASSISTED OPERATION, the CONCESSIONAIRE may terminate the CONTRACT.

8.1.6. The CONCESSIONAIRE and the GRANTING AUTHORITY may, by mutual agreement and for a duly justified reason, extend the SYSTEM ASSISTED OPERATION for the period set forth in subclause 8.1.1.

8.2. Within up to 5 (five) business days after entering into the CONTRACT, the PARTIES shall establish a TRANSITION COMMITTEE, with equal representation of the CONCESSIONAIRE and the GRANTING AUTHORITY, for the purpose of facilitating communication and the exchange of information regarding the essential aspects for the transition of the SERVICES between their respective teams.

8.2.1. Within the scope of the TRANSITION COMMITTEE, the PARTIES shall establish deadlines and procedures for validation of data contained in databases and registries of the GRANTING AUTHORITY necessary to measure the performance indicators set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS. If the deadlines agreed within the scope of the TRANSITION COMMITTEE are not met due to a fact exclusively attributable to the GRANTING AUTHORITY, the measurement of the performance indicators shall provisionally consider, in substitution for the non-validated data, the data informed by the CONCESSIONAIRE.



8.2.2. Within up to 1 (one) year from the measurement carried out based on the data informed by the CONCESSIONAIRE, the GRANTING AUTHORITY may review the measured amounts, upon the effective validation of the data contained in its databases and registries. In such case, and without prejudice to the CONCESSIONAIRE'S right to prior manifestation, any differences between the revised measurement and the one originally carried out based on the CONCESSIONAIRE'S data, whether higher or lower, shall be compensated in subsequent MONTHLY FINANCIAL CONSIDERATIONS, considering a maximum of 12 (twelve) consecutive MONTHLY FINANCIAL CONSIDERATIONS.

8.3. During the SYSTEM ASSISTED OPERATION period, the GRANTING AUTHORITY shall be considered, for all purposes, fully responsible for the SERVICES provision, and the CONCESSIONAIRE shall be responsible for monitoring the activities related to the SYSTEM OPERATION, and, for such purposes, shall mobilize its own resources, including personnel, materials, contracting and software development, among others indispensable to the monitoring and transition of the activities performed by the GRANTING AUTHORITY.

8.3.1. The CONCESSIONAIRE shall be fully responsible for the proper sizing of the resources required to monitor the activities related to the SYSTEM ASSISTED OPERATION.

8.4. The GRANTING AUTHORITY shall endeavor to comply with all of its obligations, especially with respect to cooperation and the provision of all information necessary for the assumption of the SERVICES by the CONCESSIONAIRE at the end of the SYSTEM ASSISTED OPERATION period, and it is hereby established that any breach or irregular performance of obligations by the GRANTING AUTHORITY shall be deemed a contractual default.

8.5. During the SYSTEM ASSISTED OPERATION period, the GRANTING AUTHORITY shall be responsible for:

8.5.1. Preserving the REVERSIBLE ASSETS comprising the SYSTEM, being responsible for their maintenance and protection against third-party actions until their transfer to the CONCESSIONAIRE occurs.

8.5.2. Granting the CONCESSIONAIRE free access to the necessary information regarding the SYSTEM and all SERVICES, including, but not limited to:



- i. records of the SERVICES provision and any other activities eventually performed in the COVERAGE AREA, relating to the previous 5 (five) years;
- ii. technical files, registries, plans, drawings and other documents and information regarding the facilities comprising the SYSTEM to be operated by the CONCESSIONAIRE;
- iii. environmental licenses in force and other documents relating to compliance with environmental law, including with respect to procedures for any environmental licensing and other ongoing environmental obligations;
- iv. documents evidencing possession and/or ownership of the real estate REVERSIBLE ASSETS, when they exist;
- v. any other information relevant to the planning and adoption, by the CONCESSIONAIRE, of the measures necessary for the proper transfer of the existing SYSTEM and all SERVICES.

8.5.3. Granting the CONCESSIONAIRE free and unobstructed access to the assets comprising the SYSTEM.

8.5.4. Granting the CONCESSIONAIRE, during the SYSTEM ASSISTED OPERATION period, free access to any and all information comprising the subject matter of the CONCESSION, in a complete and integral manner, contained in the systems that perform the GRANTING AUTHORITY'S COMMERCIAL MANAGEMENT within the SERVICE PROVIDER'S COVERAGE AREA, by providing access permissions to the CONCESSIONAIRE'S employees designated for such purpose, as well as at least one specific terminal for access to the COMMERCIAL MANAGEMENT system at the CONCESSIONAIRE'S premises.

8.5.4.1. The CONCESSIONAIRE is forbidden from maintaining any registry, database or any autonomous copies of the records referred to in item 8.5.4.

8.5.5. Provided that previously agreed, making available, for the benefit of the CONCESSIONAIRE, at the facilities and offices regularly used by the GRANTING AUTHORITY, the physical space necessary for the CONCESSIONAIRE'S teams responsible



for the transition of the SERVICES to carry out the activities necessary for the assumption of the SERVICES.

8.5.6. Establishing the PUBLIC GUARANTEE, by contracting the SECURITY AGENT and implementing the LINKED ACCOUNT and the RESERVE ACCOUNT, pursuant to this CONTRACT and EXHIBIT VII – GUIDELINES FOR ENTERING INTO THE COLLECTION AND ACCOUNT MANAGEMENT CONTRACT.

8.6. Failure to comply with the obligations set forth in subclause 8.5, as well as the materialization, during the SYSTEM ASSISTED OPERATION, of risks allocated to the GRANTING AUTHORITY'S liability pursuant to subclause 34.4, may give rise to economic-financial rebalancing of this CONTRACT in favor of the CONCESSIONAIRE, provided that it demonstrably affects the obligations assumed by the CONCESSIONAIRE, causing losses.

8.7. During the SYSTEM ASSISTED OPERATION period, the GRANTING AUTHORITY shall remain responsible for executing all SERVICES, including the operation and maintenance of the entire existing SYSTEM, and the CONCESSIONAIRE shall be entitled to receive the MONTHLY FINANCIAL CONSIDERATION only as from the commencement of the SYSTEM OPERATION, pursuant to this CONTRACT.

8.7.1. During the SYSTEM ASSISTED OPERATION period, the CONCESSIONAIRE shall not be entitled to receive the MONTHLY FINANCIAL CONSIDERATION, and shall not be subject to the PERFORMANCE INDICATORS or to the costs related to operation and maintenance of the SYSTEM.

8.8. At the end of the SYSTEM ASSISTED OPERATION period, once the obligations set forth in subclauses 8.4, 8.5 and 8.7 have been fulfilled and, further, the INVESTMENT PLAN, the OPERATIONAL PLAN and the concept of the priority interventions, at a conceptual design level of detail, to be carried out in the first months of the SYSTEM OPERATION, have been approved by the GRANTING AUTHORITY, the PARTIES shall execute the SYSTEM TRANSFER TERM, through which the SYSTEM OPERATION shall be transferred to the CONCESSIONAIRE.

8.9. Upon issuance of the SYSTEM TRANSFER TERM, the CONCESSIONAIRE shall become responsible for the SERVICES provision, for the possession of the transferred assets, for maintaining the taxes and the operating and functioning licenses of the SYSTEMS, until



termination of the CONCESSION CONTRACT, and shall be entitled to receive the MONTHLY FINANCIAL CONSIDERATION in the manner set forth in this CONTRACT.

8.10. If mutually agreed by the PARTIES, and provided that the INVESTMENT PLAN is approved and all other obligations attributed to the CONCESSIONAIRE for the relevant period have been fulfilled, the SYSTEM ASSISTED OPERATION may be terminated early, by entering into the SYSTEM TRANSFER TERM, in which case the CONCESSIONAIRE shall assume full and complete SYSTEM OPERATION and shall be entitled to receive the MONTHLY FINANCIAL CONSIDERATIONS, in the manner set forth in this CONTRACT.

8.10.1. Early termination of the SYSTEM ASSISTED OPERATION period shall not give rise to any request for economic-financial rebalancing, nor shall it result in any change to the original term of the CONTRACT, set forth in subclause 7.1.

8.11. Any controversies between the PARTIES relating to the SYSTEM ASSISTED OPERATION period, including those concerning the burdens and rights provided for in this CONTRACT, shall be resolved by the UNIVERSALIZATION TECHNICAL COMMITTEE, upon request by the interested PARTY.

8.11.1. Pursuant to subclause 50.17, the provision set forth in the preceding subclause shall apply only to disputes and questions submitted by the PARTIES for analyses by the UNIVERSALIZATION TECHNICAL COMMITTEE up to July 2033.

8.12. The facilities, infrastructure and equipment comprising the SYSTEM, upon commencement of the SYSTEM OPERATION, shall be transferred by the GRANTING AUTHORITY to the CONCESSIONAIRE, free and clear of any encumbrances or impediments of any kind, through the SYSTEM TRANSFER TERM.

8.13. Any PRE-EXISTING LIABILITIES prior to the transfer of the SYSTEM, including regulatory obligations, shall be the responsibility of the GRANTING AUTHORITY, provided that they are duly identified and formally notified by the CONCESSIONAIRE to the GRANTING AUTHORITY by the end of the SYSTEM ASSISTED OPERATION period.

Operational Plan



8.14. During the SYSTEM ASSISTED OPERATION period, the CONCESSIONAIRE shall submit an OPERATIONAL PLAN, with a view to standardizing the operating and maintenance guidelines of the SYSTEMS, so as to ensure the full functioning of the structures and units, as well as the reduction of operating costs.

8.15. The OPERATIONAL PLAN shall be submitted for analyses and approval by the GRANTING AUTHORITY within a maximum term of 3 (three) months counted from signing of the CONTRACT, with the content described in EXHIBIT IV – CONCESSION SPECIFICATIONS.

8.15.1. After submission of the OPERATIONAL PLAN, the GRANTING AUTHORITY shall have 15 (fifteen) calendar days to review the document and inform the CONCESSIONAIRE of any corrections or additions required.

8.15.2. In the event referred to in subclause 8.15.1, the CONCESSIONAIRE shall have 15 (fifteen) calendar days to revise the OPERATIONAL PLAN and submit it for a new analysis, with the requested corrections or additions.

8.15.3. If further adjustments are required, successive and alternating 15 (fifteen) calendar-day periods shall apply for the CONCESSIONAIRE to make the relevant adjustments and for the GRANTING AUTHORITY to comment thereon.

8.16. After final approval, any amendment to the OPERATIONAL PLAN shall be subject to new analysis and consent by the GRANTING AUTHORITY.

8.17. Any unjustified delay by the CONCESSIONAIRE in submitting or revising the OPERATIONAL PLAN that causes delays in approval by the GRANTING AUTHORITY and, consequently, in the commencement of the SYSTEM OPERATION, or that results in losses duly evidenced to the GRANTING AUTHORITY, may give rise to economic-financial rebalancing of the CONTRACT in favor of the GRANTING AUTHORITY, provided that the resulting direct losses are effectively demonstrated and evidenced.

8.18. Along with the OPERATIONAL PLAN, the CONCESSIONAIRE shall deliver all documentation evidencing the filing, with the competent environmental authority, of the request to change the name of the project developer responsible for the environmental licenses.



Investments Plan

8.19. During the SYSTEM ASSISTED OPERATION period, the CONCESSIONAIRE shall submit the INVESTMENT PLAN referred to in EXHIBIT V – GUIDELINES FOR PREPARATION OF THE INVESTMENT PLAN, the approval of which is a condition for issuance of the SYSTEM TRANSFER TERM.

8.19.1. The INVESTMENT PLAN aims to present short, medium and long-term investment planning during the period of execution of the SYSTEM expansion, and shall evidence in detail, for the 60 (sixty) months following the INVESTMENT PLAN submission date, the projects and works that will serve as the basis for management of the investments in the SYSTEM IMPROVEMENT WORKS.

8.20. For preparation of the INVESTMENT PLAN, the following documents shall be considered, observing the guidelines set forth in EXHIBIT IV – CONCESSION SPECIFICATIONS and EXHIBIT V – GUIDELINES FOR PREPARATION OF THE INVESTMENT PLAN:

- i. WORK PLAN;
- ii. CAGECE INVESTMENT MANAGEMENT PLAN;
- iii. CONCESSIONAIRE INVESTMENT MANAGEMENT PLAN;
- iv. EXECUTION SCHEDULE; and
- v. UNIVERSALIZATION SCHEDULE.

8.20.1. The WORK PLAN shall be delivered by the CONCESSIONAIRE within up to 60 (sixty) calendar days after signing of the CONTRACT and approved by the GRANTING AUTHORITY prior to issuance of the SYSTEM TRANSFER TERM.

8.20.2. The other documents mentioned in subclause 8.20 shall be delivered concurrently with the INVESTMENT PLAN.

8.21. The first version of the INVESTMENT PLAN shall be delivered by the CONCESSIONAIRE within up to 120 (one hundred and twenty) calendar days after signing the CONTRACT.

8.21.1. The GRANTING AUTHORITY shall have a maximum term of 30 (thirty) calendar days to comment on the INVESTMENT PLAN, and may, during such period, request



additions or corrections.

8.21.2. If amendments or additions are required, the CONCESSIONAIRE shall resubmit the INVESTMENT PLAN with the required changes within 15 (fifteen) calendar days counted from the GRANTING AUTHORITY'S request.

8.21.3. If further adjustments are required due to a request by the GRANTING AUTHORITY, successive and alternating 15 (fifteen) calendar-day periods shall apply for the CONCESSIONAIRE to make the relevant adjustments and for the GRANTING AUTHORITY to comment thereon.

8.22. Final approval of the first version of the INVESTMENT PLAN shall occur within a maximum term of up to 180 (one hundred and eighty) calendar days counted from signing of the CONTRACT.

8.22.1. If the INVESTMENT PLAN is not approved within the maximum term provided for, the SYSTEM ASSISTED OPERATION period shall be automatically extended for up to 90 (ninety) calendar days, so that final approval of the INVESTMENT PLAN occurs during the extension of the SYSTEM ASSISTED OPERATION.

8.22.2. Under no circumstances may the SYSTEM ASSISTED OPERATION period be terminated before approval of the first version of the INVESTMENT PLAN.

8.23. After approval of the first version of the INVESTMENT PLAN, it shall be reviewed and updated periodically throughout the performance of the CONTRACT, in accordance with the guidelines set forth in EXHIBIT V – GUIDELINES FOR PREPARATION OF THE INVESTMENT PLAN, considering that:

8.23.1. The first review of the INVESTMENT PLAN shall be submitted by the CONCESSIONAIRE within up to 30 (thirty) calendar days after the first update of the CAGECE STRATEGIC MANAGEMENT PLAN carried out after the lapse of 1 (one) year from the commencement of the SYSTEM OPERATION.

8.23.2. Further reviews and updates of the INVESTMENT PLAN shall be carried out on an annual basis, and it shall be the CONCESSIONAIRE'S responsibility to submit the new version of the INVESTMENT PLAN always within a maximum of 30 (thirty) calendar days



counted from the respective update of the CAGECE STRATEGIC MANAGEMENT PLAN carried out in the same year.

9. INVENTORY OF REVERSIBLE ASSETS RELATED TO THE CONCESSION

9.1. Upon commencement of the SYSTEM ASSISTED OPERATION, the CONCESSIONAIRE shall prepare, at its own expense, the REVERSIBLE ASSETS INVENTORY, in which all assets whose custody and operation will be transferred to the CONCESSIONAIRE shall be identified in detail.

9.1.1. The CONCESSIONAIRE may, at its discretion and expense, hire a specialized company to assist it in preparing the REVERSIBLE ASSETS INVENTORY.

9.1.2. The preparation of the REVERSIBLE ASSETS INVENTORY by the CONCESSIONAIRE shall be carried out in coordination with the GRANTING AUTHORITY'S asset control area and observing the template to be made available to the CONCESSIONAIRE, so as to facilitate and standardize the planning process, the collection of information and the monitoring of the document.

9.1.3. At the CONCESSIONAIRE'S request, the GRANTING AUTHORITY shall ensure that the CONCESSIONAIRE'S representatives have broad access to the information, facilities and equipment comprising the existing SYSTEM, in order to enable the preparation of the REVERSIBLE ASSETS INVENTORY.

9.1.4. The REVERSIBLE ASSETS INVENTORY shall cover real estate assets, facilities, ongoing works of the GRANTING AUTHORITY and of the MUNICIPALITIES, as well as the equipment allocated to the SERVICES operation, including motor vehicles adapted to perform activities related to the operation and maintenance of the SYSTEMS and SERVICES, excluding:

- i. the real estate assets where only commercial or administrative activities of the GRANTING AUTHORITY are currently carried out;
- ii. motor vehicles purchased or leased by the GRANTING AUTHORITY and used solely for administrative activities, as well as motor vehicles allocated to the public water supply service or those that have no direct link to the public



wastewater service;

- iii. motor vehicles adapted to perform activities related to the operation and maintenance of the SYSTEMS and SERVICES that cannot be transferred to the CONCESSIONAIRE due to obligations of the GRANTING AUTHORITY towards third parties.

9.1.5. The REVERSIBLE ASSETS INVENTORY shall include assessments and any reservations regarding the condition of the REVERSIBLE ASSETS.

9.2. The first version of the REVERSIBLE ASSETS INVENTORY shall be submitted by the CONCESSIONAIRE to the GRANTING AUTHORITY within up to 90 (ninety) calendar days counted from signing of the CONTRACT.

9.2.1. The GRANTING AUTHORITY shall have 30 (thirty) calendar days to comment on the first version of the REVERSIBLE ASSETS INVENTORY and, if applicable, propose, in a specific and technically justified manner, amendments and adjustments to the survey and valuation of the REVERSIBLE ASSETS.

9.2.2. Upon receipt of the GRANTING AUTHORITY'S statement, the CONCESSIONAIRE shall have 15 (fifteen) calendar days to analyze and comment, in a technically justified manner, on the proposed amendments or adjustments presented by the GRANTING AUTHORITY; at the end of such period, it shall resubmit to the GRANTING AUTHORITY the first version of the REVERSIBLE ASSETS INVENTORY, incorporating any suggestions for change/correction eventually accepted.

9.2.3. After receipt of the REVERSIBLE ASSETS INVENTORY with any amendments made by the CONCESSIONAIRE, the GRANTING AUTHORITY shall have 15 (fifteen) calendar days for final approval of the document or, if inadequacies persist in relation to the requests, to propose amendments and adjustments, in which case successive and alternating 15 (fifteen) calendar-day periods shall apply for the PARTIES' statements.

9.3. Approval of the final version of the REVERSIBLE ASSETS INVENTORY shall occur within up to 180 (one hundred and eighty) calendar days counted from signing of the CONTRACT, and



such period may be extended for an additional 90 (ninety) calendar days, provided that duly justified.

9.3.1. Under no circumstances may the SYSTEM ASSISTED OPERATION period be terminated before approval of the final version of the REVERSIBLE ASSETS INVENTORY.

9.4. The REVERSIBLE ASSETS shall be received in their current condition, and the CONCESSIONAIRE shall, at its own expense, carry out the adjustments necessary to comply with the subject matter of the CONCESSION.

9.5. The CONCESSIONAIRE shall update the REVERSIBLE ASSETS INVENTORY throughout the entire term of the CONTRACT, sending new versions to the GRANTING AUTHORITY at least annually, with the approval date of the final version of the REVERSIBLE ASSETS INVENTORY by the GRANTING AUTHORITY as the initial reference.

9.5.1. The process of providing information by the CONCESSIONAIRE to the GRANTING AUTHORITY for purposes of updating the REVERSIBLE ASSETS shall observe the methodology and information template defined by the GRANTING AUTHORITY, pursuant to guidelines to be set forth in the CONCESSION ASSETS MANUAL, aiming at synchronization between the IT systems used.

9.5.2. The annual update of the REVERSIBLE ASSETS INVENTORY does not waive CONCESSIONAIRE'S obligation to provide the GRANTING AUTHORITY, on a monthly basis, with a detailed report regarding the assets built, acquired, replaced, transferred, written off and disposed of.

9.6. The CONCESSIONAIRE undertakes to maintain, at its own expense, the REVERSIBLE ASSETS in proper working condition, conservation and safety throughout the entire term of the CONTRACT.

10. CONCESSION ASSETS

10.1. The CONCESSION shall comprise the REVERSIBLE ASSETS and the PRIVATE ASSETS.



10.1.1. All NECESSARY COSTS related to the CONCESSION ASSETS are the responsibility of the CONCESSIONAIRE, unless expressly provided otherwise in this CONTRACT.

10.2. The assets described in Reference Standard No. 3, dated August 3, 2023, issued by the National Water and Basic Sanitation Agency (ANA), as amended, as well as those set forth in rules and resolutions of the REGULATORY AGENCY, shall be deemed REVERSIBLE ASSETS.

10.2.1. The facilities, infrastructure and equipment comprising the SYSTEM, as well as the REVERSIBLE ASSETS, form part of the GRANTING AUTHORITY'S Regulatory Asset Base – BAR.

10.2.2. The accounting record of such assets as intangible assets, and their amortization, shall be carried out in the accounting records of the GRANTING AUTHORITY, in accordance with the accounting standards in force in Brazil, with emphasis on standards related to the interpretation and guidance on concession contracts, ICPC 01 and OCPC 05, and their subsequent revisions.

10.2.3. The GRANTING AUTHORITY and the CONCESSIONAIRE shall prepare the CORPORATE AND REGULATORY ACCOUNTING MANUAL FOR CONCESSION ASSETS, prior to the end of the SYSTEM ASSISTED OPERATION, and it shall include, at a minimum, the procedures for accounting for payment of the FIXED COMPONENT, FINANCIAL EXPENSE and/or RETURN ON CAPITAL, as well as the accounting for the assets built, acquired, replaced, transferred, written off and disposed of, including the information relating to the measurement of the accounting capitalization costs of the REVERSIBLE ASSETS and the financial costs incurred in the execution of the contract, so that the GRANTING AUTHORITY may duly record and control the intangible assets comprising the subject matter of this CONTRACT.

10.3. The CONCESSIONAIRE'S PRIVATE ASSETS shall include its commercial and administrative facilities, provided that they have not been delivered to it by the GRANTING AUTHORITY, except on an onerous basis, such as offices, shops, warehouses, storage facilities, equipment yards, materials of any nature acquired and not yet installed, vehicles acquired or leased, except for those demonstrably allocated to the SERVICES provision and included in the REVERSIBLE ASSETS INVENTORY.



10.4. The CONCESSIONAIRE is committed to keeping the REVERSIBLE ASSETS in proper operating condition, preservation and safety, at its own expense, carrying out for such purposes the repairs, renewals, adaptations and maintenance necessary for proper performance and up-to-dateness of the SERVICES, pursuant to this CONTRACT.

10.4.1. The CONCESSIONAIRE shall provide, on a monthly basis, detailed information regarding the assets built, acquired, replaced, including by providing technical registries (especially as built), transferred, written off and disposed of, so that the GRANTING AUTHORITY may duly record and control the intangible assets comprising the subject matter of this CONTRACT, including to verify strict compliance with what is set forth in the plans, projects and in the technical and regulatory standards, and such information shall include the financial cost value of the assets corresponding to the investments carried out in the period.

10.4.1.1. The GRANTING AUTHORITY and the CONCESSIONAIRE shall prepare the CONCESSION ASSETS MANUAL, prior to the end of the SYSTEM ASSISTED OPERATION, and it shall include, at a minimum, the procedures for inventory, asset movements, and the flow and deadlines for submission of the information required under subclause 10.4.1.

10.4.1.2. The CONCESSION ASSETS MANUAL shall observe and be compatible, to the extent possible, with the asset control manual set forth in Resolution No. 20, dated July 24, 2025, issued by the REGULATORY AGENCY, or any other that replaces it.

10.4.1.3. The PARTIES shall pursue, to the extent possible, automation of the procedures set forth in subclause 10.4.1, within a period not exceeding 12 (twelve) months, counted as from the SYSTEM OPERATION.

10.4.2. The GRANTING AUTHORITY, the REGULATORY AGENCY or the supervisory and control bodies of the MUNICIPALITIES shall have the right to carry out *in loco* inspections for purposes of inspecting proper management of the REVERSIBLE ASSETS or whether the assets incorporated into the SERVICES comply with what is set forth in the plans, projects and in the technical and regulatory standards.



10.5. The structures, facilities, assets and equipment resulting from the investments carried out during the term of the CONCESSION, if approved by the GRANTING AUTHORITY pursuant to EXHIBIT IV – CONCESSION SPECIFICATIONS, shall be incorporated into the SYSTEM and shall thereafter be operated by the CONCESSIONAIRE under the conditions set forth in this CONTRACT.

10.6. The REVERSIBLE ASSETS may not be disposed of, decommissioned or encumbered by the CONCESSIONAIRE, except as provided for in paragraph 3 of Article 42 of the LNSB and with the GRANTING AUTHORITY'S prior and express authorization.

10.6.1. The GRANTING AUTHORITY shall grant authorization provided that the CONCESSIONAIRE submits a duly justified request. The risks of the transaction shall rest exclusively with the CONCESSIONAIRE.

10.6.2. The authorization referred to in the preceding subclause shall become effective only after approval by the competent environmental licensing authority, where applicable.

10.6.3. The PRIVATE ASSETS may be encumbered, offered as collateral or disposed of, provided that such encumbrance or disposal does not affect the quality of the SERVICES provided and does not reduce the CONCESSIONAIRE'S economic, technical or operational conditions, as authorized or regulated by the GRANTING AUTHORITY.

10.6.3.1. The foregoing also applies to REVERSIBLE ASSETS transferred to the CONCESSIONAIRE without any provision for their replacement by assets of the same nature throughout the performance of the CONTRACT and with a useful life naturally shorter than the term of the CONCESSION.

10.7. The REVERSIBLE ASSETS facilities decommissioned by the CONCESSIONAIRE shall be reverted to the GRANTING AUTHORITY free and clear of environmental liabilities or any other impediments.

10.7.1. The real estate assets shall have the CONCESSIONAIRE'S exploitation rights terminated upon their reversion to the GRANTING AUTHORITY, by means of a specific instrument for each of them, containing an updated list of the movable assets and



equipment located therein, observing the information registration standards used by the GRANTING AUTHORITY.

10.8. All costs relating to the decommissioning of facilities shall be borne by the CONCESSIONAIRE, including demobilization, removal of structures, backfilling and monitoring, technical reports, expert assessments and any other evidentiary requirements regarding environmental and regulatory impacts, observing the full scope of the applicable environmental conditions.

10.8.1. The REPOSITIONING COSTS of the facilities for purposes of use by the GRANTING AUTHORITY or the MUNICIPALITIES shall not be borne by the CONCESSIONAIRE.

11. **SYSTEM IMPROVEMENT WORKS**

11.1. The CONCESSIONAIRE shall be responsible for carrying out the SYSTEM IMPROVEMENT WORKS, as well as those related to operational improvements and asset replacement, in compliance with the technical standards and the guidelines set forth in EXHIBIT IV – CONCESSION SPECIFICATIONS and in accordance with the studies and projects to be prepared under the CONCESSIONAIRE’S sole responsibility and risk.

11.2. In executing the SYSTEM IMPROVEMENT WORKS and implementing the investments, the CONCESSIONAIRE shall ensure compliance with the CONTRACTUAL UNIVERSALIZATION TARGETS, the PERFORMANCE INDICATORS and the other provisions of this CONTRACT, in a manner consistent with the standards issued by specialized technical bodies, including those specifically agreed with international organizations, and shall also comply with all Brazilian technical specifications and standards ensuring the full structural integrity of the works under its responsibility.

11.3. The CONCESSIONAIRE shall be responsible for the timely obtaining of all licenses and permits required for the execution of the SYSTEM IMPROVEMENT WORKS, including those issued by municipal bodies and environmental authorities, as well as for producing technical elements and other documents relating to compliance with environmental legislation, observing the provisions of subclause 34.4, “viii”.

11.3.1. The CONCESSIONAIRE shall inform the GRANTING AUTHORITY within 48 (forty-



eight) hours of the occurrence, in the event that any licenses or authorizations required for the execution of the SERVICES are cancelled, revoked or, for any reason, cease to produce effects, indicating, promptly, which measures it has taken or intends to take to reinstate them.

11.4. For purposes of carrying out the works necessary to fulfill the subject matter of this CONTRACT, the PARTIES shall use their best efforts to avoid or minimize eventual interruption of the SYSTEM, as well as to minimize the period of interventions that affect urban mobility, aiming at the prompt restoration of the roads.

11.5. Implementation of the SYSTEM IMPROVEMENT WORKS may be developed in phases, in view of demand evolution resulting from population growth, provided that it is consistent with the INVESTMENT PLAN and the EXECUTION SCHEDULE, and observing compliance with the service targets and the PERFORMANCE INDICATORS set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS.

11.6. The CONCESSIONAIRE shall submit to the GRANTING AUTHORITY, for review and approval, the EXECUTION SCHEDULE of the SYSTEM IMPROVEMENT WORKS, which shall detail, by locality, district, MUNICIPALITY and MICROREGION, the works and activities to be carried out, in accordance with the definitions of the INVESTMENT PLAN, and the works may not begin prior to the GRANTING AUTHORITY'S approval.

11.6.1. Pursuant to subclause 8.20.2 and the provisions set forth in EXHIBIT IV – CONCESSION SPECIFICATIONS and EXHIBIT V – GUIDELINES FOR PREPARATION OF THE INVESTMENT PLAN, the EXECUTION SCHEDULE of the SYSTEM IMPROVEMENT WORKS shall be submitted to the GRANTING AUTHORITY concurrently with the INVESTMENT PLAN, within up to 120 (one hundred and twenty) calendar days after signing of the CONTRACT.

11.6.2. The EXECUTION SCHEDULE shall include the deadlines for preparation of the projects, expropriation and licensing by MUNICIPALITY, as well as the monthly and annual deadlines related to the planning of the commercial activities under CONCESSIONAIRE'S responsibility. Such deadlines shall not jeopardize compliance with the targets and deadlines established for the universalization of the wastewater systems, as set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS.



11.6.3. The GRANTING AUTHORITY shall have a maximum term of 30 (thirty) calendar days to comment on the EXECUTION SCHEDULE, and may, during such period, request additions or corrections.

11.6.4. If amendments or additions are required, the CONCESSIONAIRE shall resubmit the EXECUTION SCHEDULE with the required changes within 15 (fifteen) calendar days counted from the GRANTING AUTHORITY'S request, and the CONCESSIONAIRE may not refuse to carry out the requested adjustments, except in the event of a duly demonstrated technical impossibility.

11.6.5. If further adjustments are required due to a request by the GRANTING AUTHORITY, successive and alternating 15 (fifteen) calendar-day periods shall apply for the CONCESSIONAIRE to make the relevant adjustments and for the GRANTING AUTHORITY to manifest thereon.

11.6.6. Commencement of the SYSTEM IMPROVEMENT WORKS prior to approval of the EXECUTION SCHEDULE shall be at the CONCESSIONAIRE'S sole risk, and any amendments that may be required as a result of determinations set forth in the approved version of the EXECUTION SCHEDULE shall not give rise to economic-financial rebalancing in favor of the CONCESSIONAIRE.

11.7. Except where demonstrably due to the GRANTING AUTHORITY'S fault, failure to meet any of the annual milestones of the EXECUTION SCHEDULE for the SYSTEM IMPROVEMENT WORKS shall result in the application of a fine to the CONCESSIONAIRE, pursuant to clause 37.

11.8. The EXECUTION SCHEDULE of the SYSTEM IMPROVEMENT WORKS shall be updated by the CONCESSIONAIRE together with the update of the INVESTMENT PLAN or whenever necessary throughout the CONCESSION, observing compliance with the PERFORMANCE INDICATORS set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS.

11.8.1. The GRANTING AUTHORITY may, at any time, request the update of the EXECUTION SCHEDULE of the SYSTEM IMPROVEMENT WORKS.

11.9. The CONCESSIONAIRE shall submit to the GRANTING AUTHORITY, within 3 (three) months of completion of each of the SYSTEM IMPROVEMENT WORKS, 3 (three) complete sets of the



final written and drawing documents (including as built drawings) relating to the executed SYSTEM IMPROVEMENT WORKS, in electronic and printed form that allows reproduction in accordance with the applicable technical standards.

11.9.1. The CONCESSIONAIRE shall immediately notify the GRANTING AUTHORITY of the commencement of operation of REVERSIBLE ASSETS resulting from SYSTEM IMPROVEMENT WORKS, regardless of the full completion of the works.

11.9.2. The communication referred to in subclause 11.9.1 shall contain all information requested by the GRANTING AUTHORITY for effective recording in the asset and accounting control of the REVERSIBLE ASSETS, observing what is specified in subclause 9.5.1.

11.10. The CONCESSIONAIRE shall provide the GRANTING AUTHORITY, monthly, with technical reports containing information on the progress of works.

11.11. Preparation of the BASIC PROJECTS, EXECUTIVE PROJECTS and other studies related to the CONCESSION is the CONCESSIONAIRE'S sole responsibility.

11.12. For preparation of the BASIC PROJECTS, EXECUTIVE PROJECTS and other studies, the CONCESSIONAIRE shall take into account compliance with the applicable legislation, technical regulation, recommendations of professional associations and inspecting bodies, as applicable, as well as the provisions of the TENDER NOTICE, the data set forth in EXHIBIT IV – CONCESSION SPECIFICATIONS and EXHIBIT V – GUIDELINES FOR PREPARATION OF THE INVESTMENT PLAN, and the EXECUTION SCHEDULE.

11.13. The BASIC PROJECTS shall be prepared and submitted for approval by the GRANTING AUTHORITY by the deadline year indicated for each MUNICIPALITY in Appendix I of EXHIBIT V – GUIDELINES FOR PREPARATION OF THE INVESTMENT PLAN.

11.13.1. The CONCESSIONAIRE shall submit for approval by the GRANTING AUTHORITY the BASIC PROJECTS and other studies of the MUNICIPALITY, at least 90 (ninety) calendar days prior to the end of the respective deadline year, and shall be fully responsible for compliance with such term and for the impacts arising from eventual delay.

11.14. The EXECUTIVE PROJECTS may be delivered in stages, provided that they comply with the concept defined in the BASIC PROJECT and the intermediate and universalization targets.



11.15. At least 60 (sixty) business days prior to the commencement of the works, the CONCESSIONAIRE shall submit to the GRANTING AUTHORITY the EXECUTIVE PROJECTS and other studies, thereby releasing the GRANTING AUTHORITY from any responsibility.

11.15.1. The CONCESSIONAIRE shall submit the list of REVERSIBLE ASSETS to be built based on the designs referred to in subclause 11.15, in accordance with the template defined by the GRANTING AUTHORITY.

11.16. The GRANTING AUTHORITY may request, within a maximum term of 30 (thirty) calendar days after receipt of the EXECUTIVE PROJECT or the BASIC PROJECT, the revision of its content, in whole or in part, in the following situations:

11.16.1. If a gross technical error is identified or there is a clear failure to comply with the provisions of the TENDER NOTICE, safety standards, good engineering practice, the CONTRACT and its EXHIBITS.

11.16.2. If the revision of its content is grounded in the protection or pursuit of public interest, including, in such case, any situation in which failure to amend the designs or studies would create obstacles to the execution or implementation of other projects, services and policies of a public nature.

11.17. Eventual delay in executing the works due to the need for adjustments to the projects and studies, when resulting from a gross technical error or a clear failure to comply with the provisions of the TENDER NOTICE, safety standards, good engineering practice, the CONTRACT and its EXHIBITS, shall not give rise to any request for economic-financial rebalancing in favor of the CONCESSIONAIRE.

11.18. In the events provided for in subclause 11.16, the works may not commence until the content of the projects and studies is revised and fully adjusted.

11.19. If the GRANTING AUTHORITY does not request content revision of the EXECUTIVE PROJECTS pursuant to subclause 11.16, this shall constitute tacit consent to the project submitted, without releasing the CONCESSIONAIRE from responsibility for any technical errors and defects that may be identified in the projects and in the respective works carried out.

11.20. The GRANTING AUTHORITY may require the CONCESSIONAIRE to modify the projects and studies submitted whenever the public interest so requires, even if it has already expressed its



no-objection in the manner indicated in subclause 11.16, by written notice addressed to the CONCESSIONAIRE.

11.20.1. In the event described above, it shall be incumbent upon the CONCESSIONAIRE to assess the consequences resulting from the modification determined by the GRANTING AUTHORITY and, if applicable, to request economic-financial rebalancing of this CONTRACT, as provided for in clauses 34 and 35.

11.21. The eventual change in the manner of the SYSTEM IMPROVEMENT WORKS execution or in the CONCESSIONAIRE'S investment and works schedule, due to external interferences, such as amendments to the MUNICIPAL WATER AND WASTEWATER PLAN and the MICROREGIONAL WATER AND WASTEWATER PLAN (observing the provisions of Article 25, paragraph 8, of Federal Decree No. 7,217/2010), or due to a request by the REGULATORY AGENCY, the HOLDER or the GRANTING AUTHORITY, among other entities, may give rise to economic-financial rebalancing of the CONTRACT, provided that it demonstrably affects the obligations assumed by the CONCESSIONAIRE, observing the proviso set forth in subclause 11.17 and the CONCESSIONAIRE'S obligation to consider the GRANTING AUTHORITY'S demands in the preparation of the projects.

11.22. The CONCESSIONAIRE shall submit, within up to 12 (twelve) months after commencement of the SYSTEM OPERATION, the Decommissioning Schedule of the Wastewater Systems/Operational Units, as set forth in EXHIBIT IV – CONCESSION SPECIFICATIONS.

11.22.1. For purposes of verifying its environmental compliance, as set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, it shall be incumbent upon the CONCESSIONAIRE to enter into Commitment Terms with the competent environmental authorities, in compliance with the requirements set forth in Article 44 of Law No. 11,445/2007.

11.23. In compliance with the technical standards, the CONCESSIONAIRE shall keep updated records of the works and services in the Order Book, pursuant to Resolution No. 1,094/2017 of the Federal Council of Engineering and Agronomy (CONFEA), as well as comply with the requirements of the Regional Council of Chemistry regarding the procedures carried out at the Wastewater Treatment Plants, where applicable.



11.24. Eventual works executed directly by the GRANTING AUTHORITY, HOLDERS or the STATE, which may be incorporated into the SYSTEM and qualify as SYSTEM IMPROVEMENT WORKS, or that demonstrably reduce the investment costs under the CONCESSIONAIRE'S responsibility, even if pre-existing to signing of this CONTRACT, shall give rise to economic-financial rebalancing of the CONTRACT.

11.24.1. It shall be incumbent upon the CONCESSIONAIRE to carry out the surveys and diagnostics necessary to ascertain the eventual works and systems already executed or underway by the HOLDERS, even if unknown to the GRANTING AUTHORITY.

11.24.2. The incorporation into the SYSTEM of works carried out by the GRANTING AUTHORITY, the STATE or the MUNICIPALITIES may be implemented through a unilateral amendment, pursuant to clause 33 of this CONTRACT.

11.24.3. For purposes of clause 33, the CONCESSIONAIRE shall be consulted in advance regarding the physical and financial feasibility of the works intended to be included in the subject matter of the CONTRACT, the applicable technical conditions and eventual economic-financial impacts on the CONCESSION, including the need to refurbish or complete the transferred facilities. The CONCESSIONAIRE shall present its comments within a term not exceeding 15 (fifteen) business days counted from the notice sent to it by the GRANTING AUTHORITY, under penalty of precluding its right to present prior comments before the decision is issued.

11.24.4. The provision of the preceding subclause does not apply to the GRANTING AUTHORITY INVESTMENTS, which are governed by clause 14.

11.25. If, in the process of delivering and verifying the works, any pending items are identified as not compromising with the SYSTEM OPERATION or the SYSTEM a temporary retention may be applied to the MONTHLY FINANCIAL CONSIDERATION due in the immediately following month, in an amount equivalent to 1% of the FIXED COMPONENT for each work, or, alternatively, in the amount of R\$ 100,000.00 (one hundred thousand reais) per work, prevailing whichever is higher.

11.25.1. The retained amount shall be exclusively precautionary in nature and not punitive, and shall be held in the LINKED ACCOUNT and released to the CONCESSIONAIRE



only after full correction of the pending items, upon submission of a technical report or compliance report issued by a qualified entity or professional evidencing that the SERVICES meet the requirements set forth in o EXHIBIT IV – CONCESSION SPECIFICATIONS.

11.25.1.1. Upon verification that the pending items have been fully corrected, the GRANTING AUTHORITY shall notify the SECURITY AGENT within up to 2 (two) business days, so that it shall, within up to 2 (two) business days after such notice, transfer the retained amount to the CONCESSIONAIRE's free-movement bank account.

11.25.2. Adoption of the precautionary retention provided for in this subclause does not replace or prejudice the application of the applicable contractual penalties if the pending items come to affect the quality of the SERVICES or the operational safety of the SYSTEM.

11.26. With respect to the municipal seats, district seats and localities indicated in EXHIBIT V – GUIDELINES FOR PREPARATION OF THE INVESTMENT PLAN, the CONCESSIONAIRE shall implement conventional collective systems with wastewater networks, except in cases of duly evidenced technical infeasibility, as set forth in this CONTRACT, without prejudice to economic-financial rebalancing of the CONTRACT due to the eventual need to replace such service with an ALTERNATIVE SOLUTION in part of the locality.

11.26.1. Evidence of technical infeasibility shall observe the criteria and regulation of the REGULATORY AGENCY, and shall be formally submitted by the CONCESSIONAIRE to the GRANTING AUTHORITY through a detailed technical report signed by a duly qualified professional, together with the relevant technical studies, a comparative cost analysis and feasibility assessment of implementing the conventional solution versus the ALTERNATIVE SOLUTION, and the technical justification for the proposed ALTERNATIVE SOLUTION.

11.26.2. The technical infeasibility assessment shall be conducted by the GRANTING AUTHORITY, which shall issue a conclusive opinion within 60 (sixty) calendar days counted from receipt of the complete documentation.

11.26.2.1. If supplementation of the documentation submitted by the CONCESSIONAIRE is required, the GRANTING AUTHORITY'S review period shall begin to run from submission of such supplementation.



11.26.3. The change from the obligation to provide service through a conventional solution to an ALTERNATIVE SOLUTION shall only be implemented upon the GRANTING AUTHORITY'S express approval, observing the applicable regulatory rules.

12. CONSOLIDATED INFORMAL URBAN SETTLEMENTS AND REMOTE AREAS

12.1. The CONCESSIONAIRE shall provide the SERVICES in the CONSOLIDATED INFORMAL URBAN SETTLEMENTS and in the REMOTE AREAS located within the SERVICE PROVIDER'S COVERAGE AREA, and the CONCESSIONAIRE shall be responsible for carrying out the necessary works and for the full operation and maintenance of the infrastructure throughout the term of the CONTRACT.

12.1.1. In the CONSOLIDATED INFORMAL URBAN SETTLEMENTS where implementation of conventional systems is feasible, the PARTIES shall agree on a schedule for execution of the works, in compatibility with the execution schedule of the water supply works under the GRANTING AUTHORITY'S responsibility.

12.1.2. In the CONSOLIDATED INFORMAL URBAN SETTLEMENTS or REMOTE AREAS, adoption of ALTERNATIVE SOLUTIONS shall observe the provisions of the REGULATORY AGENCY'S rules and shall also depend on the GRANTING AUTHORITY'S express consent for their use, observing the provisions set forth in EXHIBIT IV – CONCESSION SPECIFICATIONS.

12.2. In the event that the SERVICES provision in the CONSOLIDATED INFORMAL URBAN SETTLEMENTS and in the REMOTE AREAS is not possible for reasons of public order, such as the lack of regulation of the matter by the REGULATORY AGENCY or denial of authorization by the GRANTING AUTHORITY, the CONCESSIONAIRE shall not be subject to contractual penalties.

12.2.1. In the event referred to in the preceding subclause, the CONCESSIONAIRE shall not be entitled to economic-financial rebalancing of the CONTRACT due to the frustration of revenues.

13. SUBDIVISIONS



13.1. The CONCESSIONAIRE shall make available wastewater infrastructure for the proper connection to the SYSTEM of subdivisions located within the COVERAGE AREA, in accordance with the municipal master plan or the basic sanitation plan.

13.1.1. The works related to the connection of the subdivisions shall be funded and may be carried out by the SUBDIVIDERS, under the supervision of the CONCESSIONAIRE and the GRANTING AUTHORITY.

13.1.2. The planning and discipline of land subdivision may provide that the real estate developer may be required to make investments in areas located outside the land that is the subject of the development.

13.1.3. In the absence of planning regulations or urban planning rules, the sole paragraph of Article 18-A of Federal Law No. 11,445/2007 shall apply, so as to avoid excessive burden of the SERVICES, in compliance with the principles of tariff affordability and universalization.

13.1.4. During the term of this CONTRACT, the GRANTING AUTHORITY shall ensure the CONCESSIONAIRE'S right to analyse and approve in advance the engineering projects prepared by the SUBDIVIDERS for the implementation of wastewater collection networks in SUBDIVISION developments, within a maximum term of 10 (ten) days prior to the deadline set forth in the applicable legislation for the GRANTING AUTHORITY to approve such projects.

13.1.4.1. Projects of public interest, understood as those that have already been approved by the GRANTING AUTHORITY on the date of signing the CONTRACT, shall be exempt from prior approval by the CONCESSIONAIRE.

13.1.5. The CONCESSIONAIRE may prepare the projects and carry out the works referred to in subclause 13.1.1, provided that a specific contract is entered into with the interested party and the GRANTING AUTHORITY is informed in advance, and the GRANTING AUTHORITY shall execute such instrument as an intervening and consenting party.

13.2. The CONCESSIONAIRE and the GRANTING AUTHORITY shall have the faculty of inspecting



the execution of any works carried out in SUBDIVISION developments that may have effects on the CONCESSION or on the SERVICES provision.

13.3. Wastewater collection networks implemented by DEVELOPERS, after technical approval by the CONCESSIONAIRE and the entering into a transfer agreement for the facilities to the CONCESSIONAIRE and the GRANTING AUTHORITY, the latter acting as an intervening consenting party, shall be connected to the SYSTEM and shall assume the status of REVERSIBLE ASSETS for all purposes, and shall be immediately included in the REVERSIBLE ASSETS INVENTORY, as set forth in EXHIBIT IV – CONCESSION SPECIFICATIONS.

13.3.1. The CONCESSIONAIRE may only approve the facilities implemented by SUBDIVIDERS, with entering into the transfer assignment, after the following measures have been taken:

- i. performance of tests and valuation of the system in operation;
- ii. preparation and approval of the technical record;
- iii. transfer of equipment and facilities warranties;
- iv. training of the CONCESSIONAIRE'S team; and
- v. provision of technical records, including *as built*.

13.3.2. The GRANTING AUTHORITY shall take the necessary steps, with the SUBDIVIDERS and the MUNICIPALITY where the SUBDIVISION is located, to formalize the transfer of the facilities and infrastructure built, in public roads, by the SUBDIVIDERS to the CONCESSIONAIRE, so as to enable their prompt integration into the SYSTEM.

13.4. If the investments made by SUBDIVIDERS constitute an anticipation of SYSTEM IMPROVEMENT WORKS assigned to the CONCESSIONAIRE, there shall be economic-financial rebalancing in favor of the GRANTING AUTHORITY, unless the SUBDIVIDERS have been reimbursed pursuant to the sole paragraph of Article 18-A of Federal Law No. 11,445/2007.

13.4.1. At its discretion, the CONCESSIONAIRE may, at its own expense, carry out the investments to implement, reinforce or expand wastewater collection networks in the developments requested by the SUBDIVIDERS.



13.4.2. The reimbursement referred to in subclause 13.4 shall not be required in cases of investments in areas that do not benefit the overall USERS, or that demonstrably interfere with the CONCESSIONAIRE'S schedule or cash flow.

13.4.3. Eventual indemnity to be paid to the CONCESSIONAIRE as a result of early termination of the CONCESSION shall deduct the investments made by SUBDIVIDERS that have not yet been reimbursed by the CONCESSIONAIRE, so as to observe the provisions of paragraph 1 of Article 42 of the LNSB.

13.5. The CONCESSIONAIRE shall assume responsibility for the SERVICES provision in the new developments arising from subdivisions, including with respect to the connection of USERS to the SYSTEM, and it shall take the necessary steps with the competent authorities so that they exercise the required police power to compel the USER'S connection.

13.6. The CONCESSIONAIRE may establish construction standards to be observed by the SUBDIVIDERS for developments located in subdivisions authorized after signing of this CONTRACT, subject to the applicable municipal rules and competences on the matter.

13.7. If the works executed by the SUBDIVIDERS do not comply with the applicable legislation and technical standards (including the specifications defined upon the MUNICIPALITIES' authorization of the subdivisions and the construction standards issued by the CONCESSIONAIRE), the CONCESSIONAIRE may refuse to connect them to the SYSTEM until the relevant SUBDIVIDER executes the required corrections and adaptations.

13.7.1. If it identifies irregularities, the CONCESSIONAIRE may request, through a technically substantiated application to be submitted to the GRANTING AUTHORITY'S review and decision, the mitigation of the PERFORMANCE INDICATORS and of the other obligations set forth in this CONTRACT, until the collection networks located in the land subdivisions are incorporated into the SYSTEM.

13.7.2. In the situation contemplated in subclause 13.7.1, the CONCESSIONAIRE may, at its discretion, assume the operation of the collection networks located in the subdivisions, and shall, at its own expense, carry out the corrections it deems necessary.



13.7.3. If the CONCESSIONAIRE assumes operation of the collection networks, it may make use of the construction insurance policies and guarantees originally contracted by the SUBDIVIDERS, as well as be subrogated to the position of the GRANTING AUTHORITY and seek reimbursement for the costs incurred in adapting the assumed collection networks.

13.7.3.1. If there are no construction insurance policies and guarantees originally contracted by the SUBDIVIDERS, or if reimbursement through such instrument is unsuccessful, the resulting losses shall be at the CONCESSIONAIRE'S sole risk, and therefore there shall be no economic-financial rebalancing in its favor.

13.8. The GRANTING AUTHORITY shall take the necessary steps to ensure that all water connections in the subdivisions have a water meter, pursuant to the applicable legislation.

13.9. Without prejudice to the CONCESSIONAIRE'S assumption of the SUBDIVISION after issuance of the deed of assignment, the SUBDIVIDER shall remain responsible for the solidity and safety of the work, as well as for the materials and the soil, in relation to the works executed, for a period of 5 (five) years, pursuant to Article 618 of the Civil Code.

14. GRANTING AUTHORITY INVESTMENTS

14.1. The GRANTING AUTHORITY is competent for executing the investments set forth in EXHIBIT VIII – GRANTING AUTHORITY'S INVESTMENTS, in accordance with the schedule indicated in the respective **EXHIBIT**.

14.1.1. Except for those set forth in EXHIBIT VIII – GRANTING AUTHORITY'S INVESTMENTS, the implementation of other investments by the GRANTING AUTHORITY shall give rise to economic-financial rebalancing of the CONTRACT in its favor.

14.1.2. Delay in the schedule set forth in EXHIBIT VIII – GRANTING AUTHORITY'S INVESTMENTS or failure to carry out the works under the GRANTING AUTHORITY'S responsibility, may give rise to economic-financial rebalancing in favor of the CONCESSIONAIRE, provided that it demonstrably affects the performance of its obligations, especially with respect to EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS.



14.1.2.1. For purposes of the above, a schedule delay capable of giving rise to economic-financial rebalancing of the CONTRACT shall be deemed to occur whenever the maximum deadline set for delivery of each work under the GRANTING AUTHORITY'S responsibility is exceeded by 12 (twelve) months.

14.1.3. In the event of delay in the schedule set forth in EXHIBIT VIII – GRANTING AUTHORITY'S INVESTMENTS, even if shorter than 12 (twelve) months, the CONCESSIONAIRE may, by mutual agreement with the GRANTING AUTHORITY, assume the execution of the delayed GRANTING AUTHORITY INVESTMENTS, which may give rise to economic-financial rebalancing of the CONTRACT.

14.1.3.1. In the event above, the PARTIES shall, prior to assuming the works, define the deadline for their completion, according to the technical complexity of each intervention.

14.2. The GRANTING AUTHORITY shall be solely responsible for the risks related to the contracts and cooperation agreements whose purpose is to obtain financial resources, whether reimbursable or non-reimbursable, applied to the performance of the GRANTING AUTHORITY INVESTMENTS, including in the event that an administrative or judicial authority orders the return of the funds received on the grounds that the SERVICES have been granted.

14.3. Within 30 (thirty) days prior to the estimated completion date of each of the GRANTING AUTHORITY INVESTMENTS, the GRANTING AUTHORITY shall formally notify the CONCESSIONAIRE thereof, forwarding the relevant projects, studies and other technical documents. On the same occasion, the GRANTING AUTHORITY shall specify the date on which the corresponding inspection will be carried out, which shall be conducted with the joint presence of the GRANTING AUTHORITY and the CONCESSIONAIRE. A norm issued by the UNIVERSALIZATION TECHNICAL COMMITTEE may regulate what is set forth in this subclause.

14.3.1. The inspection referred to in subclause 14.3 shall aim to verify compliance of the works, SERVICES and facilities related to each of the GRANTING AUTHORITY INVESTMENTS.

14.3.2. In order to mitigate the risk of nonconformities and construction defects relating to the GRANTING AUTHORITY INVESTMENTS, the CONCESSIONAIRE may monitor the



execution of such works, including by carrying out technical visits and requesting documents and other information as may be necessary.

14.4. Entering into the ACCEPTANCE AND TRANSFER TERM of the GRANTING AUTHORITY INVESTMENTS by the PARTIES is conditioned to the cumulative fulfillment of the following requirements:

- i. completion of the civil works and electromechanical installations;
- ii. receipt by the CONCESSIONAIRE of all technical documentation relating to the GRANTING AUTHORITY INVESTMENTS (projects, technical specifications, equipment manuals and/or “databooks”);
- iii. carrying out of a joint inspection by the GRANTING AUTHORITY’S inspection team and the CONCESSIONAIRE; and
- iv. execution of preliminary operational tests, conducted by the PARTIES at the time of the inspection, intended exclusively to verify whether the structures meet the minimum conditions required to enable the operational testing phase.

14.4.1. If defects or nonconformities are identified during the joint inspection, the ACCEPTANCE AND TRANSFER TERM shall be executed indicating the defects identified.

14.5. After execution of each ACCEPTANCE AND TRANSFER TERM of the GRANTING AUTHORITY INVESTMENTS, the CONCESSIONAIRE shall commence the operational testing phase of the respective GRANTING AUTHORITY INVESTMENT for a period of 12 (twelve) months, during which the existence of project and construction defects that negatively affect the SERVICES provision may be identified and reported to the GRANTING AUTHORITY.

14.5.1. Once any project or construction defects are identified, the CONCESSIONAIRE shall send the GRANTING AUTHORITY a written notice, with a detailed description of the nonconformities identified, together with a technical report attesting to the existence of such inaccuracies, which shall be signed by the CONCESSIONAIRE’S technical manager.

14.5.1.1. The GRANTING AUTHORITY shall have a term of 30 (thirty) calendar days to comment on the CONCESSIONAIRE’S notice, counted from receipt thereof.



14.5.1.2. If the GRANTING AUTHORITY disagrees with the alleged nonconformities, the CONCESSIONAIRE may resort to the dispute resolution mechanisms set forth in this CONTRACT, within the non-extendable term of 15 (fifteen) calendar days counted from receipt of the GRANTING AUTHORITY'S response, otherwise it shall forfeit its right to challenge, administratively or judicially.

14.5.1.3. If the existence of irregularities is confirmed, the GRANTING AUTHORITY shall carry out the necessary corrections, without prejudice to the right to economic-financial rebalancing in favor of the CONCESSIONAIRE, if the occurrence of losses is evidenced.

14.5.2. By agreement between the PARTIES, the CONCESSIONAIRE may, at its own expense, carry out the corrections referred to in subclauses 14.4.1 and 14.5.1.3, and subsequently seek reimbursement of the costs incurred by means of a request for economic-financial rebalancing of the CONTRACT.

14.5.2.1. The CONCESSIONAIRE shall report the necessary corrections performed with the maximum level of detail and supporting documentation, including tax documentation, where applicable, and shall also comply with the provisions of subclause 9.5.1.

14.5.2.2. The GRANTING AUTHORITY may further be subrogated into the CONCESSIONAIRE's rights under the contract entered into with the construction contractor responsible for the works, or assume the position of contracting party itself, in order to claim any applicable indemnities and other payments arising from the enforcement of guarantees related to the GRANTING AUTHORITY'S INVESTMENTS, especially in the event that the CONCESSIONAIRE directly assumes responsibility for carrying out the required corrective works, pursuant to clause 14.5.2.

14.5.3. After the period referred to in subclause 14.5, the CONCESSIONAIRE may not request rebalancing of the CONTRACT or seek corrections to the GRANTING AUTHORITY INVESTMENTS from the GRANTING AUTHORITY.



14.5.3.1. Without prejudice to the foregoing, the ACCEPTANCE AND TRANSFER TERM of the GRANTING AUTHORITY INVESTMENTS shall provide for the CONCESSIONAIRE'S subrogation to the right granted to the GRANTING AUTHORITY under Article 618 of the 2002 Civil Code, so that, once the period set forth in subclause 14.5, has elapsed, the CONCESSIONAIRE may, at its discretion and at its own expense, invoke the referred statutory warranty against the works contractor, in the manner outlined by the legal provision.

14.6. Except for the events referred to in subclauses 14.5.2.2 and 14.5.3.1, the GRANTING AUTHORITY shall be responsible for pursuing third parties in connection with the performance of the guarantees issued in favor of each of the GRANTING AUTHORITY INVESTMENTS executed.

14.7. Upon completion of the work's implementation, the GRANTING AUTHORITY shall deliver to the CONCESSIONAIRE all relevant technical and environmental documentation (if any), including the projects and the licenses obtained (LI, LIO or LO, as applicable) and the license requesting protocols that may eventually remain pending the analyses by the competent authority.

14.7.1. After issuance of the ACCEPTANCE AND TRANSFER TERM, the following shall apply with respect to the environmental licenses for the works executed by the GRANTING AUTHORITY:

14.7.1.1. If an Installation and Operation License (LIO) or an Operation License (LO) has been issued in the name of the GRANTING AUTHORITY, the CONCESSIONAIRE shall arrange for the transfer of the license holder to its own name, and shall fully assume compliance with the current and future conditions.

14.7.1.2. If there is a requesting protocol for an Installation and Operation License (LIO) or an Operation License (LO) that is still pending conclusion, it shall be incumbent upon the CONCESSIONAIRE to continue the process, including taking all measures necessary to obtain the license, and it shall become responsible for processing the application, meeting requirements and complying with any conditions that may be imposed.

14.7.1.3. If there is no license already issued nor any protocol for requesting, the CONCESSIONAIRE shall notify the GRANTING AUTHORITY so that it takes the initial



provisions to the requesting protocol, and the CONCESSIONAIRE shall, after such protocol, fully assume the process of obtaining the license, for purposes of regularizing the infrastructure that will become subject to its operation.

14.8. Within a maximum period of 3 (three) months counted from the signing date of the ACCEPTANCE AND TRANSFER TERM of the GRANTING AUTHORITY INVESTMENTS, the GRANTING AUTHORITY shall provide the CONCESSIONAIRE with 3 (three) complete electronic media copies of the final written and drawing documents (including as built drawings) relating to each of the GRANTING AUTHORITY INVESTMENTS carried out, in a format that allows their reproduction and use in electronic media.

14.9. From the execution and transfer to the CONCESSIONAIRE of each of the GRANTING AUTHORITY INVESTMENTS, through issuance of the ACCEPTANCE AND TRANSFER TERM of the GRANTING AUTHORITY INVESTMENTS, such assets shall be incorporated into the SYSTEM and shall thereafter be operated by the CONCESSIONAIRE, under the conditions set forth in this CONTRACT.

15. PROVISIONS APPLICABLE TO THE CONCESSIONAIRE

15.1. The CONCESSIONAIRE is a corporation, headquartered in [●], headquartered in [●], whose corporate purpose, throughout the CONCESSION term, shall be specific and exclusive to SYSTEM exploitation and to the SERVICES provision and, additionally, accessory or associated activities, pursuant to this CONTRACT.

15.2. The CONCESSIONAIRE shall comply with corporate governance standards and adopt standardized accounting and financial statements, in accordance with Brazilian corporate, accounting and tax legislation.

15.2.1. The CONCESSIONAIRE and its CONTROLLING ENTITIES shall ensure that the revenues, assets and expenses arising from the CONTRACT execution are carried out solely by the CONCESSIONAIRE, with full accounting, economic and financial segregation, and it is prohibited for the CONCESSIONAIRE'S assets, receivables, obligations and cash availability to be held, even temporarily, by the CONTROLLING ENTITIES or any third parties, unless expressly authorized by the GRANTING AUTHORITY.



15.3. The CONCESSIONAIRE shall submit to the GRANTING AUTHORITY its accounting and financial statements, together with a report prepared by an independent audit firm, in compliance with Federal Law No. 6,404/1976, Federal Law No. 11,638/2007, Federal Law No. 9,430/1996, Federal Law No. 11,941/2009, Federal Law No. 12,973/2014 and the applicable rulings of the CVM, or the rules that may succeed such statutes.

15.3.1. The annual accounting statements, relating to the fiscal year ending on December 31 of each year, shall be delivered to the GRANTING AUTHORITY by April 30 of the following year.

15.3.2. The semiannual accounting statements, relating to the semester ending on June 30 of each year, shall be delivered by August 30 of the same fiscal year.

15.3.3. Without prejudice to subclause 15.3, the CONCESSIONAIRE shall make available, whenever requested by the GRANTING AUTHORITY, trial balances and other monthly accounting reports or interim quarterly accounting statements, with the level of detail required for proper contractual inspection.

15.4. To ensure uniformity and transparency of the accounting information provided, the GRANTING AUTHORITY may prepare a chart of accounts to be followed by the CONCESSIONAIRE.

15.5. The annual financial statements shall be complete and prepared in accordance with the applicable Accounting Standards, highlighting the following information:

- i. Transactions with RELATED PARTIES;
- ii. Depreciation of the PRIVATE ASSETS;
- iii. Provision for contingencies (civil, labor, tax, environmental or administrative);
- iv. Management Report;
- v. Board of Fiscal Council;
- vi. Statement by the CONCESSIONAIRE indicating the amount of its paid-in share capital and any changes in its ownership structure during the period.

15.6. The total or partial CONTROL transfer of the CONCESSIONAIRE or of the CONCESSION shall depend on the GRANTING AUTHORITY'S prior and express consent, as well as compliance



with the other requirements set forth in this CONTRACT and in the applicable laws and regulations, under penalty of forfeiture of the CONCESSION.

15.6.1. The GRANTING AUTHORITY'S prior consent is not required for amendments to the CONCESSIONAIRE'S constitutional documents, changes in its ownership structure or corporate reorganizations, provided that such changes do not constitute a change of CONTROL of the CONCESSIONAIRE or a transfer of the CONCESSION.

15.6.2. For purposes of obtaining consent for the total or partial transfer of the CONCESSION or of CONCESSIONAIRE'S CONTROL, the prospective of the assumption of the CONCESSION of the CONCESSIONAIRE'S CONTROL shall:

- i. commit to comply with all provisions of this CONTRACT and its EXHIBITS;
- ii. meet the requirements regarding technical capacity, economic-financial qualification, and legal and tax regularity set forth in the TENDER NOTICE that are necessary to assume the SERVICES, taking into account the stage and conditions of the CONCESSION at the time the GRANTING AUTHORITY'S consent is requested, and considering the investments already made by the CONCESSIONAIRE;
- iii. demonstrate that the transfer of the CONCESSION or of the CONCESSIONAIRE'S CONTROL will not result in concentration of the tendered LOTS in a single legal entity or economic group, in compliance with the prohibition set forth in the TENDER NOTICE and in furtherance of the purpose pursued by such provision; and
- iv. meet other requirements set forth in the applicable laws and regulations.

15.7. Upon receipt of the CONCESSIONAIRE'S request regarding transfer of the CONCESSION or a change of its CONTROL, together with the relevant documentation and justifications, the GRANTING AUTHORITY, jointly with the CGPPP, shall have 30 (thirty) calendar days to comment, counted from receipt of the request, and shall either decide on the request or require supplementation of the documentation submitted or other information necessary to assess the requirements for granting consent, pursuant to subclause 15.6.



15.7.1. If the GRANTING AUTHORITY requests that the CONCESSIONAIRE submit additional information or supplementary documentation, the GRANTING AUTHORITY, jointly with the CGPPP, shall decide on the consent request within a maximum term of 15 (fifteen) business days counted from receipt of such additional information or documentation.

15.8. The transfer of the corporate control of the CONCESSIONAIRE, or of its temporary management, to its lenders and guarantors with whom it does not maintain a direct corporate relationship, for the purpose of promoting its financial restructuring and ensuring continuity of the ADMINISTRATIVE CONCESSION, shall be previously and expressly authorized by the GRANTING AUTHORITY, pursuant to Article 27-A of Federal Law No. 8,987/1995 and observing the procedure set forth in the clauses below.

15.8.1. For purposes of obtaining authorization for the transfer of corporate control or temporary management to the lenders and guarantors with whom it does not maintain a direct corporate relationship, they shall:

- i. submit a plan regarding the promotion of the CONCESSIONAIRE'S financial restructuring and continuity of the ADMINISTRATIVE CONCESSION;
- ii. ensure compliance with all provisions set forth in this CONTRACT and its EXHIBITS;
- iii. meet the requirements regarding legal and tax regularity set forth in the TENDER NOTICE that are necessary to assume the SERVICES; and
- iv. provide or maintain the relevant guarantees, as applicable.

15.8.2. The transfer in question will not be approved if it may characterize LOTS concentration to the same legal entity, in violation of the prohibition provided for in the TENDER NOTICE and the purpose pursued thereby, observing the exception in the tender notice regarding the ALLOCATION OF REMAINING LOTS.

15.8.3. The request for authorization for the transfer of the CONCESSIONAIRE'S corporate control or of its temporary management shall be submitted in writing to the GRANTING AUTHORITY by the CONCESSIONAIRE or the LENDER, containing the relevant justification and elements that may support analyses of the request, such as copies of minutes of



meetings of CONCESSIONAIRE's quotaholders or shareholders, correspondence, audit reports, financial statements and others.

15.8.4. The GRANTING AUTHORITY and the CGPPP shall review the request within up to 30 (thirty) calendar days and may, at their discretion, request additional information or documents from the CONCESSIONAIRE or the LENDER, as well as call upon the controlling quotaholders or shareholders of the CONCESSIONAIRE to provide clarifications.

15.8.5. If granted, the authorization for the transfer of CONTROL of the CONCESSIONAIRE shall be formalized in writing, indicating the conditions and requirements for its implementation.

15.9. Any changes in the CONCESSIONAIRE'S shareholder base shall be notified to the GRANTING AUTHORITY within 30 (thirty) calendar days counted from the registration of the corresponding corporate act with the Board of Trade, observing the contractual provisions on transfer of effective share control set forth in the TENDER NOTICE and in this CONTRACT.

16. CONCESSIONAIRE'S SHARE CAPITAL

16.1. The minimum share capital subscribed and paid-in by the CONCESSIONAIRE shall be equivalent to:

- i. R\$ 80,000,000.00 (eighty million reais) for LOT 1;
- ii. R\$ 100,000,000.00 (one hundred million reais) for LOT 2;
- iii. R\$ 100,000,000.00 (one hundred million reais) for LOT 3;
- iv. R\$ 90,000,000.00 (ninety million reais) for LOT 4; and
- v. R\$ 120,000,000.00 (one hundred and twenty million reais) for LOT 5.

16.2. The minimum share capital set forth in subclause 16.1 shall be paid-in, observing the following:



i. 10% (ten percent) of the minimum share capital shall be paid-in prior to the signing date of this CONTRACT;

ii. an additional 30% (thirty percent) of the minimum share capital shall be paid-in by the end of the first year counted from issuance of the SYSTEM TRANSFER TERM; and

iii. the remaining capital, equivalent to 60% (sixty percent) of the minimum share capital, shall be paid-in by the end of the third year of the CONCESSION, counted from issuance of the SYSTEM TRANSFER TERM, according to the schedule to be submitted by the CONCESSIONAIRE in the INVESTMENT PLAN.

16.2.1. The amounts corresponding to application of the percentages above shall be updated at the time of their effective payment-in, based on the variation of the IPCA between the BASE DATE and the most recent IPCA made available by the IBGE.

16.3. The reduction of the CONCESSIONAIRE'S share capital shall depend on the GRANTING AUTHORITY'S prior approval whenever any of the following situations occurs:

16.3.1. The reduction is intended prior to December 31, 2033; or

16.3.2. In the last 12 (twelve) months of performance measurement prior to the intended reduction, the IDO calculated pursuant to Section 3.3.3 of EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS has been lower than 0.80 in 3 (three) or more measurements carried out during such period, considering the CONCESSIONAIRE'S actual performance.

16.3.3. Failure to meet the CONTRACTUAL UNIVERSALIZATION TARGETS set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS.

16.4. Except for the cases set forth in subclause 16.3, the CONCESSIONAIRE may reduce its share capital regardless of the GRANTING AUTHORITY'S prior approval, provided that the minimum share capital set forth in subclause 16.1 is preserved.

16.5. The resources available to the CONCESSIONAIRE shall be applied exclusively to the



development of activities related to the CONCESSION, except solely for financial investments.

17. **CONTRACT PERFORMANCE GUARANTEE**

17.1. The CONCESSIONAIRE shall provide and maintain a CONTRACT PERFORMANCE GUARANTEE in favor of the GRANTING AUTHORITY throughout the entire term of the CONCESSION, pursuant to Article 96 of Federal Law No. 14,133/2021, to be provided as follows:

17.1.1. During the first 13 (thirteen) years of CONTRACT performance, counted from its signing, the CONTRACT PERFORMANCE GUARANTEE shall be 5% (five percent) of the CONTRACT value.

17.1.2. After completion of the 13th (thirteenth) year of CONTRACT performance and until the end of the 20th (twentieth) year of CONTRACT performance, the amount of the CONTRACT PERFORMANCE GUARANTEE shall be 2.5% (two and a half percent) of the CONTRACT value.

17.1.3. After completion of the 20th (twentieth) year of CONTRACT performance and until the end of the CONTRACT term, the amount of the CONTRACT PERFORMANCE GUARANTEE shall be 5% (five percent) of the CONTRACT value.

17.2. The CONTRACT PERFORMANCE GUARANTEE shall be contracted as a condition precedent to signing of the CONTRACT, observing the template set forth in PROVISIONS FOR CONTRACTING PERFORMANCE GUARANTEES.

17.3. Through periodic renewals, the CONTRACT PERFORMANCE GUARANTEE shall remain in force for at least 180 (one hundred and eighty) calendar days after the occurrence of the contractual term or until all contractual obligations of the CONCESSIONAIRE have been fulfilled, whichever occurs later.

17.4. No later than 5 (five) days prior to expiration of the then-current CONTRACT PERFORMANCE GUARANTEE, the CONCESSIONAIRE shall submit the new CONTRACT PERFORMANCE GUARANTEE to the GRANTING AUTHORITY.



17.5. The CONTRACT PERFORMANCE GUARANTEE provided may not contain any reservation or condition that may hinder or prevent its enforcement or otherwise cast doubt on its firmness, and it must be freely enforceable by the GRANTING AUTHORITY, observing the conditions set forth in this CONTRACT.

17.6. The CONTRACT PERFORMANCE GUARANTEE shall be adjusted annually by the IPCA (Extended National Consumer Price Index), or, in the absence thereof, by the index that replaces it.

17.7. At the CONCESSIONAIRE'S discretion, the CONTRACT PERFORMANCE GUARANTEE may be provided through any of the following forms, and their combination is permitted:

17.7.1. Cash collateral in the country's legal tender, provided by deposit into a bank account to be designated by the GRANTING AUTHORITY;

17.7.2. Pledge of federal public debt securities, issued in book-entry form, through registration in a centralized settlement and custody system authorized by the Central Bank of Brazil (BACEN), and valued at their economic values, as defined by the Ministry of Finance;

17.7.3. Surety bond; or

17.7.4. Bank guarantee;

17.7.5. Capitalization bond funded by a single payment, redeemable for the full amount.

17.8. Where the CONTRACT PERFORMANCE GUARANTEE is provided by the CONCESSIONAIRE in the form of a cash collateral in Brazilian legal tender or a pledge of federal public debt securities, the CONCESSIONAIRE shall provide a bank pledge instrument, set forth in an original document addressed to the GRANTING AUTHORITY, dated and signed by the financial institution acting as custodian of the amounts or securities given as collateral, which shall include:

17.8.1. the cash amount of the pledge or the securities, clearly identified, that shall be pledged in favor of the GRANTING AUTHORITY as security for performance of the CONCESSIONAIRE'S obligations;



17.8.2. in the case of pledge of federal public debt securities, identification of the pledged securities, specifying that they are securities governed by Federal Law No. 10,179/2001; and

17.8.3. an indication that the GRANTING AUTHORITY may enforce the pledge under the conditions set forth in this CONTRACT.

17.9. Where the CONTRACT PERFORMANCE GUARANTEE is provided by the CONCESSIONAIRE in the form of Pledge of public debt securities, only Treasury Fixed Rate Bonds (Tesouro Prefixado), Treasury Selic Bonds (Tesouro Selic), Treasury IPCA+ Bonds (Tesouro IPCA+), Treasury IPCA+ Bonds with Semi-Annual Interest (Tesouro IPCA+ com Juros Semestrais), and Treasury Fixed Rate Bonds with Semi-Annual Interest (Tesouro Prefixado com Juros Semestrais) shall be accepted.

17.10. The CONTRACT PERFORMANCE GUARANTEE provided in the form of a bank guarantee or Surety bond insurance shall have a minimum term of 12 (twelve) months, and it shall be the CONCESSIONAIRE'S sole responsibility to keep it in full force and effect, uninterruptedly, throughout the entire term of the CONCESSION, including in the event of any contractual amendment.

17.11. The bank guarantees shall be issued by financial institutions authorized by the Central Bank of Brazil (BACEN) to operate in Brazil and submitted in their original form, in compliance with the rules issued by the BACEN, and no copies of any kind shall be accepted.

17.12. The bank guarantees shall include a specific clause whereby the guarantor waives the "benefit of discussion" referred to in Article 827 of the Brazilian Civil Code, thereby qualifying it as the CONCESSIONAIRE'S jointly and severally liable debtor.

17.13. Where the CONTRACT PERFORMANCE GUARANTEE is provided in the form of surety bond, the original policy document, or a duly certified digital copy, or its second counterpart, issued in favor of the GRANTING AUTHORITY, shall be submitted, and it shall be issued by an insurance company registered with the Superintendence of Private Insurance (SUSEP), observing the conditions of the template attached to the CONTRACT.



17.14. Without prejudice to the other events provided for in this CONTRACT, the GRANTING AUTHORITY may draw on the CONTRACT PERFORMANCE GUARANTEE, ensuring due process and full defense within the scope of an administrative proceeding, if the CONCESSIONAIRE:

17.14.1. Fails to perform the obligations set forth in this CONTRACT, or executes them in breach of the applicable provisions.

17.14.2. Fails to pay fines and other indemnities imposed on it after conclusion of the respective administrative sanctioning proceeding.

17.14.3. Fails to deliver the REVERSIBLE ASSETS upon expiration of the CONCESSION, or delivers them under conditions contrary to the provisions of this CONTRACT.

17.14.4. By act or omission, causes duly evidenced damages to the GRANTING AUTHORITY or to third parties that are not fully indemnified under the insurance policies arranged.

17.15. In the event of partial or total execution of the CONTRACT PERFORMANCE GUARANTEE, the CONCESSIONAIRE shall restore the fully guaranteed amount within 30 (thirty) calendar days counted from such enforcement, under penalty of being deemed in contractual default.

17.16. If the amount to be enforced exceeds the amount of the CONTRACT PERFORMANCE GUARANTEE provided, in addition to forfeiture of the guarantee, the CONCESSIONAIRE shall be liable for the difference and shall restore the fully guaranteed amount of CONTRACT PERFORMANCE GUARANTEE within the term indicated above.

17.17. If the term of this CONTRACT is extended, the CONCESSIONAIRE is committed to renew the CONTRACT PERFORMANCE GUARANTEE, under the terms and conditions set forth in this CONTRACT.

17.18. Any amendment to the terms and conditions of the CONTRACT PERFORMANCE GUARANTEE shall be subject to the GRANTING AUTHORITY'S prior approval.

17.19. All expenses arising from the arrangement and renewal of the CONTRACT PERFORMANCE GUARANTEE shall be borne exclusively by the CONCESSIONAIRE.



17.20. Restitution or release of the CONTRACT PERFORMANCE GUARANTEE shall be subject to evidence of full compliance with all labor and social security obligations of the CONCESSIONAIRE.

18. **INSURANCE**

18.1. In addition to the insurance required by the applicable legislation, the CONCESSIONAIRE shall contract, with an INSURER, at least the insurance policies set forth in this clause, subject to availability in the Brazilian market:

18.1.1. Engineering Risks Insurance;

18.1.2. Operational Risks Insurance;

18.1.3. General Civil Liability Insurance; and

18.1.4. SYSTEM Proper Functioning Performance Guarantee Insurance

18.2. The Engineering Risks Insurance is intended to cover material damages that may be caused as a result of the SYSTEM IMPROVEMENT WORKS and other civil works and/or installation and assembly necessary to fulfill the subject matter of the CONTRACT.

18.2.1. The Engineering Risks Insurance shall be contracted so as to ensure execution of the SYSTEM IMPROVEMENT WORKS of the LOT, as required under the CONTRACT, and the insured amount under the policy shall be equivalent to 1.5% (one and one-half percent) of the LOT CAPEX amount.

18.3. The Concession Operational Risks Insurance ("AllRisks") shall be taken out throughout the entire SYSTEM OPERATION period, and the insured amount under the policy shall be equivalent to 1.5% (one and one-half percent) of the contract value, which corresponds to R\$ [---] (--- million reais), with a term of 12 (twelve) months, renewable successively for equal periods, including the following coverages:

- i. material losses covering the loss, destruction or damage to all assets comprised in the CONCESSION, including additional coverages for expert fees, engineering risks – minor works, and low-voltage equipment;



- ii. loss of revenue and loss of profits covering the financial consequences of interruption of the SYSTEM's exploitation, whenever such delay or interruption results from loss, destruction or damage covered by the material damage insurance referred to above.

18.4. The General Civil Liability Insurance, covering the GRANTING AUTHORITY and the CONCESSIONAIRE, as well as its managers, employees, staff, contractors, agents or delegates, for the amounts for which they may be held liable in respect of material, environmental, personal and moral damages, indemnities, court costs, including the USERS of the SERVICES, and any other charges related to personal, moral, environmental, material or cyber damages arising from the activities comprised in the CONCESSION, even in the event of regular operation by the CONCESSIONAIRE, including the following coverages:

- i. employer's liability;
- ii. civil liability for contingent vehicles;
- iii. cross-civil liability; and
- iv. civil liability for civil works.

18.4.1. The General Civil Liability Insurance shall be contracted during the SYSTEM ASSISTED OPERATION period, with a term of 12 (twelve) months, renewable successively for equal periods, and the insured amount under the policy shall be at least equivalent to 1% (one percent) of the investments (CAPEX) in the LOT, corresponding to R\$ [---] (--- million reais).

18.5. The SYSTEM Proper Functioning Performance Guarantee Insurance shall be contracted for at least 12 (twelve) months after expiration of the CONTRACT, to ensure proper functioning of the SYSTEM in the MUNICIPALITIES of the COVERAGE AREA served by the GRANTING AUTHORITY, with an indemnity corresponding to at least 5% (five percent) of the investment made by the CONCESSIONAIRE.



18.5.1. The CONCESSIONAIRE shall evidence the contracting of such insurance by the beginning of the last year of SYSTEM OPERATION.

18.5.2. Failure to evidence the contracting of the proper functioning insurance referred to in this subclause shall result in non-issuance of the SYSTEM REVERSION TERM provided for in this CONTRACT, without prejudice to the applicable penalties.

18.6. The insurance policies shall be contracted by the CONCESSIONAIRE by the end of the SYSTEM ASSISTED OPERATION period, and the respective policies shall remain in force for at least 180 (one hundred and eighty) calendar days after the occurrence of the contractual term, through periodic renewals.

18.6.1. This subclause does not apply to the insurance referred to in subclause 18.1.1, which may be contracted and maintained only during the execution period of each of the respective SYSTEM IMPROVEMENT WORKS, nor does it apply to the insurance referred to in subclause 18.5, which shall be contracted for at least 12 (twelve) months after expiration of the CONTRACT.

18.7. The policies shall be contracted with insurers and reinsurers duly incorporated and authorized to operate by the Superintendence of Private Insurance (SUSEP), observing the terms of SUSEP's normative acts and the conditions set forth in this CONTRACT.

18.8. The GRANTING AUTHORITY shall be included as a co-insured under the insurance policies referred to in this clause, and any cancellation, suspension, amendment or replacement of any policies shall be subject to the GRANTING AUTHORITY'S prior authorization.

18.9. Financial institutions that grant loans to, or place on the market obligations issued by, the CONCESSIONAIRE may be included in the insurance policies as co-insureds or beneficiaries.

18.10. The CONCESSIONAIRE shall be responsible for payment in full of the deductible in the event of any claim under any insurance policy provided for in this CONTRACT.

18.11. The CONCESSIONAIRE, if authorized by the GRANTING AUTHORITY, may modify coverages, deductibles or other conditions of the insurance policies in order to align them with



the implementation and execution phases of the subject matter of the CONCESSION and with insurance market conditions.

18.12. The CONCESSIONAIRE shall submit to the GRANTING AUTHORITY, at least 30 (thirty) calendar days prior to their expiration, evidence that the insurance policies have been renewed or that new policies may be issued.

18.13. The CONCESSIONAIRE shall send to the GRANTING AUTHORITY copies of the receipts evidencing payment of the premiums related to the insurance policies taken out, within 10 (ten) calendar days counted from the respective payment date.

18.13.1. Evidence of premium payment may be supplemented by a statement signed by the CONCESSIONAIRE and the INSURERS certifying that the insurance policies are fully in force and that the premiums have been duly paid; however, this shall not replace the obligation to submit the respective proof of payment.

18.14. Without prejudice to the provisions of this clause, the CONCESSIONAIRE shall evidence to the GRANTING AUTHORITY, whenever so requested, within 15 (fifteen) calendar days counted from receipt of such request, that the insurance policies provided for in this CONTRACT are in full force and effect and that any expired premiums have been paid.

18.15. The insurance policies shall include an obligation for the INSURERS to immediately inform the CONCESSIONAIRE and the GRANTING AUTHORITY of any amendments to the insurance contracts, especially those resulting in total or partial cancellation of the insurance policies contracted or reduction of the insured amounts.

18.16. Failure by the CONCESSIONAIRE to comply with the obligations to timely evidence renewal of the policies, to contract, or to maintain in force the insurance policies referred to in this clause, shall result in application of the sanctions set forth in this CONTRACT.

18.17. In event of claims not covered by the insurance policies taken out, when it should have been covered pursuant to subclauses 18.1, 18.3, 18.4 and 18.5, the CONCESSIONAIRE shall be solely liable for any damages and losses that it may eventually cause to the GRANTING AUTHORITY or to third parties arising from execution of the works and the SERVICES, and any



indemnities resulting from such damages and losses shall be borne exclusively by the CONCESSIONAIRE.

18.18. Indemnities for occurrences covered by the respective policies shall be used primarily to replace or restore the insured asset, within its original characteristics and without prejudice to the functioning of the developments related to the CONCESSION.

18.19. The minimum coverage amounts set forth in this clause shall be adjusted annually by the IPCA, or, in the absence thereof, by the index that replaces it.

19. CONTRACTS WITH THIRD PARTIES AND RELATED PARTIES

19.1. Without prejudice to its responsibilities and the risks set forth in this CONTRACT, the CONCESSIONAIRE may enter into contracts with third parties and RELATED PARTIES for the performance of activities inherent to, or accessory to, the CONCESSION, provided that the respective contracts do not extend beyond the term of the CONCESSION.

19.2. Execution of the activities contracted by the CONCESSIONAIRE with third parties and RELATED PARTIES presupposes compliance with the legal, regulatory and contractual rules applicable to the CONCESSION.

19.3. The GRANTING AUTHORITY's awareness of or consent to the hiring of third parties or RELATED PARTIES may not be invoked by the CONCESSIONAIRE to exempt itself from full or partial compliance with its obligations under this CONTRACT.

19.4. Contracts entered between the CONCESSIONAIRE and third parties or RELATED PARTIES shall be governed by the rules of Private Law, and no legal relationship shall be established between such third parties or RELATED PARTIES and the GRANTING AUTHORITY.

19.5. It is the CONCESSIONAIRE'S duty to provide for and require, from any entity with which it enters into a contract, that the necessary measures be implemented to safeguard the REVERSIBLE ASSETS and the USERS integrity, as well as to ensure compliance with the CONCESSION'S regulatory rules.



19.6. The CONCESSIONAIRE shall require third parties and RELATED PARTIES to provide evidence of compliance with tax and social security payments, as well as with labor and environmental obligations, keeping such documents under its custody and responsibility.

19.7. The CONCESSIONAIRE shall prepare and submit to the GRANTING AUTHORITY, by the end of the SYSTEM ASSISTED OPERATION period, a policy on transactions with third parties and RELATED PARTIES, which shall include at least the following guidelines:

- i. criteria to be observed for carrying out transactions between the CONCESSIONAIRE and contracted third parties or, as the case may be, RELATED PARTIES, requiring compliance with equitable terms aligned with the best market practices for third-party selection and engagement and with anti-corruption policies;
- ii. procedures to assist in identifying individual situations that may constitute conflicts of interest and, consequently, require abstention from voting by the CONCESSIONAIRE'S shareholders or managers;
- iii. procedures and responsible persons for identifying RELATED PARTIES and for classifying transactions as RELATED-PARTY TRANSACTIONS;

19.8. The excerpt(s) of the contract (s) entered into with RELATED PARTIES shall be published on a website and shall include the following information:

- i. identification of the RELATED PARTY;
- ii. subject matter of the contract;
- iii. term of the contract;
- iv. general payment terms and the adjustment mechanism applicable to the contract;
- v. incorporation of anti-corruption policies and an integrity program; and
- vi. the CONCESSIONAIRE'S justification for contracting the RELATED PARTY in view of market alternatives, provided that, in any event, best practices for third-



party selection and engagement are observed.

19.9. The CONCESSIONAIRE is prohibited from:

19.9.1. Providing any form of guarantee in favor of third parties, including in favor of RELATED PARTIES, except in favor of its LENDERS;

19.9.2. Granting loans, financing or making any other form of funds transfer to RELATED PARTIES, except for:

- i. transfers of funds as dividend distributions, observing the provisions of Article 11, paragraph 5, of Federal Law No. 11,445/2007;
- ii. capital reduction;
- iii. payment of interest on net equity; and
- iv. payments for contracting on equitable market terms, pursuant to the related-party transaction policy issued in accordance with clause 19.7.

19.10. All contracts entered into between the CONCESSIONAIRE and its controlling shareholder or persons subject to the same CONTROL as the CONCESSIONAIRE, as well as its subsidiaries or controlled entities, shall be submitted to the GRANTING AUTHORITY'S prior no-objection, and the GRANTING AUTHORITY shall communicate any objection within 15 (fifteen) business days.

19.10.1. Failure by the GRANTING AUTHORITY to respond within the term set forth above shall be construed as no objection.

19.11. Whenever the CONCESSIONAIRE intends to contract technological solutions, acquire goods or contract services that constitute a PREEMPTIVE SUBJECT MATTER, it shall, at least 30 (thirty) business days prior to entering into such contract with a third party, identify and notify the eligible PREFERRED PARTY, offering it the exercise of the PREEMPTIVE RIGHT.

19.11.1. In the notice referred to in the subclause above, the CONCESSIONAIRE shall provide the PREFERRED PARTY with: (i) a summary of the proposal received, including the price and proposed payment terms; (ii) the deadline for the PREFERRED PARTY'S



response; and (iii) the technical and economic specification documentation for the subject matter of the contract.

19.11.2. The PREFERRED PARTY shall be granted at least 10 (ten) business days to respond to the CONCESSIONAIRE; for purposes of exercising the PREEMPTIVE RIGHT, it shall be sufficient to submit a proposal matching the price and the main payment terms of the competing third-party offer, and identity in all elements of the proposal is not required.

19.11.3. Failure by the PREFERRED PARTY to comment within the stipulated term shall be deemed a refusal to exercise the PREEMPTIVE RIGHT.

19.12. The GRANTING AUTHORITY shall maintain and update the list of PREFERRED PARTIES and their respective PREEMPTIVE SUBJECT MATTERS, making it available to the CONCESSIONAIRE whenever requested, as well as whenever the list is amended.

19.12.1. Upon each new designation of a PREFERRED PARTY or any change to a PREEMPTIVE SUBJECT MATTER, the GRANTING AUTHORITY shall formally notify the CONCESSIONAIRE, informing the corporate name of the qualified legal entity and the PREEMPTIVE SUBJECT MATTER related to such PREFERRED PARTY.

19.12.2. Except in the cases expressly provided for in this CONTRACT for loss of the PREEMPTIVE RIGHT, the prerogative granted to the PREFERRED PARTIES shall be observed by the CONCESSIONAIRE throughout the entire term of the CONCESSION, and shall remain in full force and effect even in cases of succession, merger, spin-off or any other corporate change of the CONCESSIONAIRE.

19.12.3. The PREFERRED PARTY shall lose the PREEMPTIVE RIGHT and be removed from the list maintained by the GRANTING AUTHORITY in the following cases:

- i. proven default on 2 (two) consecutive occasions or 4 (four) non-consecutive occasions of contractual obligations owed to the CONCESSIONAIRE;
- ii. by decision of the GRANTING AUTHORITY;



- iii. failure to meet the requirements that qualify it as a PREFERRED PARTY.

19.13. Inclusion of a PREFERRED PARTY in the list maintained by the GRANTING AUTHORITY shall neither affect contracts entered into by the CONCESSIONAIRE prior to the notice of such inclusion, nor prevent extension of the term of such contracts, provided that such extension is already contemplated in the respective instruments.

19.14. If the CONCESSIONAIRE judges that the PREFERRED PARTY'S proposal does not meet the technical needs that gave rise to the intent to contract, and that it poses a risk of actual loss of SERVICES quality or of jeopardizing the UNIVERSALIZATION SCHEDULE, it may request that the GRANTING AUTHORITY waive the PREEMPTIVE RIGHT.

19.14.1. The CONCESSIONAIRE'S request shall be formalized by means of a technical report, prepared in a detailed manner, containing a detailed justification of the failure to meet the technical needs, with references to the applicable projects, schedules and technical parameters.

19.15. In the event of a proven breach by the CONCESSIONAIRE of the obligations incumbent upon it by virtue of the PREEMPTIVE RIGHT, the GRANTING AUTHORITY may apply the applicable contractual penalties, without prejudice to the PREFERRED PARTY'S right to independently seek compensation for any losses it may have eventually suffered as a result of non-observance of the PREEMPTIVE RIGHT, in judicial or arbitral proceedings.

19.15.1. The contractual penalties shall not apply where it is proven that the urgency of the contracting was incompatible with the PREEMPTIVE RIGHT process set forth in this clause, under the risk of negatively impacting the quality of the SERVICES provision or the UNIVERSALIZATION SCHEDULE, except where such urgency arises from the CONCESSIONAIRE'S negligence, imprudence or lack of technical skill.

20. FINANCING

20.1. The CONCESSIONAIRE is responsible for obtaining all financial resources necessary for the proper development of the SERVICES and for the regular execution of the SYSTEM IMPROVEMENT WORKS, so that all obligations assumed under this CONTRACT are fully and timely performed.



20.1.1. The CONCESSIONAIRE may not invoke any provision, clause or condition of the financing contracts, or any delay in the disbursement of funds, to be released, in whole or in part, from the obligations assumed under this CONTRACT, the terms of which shall be fully known to the LENDER.

20.2. The CONCESSIONAIRE is authorized to fiduciarily assign, or to grant as collateral, under its financing contracts, the rights arising from the CONCESSION, pursuant to Article 28 of Federal Law No. 8,987/1995, upon prior notice to the GRANTING AUTHORITY, provided that such assignments and collateral do not compromise the proper SERVICES provision or the performance of this CONTRACT.

20.2.1. The CONCESSIONAIRE may fiduciarily assign, or grant as collateral to the LENDER, its rights arising from, and guarantees related to, the MONTHLY FINANCIAL CONSIDERATION, as well as other credits or receivables held by the CONCESSIONAIRE, whether existing, to be generated or contingent, including eventual indemnities amounts due to the CONCESSIONAIRE in the event of termination of the CONCESSION.

20.2.2. To secure long-term loan contracts, in any of their forms, intended to finance investments related to this CONTRACT, the CONCESSIONAIRE may, upon simple notice to the GRANTING AUTHORITY, assign to the lender, on a fiduciary basis, a portion of its future operating receivables, observing the conditions set forth in Article 28-A of Federal Law No. 8,987/1995.

20.2.3. Indemnities due to the CONCESSIONAIRE in the event of early termination of this CONTRACT may be paid directly to the LENDER, if a fiduciary assignment has been made or other applicable security guarantee has been granted.

20.2.4. If the event contemplated in subclause 20.2.3 occurs, the CONCESSIONAIRE shall send prior written notice to the GRANTING AUTHORITY, informing the amounts involved and the LENDER'S details.

20.2.5. The rules set forth in this subclause, especially with respect to the possibility of fiduciary assignment and the granting of security over the rights arising from the CONCESSION, shall also apply to financial transactions that may be carried out by the



CONCESSIONAIRE and that are backed by the issuance of debentures, duplicatas or other types of securities or credit instruments, observing the applicable laws and regulations in force.

20.3. The shareholders may also grant, as security or counter-security, under loan contracts and/or financing contracts, the shares of the CONCESSIONAIRE held by them, upon simple notice to the GRANTING AUTHORITY, pursuant to Article 27-A of Federal Law No. 8,987/1995.

20.3.1. Granting the CONCESSIONAIRE'S shares as security shall be subject to the prior consent of the GRANTING AUTHORITY where it involves the CONCESSIONAIRE'S CONTROL.

20.4. The CONCESSIONAIRE shall provide the GRANTING AUTHORITY with copies of the financing and security contracts it may enter into, as well as documents evidencing any securities it may issue, and any amendments to such instruments, within 10 (ten) business days from the date of their signing or issuance, pursuant to Article 28 of Federal Law No. 8,987/1995

20.4.1. An entity that enters into a contract with the CONCESSIONAIRE to supply materials, equipment or services on an installment-sale or financed basis may be recognized as a LENDER, provided that the supply contract clearly describes a financing transaction granted to the CONCESSIONAIRE by such supplier, including the scheduled settlement dates, interest rates and other parameters; in such cases, it shall be incumbent upon the CONCESSIONAIRE to make the notice contemplated in subclause 20.6.

20.4.1.1. For purposes of this CONTRACT, the provisions of subclause 20.5 shall not apply to the situation contemplated in the subclause above.

20.5. The financing arrangements and their respective collateral may, subject to the applicable civil and commercial laws, grant the respective LENDERS the right to assume the CONTROL or temporary administration of the CONCESSIONAIRE, or the CONCESSION itself:

20.5.1. in the event of uncured default under the respective financing or security contracts; or



20.5.2. as a means to ensure regularization of the SERVICES provision, in the event of the CONCESSIONAIRE'S default under this CONTRACT that renders the CONCESSION unfeasible or threatens it, observing the conditions set forth in subclause 20.8.

20.6. The CONCESSIONAIRE shall notify the GRANTING AUTHORITY, within 5 (five) business days, the breach of any of its obligation under the financing contracts that may result in collateral execution, CONTROL assumption or temporary administration, or even of the CONCESSION itself, by its LENDERS.

20.7. The CONCESSIONAIRE shall also provide the GRANTING AUTHORITY with copies of any and all communications, reports, or notices sent to the LENDERS that contain relevant information regarding the financial status of the CONCESSION or of the CONCESSIONAIRE, within a maximum period of 48 (forty-eight) hours after they are sent to the LENDERS.

20.8. Pursuant to Article 27-A of Federal Law No. 8,987/1995 and in accordance with the rules set forth in subclause 15.8 of this CONTRACT, the GRANTING AUTHORITY may authorize the transfer of CONTROL or temporary administration of the CONCESSIONAIRE to its lenders and guarantors with whom it does not maintain a direct corporate relationship, for purposes of its financial restructuring and to ensure the continuity of the SERVICES provision.

20.8.1. Assumption of CONTROL or temporary administration authorized under subclause 20.8 above shall not modify the obligations of the CONCESSIONAIRE and its controlling parties towards third parties, the GRANTING AUTHORITY and the USERS, pursuant to Article 27-A, paragraph 2, of Federal Law No. 8,987/1995.

20.8.2. For temporary administration of the CONCESSIONAIRE to be characterized, the powers set forth in Article 27-A, paragraph 4, of Federal Law No. 8,987/1995 shall be granted to its lenders and guarantors.

20.9. Eventual effective economic gains of the CONCESSIONAIRE arising from a reduction in credit risk, in the event of eventual refinancing of long-term financing, shall be shared with the GRANTING AUTHORITY, as set forth in the subsequent provisions.

20.9.1. A reduction in the CONCESSIONAIRE'S credit risk, subject to sharing, shall be deemed to occur if the more favorable conditions of the refinancing of long-term



financings do not result exclusively from the provision of additional private guarantees by the CONCESSIONAIRE or by its shareholders.

20.9.2. For purposes of subclause 20.9, the CONCESSIONAIRE shall be deemed to have obtained economic gains when the total interest it will pay as a result of the refinancing of long-term financings is lower than the total interest it would pay if the long-term financings were maintained as originally contracted.

20.9.2.1. To calculate the total interest the CONCESSIONAIRE would originally pay in connection with the long-term financings, it shall be necessary to: (i) identify the outstanding balance payable under the long-term financings at the time of the refinancing of the long-term financings; and (ii) apply to such balance the interest rate originally agreed under the long-term financings, for the agreed term, taking into account the dates on which payment of each interest installment would effectively become due.

20.9.2.2. To identify the total interest the CONCESSIONAIRE will pay as a result of the refinancing of the long-term financings, it shall be necessary to (i) identify the outstanding balance payable under the long-term financings at the time of the refinancing of the long-term financings; and (ii) apply to such balance the new interest rate agreed at the time of the refinancing of the long-term financings, for the term agreed under the new contracts, taking into account the dates on which payment of each interest installment will effectively become due.

20.9.2.3. For purposes of subclause 20.9, the effective economic gains obtained by the CONCESSIONAIRE shall be equal to the difference, in present value, between: (i) the total interest the CONCESSIONAIRE will pay as a result of the refinancing of the long-term financings, distributed over time; and (ii) the total interest the CONCESSIONAIRE would pay if the long-term financings were maintained as originally contracted, distributed over time.

20.9.2.4. For purposes of calculating the present value referred to in subclause 20.9.2.3, the provisions of subclause 34.7.3 regarding the calculation of the discount rate shall apply.



20.9.3. If the CONCESSIONAIRE obtains an economic gain at the time of the refinancing of long-term financings, as a result of the reduction in credit risk, subject to the conditions set forth above, the CONCESSIONAIRE shall submit to the GRANTING AUTHORITY the calculations referred to above within 30 (thirty) days counted from the entering into of the definitive contracts for the refinancing of the long-term financings.

20.9.4. The GRANTING AUTHORITY shall express its position on the calculations submitted by the CONCESSIONAIRE within 30 (thirty) days.

20.9.5. The GRANTING AUTHORITY may reject the calculations submitted by the CONCESSIONAIRE only on duly grounded grounds, clearly specifying the calculation errors or flawed assumptions made by the CONCESSIONAIRE.

20.9.6. If the GRANTING AUTHORITY rejects the calculations submitted by the CONCESSIONAIRE, the PARTIES shall seek an amicable agreement on the matter within 10 (ten) days counted from the GRANTING AUTHORITY's decision rejecting the calculations.

20.9.7. If the PARTIES do not reach an amicable agreement within such term, the dispute shall be decided in accordance with the dispute resolution mechanisms set forth in the CONTRACT.

20.9.8. The GRANTING AUTHORITY shall be entitled to 50% (fifty percent) of the economic gains obtained by the CONCESSIONAIRE.

20.9.9. The portion of the economic gains due to the GRANTING AUTHORITY shall be deducted monthly from the MONTHLY CONSIDERATION payable to the CONCESSIONAIRE, on the assumption that the full amount of the sharing will be settled by the end of the remaining term for amortization of the refinancing of the long-term financings.

20.9.10. The deduction shall be calculated considering its allocation over time, using as the discount rate the same rate used for the calculation referred to in subclause 34.7.3.

21. REAL ESTATE ASSETS REQUIRED FOR EXECUTION OF THE CONTRACT

Land regularization



21.1. The CONCESSIONAIRE shall be responsible for promoting, under its sole responsibility and subject to the GRANTING AUTHORITY's prior approval, all actions and measures required to regularize title, ownership and possession of the real estate assets classified as REVERSIBLE ASSETS, pursuant to the REVERSIBLE ASSETS INVENTORY approved during the SYSTEM ASSISTED OPERATION.

21.1.1. Pursuant to EXHIBIT IV – CONCESSION SPECIFICATIONS, the CONCESSIONAIRE shall submit to the GRANTING AUTHORITY, within 6 (six) months after the commencement of the SYSTEM OPERATION, the Regularization Plan for analysis and approval, indicating the areas to be regularized and the estimated timeframes for completion of each regularization.

21.1.1.1. The term indicated above may be extended by agreement between the PARTIES, provided it is duly justified.

21.1.2. The CONCESSIONAIRE shall make every effort to complete the processes for regularization of title or ownership in the name of the GRANTING AUTHORITY within a maximum term of 5 (five) years, counted from approval of the Regularization Plan, keeping the GRANTING AUTHORITY informed of the progress of all actions.

21.1.2.1. The CONCESSIONAIRE shall coordinate the land regularization measures for the real estate assets with the actions aimed at environmental regularization and compliance with its contractual obligations, so that, except in the event of the GRANTING AUTHORITY's sole fault, the land regularization proceedings may not be invoked as an excuse for any eventual default by the CONCESSIONAIRE, including with respect to service targets and the PERFORMANCE INDICATORS.

21.1.2.2. Provided it is duly justified and previously agreed with the GRANTING AUTHORITY, the 5 (five)-year term mentioned above may be extended.

21.1.3. On a monthly basis, the CONCESSIONAIRE shall report to the GRANTING AUTHORITY, in sufficient detail, on the progress of all actions related to the regularization of title or ownership of the real estate assets in the name of the GRANTING AUTHORITY, in accordance with subclause 9.5.1.



21.1.3.1. Any significant or urgent occurrences shall be communicated by the CONCESSIONAIRE to the GRANTING AUTHORITY within 48 (forty-eight) hours counted from the occurrence of the event.

21.1.4. The provisions of this item regarding land regularization shall not apply to real estate assets that become part of the CONCESSION after the commencement of the SYSTEM OPERATION. In such cases, the conditions set forth in the subsequent item regarding expropriations, easements and other administrative restrictions shall apply.

21.2. For the regularization referred to in subclause 21.1, the CONCESSIONAIRE may carry out expropriations, acquisitions, removals, adverse possession claims, corrections of real estate registry, consolidation or subdivision of registry entries, establishment of administrative easements, formalization of administrative restrictions, temporary occupations, and any other actions and measures that may be required, provided that the GRANTING AUTHORITY has granted prior authorization.

21.2.1. All actions and measures required for the regularization referred to in subclause 21.1 shall always be carried out in compliance with the applicable laws and regulations, as well as the provisions of this CONTRACT and its respective EXHIBITS.

21.3. The GRANTING AUTHORITY shall reimburse the CONCESSIONAIRE for the following costs related to the regularization referred to in subclause 21.1:

- i. Administrative and registry fees and emoluments;
- ii. Court costs and procedural expenses;
- iii. Indemnities arising from expropriations, removals and administrative easements;
- iv. Amounts related to court-ordered government payment;
- v. Fees and taxes applicable to the regularization transactions;
- vi. Costs of official publications required for the regularization proceedings;
- vii. Expenses with environmental liabilities prior to the SYSTEM OPERATION;
- viii. Registry fees for the proper registration/annotation of the real estate asset.



21.3.1. The list of expenses set forth in the preceding subclause is exhaustive, so that any other cost related to the regularization, such as attorneys' fees, whether contractual or awarded by the court, and expenses with the CONCESSIONAIRE's own or third-party technical team, shall be the CONCESSIONAIRE's sole responsibility and shall not be reimbursed by the GRANTING AUTHORITY.

21.3.2. The GRANTING AUTHORITY shall not be responsible for costs related to land regularization actions initiated by the CONCESSIONAIRE without the GRANTING AUTHORITY's prior approval and authorization, as set forth in subclause 21.1.

21.3.3. Reimbursement of costs shall be made by the GRANTING AUTHORITY after effective regularization, upon submission by the CONCESSIONAIRE of the updated property registry entry and the property description memorandum, or a similar document evidencing the regularization.

21.4. Prior to incurring expenses related to the regularization actions, the CONCESSIONAIRE shall submit to the GRANTING AUTHORITY a detailed budget for approval, and the reimbursement referred to in subclause 21.3.3 is conditioned to the submission of documentation consistent with the approved budget.

21.4.1. The GRANTING AUTHORITY shall have 15 (fifteen) business days to analyze and approve the budgets submitted by the CONCESSIONAIRE, and may request clarifications or adjustments as necessary.

21.4.2. In the case of judicial proceedings, the GRANTING AUTHORITY may choose to directly make the payments required in the judicial actions, upon the CONCESSIONAIRE's duly grounded request.

21.5. The CONCESSIONAIRE is responsible for preparing all technical documents required for the regularization actions and measures referred to in subclause 21.1, including, but not limited to:

- i. Valuation reports;
- ii. Property description memoranda;



- iii. Site plans and topographic surveying;
- iv. Technical engineering and architecture reports;
- v. Environmental impact studies, where applicable;
- vi. Specialized technical opinions;
- vii. Any other technical documents required by the competent authorities for the regularization proceedings, whether administrative or judicial.

21.5.1. All technical documents required for regularization shall be prepared by the CONCESSIONAIRE at no cost to the GRANTING AUTHORITY, and shall be deemed part of the CONCESSIONAIRE's obligations under this CONTRACT.

21.5.2. The GRANTING AUTHORITY shall have the right to request revisions or supplements to the technical documents submitted by the CONCESSIONAIRE if it identifies discrepancies or a need for adjustments. The CONCESSIONAIRE shall carry out such revisions or supplements at no additional cost to the GRANTING AUTHORITY.

21.5.3. The CONCESSIONAIRE shall maintain an organized and up-to-date file of all technical documents prepared, making them available to the GRANTING AUTHORITY whenever requested.

21.5.4. Should updates or new versions of the technical documents be required throughout the CONTRACT due to changes in the characteristics of the real estate assets or by legal requirements, the CONCESSIONAIRE shall be responsible for preparing them at no additional cost to the GRANTING AUTHORITY.

21.5.5. By the end of the CONTRACT, all technical documents prepared by the CONCESSIONAIRE relating to the regularized real estate assets shall be delivered to the GRANTING AUTHORITY in both physical and digital formats, forming part of the CONCESSION's technical records.

21.6. The CONCESSIONAIRE is responsible for structuring and organizing the documentation and information required for the regularization of title or ownership of the real estate assets referred to in subclause 21.1.



21.6.1. GRANTING AUTHORITY is committed to provide, when requested and within its means, the information and documents necessary to assist in the regularization proceedings, without transferring the CONCESSIONAIRE's responsibility set forth in this subclause.

21.7. When requested, the GRANTING AUTHORITY shall provide the CONCESSIONAIRE with all authorizations, powers of attorney, and documents necessary for it to act on its behalf in the proceedings for regularization of title or ownership, observing the following provisions:

21.7.1. The authorizations and powers of attorney shall be granted on a specific basis for each regularization action or proceeding, with an express indication of the powers granted.

21.7.2. The GRANTING AUTHORITY is committed to provide the authorizations and powers of attorney within a maximum term of 15 (fifteen) business days after the CONCESSIONAIRE's formal request, provided that it is duly justified and documented.

21.7.3. The CONCESSIONAIRE shall keep the GRANTING AUTHORITY informed of all actions carried out based on the authorizations and powers of attorney provided, rendering accounts monthly or whenever requested.

21.7.4. The GRANTING AUTHORITY may, at any time, revoke or amend the authorizations and powers of attorney granted, upon prior notice to the CONCESSIONAIRE, without prejudice to acts already performed.

21.7.5. The CONCESSIONAIRE is obliged to use the authorizations and powers of attorney strictly within the limits and purposes established, and shall be liable for any excesses or deviations.

21.7.6. Failure by the GRANTING AUTHORITY to provide the authorizations, powers of attorney, or necessary documents within the stipulated term, provided they were duly requested by the CONCESSIONAIRE, shall allow the revision of the deadlines established for completion of the regularization actions.



21.8. Upon completion of each regularization proceeding referred to in subclause 21.1, the CONCESSIONAIRE shall submit to the GRANTING AUTHORITY all documentation evidencing the regularization of title or ownership of the real estate assets.

Expropriations, administrative restrictions and easements

21.9. The CONCESSIONAIRE shall be responsible for promoting, under its sole responsibility, all actions necessary to obtain ownership or title to the real estate assets required for the execution of this CONTRACT's subject matter, including expropriations, acquisitions, removals, adverse possession claims, corrections of real estate registry, consolidation or subdivision of registry entries, establishment of administrative easements, regularization, formalization of administrative restrictions, temporary occupations, and any other actions and measures that may be required.

21.9.1. The provisions of this clause refer to assets that may be added to those listed in the REVERSIBLE ASSETS INVENTORY approved during the SYSTEM ASSISTED OPERATION.

21.9.2. All actions shall always be carried out in compliance with the applicable legislation and regulation, as well as with the provisions set forth in this CONTRACT and its respective EXHIBITS.

21.9.3. All costs related to the actions referred to in subclause 21.9, including fees, notarial and court expenses, emoluments, indemnities, writ of payments, taxes, court costs, attorneys' fees, and any other expenses, shall be the sole responsibility of the CONCESSIONAIRE.

21.9.4. Monthly, the CONCESSIONAIRE shall report to the GRANTING AUTHORITY, in sufficient detail, the occurrences related to the actions referred to in subclause 21.9, observing the provisions of subclause 9.5.1.

21.9.5. In the case of real estate assets owned by public entities, their integration into the SERVICES shall occur by means of agreement, and may use, for this purpose, assignments of use, donations, among other legally permitted forms.



21.10. The CONCESSIONAIRE shall conduct the expropriation proceedings and the establishment of administrative easements, administrative restrictions, acquisitions, and temporary occupations of the real estate assets required for the execution of this CONTRACT, and shall be responsible for all related costs, including:

- i. costs related to preliminary possession;
- ii. costs related to the payment of indemnities or any other compensation arising from the actions adopted; and
- iii. other related burdens or charges, including eventual temporary use of such real estate assets, relocation of assets or persons, expenses with court and notarial costs, attorneys' fees and experts, and other expenses necessary to conclude the proceedings.

21.11. For the purpose of carrying out the actions referred to in subclause 21.10, the CONCESSIONAIRE shall also:

- i. in the presence of the GRANTING AUTHORITY's supervision, which shall draw up the respective report after notice to be given by the CONCESSIONAIRE at least 30 (thirty) calendar days in advance, and at its own expense, proceed with the delimitation of plots to be incorporated into the SERVICES provision, including the preparation of the respective cadastral plan, as well as the identification of the plots that form part of the CONCESSION and the remaining areas, including by exercising the prerogative set forth in Article 7 of Federal Decree-Law No. 3,365, of July 21, 1941; and
- ii. file, in its own name, the judicial actions required to enable the expropriation or the establishment of administrative easements, administrative restrictions and temporary occupations of the real estate assets required for the execution of this CONTRACT, bearing all expenses related to all necessary documentation, including fees, court costs, appraisals, expert examinations and indemnities to be paid to the owners, holders of beneficial title or possessors of the expropriated real estate assets.



21.11.1. Once the expropriation judgment has become final and unappealable, it shall be incumbent upon the CONCESSIONAIRE to obtain a certified copy of the decision or similar instrument for the opening of the property's registry entry, given that this is an original acquisition of title.

21.12. The GRANTING AUTHORITY shall be responsible for the measures required to request the declaration of public utility in respect of the real estate assets to be expropriated or to be subject to the establishment of an administrative easement, administrative restriction or temporary occupation.

21.12.1. If the GRANTING AUTHORITY fails to take the measures within its competence in connection with the expropriations or the establishment of administrative easements, administrative restrictions or temporary occupations of real estate assets required for the execution of the subject matter of the CONCESSION, pursuant to this subclause and to the work program referred to in subclause 21.13, the CONCESSIONAIRE:

21.12.1.1. shall be entitled to economic-financial rebalancing of the CONTRACT, if it demonstrates the effective occurrence of an imbalance in the original economic-financial equation of the CONTRACT;

21.12.1.2. may not be penalized, if it demonstrates that the GRANTING AUTHORITY's inaction directly hindered the performance of its obligations; and

21.12.1.3. shall not suffer any reduction of the MONTHLY CONSIDERATION in relation to the PERFORMANCE INDICATORS directly and demonstrably affected by the GRANTING AUTHORITY's inaction.

21.12.2. The provision set forth in subclause 21.12.1 shall not apply where: (i) the GRANTING AUTHORITY's inaction results from an act or omission by the CONCESSIONAIRE that is contrary to the terms of this CONTRACT and its EXHIBITS; (ii) the intended expropriation or establishment of administrative restrictions does not comply with the provisions of the basic project and executive project approved by the GRANTING AUTHORITY.



21.13. Whenever verified the need to carry out expropriations, removals, the establishment of administrative easements, administrative restrictions, or temporary occupations of real estate assets is identified, the PARTIES shall, by mutual agreement, establish a work program, within a term of up to 1 (one) year, containing:

- i. the necessary elements to be provided by the CONCESSIONAIRE to enable the issuance of the declaration of public utility regarding such real estate assets, under the conditions set forth in the applicable legislation;
- ii. the terms applicable to the CONCESSIONAIRE and to the GRANTING AUTHORITY for the adoption of the measures within their respective responsibility, observing the terms set for the SERVICES provision and for the execution of the SYSTEM IMPROVEMENT WORKS;
- iii. the technical documents to be submitted to enable implementation of the necessary actions, the preparation and expenses of which shall be the CONCESSIONAIRE's exclusive responsibility;
- iv. the estimated budget of the costs involved in carrying out the actions.

21.13.1. The work program referred to in the preceding subclause shall be incorporated as an exhibit to the EXECUTION SCHEDULE, and the provisions set forth in this CONTRACT shall apply to the CONCESSIONAIRE's deadlines and obligations.

21.14. The CONCESSIONAIRE shall, at its own expense and under its responsibility, take all measures required to remove irregular occupants from the areas linked to the SERVICES, and shall, for such purpose, file the pertinent judicial actions whenever necessary.

21.15. If the CONCESSIONAIRE needs to execute SYSTEM IMPROVEMENT WORKS on a real estate owned by the Federal Government, the STATE or the MUNICIPALITIES, the GRANTING AUTHORITY may assist the CONCESSIONAIRE in liaising with the holder of title to such real estate.

21.15.1. It shall be solely incumbent upon the CONCESSIONAIRE to bear eventual financial burden arising from the need to carry out works on public real estate assets, including the issuance of the required documentation and compensations or payments due as consideration for making the real estate asset available.



22. RIGHTS AND OBLIGATIONS OF THE GRANTING AUTHORITY

22.1. Without prejudice to the other provisions set forth in the TENDER NOTICE, this CONTRACT and its EXHIBITS, the applicable legislation and the related contracts, the following are rights of the GRANTING AUTHORITY:

- i. to unilaterally amend this CONTRACT, pursuant to the terms set forth herein, as well as the applicable legislation and regulation, always preserving its economic-financial balance;
- ii. to make use of public participation procedures, such as public consultations and public hearings, whenever the GRANTING AUTHORITY deems it relevant prior to taking acts or decisions;
- iii. to receive, upon reversion, when the CONTRACT is terminated, the REVERSIBLE ASSETS, and the GRANTING AUTHORITY shall transfer title to the REVERSIBLE ASSETS to its successor, to the holders of the SERVICES, or to whomever powers have been delegated for such purpose;
- iv. to intervene in the CONCESSION in the cases and under the conditions set forth in the applicable legislation and in this CONTRACT;
- v. to be fully indemnified for eventual losses caused by the CONCESSIONAIRE as a result of breach of this CONTRACT and its EXHIBITS;
- vi. to be fully reimbursed for eventual penalties imposed on it by the REGULATORY AGENCY due to acts, failures or omissions of the CONCESSIONAIRE during the execution of this CONTRACT;
- vii. to adopt, in the event of default of a pecuniary obligation by the CONCESSIONAIRE, after 30 (thirty) calendar days from the notice to pay without voluntary payment having been made, a compensatory measure consisting of partial withholding of the amount due as MONTHLY FINANCIAL CONSIDERATION , in a compensatory amount equivalent to the updated value of the defaulted pecuniary obligation, plus statutory interest, not



exceeding an amount corresponding to a reduction of 15% (fifteen percent) of the revenues originally due to the CONCESSIONAIRE in the same fiscal year.

22.2. Without prejudice to the other provisions of this CONTRACT, the related legal instruments and the applicable legislation, the following are duties of the GRANTING AUTHORITY:

- i. to take all necessary steps to ensure that the REVERSIBLE ASSETS are transferred to the CONCESSIONAIRE free and clear of any personal or real encumbrances, in order to allow their use by the CONCESSIONAIRE;
- ii. to grant to the CONCESSIONAIRE, free of charge, the right of use over the existing rights-of-way within the SYSTEM and the beneficial ownership of the REVERSIBLE ASSETS;
- iii. to terminate the CONCESSION in the cases governed by this CONTRACT and pursuant to the applicable legislation and regulation;
- iv. to comply with and ensure compliance with the legal, regulatory and contractual provisions pertaining to the CONCESSION;
- v. to encourage, within the limits of its competences, improvements in the quality and productivity of the SERVICES, as well as environmental protection, within the scope of the CONCESSION;
- vi. to encourage the formation of USER associations for the defense of interests related to the SERVICES;
- vii. to receive, investigate and, when applicable, resolve complaints from the USERS of the SERVICES, who shall be informed of the measures adopted in accordance with the timeframes set forth in the regulation and in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS;
- viii. to take the necessary steps with the STATE or the MUNICIPALITIES, upon request by the CONCESSIONAIRE, within the limits of its competences, for the issuance of public utility declarations for expropriations, establishment of administrative easements, formalization of administrative restrictions and authorizations for temporary occupation



- of the real estate assets required to ensure the carrying out of the SYSTEM IMPROVEMENT WORKS, in accordance with the work program set forth in subclause 21.13;
- ix. to support the CONCESSIONAIRE in investigating the existence of owners or possessors of properties located in the COVERAGE AREA who are not complying with their legal obligation to connect to the available public wastewater network.
 - x. to impose the applicable administrative penalties, within the scope of its competences, on owners or possessors of properties that are not connected to the wastewater networks where a public water supply system is available and that are not in compliance with the applicable legislation, pursuant to the rules issued by the REGULATORY AGENCY, and to inform it, or the MUNICIPALITY, of such measure;
 - xi. to pay the CONCESSIONAIRE the indemnities provided for in the applicable legislation and in this CONTRACT, when due, arising from termination of the CONCESSION;
 - xii. to forward to the CONCESSIONAIRE, for analysis and assessment, within 10 (ten) days counted from receipt, the projects and studies related to the implementation of new subdivisions located within the COVERAGE AREA;
 - xiii. to inform the SUBDIVIDER, upon request for approval of wastewater projects for new subdivisions, that all costs for implementation of the wastewater systems shall be borne by it;
 - xiv. to ensure the CONCESSIONAIRE full use of the REVERSIBLE ASSETS;
 - xv. to be responsible for matters related to acts or facts pertaining to the REVERSIBLE ASSETS and the SERVICES prior to the start date of SYSTEM OPERATION, even if identified after such date, for which no liability shall be attributed to the CONCESSIONAIRE;
 - xvi. to execute, as intervening consenting party, the financing instruments entered into by the CONCESSIONAIRE, whenever so requested by the CONCESSIONAIRE and the financing agents;



- xvii. to execute, as intervening consenting party, the instruments referred to in subclauses 13.1.5 and 13.3;
- xviii. to provide technical support to the CONCESSIONAIRE in discussions and negotiations with the MUNICIPALITIES and other authorities and public bodies regarding the construction, redesign or removal of accesses to the SYSTEM, including the support necessary to remove interferences that hinder or prevent the execution of the SYSTEM IMPROVEMENT WORKS, or, further, to arrange closures of roads and public areas for vehicle traffic or pedestrian circulation as required to allow the execution of the works;
- xix. to be responsible for the risks related to judicial and administrative orders to satisfy obligations originally attributable to the GRANTING AUTHORITY, including labor claims filed by employees or third parties linked to the GRANTING AUTHORITY or other companies contracted by the GRANTING AUTHORITY;
- xx. to take all measures, prior to the entering into of the SYSTEM TRANSFER TERM, to ensure that contracts entered into by the GRANTING AUTHORITY and other companies do not interfere with the execution of this CONTRACT, assuming responsibility and risks for any delays or obstacles that prevent or affect SERVICES provision or of the SYSTEM IMPROVEMENT WORKS execution;
- xxi. to promptly notify the CONCESSIONAIRE of service of process or notice in any judicial action or administrative proceeding that attributes liability to the CONCESSIONAIRE or has an impact on the SERVICES or the SYSTEM IMPROVEMENT WORKS, including the applicable procedural terms and deadlines, and to use its best efforts in defending the common interests, taking all procedural measures available for that purpose;
- xxii. establish and maintain, throughout the entire term of this CONTRACT, under the terms and conditions set forth herein, the PUBLIC GUARANTEE;
- xxiii. to liaise with the competent authorities and other concessionaires, permit holders or authorization holders operating in the SERVICE PROVIDER'S COVERAGE AREA of LOT [●], in order to facilitate SERVICES provision;



xxiv. when requested by the CONCESSIONAIRE, to send, within 5 (five) business days, to the competent authorities and other concessionaires, permit holders or authorization holders operating in the SERVICE PROVIDER'S COVERAGE AREA of LOT [●], a notice informing or confirming the CONCESSIONAIRE's authority to deal with such authorities, concessionaires, permit holders or authorization holders on matters related to SERVICES provision;

xxv. respond, whenever requested, within the time periods set forth in this CONTRACT, or, where no specific period is set forth, within a term not exceeding 20 (twenty) calendar days.

22.3. If it is duly evidenced that the CONCESSIONAIRE is prevented from fulfilling its obligations due to default by the GRANTING AUTHORITY or insufficient performance of its obligations, including in the event of delay, the following shall apply:

22.3.1. the CONCESSIONAIRE may not be subject to penalties or deductions from the MONTHLY FINANCIAL CONSIDERATION resulting from default by the GRANTING AUTHORITY;

22.3.2. the occurrence of default or insufficient performance may give rise to economic-financial rebalancing of this CONTRACT, provided it is unequivocally demonstrated that such event resulted in an imbalance of the economic-financial equation, in which case the provisions of clauses 34 and 35 shall apply; and

22.3.3. changes to the CONCESSIONAIRE's obligations that are directly dependent thereon shall be permitted, preferably by agreement.

22.4. In any event, upon occurrence of default by the GRANTING AUTHORITY or insufficient performance, including in cases of delay, the CONCESSIONAIRE shall send a notice to the GRANTING AUTHORITY, which shall be accompanied by a complete description of the facts, the documents evidencing default, in whole or in part, and the impacts arising therefrom.

23. RIGHTS AND OBLIGATIONS OF THE CONCESSIONAIRE

23.1. Without prejudice to the other provisions of this CONTRACT and the applicable law, the CONCESSIONAIRE's rights are:

i. to request that the GRANTING AUTHORITY adopt, within its scope of competences, the



measures required for the declaration of public utility of real estate assets necessary for the execution of the subject matter of this CONTRACT;

- ii. to agree with the competent public entities on the shared use of the surface and subsoil whenever necessary for SERVICES provision, for the construction and operation of the SYSTEM IMPROVEMENT WORKS, or for the other investments provided for in this CONTRACT;
- iii. to propose guidelines, analyze, approve projects and inspect the execution of works for the expansion or implementation of sanitation infrastructure arising from land subdivision, subdivisions and real estate developments of any nature, whenever such infrastructure is located within the SERVICE PROVIDER'S COVERAGE AREA under its responsibility;
- iv. to assume the assets related to the implementations carried out by the SUBDIVIDERS in land subdivisions, subdivisions and real estate developments of any nature, located within the SERVICE PROVIDER'S COVERAGE AREA and which become part of the SYSTEM, subject to clause 13 of this CONTRACT;
- v. to assume responsibility for SERVICES provision in a new SUBDIVISION, observing the specific measures set forth in clause 13;
- vi. cease to provide the SERVICES or interrupt their provision whenever it considers the facilities, or part thereof, that are implemented or altered by USERS or third parties other than the CONCESSIONAIRE to be irregular, unsafe, or inadequate, without prejudice to other cases of interruption of the SERVICES, provided for in the applicable rules, in this CONTRACT and its respective EXHIBITS;
- vii. to instruct USERS to discharge their wastewater effluents without pollutants incompatible with the public wastewater system, pursuant to the applicable rules and legislation;
- viii. subject to applicable law, to change the classification of the real estate, where applicable, if activities different from those originally indicated are carried out therein;



- ix. to carry out, at its own expense, the actions required on the real estate assets occupied by USERS to enable the extradomiciliary connection of such real estate assets to the networks forming part of the SYSTEM and made available by the CONCESSIONAIRE, and the USERS shall remain responsible for the costs and execution of the interventions required for the intradomiciliary connection of the real estate assets to the SYSTEM, except where the CONCESSIONAIRE performs intradomiciliary connections at no cost to the USER, pursuant to the list of real estate assets determined by the GRANTING AUTHORITY;

a) The CONCESSIONAIRE's performance of intradomiciliary connections of residential real estate assets in a quantity exceeding the total set forth in Appendix IV of EXHIBIT IV – CONCESSION SPECIFICATIONS, as a result of a determination by the GRANTING AUTHORITY, may give rise to economic-financial rebalancing;

- x. to receive, as compensation for SERVICES provision and COMPLEMENTARY SERVICES, the MONTHLY FINANCIAL CONSIDERATION, in the manner set forth in this CONTRACT.

23.2. Without prejudice to the other provisions of this CONTRACT and the applicable law, the CONCESSIONAIRE's obligations are:

- i. to comply with the CONTRACT, the legal provisions and sectoral regulatory provisions, and also with the GRANTING AUTHORITY's determinations and commercial policies;
- ii. to execute all services, controls and activities comprised in the subject matter of the CONCESSION, including engineering and supervision services, provision of labor, materials and equipment, transportation, storage, operation, maintenance and the execution of civil works, with due care and diligence, in accordance with the specifications of this CONTRACT, its EXHIBITS and the other applicable rules, always applying the best technique applicable to each task performed, and assuming the costs and risks related to SYSTEM operation and maintenance;
- iii. to submit to the GRANTING AUTHORITY the INVESTMENT PLAN in a timely manner and with all content necessary for the execution of the CONTRACT, in the manner provided for in EXHIBIT V – GUIDELINES FOR PREPARATION OF THE INVESTMENT PLAN and EXHIBIT IV – CONCESSION SPECIFICATIONS;



- iv. to implement all adjustments requested by the GRANTING AUTHORITY to the INVESTMENT PLAN, whether to correct technical aspects or to align it with demands communicated by the GRANTING AUTHORITY, except in cases of technical infeasibility duly demonstrated and proven by the CONCESSIONAIRE;
- v. to notify the GRANTING AUTHORITY, at least 5 (five) business days in advance, whenever dealings with the competent authorities and other concessionaires, permit-holders or authorization-holders operating within the SERVICE PROVIDER'S COVERAGE AREA are required on matters related to SERVICES provision;
- vi. to maintain a continuously updated information system, made available for access by the GRANTING AUTHORITY, as provided for in subclause 49;
- vii. to promptly provide the GRANTING AUTHORITY and the REGULATORY AGENCY, when requested, with any and all available information relating to the SERVICES and the CONCESSION, as well as to any modification or interference caused by it or by third parties;
- viii. to inform the GRANTING AUTHORITY, so that it may inform the USERS, of scheduled interruptions of the SERVICES and their restoration, in compliance with the conditions and time limits set forth in this CONTRACT and in regulatory rules issued by the REGULATORY AGENCY;
- ix. to receive, investigate and resolve, where applicable, the USERS' complaints duly forwarded by the GRANTING AUTHORITY;
- x. to adhere to and promote, jointly with or with the consent of the GRANTING AUTHORITY and in accordance with its guidelines, socio-environmental, informational and operational educational campaigns aimed at encouraging USERS' adherence to the SYSTEM, limited to the areas related to the subject matter of the CONCESSION, provided that such adherence and promotion cannot cause harm to the CONCESSIONAIRE's reputation and image;
- xi. to keep the REVERSIBLE ASSETS INVENTORY up to date, submitting the updated



- document to the GRANTING AUTHORITY at least annually, in accordance with the template provided by the GRANTING AUTHORITY and the provisions of subclause 9.5.1;
- xii. to submit monthly to the GRANTING AUTHORITY information regarding the adjustments, maintenance, replacements, construction, transfers and acquisition of new REVERSIBLE ASSETS, in sufficient detail for registration in the asset and accounting control system, pursuant to the CORPORATE AND REGULATORY ACCOUNTING MANUAL FOR CONCESSION ASSETS to be prepared, and in compliance with subclause 9.5.1;
 - xiii. to prepare and submit annually to the GRANTING AUTHORITY a useful life report for the REVERSIBLE ASSETS, in accordance with CPC 27 guidelines;
 - xiv. to submit annually to the GRANTING AUTHORITY a descriptive report on the status of licenses and authorizations, including environmental and municipal licenses and authorizations, required for the full exercise of its activities;
 - xv. to execute, in a timely manner, the SYSTEM IMPROVEMENT WORKS required for the SERVICES provision, pursuant to this CONTRACT, with monthly reporting, in compliance with subclause 9.5.1;
 - xvi. to execute, in a timely manner, the works required for the SERVICES provision in the CONSOLIDATED INFORMAL URBAN SETTLEMENTS and in the REMOTE AREAS, pursuant to this CONTRACT and its EXHIBITS;
 - xvii. to carry out the surveys and diagnostics required to identify eventual works and systems already executed or ongoing by the SERVICE HOLDERS, even if unknown to the GRANTING AUTHORITY;
 - xviii. to implement conventional collective systems with wastewater networks in all municipal seats, district seats and localities indicated in EXHIBIT V – GUIDELINES FOR PREPARATION OF THE INVESTMENT PLAN that are part of the SERVICE PROVIDER'S COVERAGE AREA, except where technically infeasible, in the manner established in this CONTRACT, without prejudice to the CONTRACT's economic-financial rebalancing if it becomes necessary to replace service provision through the conventional collective solution with an ALTERNATIVE SOLUTION;



- xix. to obtain the financial resources required to carry out the investments foreseen for the execution of the SERVICES and the SYSTEM IMPROVEMENT WORKS, including by entering financing contracts;
- xx. to render accounts in respect of the SERVICES, by submitting to the GRANTING AUTHORITY the reports, financial statements, accounting records and other information provided for in this CONTRACT and its EXHIBITS, within the timeframe required for the GRANTING AUTHORITY to render accounts to the MUNICIPALITIES, in the first two-month period of each year;
- xxi. to keep available to the GRANTING AUTHORITY all documents, projects, monthly trial balances, statements, accounting records and other technical, operational and financial information related to the CONCESSION, for a minimum term of 5 (five) years counted from the date of issuance or preparation of the relevant document;
- xxii. to allow the persons in charge of the GRANTING AUTHORITY, the REGULATORY AGENCY and other inspecting bodies to have unrestricted access to the REVERSIBLE ASSETS, the SYSTEM IMPROVEMENT WORKS, and the other equipment and facilities related to the CONCESSION;
- xxiii. to notify the GRANTING AUTHORITY and the competent environmental agencies of any act or omission of which it becomes aware that causes contamination of water resources or that jeopardizes the provision of the SERVICES, or actions related thereto, so that such authorities may take the applicable measures, without prejudice to the economic-financial rebalancing of this CONTRACT, where applicable;
- xxiv. to notify the GRANTING AUTHORITY of any irregularities committed by the USERS that come to its awareness;
- xxv. to cooperate with public authorities in cases of public danger, emergency or calamity involving the SERVICES under the CONCESSION, ensuring the preservation of the economic-financial balance of this CONTRACT, where applicable;
- xxvi. to obtain and maintain in good standing with the competent authorities all licenses,



grants and authorizations, including environmental ones, required for the execution of this CONTRACT, the CONCESSIONAIRE being responsible for all related costs, as well as for complying with all conditions set forth in the environmental licenses issued;

- xxvii. to provide in the contracts entered into with third parties involving CONCESSION activities that the rules of the TENDER NOTICE, this CONTRACT and its EXHIBITS, as well as the other applicable legal, regulatory and technical provisions, shall be strictly observed, clearly establishing that the term of such contracts shall not exceed the CONCESSION term and that no legal relationship shall exist between such third parties and the GRANTING AUTHORITY;
- xxviii. to request and obtain from the USERS ratings regarding the quality of the SERVICES, in the manner provided for by the GRANTING AUTHORITY;
- xxix. to comply with the obligations that may be negotiated with financial institutions or any entity in order to obtain the financing required for the execution of the CONTRACT;
- xxx. to be responsible for any tests and commissioning required for the execution of the CONTRACT;
- xxxi. to prepare, and be responsible for, the environmental impact studies and the socio-environmental management plan required for the execution of this CONTRACT;
- xxxii. to ensure the adequacy of the worksite facilities and infrastructure, accommodations and refectories that may be required for the execution of the SYSTEM IMPROVEMENT WORKS and of the other investments provided for in this CONTRACT;
- xxxiii. not to transfer, in whole or in part, the CONCESSION, or the CONTROL of the CONCESSIONAIRE, even indirectly, without the prior consent of the GRANTING AUTHORITY, subject to the provisions and reservations of this CONTRACT;
- xxxiv. to ensure unrestricted access, by the persons indicated by the GRANTING AUTHORITY, to the facilities relevant to the maintenance and direct operation of the SYSTEM;
- xxxv. to provide the information and documents requested by the GRANTING AUTHORITY



within the timeframe determined by it;

- xxxvi. to safeguard the integrity of the REVERSIBLE ASSETS, taking all measures necessary to preserve them, and assuming the risks and responsibilities for any damage caused thereto;
- xxxvii. following the issuance of the public utility decree by the MUNICIPALITIES, to carry out, at its own expense and under its sole responsibility, the expropriation procedures and the establishment of administrative easements, administrative restrictions and temporary occupations of the real estate assets required for the execution of this CONTRACT, fully assuming responsibility and risk for any delays in conducting such procedures;
- xxxviii. to notify the competent public authorities of any illicit acts or events of which it becomes aware and that may impact the execution of the CONTRACT;
- xxxix. comply with provisions contained in labor, social security, occupational safety, and occupational health legislation, among other applicable regulations, in relation to its own employees and any third parties subcontracted by the CONCESSIONAIRE;
- xl. to maintain the strict secrecy regarding customers' personal data, and to any information or documents of any nature that it may become aware of, in accordance with Federal Law No. 13,709, of August 14, 2019 (General Personal Data Protection Law – LGPD). Any undue or incorrect disclosure, or negligent processing of such data, may result in the application of sanctions under the applicable legislation, and the CONCESSIONAIRE may be held civilly and criminally liable, without prejudice to liability for losses and damages;
- xli. to observe corporate governance standards and adopt standardized accounting systems and financial statements;
- xlii. to publish, as required by law, interim and annual financial statements, and to maintain accounting records of all transactions in compliance with the fundamental accounting principles and the Brazilian technical accounting standards approved by the Federal Accounting Council;



- xl.iii. to keep separate accounts by MUNICIPALITY, in compliance with the legislation applicable to sanitation services, itemizing, among other elements, the amounts of investments executed, amortized investments, costs and expenses in such locality, and reporting them monthly to the GRANTING AUTHORITY;
- xl.iv. to submit to the GRANTING AUTHORITY, by April 1 of each year, the standard financial statements for the fiscal year ended on December 31 of the prior year, accompanied by an opinion issued by independent external auditors;
- xl.v. to notify the GRANTING AUTHORITY, within 2 (two) business days, of any event that has occurred or is expected to occur whose effects may adversely affect or prevent the due and timely performance of the CONCESSIONAIRE'S obligations under this CONTRACT, in particular compliance with the PERFORMANCE INDICATORS and service targets, or that may constitute grounds for intervention, forfeiture of the CONCESSION or termination of this CONTRACT;
- xl.vi. to notify the GRANTING AUTHORITY, within 1 (one) business day, of any situation corresponding to facts that materially affect the regular development of the SERVICES provision, and to submit, in writing, within 5 (five) business days, a detailed report on such facts, indicating the measures taken or underway to overcome or remedy the facts referred to, including, as applicable, contributions from specialized entities;
- xl.vii. to be liable for losses caused to the GRANTING AUTHORITY if the CONCESSION is terminated early due to the CONCESSIONAIRE'S fault, under the terms set forth in this CONTRACT and in the applicable legislation and regulations;
- xl.viii. be liable for the costs arising from interruption of the CONTRACT due to a bankruptcy decree;
- xl.ix. to timely contract the insurance policies required under this CONTRACT, and to be liable for damages arising from events covered by such insurance policies, including when characterized as FORCE MAJEURE OR FORTUITOUS EVENT;
- I. to inform the GRANTING AUTHORITY, within 1 (one) business day, upon being served with process or notice in any judicial action or administrative proceeding that may result



in direct or indirect liability for the GRANTING AUTHORITY or generate any impact on the SERVICES or on the CONTRACT, including with respect to the applicable procedural terms and deadlines, and to use its best efforts in the defense of the common interests, carrying out all procedural acts consistent with such purpose;

- li. to report to the GRANTING AUTHORITY, monthly and in a sufficiently detailed manner, the occurrences related to expropriations, administrative easements and administrative restrictions, observing the provisions of subclause 9.5.1.
- lii. to reimburse the GRANTING AUTHORITY for all disbursements arising from judicial determinations for the satisfaction of obligations attributed to the GRANTING AUTHORITY or entities within its administrative structure, but which are the responsibility of the CONCESSIONAIRE, including labor claims filed by employees or third parties linked to the CONCESSIONAIRE, provided that a final and unappealable decision has already been rendered, even if such condemnations are imposed after the end of the CONTRACT;
- liii. to be responsible for penalties imposed on the GRANTING AUTHORITY by regulatory agencies or by any environmental or inspecting bodies as a result of inadequate provision of the SERVICES exclusively attributable to the CONCESSIONAIRE;
- liv. to take the necessary steps to be included in Terms of Conduct Adjustment (TACs) that may preexist the execution of the CONTRACT, reserving responsibility for environmental liabilities related to events prior to the date of transfer of operational responsibility;
- lv. to comply with the applicable environmental legislation;
- lvi. to notify the USERS, in advance, of the commencement of charging for the availability of the infrastructure, in accordance with the correspondence template defined by the GRANTING AUTHORITY, informing the obligation of the USERS to carry out the intradomiciliary connection to the existing network, within the terms and deadlines defined in a resolution issued by the REGULATORY AGENCY, except for the intradomiciliary connection installations defined in EXHIBIT IV – CONCESSION SPECIFICATIONS, which shall be funded by the CONCESSIONAIRE;



- lvii. to make available data relating to the conditions of the provision of basic sanitation SERVICES, as provided for in the applicable legislation or when requested by the GRANTING AUTHORITY, within the deadlines established by it;
- lviii. to allow, at any time, access to the data mentioned in the item above by the GRANTING AUTHORITY or by another entity indicated by it, in order to verify the reliability and traceability of the data provided;
- lix. throughout the entire term of the CONCESSION, to seek the obtainment of tax incentives or benefits made available by the UNION, the STATE or the MUNICIPALITIES, which shall be partially reverted to the GRANTING AUTHORITY in the proportion of 70% (seventy percent) of the total incentive or tax benefit obtained, through an economic-financial rebalancing process, and to ensure, to the extent applicable, the maintenance of those obtained, informing the GRANTING AUTHORITY whenever any benefits are granted that may result in a reduction of the MONTHLY FINANCIAL CONSIDERATION ;
- lx. to be responsible for penalties imposed on the GRANTING AUTHORITY by public authorities, including, but not limited to, the Brazilian National Data Protection Authority (ANPD), arising from the CONCESSIONAIRE's inadequate, unsafe, negligent, reckless or unskilled processing of personal data;
- lxi. to comply with the PERFORMANCE INDICATORS, including the targets set forth in the applicable legislation and in this CONTRACT and its respective EXHIBITS;
- lxii. to maintain, throughout the entire term of this CONTRACT, qualified technical professional(s) holding technical qualifications equal to or higher than those required under the TENDER NOTICE, and their replacement shall be permitted provided that it is previously approved by the GRANTING AUTHORITY;
- lxiii. to ensure the technical soundness of the BUSINESS PLAN, through subscription by a technical professional with proven experience in concession modeling or who has demonstrably been pre-qualified, within the last 5 (five) years, by a federal financial institution to carry out concession structuring studies in the water and sanitation sector, and who is able to act with impartiality and independence;
- lxiv. to carry out the verification and calibration of wastewater meters for industrial



customers, as well as to develop and implement an awareness and guidance program for industrial customers regarding the importance of accurate wastewater metering and the responsibilities related to meter maintenance, as provided for in EXHIBIT IV – CONCESSION SPECIFICATIONS;

- lxv. to maintain, for all activities related to the execution of Engineering, Architecture and Chemistry services, good standing with the respective Professional Councils, requiring the same registration from contracted third parties;
- lxvi. to maintain, throughout the entire term of this CONTRACT, the qualification conditions that were required in the TENDER, necessary for the SERVICES provision, observing compatibility with the stage of contractual execution;
- lxvii. until the last business day of February of each year, to submit a report on the calculation of the performance indicators provided for in Reference Standards No. 8 and No. 9 of the National Water and Basic Sanitation Agency (ANA) and in rules issued by the REGULATORY AGENCY, in compliance with the methodological requirements and regulatory deadlines, even if such indicators are not expressly linked to the CONTRACTUAL UNIVERSALIZATION TARGETS and the PERFORMANCE INDICATORS of the CONCESSION; and
- lxviii. to provide all information, elements, data and documents relating to the SERVICES provision or the SYSTEMS operation that may be necessary to comply with an obligation set forth in an ANA Reference Standard or in a normative resolution issued by the REGULATORY AGENCY.

24. INDEPENDENT VERIFIER

24.1. The INDEPENDENT VERIFIER, a legal entity with proven knowledge in the provision of services similar to those related to the CONCESSION, or with proven experience in modeling concessions of the same subject matter, shall be responsible for assisting the GRANTING AUTHORITY in supervising the CONTRACT, throughout all its stages, and shall be responsible for collecting the information and data required for such purpose, notably as regards the CONCESSIONAIRE's compliance with the PERFORMANCE INDICATORS set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS.



24.1.1. It shall be the GRANTING AUTHORITY's responsibility to contract the INDEPENDENT VERIFIER by the end of the SYSTEM ASSISTED OPERATION period, as well as to pay its remuneration during the CONTRACT execution.

24.1.2. The qualification requirements, selection criteria and any additional restrictions applicable to the contracting of the INDEPENDENT VERIFIER shall be defined by the GRANTING AUTHORITY in the respective procurement process, including, as applicable, in the call for bids or in a statement of grounds for single-source procurement or waiver of competitive bidding, in compliance with the applicable legislation and ensuring the technical qualification, independence and impartiality of the valuating entity to be contracted.

24.2. In accordance with the provisions in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, the INDEPENDENT VERIFIER shall be responsible for:

24.2.1. Calculating and determining all PERFORMANCE INDICATORS set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, in accordance with the measurement frequency and the calculation formula assigned to each indicator, issuing monthly, quarterly and annual reports to be submitted for analysis by the PARTIES.

24.2.1.1. The responsibility assigned to the INDEPENDENT VERIFIER under subclause 24.2.1 shall not release the CONCESSIONAIRE from, as from the start of SYSTEM OPERATION, issuing reports with the calculation of the variables under its responsibility and with the compliance results for the PERFORMANCE INDICATORS, which shall be shared with the INDEPENDENT VERIFIER and the GRANTING AUTHORITY within 5 (five) calendar days, if monthly, counted from the beginning of the month immediately following the month of the monthly measurement, or by the 5th (fifth) day of the month immediately following the end of the 12 (twelve)-month target assessment period, if annual.

24.2.2. Calculating and verifying, on a monthly basis, the volume of wastewater collected in cubic meters (VEC), by applying the formulas set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS.



24.2.3. Calculating the amount of the MONTHLY FINANCIAL CONSIDERATION , pursuant to clause 25, considering the results determined for the PERFORMANCE INDICATORS and the VEC, by applying the formulas set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS.

24.3. Pursuant to EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS of this CONTRACT, the INDEPENDENT VERIFIER shall also be responsible for:

24.3.1. Preparing a monthly report analyzing the PERFORMANCE INDICATORS, to be subsequently submitted for analysis by the PARTIES, contemplating:

- i. Detailed information on the calculation of all PERFORMANCE INDICATORS, specifying the methodology adopted to measure each of them, as well as the manner in which such indicators are consolidated into a Performance Indicator for the LOT, including information at municipal and locality level, where applicable;
- ii. A comprehensive history of each INDICATOR, with all measurements carried out during the period, including the history at municipal and locality level, where applicable;
- iii. The methodology for calculating its result and its impact on the MONTHLY FINANCIAL CONSIDERATION.

24.3.1.1. As regards the report presentation format and the methodology for calculating the INDICATORS, the INDEPENDENT VERIFIER shall submit them for prior approval by the PARTIES, in the form of a Methodologies and Performance Reports Manual, within 60 (sixty) calendar days after the start of SYSTEM OPERATION, and its amendment throughout the CONCESSION shall be permitted, provided that neither PARTY objects, in order to make the assessment of results clearer and more accurate.

24.3.2. With respect to the VEC and the PERFORMANCE INDICATORS measured on a monthly/quarterly basis, set forth in TABLE 2 of EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, the INDEPENDENT VERIFIER shall, on a monthly/quarterly basis,



prepare the verification reports and submit them to the GRANTING AUTHORITY and the CONCESSIONAIRE by, at the latest, the 20th (twentieth) business day following the target measurement date.

24.3.2.1. The GRANTING AUTHORITY and the CONCESSIONAIRE may submit, in writing and with stated grounds, their comments within 5 (five) business days after receipt of the reports prepared by the INDEPENDENT VERIFIER referred to in subclause 24.3.2, and shall send copies of their respective comments to the other PARTY and to the INDEPENDENT VERIFIER.

24.3.3. With respect to the PERFORMANCE INDICATORS annually measured, set forth in TABLE 2 of EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, the INDEPENDENT VERIFIER shall submit to the GRANTING AUTHORITY and the CONCESSIONAIRE, by the 10th (tenth) business day following the end of the 12 (twelve)-month target measurement period, a report containing the performance measurement and compliance with the annual targets.

24.3.3.1. The GRANTING AUTHORITY and the CONCESSIONAIRE may submit, in writing and with stated grounds, their comments within 15 (fifteen) business days after receipt of the report prepared by the INDEPENDENT VERIFIER referred to in subclause 24.3.3, and shall send copies of their respective comments to the other PARTY and to the INDEPENDENT VERIFIER.

24.3.4. In the event of inaction by the CONCESSIONAIRE or the GRANTING AUTHORITY, within the deadlines set forth in subclauses 24.3.2.1 and 24.3.3.1, to comment on the reports submitted by the INDEPENDENT VERIFIER, their content shall be deemed accepted by the non-responding PARTY, including for purposes of calculating the penalties and reduction factors considered in the calculation of the MONTHLY FINANCIAL CONSIDERATION, which shall apply as set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS of this CONTRACT and in clause 25.

24.3.5. In the event that the CONCESSIONAIRE or the GRANTING AUTHORITY disagrees with the INDEPENDENT VERIFIER's reports, the INDEPENDENT VERIFIER shall be granted a term of 5 (five) business days to comment on the objections raised, counted from receipt of each of the PARTIES' responses.



24.3.5.1. If the disagreement persists, the matter may be submitted, by either PARTY, to the DISPUTE RESOLUTION COMMITTEE, pursuant to clause 50.

24.4. For purposes of this clause, the INDEPENDENT VERIFIER shall permanently monitor the execution of the SERVICES, and the GRANTING AUTHORITY and the CONCESSIONAIRE shall provide information and grant access to facilities, as requested by the INDEPENDENT VERIFIER and pursuant to EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS.

24.5. The PERFORMANCE INDICATORS may be subject to revision as a result of amendments or updates to the MUNICIPAL WATER AND WASTEWATER PLAN, the MICROREGIONAL WATER AND WASTEWATER PLAN, as well as due to changes in the applicable legal and sub-legal rules or in other cases provided for in this CONTRACT, provided that the economic-financial balance of this CONTRACT is preserved.

24.6. In the event that the INDEPENDENT VERIFIER is not hired, its payment is in default, or the GRANTING AUTHORITY omits to provide essential information specified in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, the CONCESSIONAIRE's reports on compliance with the PERFORMANCE INDICATORS shall be considered.

24.7. In cases where the CONCESSIONAIRE omits to provide the information incumbent upon it, as specified in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, only the values determined by the INDEPENDENT VERIFIER's calculations shall be considered, and the CONCESSIONAIRE may not object to such calculations, in addition to the applicable penalties being imposed, if any, pursuant to this CONTRACT

24.8. The performance measured after each monthly or annual assessment shall remain in effect until a new monthly or annual assessment is carried out and a new value is consequently set, regardless of any dispute resolution mechanisms that may be initiated to ascertain eventual discrepancies.

24.9. If the INDEPENDENT VERIFIER fails to meet the deadlines set forth in this clause or other obligations under the CONTRACT, especially those related to impartiality, technical accuracy, or the regularity of the functions performed, the GRANTING AUTHORITY shall perform the INDEPENDENT VERIFIER's functions, with an extension of the applicable deadlines by 10 (ten)



days, extendable for an equal period, in addition to its own functions, until it definitively replaces the INDEPENDENT VERIFIER with a newly hired one.

24.9.1. The contract to be entered into between the GRANTING AUTHORITY and the INDEPENDENT VERIFIER shall provide for penalties or deductions from the amounts due in the event of failure to comply with the deadlines set forth in this CONTRACT due solely to the INDEPENDENT VERIFIER's responsibility.

25. REMUNERATION OF THE CONCESSIONAIRE

25.1. In consideration for the proper provision of the SERVICES and the COMPLEMENTARY SERVICES, the CONCESSIONAIRE shall be entitled to receive the MONTHLY FINANCIAL CONSIDERATION, to be paid by the GRANTING AUTHORITY, as set forth in this clause and subject to the reservation provided for in subclause 8.7.1.

25.1.1. The CONCESSIONAIRE's failure to evidence compliance with the requirements related to legal, tax, social security, and labor regularity, although not constituting an impediment to payment of the MONTHLY FINANCIAL CONSIDERATION, shall give rise to the initiation of an administrative proceeding intended to ascertain and, if applicable, apply the relevant sanctions, including with respect to non-compliance with the qualification conditions required in the tender.

25.1.2. The MONTHLY FINANCIAL CONSIDERATION shall be preserved by the adjustment rule provided for in this CONTRACT, without prejudice to the risk allocation set forth herein, or that is structural to this legal relationship.

25.2. The MONTHLY FINANCIAL CONSIDERATION shall comprise two components: one corresponding to the CONCESSIONAIRE's remuneration in respect of the investments related to the implementation and expansion of the SERVICES, and another derived from the costs and expenses for the maintenance and operation of the MUNICIPALITIES' sanitary wastewater systems and the other SERVICES of the concession, including the implementation of commercial programs, the works management plan, and socio-environmental programs.

25.3. The MONTHLY FINANCIAL CONSIDERATION shall be calculated in accordance with the following formula:



$$\text{CPM} = \text{PF} + \text{PV}$$

Where:

CPM: MONTHLY FINANCIAL CONSIDERATION ;

PF: MONTHLY FIXED COMPONENT is the monthly amount for remuneration of investments;

PV: MONTHLY VARIABLE COMPONENT is the monthly amount for remuneration of the costs and expenses for the maintenance and operation of the SYSTEM.

25.4. The FIXED COMPONENT shall be calculated in accordance with the following formula:

$$\text{PF} = (\text{VF} \times \text{IDU} \times \text{C}) + (\text{QH} \times \text{VF}_{\text{hid}} \times \text{IGAM})$$

Where:

VF: is the Monthly Fixed Amount for remuneration of investments in the wastewater systems;

IDU: is the Wastewater System Universalization Indicator, set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS do CONTRATO. the CONTRACT. It represents the adjustment factor (in particular, *quanti minoris*) in the event of non-compliance or defective compliance with the CONTRACTUAL UNIVERSALIZATION TARGETS set forth in APPENDIX II – MUNICIPAL TARGETS FOR COVERAGE WITH CONNECTION OF THE CONSUMER UNIT TO WASTEWATER COLLECTION AND TREATMENT – CCE, PER YEAR, of EXHIBIT III;

Factor C: consists of the proportion regarding the increase of the projected coverage expressed in terms of wastewater service connections covered, with the following Factor C values defined for:

Lot 1:



Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
0.0206	0.1218	0.1446	0.2513	0.3436	0.4056	0.6226	0.9807	0.9846
Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17 - Year 28	
0.9881	0.9911	0.9937	0.9959	0.9977	0.9991	1.0000	1.0000	

Lot 2:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
0.0127	0.1159	0.1657	0.2484	0.3283	0.4421	0.6178	0.9895	0.9919
Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17 -Year 28	
0.9940	0.9958	0.9972	0.9984	0.9992	0.9997	1.0000	1.0000	

Lot 3:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
0.0149	0.0612	0.0928	0.2467	0.3859	0.5460	0.7033	0.9889	0.9915
Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17 -Year 28	
0.9937	0.9956	0.9971	0.9984	0.9992	0.9998	1.0000	1.0000	

Lot 4:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
0.0481	0.1507	0.2430	0.3099	0.4635	0.5987	0.8209	0.9772	0.9822
Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17 -Year 28	
0.9865	0.9903	0.9935	0.9963	0.9987	0.9997	1.0000	1.0000	

Lot 5:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
0.0347	0.0992	0.2232	0.3539	0.4205	0.5072	0.6793	0.9853	0.9887
Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17 -Year 28	
0.9916	0.9942	0.9962	0.9977	0.9989	0.9997	1.0000	1.0000	

QH: is the number of water meters preventively replaced in the year to maintain the useful life of the water meter stock;



VF_{hid}: is the Unit Fixed Amount for remunerating investments in the preventive maintenance of the water meter stock; and

IGAM: is the General Indicator for Micrometering Update after application of the reduction factor. It may represent a discount factor on the amount of the FIXED COMPONENT in the event of non-compliance with the IGAM target in the MUNICIPALITIES.

25.4.1. IDU shall be measured annually and applied to the FIXED COMPONENT of the MONTHLY FINANCIAL CONSIDERATION for the 12 (twelve) months following the measurement month, until IDU is measured again.

25.4.2. The FIXED COMPONENT shall be paid monthly.

25.4.2.1. For investments associated with the preventive replacement of the water meter stock, the FIXED COMPONENT shall be paid in an annual installment, immediately after IGAM is measured, and therefore shall not be paid on a pro rata basis in the subsequent months.

25.5. The VARIABLE COMPONENT shall be calculated in accordance with the following formula:

$$PV = [(PU \times VEC \times IDO) + (PU_{SI} \times QL)] - RA$$

Where:

PU: Unit price per cubic meter (m³) of wastewater collected from collective systems;

VEC: Volume of wastewater collected, in cubic meters (m³), in wastewater systems served by collective solutions, subject to the GRANTING AUTHORITY's billing rules. It is equal to the sum of the volumes collected in customer units with active wastewater connections, corresponding: (i) to 80% (eighty percent) of the micrometered volume of water for customer units supplied by the public system; (ii) to the presumed volume in case of water consumption from alternative sources; (iii) to the minimum collection, in case of use of water from alternative sources as well as water supplied by the public system; and (iv) to the volume measured by private systems that have a wastewater metering system.



IDO: is the Operational Performance Indicator. It may represent a discount factor on the VARIABLE COMPONENT in the event of non-compliance, especially on a *quanti minoris* basis. The calculation of IDO is described in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS.

PU_{SI}: Unit price per unit for the cleaning, transportation and final disposal services in wastewater systems served by ALTERNATIVE SOLUTION;

QL: Number of properties served by ALTERNATIVE SOLUTION in which the CONCESSIONAIRE performed preventive cleaning, transportation and final disposal services in the month, according to the schedule and service intervals for cleaning, transportation and final disposal defined jointly with the GRANTING AUTHORITY.

RA: Portion of the ADDITIONAL REVENUE shared with the GRANTING AUTHORITY.

25.6. From the amount initially calculated as MONTHLY FINANCIAL CONSIDERATION, an amount corresponding to the credits of the Tax on Goods and Services – IBS and the Contribution on Goods and Services – CBS effectively utilized by the CONCESSIONAIRE in the previous month shall be deducted, pursuant to Arts. 27(I) and 39 of Complementary Law No. 214/2025, whether through offsetting or reimbursement.

25.6.1. For purposes of the CONTRACT, credits shall be deemed effectively utilized if they have been offset against taxes or other obligations with the Public Authorities, or if they have been effectively reimbursed to the CONCESSIONAIRE, pursuant to applicable law.

25.6.2. The CONCESSIONAIRE shall monthly inform the GRANTING AUTHORITY of the amount of credits effectively utilized in the previous month, together with the respective supporting documentation.

25.6.3. If the CONCESSIONAIRE does not inform the amount of credit effectively received in the previous month, for purposes of calculating the deduction provided for in subclause 25.6, such amount shall be equivalent to the amount of IBS and CBS taxes paid by the GRANTING AUTHORITY in the previous month's invoice, constituting a waiver by the CONCESSIONAIRE of eventual differences in its favor, unless the omission to inform



occurred without willful misconduct or fault.

Additional Revenues

25.7. The exploitation of any sources of ADDITIONAL REVENUES shall depend on the GRANTING AUTHORITY's prior authorization, and no activity outside the subject matter of the CONCESSION or associated project is hereby authorized in advance by this CONTRACT, and such exploitation may not compromise the quality standards of the SERVICES, as provided for in the rules and procedures comprising the TENDER NOTICE, in this CONTRACT and in current and future regulatory rules.

25.8. The promotion of activities and the dissemination of advertising whose repercussions violate legislation in force, contravene human rights, are religious or political in nature, or could harm the operational development and commercial aspects of the SYSTEM shall not be permitted.

25.9. The term of no commercial exploitation contract entered into by the CONCESSIONAIRE for purposes of obtaining ADDITIONAL REVENUES may exceed the term of the CONCESSION.

25.10. The economic gains arising from the ADDITIONAL REVENUES provided for in this clause shall be shared between the CONCESSIONAIRE and the GRANTING AUTHORITY, at a percentage to be defined on a case-by-case basis, after deduction of applicable taxes and the operational costs and expenses involved, for purposes of tariff affordability, and such amounts shall be accounted for in a specific account, segregated by nature.

25.11. A reduction in the percentage of ADDITIONAL REVENUES to be shared with the GRANTING AUTHORITY shall be permitted as a means of economic-financial rebalancing of the CONTRACT or to ensure the economic and financial feasibility of the ADDITIONAL REVENUE-generating activity, subject to the PARTIES' agreement.

25.12. By the end of the first quarter of each fiscal year, counted from the issuance of the SYSTEM TRANSFER TERM, the CONCESSIONAIRE shall submit a market prospecting report to identify potential ADDITIONAL REVENUES, and shall inform and fundament the absence of opportunities.



25.13. The CONCESSIONAIRE may, at any time, submit a BUSINESS PLAN FOR THE EXPLOITATION OF ADDITIONAL REVENUES, so that the proposal may be analyzed and, with or without reservations, approved by the GRANTING AUTHORITY.

25.13.1. Such plan shall include the arrangement for sharing the ADDITIONAL REVENUES with the GRANTING AUTHORITY, as well as the term of the activities related to the ADDITIONAL REVENUES, which may not exceed the term of this CONTRACT.

25.14. As provided for in subclause 5.5, the GRANTING AUTHORITY has the right to exploit all sources of ADDITIONAL REVENUES, either individually or in partnership with the CONCESSIONAIRE itself or third parties, and the CONCESSIONAIRE may not impose any impediment or hindrance, under penalty of application of the applicable penalties.

25.14.1. When necessary, the GRANTING AUTHORITY shall notify the CONCESSIONAIRE of its intention to exploit a given source of ADDITIONAL REVENUE, indicating any measures to be followed by the CONCESSIONAIRE to avoid creating obstacles to such exploitation.

26. PAYMENT OF THE MONTHLY FINANCIAL CONSIDERATION

26.1. The MONTHLY FINANCIAL CONSIDERATION shall be due as from the issuance of the SYSTEM TRANSFER TERM, as provided for in subclause 8.9 this CONTRACT, and shall be calculated based on the provisions of clause 25.

26.1.1. The amount of the first MONTHLY FINANCIAL CONSIDERATION shall be calculated by applying the coefficient obtained between the number of days within the first month of The SERVICES provision until the last day of such month.

26.1.2. The subsequent MONTHLY FINANCIAL CONSIDERATIONS shall correspond to the period from the first to the last day of the month of the SERVICES provision.

26.1.3. The amount of the last MONTHLY FINANCIAL CONSIDERATION shall be obtained by applying the coefficient between the number of days within the last month of the provision of SERVICES from the first day of such month to the end date of the provision.



26.2. The OPERATIONAL PERFORMANCE INDICATOR – IDO, which measures the quality of the SYSTEM operation, shall directly impact the measurement of the VARIABLE COMPONENT, whereas the WASTEWATER SYSTEM UNIVERSALIZATION INDICATOR – IDU, which reflects compliance with the coverage expansion targets for the SERVICES, and the GENERAL INDICATOR FOR MICROMETERING UPDATE – IGAM, which measures compliance with the micrometering update targets, shall impact the measurement of the FIXED COMPONENT, as detailed in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, observing the following:

26.2.1. With respect to the WASTEWATER SYSTEM UNIVERSALIZATION INDICATOR – IDU, the first measurement shall occur within up to 6 (six) months from the commencement of SYSTEM OPERATION by the CONCESSIONAIRE, so that, until the effective measurement, the IDU result shall be considered zero.

26.2.1.1. The FIXED COMPONENT shall only be paid as from the first IDU measurement, and, with respect to the first measurement, the amount of the FIXED COMPONENT shall be apportioned into equal installments and paid in the remaining months between the measurement and the end of fiscal year 2027.

26.2.1.2. If the CONCESSIONAIRE meets the IDU-related coverage expansion with connection targets within a term shorter than 6 (six) months, it may request that the GRANTING AUTHORITY perform the measurement in advance, and shall be entitled to receive the FIXED COMPONENT as from the effective measurement.

26.2.2. After the issuance of the SYSTEM TRANSFER TERM, a 12 (twelve)-month grace period shall commence for the impact of the IGAM calculation to apply to the FIXED COMPONENT.

26.2.3. After the issuance of the SYSTEM TRANSFER TERM, a 6 (six)-month grace period shall commence for the OPERATIONAL PERFORMANCE INDICATOR – IDO to apply to the VARIABLE COMPONENT, so that, during such period, full compliance with IDO shall be deemed to have occurred for purposes of payment of the VARIABLE COMPONENT of the MONTHLY FINANCIAL CONSIDERATION.

26.2.3.1. The grace period referred to in the preceding item shall not apply to the IFR and ICO indicators, which shall be subject to a 12 (twelve)-month grace period.



26.3. The MONTHLY FINANCIAL CONSIDERATION shall be calculated based on the formula set forth in clause 25.3 of this CONTRACT.

26.4. The calculations of the FIXED COMPONENT shall be prepared annually by the INDEPENDENT VERIFIER within 15 (fifteen) calendar days after the deadlines referred to in subclause 24.3.3, as applicable, and the respective calculation memorandum shall be delivered to the GRANTING AUTHORITY and the CONCESSIONAIRE.

26.5. The calculations of the VARIABLE COMPONENT shall be prepared monthly by the INDEPENDENT VERIFIER within 5 (five) calendar days after the deadlines referred to in subclause 24.3.2, as applicable, and the respective calculation memorandum shall be delivered to the GRANTING AUTHORITY and the CONCESSIONAIRE.

26.6. The CONCESSIONAIRE shall monthly submit to the GRANTING AUTHORITY invoices indicating the amounts determined by the INDEPENDENT VERIFIER.

26.6.1. In the absence of the INDEPENDENT VERIFIER, the CONCESSIONAIRE shall attach to the invoices its own report or, in case of discrepancy regarding the calculation of the PERFORMANCE INDICATORS and provided that such discrepancy is resolved by the CONFLICT RESOLUTION COMMITTEE, the latter's decision.

26.6.2. In the event of a pending discrepancy regarding the calculation of the PERFORMANCE INDICATORS or the measurement of VEC, the CONCESSIONAIRE shall submit the payment invoices reflecting the amounts indicated by the INDEPENDENT VERIFIER, without prejudice to the parallel referral of the matter to the CONFLICT RESOLUTION COMMITTEE.

26.6.3. Eventual differences payable to the CONCESSIONAIRE as a result of the decision of the CONFLICT RESOLUTION COMMITTEE shall be compensated against the payments of the following months.

26.7. The GRANTING AUTHORITY shall have a term of up to 7 (seven) business days, counted from receipt of the invoices sent by the CONCESSIONAIRE, to approve them and formally forward them to the GUARANTEE AGENT.



26.7.1. If the GRANTING AUTHORITY identifies the need for adjustments to the invoices received, it shall send the CONCESSIONAIRE formal notice by the end of the term set forth in the subclause above so that the necessary corrections may be made.

26.7.2. In the event contemplated in the preceding subclause, the GRANTING AUTHORITY shall also notify the GUARANTEE AGENT within the same term.

26.7.3. After receiving the corrected invoices and the respective calculation memoranda, the GRANTING AUTHORITY shall have a new term of 7 (seven) business days to approve and forward them to the GUARANTEE AGENT.

26.8. The MONTHLY FINANCIAL CONSIDERATION shall be paid by the GRANTING AUTHORITY through the GUARANTEE AGENT on the same business day on which the GRANTING AUTHORITY forwards the approved invoices to the GUARANTEE AGENT, or on the first business day thereafter, in the event of operational banking impossibility, in accordance with EXHIBIT VII – GUIDELINES FOR ENTERING INTO THE COLLECTION AND ACCOUNT MANAGEMENT CONTRACT, to the CONCESSIONAIRE’S freely transferable checking account, and the corresponding bank credit advice shall serve as a receipt.

26.9. Each month, immediately after payment of the MONTHLY FINANCIAL CONSIDERATION to the CONCESSIONAIRE, the remaining funds in the LINKED ACCOUNT shall be transferred by the GUARANTEE AGENT to the GRANTING AUTHORITY’S freely transferable checking account.

26.10. If the GRANTING AUTHORITY fails to inform its approval and send to the GUARANTEE AGENT the invoices received from the CONCESSIONAIRE within the term set forth in subclause 26.7, the GUARANTEE AGENT shall be required to make the payment due to the CONCESSIONAIRE upon presentation by the CONCESSIONAIRE of a copy of the documents referred to in subclause 26.6 and a written statement that the GRANTING AUTHORITY failed to respond regarding payment of the invoices within the indicated term.

26.11. Eventual overpayments or underpayments to the CONCESSIONAIRE shall be compensated in the subsequent months, and shall be subject to financial adjustment based on the latest monthly CDI rate available on the payment date.



26.11.1. The provisions of the sole paragraph of Article 324 of the Brazilian Civil Code shall apply to payments under this CONTRACT.

26.12. In the event of subcontracting, subcontractors shall be aware that the payments made by the GRANTING AUTHORITY shall always be made exclusively to the CONCESSIONAIRE, and the assignment or any other form of transfer of receivables is prohibited.

27. ADJUSTMENT OF THE MONTHLY FINANCIAL CONSIDERATION

27.1. The amounts of the MONTHLY FINANCIAL CONSIDERATION for the SERVICES provision shall be adjusted every 12 (twelve) months, counted from the month of [●], by the Extended National Consumer Price Index – IPCA, published by the Brazilian Institute of Geography and Statistics – IBGE.

27.2. For purposes of adjustment of the MONTHLY FINANCIAL CONSIDERATION, the following shall apply:

27.2.1. With respect to the FIXED COMPONENT, the Monthly Fixed Amount and the Unit Fixed Amount shall be adjusted. The adjusted amounts shall be applied in the formula set forth in subclause 25.4, with application of IDU and IGAM, for purposes of determining the effective FIXED COMPONENT.

27.2.2. With respect to the VARIABLE COMPONENT, the UNIT PRICE per cubic meter of collected wastewater and the UNIT PRICE per unit for the cleaning, transportation, and final disposal service shall be adjusted. The adjusted amounts shall be applied in the formula set forth in subclause 25.5, with application of IDO, for purposes of determining the effective VARIABLE COMPONENT.

27.3. For purposes of adjustment of the VARIABLE COMPONENT, the adjustment of the UNIT PRICES shall follow the formulas below:

$$PU_b = PU_{b0} * (1 + IPCA)^e$$
$$PU_{Slb} = PU_{Slb0} * (1 + IPCA)^e$$



Where:

PUB: UNIT PRICE per cubic meter of collected wastewater to be calculated;

PUB0: UNIT PRICE per cubic meter of collected wastewater, as set forth in COMMERCIAL PROPOSAL, to be adjusted;

PUSIb: UNIT PRICE per unit for the services of cleaning, transportation, and final disposal in wastewater systems served by an ALTERNATIVE SOLUTION to be calculated;

PUSIb0: UNIT PRICE per unit for the services of cleaning, transportation, and final disposal in wastewater systems served by an ALTERNATIVE SOLUTION as set forth in the COMMERCIAL PROPOSAL, to be adjusted;

IPCA: variation in the Extended National Consumer Price Index – IPCA, published by IBGE, accumulated in relation to the BASE DATE, with amounts rounded to two decimal places, pursuant to ABNT NBR 5891.

27.4. For purposes of adjustment of the FIXED COMPONENT, the adjustment of the FIXED AMOUNT shall follow the parametric formula below:

$$\text{FIXED AMOUNT}_b = \text{FIXED AMOUNT}_{b0} * (1 + \text{IPCA})^e$$

$$\text{FIXED AMOUNT}_{\text{Hid}b} = \text{FIXED AMOUNT}_{\text{Hid}b0} * (1 + \text{IPCA})$$

Onde:

FIXED AMOUNT b = Monthly Fixed Amount for remunerating investments in the wastewater systems, as adjusted;

FIXED AMOUNT b0 = MONTHLY FIXED AMOUNT for remunerating investments in the contractual wastewater systems as set forth in the COMMERCIAL PROPOSAL, to be adjusted;

FIXED AMOUNT_{Hidb} = Adjusted Unit Fixed Amount for remunerating investments in the



preventive maintenance of the water meter stock;

FIXED AMOUNT_{Hidb0} = Unit Fixed Amount for remunerating investments in the preventive maintenance of the water meter as set forth in the COMMERCIAL PROPOSAL to be adjusted;

IPCA: variation in the Extended National Consumer Price Index – IPCA, published by IBGE, accumulated in relation to the BASE DATE, with amounts rounded to two decimal places, pursuant to ABNT NBR 5891.

27.5. The calculation of the adjustment of the MONTHLY FINANCIAL CONSIDERATION amounts shall be carried out by the CONCESSIONAIRE, in accordance with the formula indicated above and always considering up to the second decimal place, and shall be submitted to the GRANTING AUTHORITY at least 10 (ten) days prior to the scheduled date for the adjustment to take effect, provided that the index required for the calculation has been published; the use of an estimated index is prohibited.

27.5.1. As from receipt of the calculations, the GRANTING AUTHORITY shall have a term of 15 (fifteen) calendar days to issue a reasoned statement on their content, solely for purposes of verifying a gross technical error, a methodological error, or the incorrect application of contractual indices or parameters, and shall send a copy of its decision to the CONCESSIONAIRE.

27.5.2. After the GRANTING AUTHORITY's decision, if disagreement between the PARTIES persists, the dispute resolution procedures provided for in this CONTRACT may be initiated upon request by either PARTY. Pending resolution of the disagreement, payments shall comply with the GRANTING AUTHORITY's decision, unless a contrary decision is rendered by the DISPUTE RESOLUTION COMMITTEE or by an arbitral tribunal or a court.

27.5.3. In the event the GRANTING AUTHORITY omits itself to issue its statement within the 15 (fifteen) calendar-day term set forth in subclause 27.5.1, the adjustment shall be automatically applied by the CONCESSIONAIRE.



27.5.3.1. In the event of the subclause above, the CONCESSIONAIRE shall notify the GRANTING AUTHORITY of the application of the automatic adjustment within 1 (one) business day, for budget provisioning and accounting control purposes, attaching the detailed calculation worksheet.

27.5.3.2. In the case of automatic adjustment, the GRANTING AUTHORITY may, at any time, initiate a procedure to review the calculations submitted, ensuring due process rights and the CONCESSIONAIRE's right to be heard. Upon completion of the review, any differences found shall be offset against subsequent MONTHLY FINANCIAL CONSIDERATION payments

27.6. If the IPCA is published late in relation to the month in which the adjustment calculation should be made, the adjustment shall take place within the 30 (thirty) calendar days following publication of the late index, and the amounts underpaid due to the delay shall be included in the next MONTHLY FINANCIAL CONSIDERATION payment.

27.7. If the IPCA is discontinued and is no longer published, the index that replaces it shall be adopted and, if none exists, the PARTIES shall determine, by mutual agreement, the new index to be used.

27.7.1. If the PARTIES do not reach an agreement within 45 (forty-five) days after the discontinuation of such adjustment index, the index indicated by the GRANTING AUTHORITY shall prevail until a judicial or arbitral decision provides otherwise.

28. FUNDS PROVISION

28.1. Pursuant to Article 6, paragraph 2, of Federal Law No. 11,079/2004 and, as applicable, subject to the provisions of State Law No. 15,277/2012, the GRANTING AUTHORITY may carry out, in favor of the CONCESSIONAIRE, the FUNDS PROVISION for the performance of works and the acquisition of REVERSIBLE ASSETS.

28.2. In the event the GRANTING AUTHORITY carries out the FUNDS PROVISION, the CONCESSIONAIRE shall be notified in advance, with information regarding its nature – provision of monetary funds or movable assets –, as well as the amounts involved, schedule and conditions for its implementation.



28.3. By mutual agreement, in the event the FUNDS PROVISION is carried out, the PARTIES shall enter into a contract addendum to formalize its execution and rules.

28.4. If the GRANTING AUTHORITY carries out the FUNDS PROVISION during the execution of the CONTRACT, the GRANTING AUTHORITY shall be entitled to request the economic-financial rebalancing of the CONTRACT.

29. PUBLIC GUARANTEE

29.1. For the purpose of guaranteeing payment of all pecuniary obligations due to the CONCESSIONAIRE throughout the term of the CONCESSION, the GRANTING AUTHORITY irrevocably and irreversibly is obliged to establish the PUBLIC GUARANTEE, to be operationalized through the LINKED ACCOUNT and the RESERVE ACCOUNT, without prejudice to the provision set forth in subclause 29.10, pursuant to this CONTRACT and EXHIBIT VII – GUIDELINES FOR ENTERING INTO THE COLLECTION AND ACCOUNT MANAGEMENT CONTRACT.

29.2. The PUBLIC GUARANTEE shall be implemented during the SYSTEM ASSISTED OPERATION, and shall be maintained until the final liquidation of all pecuniary obligations assumed by the GRANTING AUTHORITY under the CONTRACT.

29.2.1. The operation of the PUBLIC GUARANTEE shall be governed by a contract to be entered into between the GRANTING AUTHORITY and the GUARANTEE AGENT, with the intervention of the CONCESSIONAIRE, in accordance to EXHIBIT VII – GUIDELINES FOR ENTERING INTO THE COLLECTION AND ACCOUNT MANAGEMENT CONTRACT; the GRANTING AUTHORITY may use a contract it has entered into with a financial institution prior to the execution of this CONTRACT, provided that it complies with the provisions of the EXHIBIT referred to in this subclause.

29.2.2. If the PUBLIC GUARANTEE is not timely constituted, the CONCESSIONAIRE may suspend the execution of its contractual obligations.

29.3. The amounts corresponding to the RECEIVABLES shall be pooled in the CENTRALIZED ACCOUNT, from which they shall be transferred monthly to the LINKED ACCOUNT, up to the limit of the ASSIGNED REVENUE.



29.3.1. The GRANTING AUTHORITY shall grant the financial institution responsible for the CENTRALIZED ACCOUNT unrestricted and irrevocable powers to segregate and automatically transfer the RECEIVABLES corresponding to the ASSIGNED REVENUE of the LOT to the LINKED ACCOUNT, and any retention of amounts or diversion prior to such transfer is forbidden.

29.3.2. By means of the ASSIGNED REVENUE, the LINKED ACCOUNT shall serve to ensure the sufficiency of the MINIMUM AMOUNT OF THE RESERVE ACCOUNT and to effect payment of the MONTHLY FINANCIAL CONSIDERATION.

29.3.3. The amounts flowing into the LINKED ACCOUNT, as ASSIGNED REVENUE, shall be automatically transferred to the RESERVE ACCOUNT if replenishment of the MINIMUM AMOUNT OF THE RESERVE ACCOUNT is required.

29.3.4. The remaining balance of the CENTRALIZED ACCOUNT shall be transferred to the GRANTING AUTHORITY's freely movable account whenever the monthly flow of the ASSIGNED REVENUE through the LINKED ACCOUNT has been fulfilled.

29.4. The ASSIGNED REVENUE shall correspond to the minimum monthly amount of 1 (one) monthly public financial consideration, applying the same calculation methodology as the MONTHLY FINANCIAL CONSIDERATION, but observing the parameters below:

29.4.1. The PU (unit price) amount indicated in the BUSINESS PLAN submitted in the TENDER, annually adjusted as provided in this CONTRACT;

29.4.2. The arithmetic average of the VEC over the last 3 (three) months;

29.4.3. The Factor C amount established for each year of the CONCESSION; and

29.4.4. By assigning the maximum score to the PERFORMANCE INDICATORS.

29.5. The ASSIGNED REVENUE shall flow exclusively through the LINKED ACCOUNT and may not serve as security for any other projects or contracts entered into by the GRANTING AUTHORITY, regardless of their nature.



29.6. Upon opening the RESERVE ACCOUNT, the GRANTING AUTHORITY shall deposit into the RESERVE ACCOUNT the MINIMUM AMOUNT OF THE RESERVE ACCOUNT, equivalent to 1.3 (one and three tenths) monthly public financial consideration, adopting, for purposes of determining such amount, the parameters set forth in subclause 29.4.

29.6.1. The MINIMUM AMOUNT OF THE RESERVE ACCOUNT shall be recalculated every 3 (three) months, excluding from the average the FIXED COMPONENT amount paid in connection with the investments for the preventive replacement of the water meter stock, pursuant to the parameters set forth in subclause 29.4, and the GRANTING AUTHORITY shall replenish the deposited balance, if necessary.

29.6.2. If, at any time, the funds in the RESERVE ACCOUNT exceed the MINIMUM AMOUNT OF THE RESERVE ACCOUNT, the GUARANTEE AGENT shall transfer the excess funds to the GRANTING AUTHORITY's free-movement bank account.

29.6.3. If the funds in the RESERVE ACCOUNT are lower than the amount defined in subclause 29.6, the GUARANTEE AGENT shall transfer to the RESERVE ACCOUNT any and all funds credited to the LINKED ACCOUNT until the RESERVE ACCOUNT reaches the minimum balance.

29.7. The RESERVE ACCOUNT and the LINKED ACCOUNT may not be closed until the final liquidation of the pecuniary obligations assumed by the GRANTING AUTHORITY under the CONTRACT, except in the event of replacement of the public guarantee mechanism, pursuant to subclause 29.10.

29.7.1. The CENTRALIZING ACCOUNT may undergo operational changes, replacement, modification of the institution responsible for its management, bank migration or termination, at the GRANTING AUTHORITY's discretion, provided that the integrity and continuity of the financial flow required to constitute the PUBLIC GUARANTEE are preserved, especially with respect to the collection of the RECEIVABLES and their transfer, up to the limit of the ASSIGNED REVENUE, to the LINKED ACCOUNT.

29.7.2. Even if the GUARANTEE AGENT and the financial institution managing the CENTRALIZING ACCOUNT are the same, the CONCESSIONAIRE may not create any obstacles to the exercise of the competences referred to in the subclause above regarding



the GRANTING AUTHORITY's management of the CENTRALIZING ACCOUNT, provided that the integrity of the PUBLIC GUARANTEE is preserved.

29.7.3. In the event of a change or replacement of the CENTRALIZING ACCOUNT, the GRANTING AUTHORITY shall ensure that there is no discontinuity in the flow of amounts allocated to the PUBLIC GUARANTEE, observing the deadlines and procedures set forth in this CONTRACT and in EXHIBIT VII – GUIDELINES FOR ENTERING INTO THE COLLECTION AND ACCOUNT MANAGEMENT CONTRACT.

29.8. The funds deposited in the RESERVE ACCOUNT are intended exclusively to secure the GRANTING AUTHORITY's pecuniary obligations, and shall remain unavailable and bound to this CONTRACT, on an irrevocable and irreversible basis, from its signing until the final liquidation of such obligations; therefore, they may not be moved or used for any other purpose, nor pledged as security for any other projects or contracts of the GRANTING AUTHORITY, regardless of their nature.

29.8.1. The GRANTING AUTHORITY may request the GUARANTEE AGENT to invest the funds held in the RESERVE ACCOUNT, exclusively in: (i) investment funds managed by top-tier financial institutions, backed by fixed-income securities issued by the National Treasury or the Central Bank of Brazil; or (ii) Bank Deposit Certificates (CDB) issued by top-tier financial institutions.

29.8.2. The redemption deadlines of the financial investments mentioned in subclause 29.8.1 shall be compatible with the obligations under this CONTRACT.

29.8.3. The risks of the financial investments mentioned in subclause 29.8.1 shall be fully borne by the GRANTING AUTHORITY, which shall be immediately and fully responsible for replenishing any losses.

29.9. In the event of default by the GRANTING AUTHORITY of any pecuniary obligation set forth in or arising from this CONTRACT, the PUBLIC GUARANTEE provided for herein may be drawn by the CONCESSIONAIRE directly against the GUARANTEE AGENT, regardless of any judicial or extrajudicial measure, and the GUARANTEE AGENT shall make payment to the CONCESSIONAIRE within 1 (one) day ("D+1").



29.9.1. If the RESERVE ACCOUNT does not have sufficient balance to pay the pecuniary obligations referred to in the subclause above, the GUARANTEE AGENT shall notify the GRANTING AUTHORITY, with a copy to the CONCESSIONAIRE, to transfer the required amounts within 7 (seven) business days, after which the CONCESSIONAIRE may, upon notice to the GRANTING AUTHORITY, totally or partially suspend the execution of investments related to the works for expansion of the SYSTEM.

29.10. At any time during the term of this CONTRACT, the GRANTING AUTHORITY may, by mutual agreement with the CONCESSIONAIRE, replace the mechanism adopted for purposes of constituting the PUBLIC GUARANTEE with another legally permitted mechanism, including by providing a contingent guarantee from the National Treasury, provided that the real value provided to secure performance of its obligations is preserved.

30. ORDINARY REVIEWS

30.1. The GRANTING AUTHORITY shall carry out the CONTRACT's ORDINARY REVIEWS, with the CONCESSIONAIRE's participation assured, at 5 (five)-year intervals, pursuant to a schedule to be disclosed.

30.1.1. At the GRANTING AUTHORITY's discretion, the INDEPENDENT VERIFIER may support the ORDINARY REVIEW process by analyzing the context and the CONCESSION's historical data, and by issuing a non-binding report on any considerations raised by the PARTIES during the review procedure.

30.2. The ORDINARY REVIEW shall aim to:

- i. process the PARTIES' requests for economic-financial rebalancing not submitted to extraordinary reviews;
- ii. review and update the service targets and the PERFORMANCE INDICATORS, as well as their respective weights, whether due to any updates or changes to the MUNICIPAL WATER AND WASTEWATER PLANS and the MICRORREGIONAL WATER AND WASTEWATER PLANS, or as a means to improve the CONCESSIONAIRE's performance measurement system, observing the limits set



forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS and the need to preserve the CONTRACT’s economic-financial balance;

- iii. consider the inclusion of works and investments that may be executed directly by the GRANTING AUTHORITY, the STATE, the MUNICIPALITY, a real estate developer, or a non-profit entity in the SERVICE PROVIDER’S COVERAGE AREA, and that may be integrated into the SYSTEM and operated by the CONCESSIONAIRE, defining their economic-financial impact on the CONTRACT;
- iv. include, amend or exclude provisions in this instrument in the events in which it does not provide for the automatic incorporation or updating of provisions from rules issued by the REGULATORY AGENCY or by ANA;
- v. redefine parameters associated with the definition of the SERVICE PROVIDER’S COVERAGE AREA, when it varies due to the conversion of rural land into urban land and vice versa;
- vi. redefine parameters related to universalization, continuity and modernity of the SERVICES; and
- vii. allow the GRANTING AUTHORITY, in the exercise of its *jus variandi*, to make other adjustments to the subject matter of the CONTRACT, provided that the requirements set forth in paragraph 4 of Article 9 of Federal Law No. 8,987/1995 are met.

30.3. The PERFORMANCE INDICATORS set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS may be improved to better serve the public interest:

30.3.1. jointly and by mutual agreement between the GRANTING AUTHORITY and the CONCESSIONAIRE; or

30.3.2. unilaterally by the GRANTING AUTHORITY, observing the provisions of paragraph 4 of Article 9 of Federal Law No. 8,987/1995.



30.3.3. In the event of amendments to the CONTRACT, they shall be formalized at the end of the ORDINARY REVIEW by: (i) an amendment, in the event provided for in subclause 30.3.1; or (ii) a unilateral decision by the GRANTING AUTHORITY, published in the official gazette.

30.4. The performance of the ORDINARY REVIEWS does not exclude the PARTIES' right to an extraordinary review whenever the requirements therefore are met, pursuant to this CONTRACT.

30.5. The processing of requests for economic-financial rebalancing within the scope of the ORDINARY REVIEW shall observe the provisions set forth in clause 31.

31. PROCESSING OF THE ORDINARY REVIEWS

31.1. Once the SYSTEM OPERATION has started, the GRANTING AUTHORITY shall publish, within a maximum period of 180 (one hundred and eighty) calendar days, the agenda for the first ORDINARY REVIEW, to be carried out after 5 (five) years have elapsed from the start of the SYSTEM OPERATION.

31.1.1. The agenda for the subsequent ORDINARY REVIEWS of the CONTRACT shall be published by the GRANTING AUTHORITY within 180 (one hundred and eighty) calendar days after completion of the processing of the previous ORDINARY REVIEW.

31.1.2. At the GRANTING AUTHORITY's discretion, information and agendas regarding the ORDINARY REVIEWS of the CONTRACT may be published on its official website.

31.1.3. The timetable of agendas and the definition of the format and number of meetings and events may be adapted as the PARTIES deem convenient, with a view to ensuring effectiveness, transparency and efficiency in the processing of the ORDINARY REVIEWS of the CONTRACT.

31.2. The CONTRACT's ORDINARY REVIEW process shall be initiated by means of a notice from the GRANTING AUTHORITY to the CONCESSIONAIRE and, if applicable, to the INDEPENDENT VERIFIER, notifying them at least 15 (fifteen) calendar days in advance of the date and time of



the kick-off meeting, in accordance with the schedule of events and meetings published by the GRANTING AUTHORITY, pursuant to subclause 31.1.

31.2.1. Upon commencement of the review process, the PARTIES may submit, in writing, their considerations regarding the aspects of the CONTRACT that warrant review. Such considerations shall be sent for analysis by the INDEPENDENT VERIFIER, if it is called upon to participate in the review, always with a copy to the other PARTY, within a maximum period of 45 (forty-five) calendar days counted from the kick-off meeting.

31.2.2. Once the PARTIES' submissions have been received, the INDEPENDENT VERIFIER shall issue a non-binding report on the requests within a maximum period of 45 (forty-five) calendar days.

31.2.3. The PARTIES may, by mutual agreement, request additional clarifications from the INDEPENDENT VERIFIER, which shall have an additional period of 15 (fifteen) calendar days to respond.

31.2.4. The maximum duration of the ORDINARY REVIEW process shall not exceed 180 (one hundred and eighty) calendar days counted from the notice given by the GRANTING AUTHORITY to the CONCESSIONAIRE, pursuant to subclause 31.2.

31.3. If the GRANTING AUTHORITY fails to comply with the deadlines and procedures set forth in subclauses 31.1 and 31.2, the CONCESSIONAIRE shall be entitled to declare the review process initiated after 5 (five) years have elapsed since the last ORDINARY REVIEW or, in the case of the first review, since the start of the SYSTEM OPERATION, by notification to the GRANTING AUTHORITY and submitting the detailed schedule of events and meetings.

31.4. The PARTIES may be assisted by technical consultants of any specialty throughout the ORDINARY REVIEW process, and any reports, studies, opinions, expert opinions or views issued by them shall be forwarded to the INDEPENDENT VERIFIER for analysis, where applicable, and included in the file, so as to expressly state the reasons that led the PARTIES to the final agreement or any eventual disagreement.



31.5. connection with the CONTRACT's ORDINARY REVIEWS, the CONCESSIONAIRE shall submit to the GRANTING AUTHORITY and, where applicable, to the INDEPENDENT VERIFIER the following documents:

- i. detailed and updated report on the progress achieved by the CONCESSIONAIRE in meeting the service targets, the CONTRACTUAL UNIVERSALIZATION TARGETS and the PERFORMANCE INDICATORS;
- ii. an updated INVESTMENT PLAN, including its component documents, especially the EXECUTION SCHEDULE;
- iii. a detailed and updated report on the availability of works and equipment required for the execution of the CONTRACT's subject matter;
- iv. a report setting forth any changes made to the MUNICIPAL WATER AND WASTEWATER PLANS and the MICRORREGIONAL WATER AND WASTEWATER PLANS that may require adjustments to the targets and PERFORMANCE INDICATORS;
- v. additional supporting documentation, required under the terms of this CONTRACT for the economic-financial rebalancing requests submitted by the PARTIES.

31.5.1. The CONTRACT's ORDINARY REVIEW process and its results shall be duly documented and, if they result in amendments to the CONTRACT, they shall be incorporated into a contractual addendum.

31.5.1.1. The meetings, hearings or negotiations held during the review process shall be duly recorded.

32. EXTRAORDINARY REVIEW

32.1. The GRANTING AUTHORITY may initiate, ex officio or upon the CONCESSIONAIRE's request, an extraordinary review proceeding, with a view to restoring the CONTRACT's economic-financial balance, in light of event(s) representing the concrete or imminent



materialization of risk(s) allocated to the PARTIES, the effects of which result in a proven change to the contracted economic-financial equation.

32.1.1. The GRANTING AUTHORITY may stay the consideration of the CONCESSIONAIRE's request in order to review it within the scope of an ORDINARY REVIEW, provided that, cumulatively:

32.1.1.1. the CONCESSIONAIRE's request has been submitted within the 12 (twelve) months preceding the scheduled date for initiation of the ORDINARY REVIEW; and

32.1.1.2. the GRANTING AUTHORITY does not recognize a situation of unequivocal urgency, understood as one in which postponing the analysis could significantly compromise, in a manner not capable of being mitigated by precautionary measures, the continuity, regularity or safety of the SERVICES, or the CONCESSIONAIRE's solvency.

32.1.2. In the event of subclause 32.1.1.1, deferral of consideration of the request shall not prevent the GRANTING AUTHORITY from adopting or granting immediate precautionary measures, where necessary to mitigate relevant risks to the proper provision of the SERVICES or to the economic-financial sustainability of the CONCESSION.

32.2. Requests for extraordinary review shall follow the procedure established for processing the CONTRACT's economic-financial rebalancing, pursuant to subclause 35.

33. CONTRACT AMENDMENT

33.1. This CONTRACT may be amended unilaterally by the GRANTING AUTHORITY or by agreement between the PARTIES, provided that the CONTRACT's economic-financial balance is preserved.

33.1.1. Any unilateral amendment to the CONTRACT shall be sufficiently justified, with grounds that take into account the content of the CONCESSIONAIRE's submission, pursuant to subclause 33.2.1, as well as the consequences of its implementation for the CONCESSION and for the USERS.



33.1.2. Any unilateral amendment to the CONTRACT shall necessarily be accompanied by the definition of the conditions for its implementation, including with respect to any measures to be taken by the GRANTING AUTHORITY.

33.1.3. Among other reasons, the CONTRACT may be amended unilaterally or by mutual agreement in order to:

- i. amend the service targets, upon demonstration that they are inadequate in light of new circumstances, including as a result of changes or updates to the MUNICIPAL WATER AND WASTEWATER PLAN and the MICRORREGIONAL WATER AND WASTEWATER PLAN;
- ii. adjust the regulatory content of the CONCESSION, upon demonstration that it has become obsolete due to the occurrence of new circumstances or new regulatory provisions issued by the REGULATORY AGENCY or ANA reference standards.
- iii. adjust the PERFORMANCE INDICATORS, where they become obsolete due to technological developments, monitoring conditions, USERS' perceptions, and the need to align them with public policy and the relevant legal and regulatory rules;
- iv. adjust the term of the SYSTEM ASSISTED OPERATION, as set forth in this CONTRACT;
- v. adjust the execution deadlines set forth in this CONTRACT, where they prove unfeasible in light of new circumstances;
- vi. adjust the form and scope of reports and statements required under this CONTRACT and its EXHIBITS, as well as procedures for inspecting the SERVICES provision, with a view to increasing the efficiency of inspecting and regulatory activities;
- vii. adjust the content of EXHIBIT IV – CONCESSION SPECIFICATIONS and the



manner in which the SERVICES are provided, observing the unalterability of their essential characteristics;

- viii. adjust its subject matter due to the introduction of a new regulatory policy for the sector;
- ix. include or remove works or services within the scope of the CONCESSION, including as a result of the inclusion of works relating to the GRANTING AUTHORITY INVESTMENTS and investments by the GRANTING AUTHORITIES that are not under the ownership of the GRANTING AUTHORITY; and
- x. Funds provision by the GRANTING AUTHORITY.

33.2. Prior to issuing the act effecting a unilateral amendment to the CONTRACT, the GRANTING AUTHORITY shall submit to the CONCESSIONAIRE a proposal setting forth the content of the unilateral amendment, including details of the economic-financial rebalancing of the CONTRACT to be carried out, where rebalancing applies, and the conditions for implementing any measures necessary for the effectiveness of the measure that depend on the GRANTING AUTHORITY, in accordance with subclause 33.1.1.

33.2.1. The CONCESSIONAIRE may submit its comments on the proposal referred to in the subclause above within a maximum term of 30 (thirty) calendar days; after such term, if the CONCESSIONAIRE has not issued any statement in this regard, its consent shall be presumed.

33.2.2. After the submission referred to in the subclause above, the GRANTING AUTHORITY shall decide on the conditions for the economic-financial rebalancing of the CONTRACT and shall notify the CONCESSIONAIRE of its decision.

33.2.3. In the event of disagreement as to the economic-financial effects arising from the unilateral amendment to the CONTRACT, the CONCESSIONAIRE may resort to the dispute resolution mechanisms provided for in this CONTRACT; it being understood that it may not challenge the merits of the amendment, but only the rebalancing associated therewith.



33.2.4. In the event of duly justified urgency, the CONCESSIONAIRE shall be immediately notified by the GRANTING AUTHORITY of the unilateral amendment to the CONTRACT, and the prior submission referred to in subclause 33.2.1, may be waived; in such case, the CONCESSIONAIRE shall be given the opportunity to submit its comments after the issuance of the act effecting the unilateral amendment to the CONTRACT, which shall be submitted within a maximum term of 30 (thirty) calendar days.

33.3. If the unilateral amendment to the CONTRACT results in an imbalance of the economic-financial equation, the amendment act shall mandatorily be accompanied by the concurrent economic-financial rebalancing of the CONTRACT, preceded by the determination of the amount to be rebalanced, as set forth herein.

33.4. Unilateral amendments to the AGREEMENT shall be conveyed by means of a reasoned administrative act, the grounds for which shall take into account the provisions of subclause 33.1.1.

33.5. Amendments to the CONTRACT shall be implemented through the formalization of an addendum.

34. ECONOMIC-FINANCIAL BALANCE AND RISK ALLOCATION

34.1. The economic-financial balance of the CONTRACT shall be maintained throughout the term of the CONCESSION.

34.1.1. Whenever the conditions of this CONTRACT are met and its risk matrix is observed, its economic-financial balance shall be deemed maintained.

34.1.2. The economic-financial balance shall not be deemed breached by changes in the economic equation of the CONTRACT arising from charges and from the occurrence of risks allocated to each of the PARTIES.

34.2. Except for the risks allocated by this CONTRACT or by the applicable law to the responsibility of the GRANTING AUTHORITY, the CONCESSIONAIRE, as from the commencement of SYSTEM OPERATION, shall be fully and exclusively responsible for all risks and obligations



related to the operation and provision of the SERVICES, including, without limitation, the following:

- i. variation in the demand for the SERVICES and the SERVICES COMPLEMENTARES, including, without limitation, as a result of population densification differing from that forecast; the existence of irregular connections or failure to connect to the network; changes in the housing profile, consumption pattern, or composition of USERS; changes in USERS' behavior or consumption arising from tax policies and provisions applicable to the sector, including those related to Constitutional Amendment No. 132/2023; and other factors that affect the demand for the SERVICES;
- ii. identification of errors or omissions in the WINNING PROPOSAL or in any other projection or assumption of the CONCESSIONAIRE, including in the surveys carried out prior to the preparation of the WINNING PROPOSAL;
- iii. variation or error in estimating the investments required for the execution of this CONTRACT and the costs of operation, maintenance, and preservation of the SYSTEM, including the failure to obtain the economic return expected by the CONCESSIONAIRE, provided that such variation does not result, directly and demonstrably, from an act or omission of the GRANTING AUTHORITY or from the materialization of another risk referred to in subclause 34.4;
- iv. variation in the cost of labor and supplies affecting the execution of the CONTRACT, including the provision of the SERVICES, provision of the SERVICES COMPLEMENTARES, and the execution of the SYSTEM IMPROVEMENT WORKS and of the other investments provided for in this CONTRACT, except for any works executed by the GRANTING AUTHORITY or by a federated entity;
- v. any issues arising from the relationship between the CONCESSIONAIRE and its contractors, of any nature;
- vi. the occurrence of strikes, work stoppages, or manifestations by the CONCESSIONAIRE'S workers or subcontractors that affect the execution of the CONTRACT, where such events are motivated by demands directed to the CONCESSIONAIRE or to the subcontractors, except for those deemed unlawful by the



Judiciary;

- vii. risks associated with any investments, costs, or expenses related to activities that generate ADDITIONAL REVENUES, as well as with the failure to realize such revenues;
- viii. risks associated with the safety and health of the workers engaged in the execution of the SYSTEM IMPROVEMENT WORKS and in the execution of the CONTRACT, who are subordinated to the CONCESSIONAIRE or to its subcontractors and third-party service providers, including with respect to safety at the site of such works;
- ix. impacts on the execution of the subject matter of the CONTRACT arising from adverse geological and climatic conditions, resulting in additional costs or delays to the schedule set forth in the INVESTMENT PLAN;
- x. excess costs related to the provision of the SERVICES, as well as losses arising from inefficient management of the SERVICES or from increases in the cost of supplies and raw materials;
- xi. impacts, including additional costs and timelines, arising from delays in, or failure to obtain, the licenses, permits, and authorizations required for the execution of the subject matter of this CONTRACT, due to factors attributable to the CONCESSIONAIRE, except for the cases set forth in subclause 34.4;
- xii. impacts, including additional costs and timelines, arising from compliance with the conditions imposed in the environmental licensing procedures required for the execution of the CONTRACT;
- xiii. remediation of environmental liabilities or environmental irregularities caused after the issuance of the SYSTEM TRANSFER TERM;
- xiv. state-of-the-art of the technology employed in the execution of the CONTRACT, except where it falls under the cases set forth in subclause 34.4;
- xv. perishing, destruction, robbery, theft, loss, or any other types of damage caused to the REVERSIBLE ASSETS while they are allocated to the SERVICES or which, once



deallocated, have not yet been formally returned to the GRANTING AUTHORITY;

- xvi. failure to obtain financing, difficulty in raising funds, variations in the costs of equity capital or third-party capital, or, further, changes in the conditions of loans and financings obtained by the CONCESSIONAIRE to meet the obligations arising from this CONTRACT, unless it is proven that the increase in cost or the changes in the conditions of the loans and financings resulted directly from an act or omission of the GRANTING AUTHORITY, subject to the specific provisions of this CONTRACT;
- xvii. fluctuations in exchange rates;
- xviii. risks associated with tax or credit benefits arising from incentive programs;
- xix. changes in the CONCESSIONAIRE's business, financial, economic, accounting, and tax planning that affect the execution of the CONTRACT, except for changes resulting from the materialization of risks allocated to the GRANTING AUTHORITY;
- xx. costs related to contracting the insurance policies required under this CONTRACT;
- xxi. delays, suspensions, or other obstacles to the execution of the CONTRACT arising from judicial or administrative decisions, including by inspecting bodies, except in the cases set forth in subclause 34.4;
- xxii. failures, errors, omissions, or changes: (i) in any engineering projects elaborated by the CONCESSIONAIRE, required for the CONTRACT execution or the SERVICES provision, regardless of their approval or no-objection by the GRANTING AUTHORITY; or (ii) in the SYSTEM IMPROVEMENT WORKS or in any other works executed by the CONCESSIONAIRE, required to comply with the CONTRACT, regardless of their approval or no-objection by the GRANTING AUTHORITY;
- xxiii. embargoes to the SYSTEM IMPROVEMENT WORKS, as well as additional costs and time periods resulting from the need for rework or changes to such works, due to the CONCESSIONAIRE's failure to comply with the provisions of this CONTRACT and the applicable legal and regulatory provisions;



- xxiv. delays and additional costs in the execution of the SYSTEM IMPROVEMENT WORKS and of the other investments required to comply with this CONTRACT, provided that: (i) they are not directly and demonstrably attributable to the GRANTING AUTHORITY, as set forth in this CONTRACT; and (ii) they do not result directly and demonstrably from other risks referred to in subclause 34.4;
- xxv. costs and time periods for the removal of occupants from real estate assets irregularly occupied, after the CONCESSIONAIRE assumes SYSTEM OPERATION;
- xxvi. impacts, including additional time periods, investments, costs, and expenses, required for any documentary or real-estate regularization that may be required in licensing or authorization processes related to the execution of the CONTRACT, except with respect to REVERSIBLE ASSETS existing prior to SYSTEM OPERATION;
- xxvii. the occurrence of events considered as cases of FORTUITOUS EVENT OR FORCE MAJEURE that are covered by the insurance policies required under this CONTRACT;
- xxviii. civil, administrative, environmental, and criminal liability for any damages, including environmental damages, arising from the execution of the CONTRACT, including the execution of the SYSTEM IMPROVEMENT WORKS, the operation and maintenance of the REVERSIBLE ASSETS, and the SERVICES provision, which have been caused by the CONCESSIONAIRE or by its officers, employees, representatives, subcontractors, or any other natural or legal person linked to the CONCESSIONAIRE;
- xxix. losses caused to third parties, including the USERS of the SERVICES, by the CONCESSIONAIRE or its officers, employees, representatives, or service providers, or any other natural or legal person linked to it, in the performance of the activities required for the execution of the CONTRACT;
- xxx. losses arising from risks inherent to business activity;
- xxxi. investments, payments, costs, and expenses arising from expropriations, the establishment of administrative easements, and the imposition of administrative restrictions or the provisional occupation of real estate assets necessary for the execution of the CONTRACT;



- xxxii. expenditures resulting from latent defects in the REVERSIBLE ASSETS, except in the cases addressed in subclause 34.4;
- xxxiii. cost variations or losses arising from labor collective bargaining, agreements or collective labor instruments, as well as social security, tax, and commercial matters resulting from the execution of the CONTRACT, including those related to subcontracted companies;
- xxxiv. losses arising from interruptions or issues, delays, failures, or inconsistencies in the supply of materials, supplies, labor, and services required for the execution of the CONTRACT, including as regards subcontracted companies, except where they are directly and demonstrably attributable to the GRANTING AUTHORITY;
- xxxv. impacts due to eventual delays in the conduct or completion of the procedures for expropriations, the establishment of administrative easements, and the imposition of administrative restrictions or provisional occupations of real estate assets necessary for the execution of the CONTRACT, including the risk of delay in the issuance of the judicial decisions required for provisional possession of the respective real estate assets, except only for the risks provided for in subclause 34.4.
- xxxvi. cost and expense variations related to the acquisition and installation of equipment required for the SERVICES, including customs-related costs, between the date of submission of the COMMERCIAL PROPOSAL and its effective acquisition;
- xxxvii. variations, inaccurate estimates, or failure to estimate the investments and reinvestments required for the CONTRACT execution, as well as additional costs or expenses necessary to comply with the PERFORMANCE INDICATORS as a result of its performance;
- xxxviii. revenue shortfalls arising from the impossibility, for reasons of public order, of providing the SERVICES in the CONSOLIDATED INFORMAL URBAN SETTLEMENTS and in the REMOTE AREAS;



- xxxix. the level of coverage of the sanitary wastewater system in the LOT that effectively exists being **lower** than the level informed in APPENDIX III of EXHIBIT IV – CONCESSION SPECIFICATIONS for purposes of preparation of the COMMERCIAL PROPOSAL, applying the same methodology, except for the risk allocated to the GRANTING AUTHORITY under subclause 34.4, item “xx”;
- xl. issues, delays, inconsistencies, interruption, or intermittency in the supply of public utilities required for the execution of the CONTRACT, except for the risks of unavailability of electric power set forth in subclause 34.4, item “xii”;
- xli. non-redhibitory defects, that is, those identifiable through technical inspection, in the REVERSIBLE ASSETS, even if already existing or originating on a date prior to the execution of the handover instrument of the respective asset;
- xlii. possible revenue shortfall arising from a delay of up to 12 (twelve) months in completion of the investments under the responsibility of the GRANTING AUTHORITY, pursuant to the schedule set forth in EXHIBIT VIII – GRANTING AUTHORITY’S INVESTMENTS;
- xliii. variation in the base interest rate that affects the execution of the CONTRACT.

34.3. The risks provided above, if materialized, shall not represent a disruption of the contractual economic-financial equation and, therefore, shall not give rise to a review of the CONTRACT for purposes of economic-financial rebalancing.

34.4. The events described below, if materialized and provided that they directly and demonstrably impact the economic-financial balance of the CONTRACT, either positively or negatively, shall give rise to a review of the CONTRACT for purposes of economic-financial rebalancing:

- i. change in the SERVICE PROVIDER’S COVERAGE AREA, as indicated in EXHIBIT D, due to the conversion of rural areas into urban areas or vice versa, the inclusion of expansion areas, or the inclusion of a Municipality listed in Table 3 of EXHIBIT D;
- ii. resumption of the SERVICES by the HOLDER during the term of this CONTRACT,



including as a result of the termination or reduction of the term of the PROGRAM CONTRACTS;

- iii. issuance of rules applicable to the CONCESSION, or other determinations by the REGULATORY AGENCY or ANA, that result in the amendment of the PERFORMANCE INDICATORS set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS of this CONTRACT, or of other conditions for the SERVICES provision set forth in this CONTRACT and its EXHIBITS;
- iv. FACTUM PRINCIPIS or ACT OF THE ADMINISTRATION that demonstrably results in variations in the CONCESSIONAIRE's costs or revenues, including rules, determinations and conditions imposed by environmental authorities or agencies that do not arise from the CONCESSIONAIRE's non-compliance with the applicable environmental rules;
- v. except for taxes on income, the creation, amendment or extinction of taxes or legal charges, or the enactment of new provisions, that affect the CONCESSIONAIRE's costs or revenues, either positively or negatively, in accordance with paragraph 3 of Article 9 of Federal Law No. 8,987/95;
- vi. specific legislative change that directly impacts the CONCESSIONAIRE's revenues, such as those granting tax or tariff exemption, reduction, discount or any other tax or tariff privilege, as well as changes in consumer protection legislation that result in impacts on customer service costs;
- vii. occurrence of a FORTUITOUS EVENT or FORCE MAJEURE that is not covered by the insurance required under this CONTRACT;
- viii. delays in works and activities arising from delays in obtaining environmental licenses, authorizations or any other administrative acts from public authorities required for the performance of obligations assigned to the CONCESSIONAIRE, where the review periods of the authority responsible for issuing such acts exceed those set forth in the applicable regulations or those indicated by the relevant public authority, except where resulting from a cause attributable to the CONCESSIONAIRE, it being understood that any delay arising from the failure to submit all documents, studies



and information required by the public authority, or from their submission at a quality below the minimum required by the licensing or authorizing authority, whether prior or subsequent to the filing of the relevant application for licensing or authorization, shall be deemed attributable to the CONCESSIONAIRE;

- a. In the absence of a specific timeframe set forth in the applicable regulations, the issuance of the relevant license or authorization more than 180 (one hundred and eighty) calendar days from the date of the respective application shall be deemed a delay.
- ix. events resulting from acts or facts occurred before the SYSTEM transfer date and that are not under the CONCESSIONAIRE's responsibility, including PRE-EXISTING LIABILITIES, provided that they are identified and notified to the GRANTING AUTHORITY by the end of the SYSTEM ASSISTED OPERATION period, whenever such events affect the execution of the CONTRACT, give rise to an increase in costs, expenses or investments for the CONCESSIONAIRE, or, alternatively, result in a reduction of its revenue, except, in any event, for the risks allocated to the CONCESSIONAIRE, as well as the liabilities relating to the technical, operational and investment conditions of the SYSTEM, knowledge and measurement of which were incumbent upon the CONCESSIONAIRE within the scope of the TENDER;
- x. judicial and administrative orders to satisfy obligations originally attributable to the GRANTING AUTHORITY, including entities and agencies within its administrative sphere, or to the MUNICIPALITIES, including labor claims filed by employees or third parties linked to the GRANTING AUTHORITY or to other companies contracted by the GRANTING AUTHORITY;
- xi. archaeological risks, including the eventual discovery of historical and archaeological sites that affect the execution of the CONTRACT;
- xii. unavailability of electric power, resulting from acts or omissions not attributable to the CONCESSIONAIRE, which affect the execution of the CONTRACT and last for more than 48 (forty-eight) consecutive hours;



- xiii. delays in or impairments to the execution of the SERVICES, the COMPLEMENTARY SERVICES and the SYSTEM IMPROVEMENT WORKS resulting from interferences caused by social movements not associated with deficient provision of the SERVICES by the CONCESSIONAIRE;
- xiv. social manifestations that in any way affect the provision of the SERVICES, including strikes by public agents, except for internal strikes by the CONCESSIONAIRE's own employees or those of its subcontractors;
- xv. delays in or suspensions of the execution of the CONTRACT due to judicial or administrative decisions, including those issued by inspecting bodies, for reasons not attributable to the CONCESSIONAIRE.
 - a. for the purposes of this CONTRACT, no wrongful act shall be deemed as an illicit act attributable to the CONCESSIONAIRE if it results from the GRANTING AUTHORITY's failure to comply with the rules and principles applicable to the TENDER and to administrative contracting, such as non-compliance with legal deadlines and procedures and with other assumptions and conditions applicable to administrative decisions.
- xvi. damages or losses caused to the CONCESSIONAIRE arising from compliance with a determination by the GRANTING AUTHORITY or the REGULATORY AGENCY that mandatorily and subsequently imposes the use of technology or technique in the SERVICES or in the assets used for the SERVICES provision that is not provided for in this CONTRACT or in the INVESTMENT PLAN, provided that such changes result in additional costs to the CONCESSIONAIRE and do not arise from contractual obligations assumed by it, including those associated with the principle of currentness, the continuous improvement of the SERVICES, or the natural technological evolution throughout the contractual term;
- xvii. losses arising from a delay of more than 12 (twelve) months in the completion of the GRANTING AUTHORITY INVESTMENTS, according to the schedule set forth in EXHIBIT VIII – GRANTING AUTHORITY'S INVESTMENTS or from the existence of construction and design defects, including hidden defects, provided that they are indicated by the CONCESSIONAIRE within 12 (twelve) months after issuance of the ACCEPTANCE AND



TRANSFER TERM, pursuant to subclause 14 of this CONTRACT.

- xviii. assumption by the CONCESSIONAIRE of the remaining works relating to the GRANTING AUTHORITY INVESTMENTS, as set forth in this CONTRACT.
- xix. the reduction in costs related to the tax burden borne by the CONCESSIONAIRE, resulting from the creation of tax incentives or tax reliefs by bodies or entities of any federative level, which shall be shared with the GRANTING AUTHORITY in the proportion of 70% (seventy percent) for the reduction of the amount of the MONTHLY FINANCIAL CONSIDERATION.
- xx. the actually existing level of coverage of the wastewater system in the LOT **lower** than the level informed in APPENDIX III of EXHIBIT IV – CONCESSION SPECIFICATIONS for purposes of preparing the COMMERCIAL PROPOSAL, provided that such negative variation is verified by the 12th (twelfth) month after the end of the SYSTEM ASSISTED OPERATION and **exceeds 10%** (ten percent) of the informed level, observing the same methodology;
- xxi. the actually existing level of coverage of the wastewater system **higher** than that informed in APPENDIX III of EXHIBIT IV – CONCESSION SPECIFICATIONS for purposes of preparing the COMMERCIAL PROPOSAL, including due to the existence of systems in operation under the direct responsibility of the MUNICIPALITIES, provided that such positive variation **exceeds 10%** (ten percent) of the informed level, observing the same methodology;
- xxii. hidden defects in the REVERSIBLE ASSETS, already existing or originating on a date prior to the execution of the term of delivery of the respective asset by the GRANTING AUTHORITY to the CONCESSIONAIRE, identified within up to 12 (twelve) months after the effective transfer of responsibility;
- xxiii. change in the technical solution for making the SERVICES available in the municipal seats, districts and localities indicated in EXHIBIT V – GUIDELINES FOR PREPARATION OF THE INVESTMENT PLAN, due to the technical infeasibility of installing public wastewater networks in compliance with the provisions set forth in EXHIBIT IV – CONCESSION SPECIFICATIONS;
- xxiv. the variation exceeding 10% (ten percent), either positively or negatively, between the network extension implemented for achievement of the coverage targets upon universalization and the network extension projected for the lot as indicated in



EXHIBIT IV – CONCESSION SPECIFICATIONS, with respect to the list of municipal seats, districts and localities indicated for service through a conventional collective solution
EXHIBIT V – GUIDELINES FOR PREPARATION OF THE INVESTMENT PLAN.

- xxv. Eventual works executed directly by the GRANTING AUTHORITY, HOLDERS or the STATE, which may be incorporated into the SYSTEM and qualify as SYSTEM IMPROVEMENT WORKS, or that demonstrably reduce the investment costs under the CONCESSIONAIRE’S responsibility.

34.5. The CONTRACT’S economic-financial rebalancing shall be carried out in accordance with the methodologies described in clause 35, which address the occurrence of an onerous event, the risk of which is allocated to one PARTY and impacts the other PARTY, and the inclusion of new investments not originally provided for.

34.6. The occurrence of an onerous event, the risk of which is allocated to one PARTY and impacts the other PARTY, gives rise to the CONTRACT’S economic-financial rebalancing. In such case, the changes in revenues and expenses indicated in the BUSINESS PLAN must consider the projected cash flow itself as the reference for the review.

34.6.1. The rebalancing shall be achieved when the net present value of the cash flow of the BUSINESS PLAN, considering the impacts of the onerous event referred to in clause 35, is nil, based on the TIR originally presented in the COMMERCIAL PROPOSAL.

34.6.2. For purposes of rebalancing the economic-financial equation, the following equation shall be observed:

$$\sum_{t=1}^n \frac{(FCPNR_t - FCPNO_t)}{(1 + TIR)^t} = 0$$

Where:

FCPNR_t (revised BUSINESS PLAN CASH FLOW in year t): means the amount of the revised BUSINESS PLAN CASH FLOW for year t, calculated in accordance with the CONTRACT risk matrix, considering the ceiling unit prices of OPEX and CAPEX of the original BUSINESS PLAN, and expressed in BRL deflated to the BASE DATE in accordance with the CONTRACT readjustment index;



FCPN_{0t} (original BUSINESS PLAN CASH FLOW in year t): means the amount of the original BUSINESS PLAN CASH FLOW for year t, calculated in accordance with the OPEX and CAPEX unit price amounts assigned by the CONCESSIONAIRE in the Electronic Spreadsheet of the TENDER. This CASH FLOW is already expressed in BRL deflated to the BASE DATE;

TIR (Internal Rate of Return, in %): means the internal rate of return, expressed in percentage terms, stipulated by the CONCESSIONAIRE in the Electronic Spreadsheet of the TENDER; that is, it is the internal rate of return of the CASH FLOW of the original BUSINESS PLAN;

t = 1: Year of commencement of the CONTRACT;

n: Year of expiration of the CONTRACT.

34.6.3. The calculation of the *FCPN_{Rt}* shall be carried out as follows:

- i. The PARTY requesting the rebalancing shall present the amount of the impact generated by the onerous event.
- ii. If the BUSINESS PLAN was presented at constant prices (deflated), the amount of the onerous event shall be deflated from the payment date to the signing date of the CONTRACT, using the adjustment index of the FIXED and VARIABLE COMPONENTS.
- iii. After calculating the deflated amount of the onerous event, such amount shall be used to prepare an Electronic Spreadsheet in the same format as the BUSINESS PLAN spreadsheet, with its entry in the year of its occurrence and under the specific line item of the onerous event, considering the ceiling unit prices of OPEX and CAPEX of the original BUSINESS PLAN and observing its characteristics and the repercussions on expenses, revenues, the FIXED COMPONENT and the VARIABLE COMPONENT.
- iv. Next, the change in the new amount of the MONTHLY FINANCIAL CONSIDERATION (FIXED COMPONENT and/or VARIABLE COMPONENT) shall be simulated in order to compensate the onerous event, so as to achieve the TIR



required for the review.

- v. The percentage variation of the MONTHLY FINANCIAL CONSIDERATION (FIXED COMPONENT and/or VARIABLE COMPONENT) simulated in the form of the items above shall be calculated in relation to the MONTHLY FINANCIAL CONSIDERATION provided for in the original BUSINESS PLAN.
- vi. The amounts presented in the prepared spreadsheet shall become part of the BUSINESS PLAN as from the onerous event, and this version of the BUSINESS PLAN shall become the reference representing the state of balance of the CONTRACT.

34.7. For purposes of the CONTRACT's financial-economic rebalancing in relation to new investments not originally provided for, the annual MARGINAL CASH FLOW of the CONTRACT's financial-economic imbalance shall be considered in order to calculate the financial compensation that annuls the positive or negative financial impacts of the event that gave rise to the imbalance, as provided for in the following subclauses.

34.7.1. The rebalancing process shall be carried out so that the net present value of the annual projected MARGINAL CASH FLOW as a result of the event that gave rise to the financial-economic rebalancing is nil, considering:

- i. the annual marginal expenditure and revenue flows, as the case may be, resulting from the event that gave rise to the rebalancing, deflated annually to the first year of the annual marginal cash flow based on the CONTRACT adjustment index.
- ii. the annual marginal revenue flows resulting from the financial-economic rebalancing, deflated annually to the year of occurrence of the event.

34.7.2. Once the revenue amounts required for the rebalancing have been calculated, such amounts shall be updated to the year in which the rebalancing is effected by the CONTRACT adjustment index, considering the same BASE DATE.



34.7.3. The annual real discount rate to be used in the calculation of present value shall consist of the daily average, over the last 12 (twelve) months, of the gross sale interest rate of the IPCA+ Treasury Notes with semiannual interest (NTN-B), or, in the absence thereof, another instrument replacing it, ex ante deduction of income tax, maturing on 05/15/2055 or on a maturity date more compatible with the date of the contractual term, published by the National Treasury Secretariat, ascertained at the beginning of each contractual year, plus a spread or surcharge, limited to the current WACC for purposes of calculating the tariffs collected by the GRANTING AUTHORITY from the USERS, through application of the following formula:

$$\sum_{a=1}^{t=(n-1)} VPLFCMa = 0$$

$$VPLFCMa = \frac{FCMa}{(1 + NTNB_1 \times SPREAD)^a}$$

Where:

$\sum_{a=1}^{t=(n-1)} VPL$: sum of the MARGINAL CASH FLOWS from the year of occurrence of the rebalancing event to the last year of the MARGINAL CASH FLOW [t-(n-1)];

FCMa (resulting MARGINAL CASH FLOW in the year): resulting marginal cash flow in year “a”, considering the sum of (i) the marginal flow resulting from the event that gave rise to the rebalancing and (ii) the marginal flow required for the financial-economic rebalancing;

a: year of occurrence of the rebalancing event;

n: year of the concession in which the observed imbalance occurs;

t: year of expiration of the concession;

NTNB₁: value of the daily average over the last 12 (twelve) months as of the date of preparation of the marginal cash flow of the IPCA+ Treasury Notes with semiannual interest maturing in 33 (thirty-three) years;

Spread or Surcharge: calculated according to the formula below:



$$Spread = \frac{TIR}{NTNB_0}$$

Na qual:

TIR: the TIR of the winning bid in the TENDER;

NTNB₀: value of the daily average over the last 12 (twelve) months of the IPCA+ Treasury Notes with semiannual interest, as of the date of submission of the COMMERCIAL PROPOSAL, maturing on 05/15/2055, or equivalent;

34.7.4. For purposes of determining the marginal expenditure flows, the data submitted by the CONCESSIONAIRE related to evidence of the costs effectively incurred or to be incurred shall be used, always considering ceiling amounts developed based on the following preferential order of criteria:

- i. Data originating from the BUSINESS PLAN submitted by the CONCESSIONAIRE during the TENDER, pursuant to EXHIBIT II – COMMERCIAL PROPOSAL;
- ii. Data originating from official cost systems, where applicable, if it is not possible to obtain them from the BUSINESS PLAN;
- iii. Technical expert report or analogous assessment, if it is not possible to obtain them from official cost systems; and
- iv. Other market criteria or referenced methodologies, if it is not possible to obtain them from any of the previously indicated sources.

34.7.5. For purposes of determining the tax assumptions for the assessment of the marginal expenditure and revenue flows, the data set forth in the BUSINESS PLAN submitted by the CONCESSIONAIRE during the TENDER may be considered as reference.

34.8. In the event of inclusion, in the SERVICE PROVIDER'S COVERAGE AREA, of a Municipality listed in Table 3 of EXHIBIT D, the CONTRACT's financial-economic rebalancing shall observe the MARGINAL CASH FLOW methodology set forth in subclause 34.7.

34.8.1. The MARGINAL CASH FLOW shall be prepared based on the same CAPEX and OPEX



unit costs, technical coefficients, readjustment weightings and other assumptions set forth in the BUSINESS PLAN submitted in the winning COMMERCIAL PROPOSAL, applied to the specific quantities and to the technical-operational needs of the SERVICES provision in the included Municipality.

34.8.2. Any repricing, re-estimation or recomposition of the unit costs obtained from the bid submitted in the winning COMMERCIAL PROPOSAL is expressly prohibited, and the recomposition shall be restricted to the strictly incremental impacts resulting from the inclusion of the Municipality, fully preserving the financial-economic conditions of the COMMERCIAL PROPOSAL.

34.8.3. The incremental revenues resulting from the included Municipality, if any, shall likewise be considered in the MARGINAL CASH FLOW, as provided for in subclause 34.7, observing the same assumptions adopted in the BUSINESS PLAN.

34.9. In the event of new investments or services requested by the GRANTING AUTHORITY and not provided for in this CONTRACT, the GRANTING AUTHORITY may require the CONCESSIONAIRE, prior to the commencement of the financial-economic rebalancing procedure, to prepare the BASIC PROJECT for the works and the implementation design for the new investments, observing the parameters and assumptions established in the BUSINESS PLAN.

34.9.1. In the event of a change in the SERVICE PROVIDER'S COVERAGE AREA resulting from the inclusion of a Municipality listed in Table 3 of EXHIBIT D, the prior preparation of the BASIC PROJECT and the implementation project for the new investments required for the provision of the SERVICES in the respective Municipality is mandatory, and the marginal expenditure flow shall be prepared based on the approved designs.

34.9.2. The expenditures directly and demonstrably incurred by the CONCESSIONAIRE for the preparation of the projects referred to in this subclause shall be considered in the corresponding contractual financial-economic rebalancing procedure.

34.9.2.1. The CONCESSIONAIRE shall submit to the GRANTING AUTHORITY, for approval, a detailed budget relating to the preparation of the projects, so that the financial-economic rebalancing regarding the costs of such preparation shall be limited to the amount of the approved budget.



34.9.2.2. The rebalancing for the costs of preparing the projects shall be due even if the GRANTING AUTHORITY, for supervening reasons and without fault on the part of the CONCESSIONAIRE, decides not to proceed with the requested new investments.

34.9.3. In the event contemplated by this subclause, the CONCESSIONAIRE shall submit the BASIC PROJECT and the implementation project within up to 180 (one hundred and eighty) calendar days, counted from the GRANTING AUTHORITY's formal request, extendable for up to 1 (one) additional period of equal duration, in the event of justified need, submitting them for its approval. The commencement of the execution of the investments and related works prior to approval of the projects by the GRANTING AUTHORITY is prohibited, unless otherwise decided by mutual agreement between the PARTIES.

34.9.3.1. After receipt of the projects, the GRANTING AUTHORITY may, within a maximum period of 30 (thirty) calendar days, request the revision of their content, in whole or in part, observing the same events and conditions set forth in subclauses 11.16 to 11.20 of this CONTRACT.

34.10. The financial-economic rebalancing of this CONTRACT shall preferably be implemented through the review of the MONTHLY FINANCIAL CONSIDERATIONS, in accordance with the subclauses above, alternative forms being admissible upon a reasoned decision by the GRANTING AUTHORITY, including to preserve tariff affordability, where applicable, and may be implemented through any of the following modalities, individually or cumulatively:

- i. reduction or extension of the CONCESSION term;
- ii. direct indemnity to the PARTY;
- iii. changes in the service targets (with the suppression or expansion of investments, as the case may be, or a change in their implementation schedule);
- iv. assumption of investments by the GRANTING AUTHORITY;



- v. inclusion or suppression of works or services in the CONTRACT;
- vi. changes in the PERFORMANCE INDICATORS;
- vii. changes in the amount of the MONTHLY FINANCIAL CONSIDERATION;
- viii. other methods permitted by Law;
- ix. combination of the alternatives above;

34.11. The CONCESSIONAIRE shall be heard prior to the GRANTING AUTHORITY's definition of the form of financial-economic rebalancing, and its allegations shall be considered in the statement of reasons for the decision.

34.12. The suppression or postponement of investments that jeopardizes compliance with the CONTRACTUAL UNIVERSALIZATION TARGETS may only be adopted if all other rebalancing alternatives are unfeasible or excessively costly.

34.13. The specific event or fact that gives rise to the financial-economic rebalancing of this CONTRACT may not be invoked again as grounds for subsequent reviews.

34.14. The actual MARGINAL CASH FLOWS shall take into account any prior financial-economic rebalancing.

35. PROCESSING OF FINANCIAL-ECONOMIC REBALANCING

35.1. Whenever events causing an imbalance in the CONTRACT's financial-economic equation occur, the adversely affected PARTY shall notify the other PARTY of their occurrence within a maximum period of 180 (one hundred and eighty) calendar days, under penalty of waiver, in the administrative sphere, of the right to rebalancing.

35.1.1. The omission by either PARTY to formally request the commencement of proceedings for the CONTRACT's financial-economic rebalancing within a period of 5 (five) years from the event that caused the imbalance shall imply waiver of such right.



35.2. On the date established for the beginning of the processing of the CONTRACT's ORDINARY REVIEW, as set forth in the schedule published by the GRANTING AUTHORITY, the CONCESSIONAIRE shall:

35.2.1. Submit the list of imbalance events verified up to the time of the request and that have not been the subject of an extraordinary review of the CONTRACT;

35.2.2. Submit all documentation relevant to support the request, especially the MARGINAL CASH FLOW statement or the BUSINESS PLAN, depending on the nature of the generating fact; and

35.2.2.1. The BUSINESS PLAN shall be subscribed by a technical professional with proven experience in concession modeling or who has demonstrably been pre-qualified by a federal financial institution, within the last 5 (five) years, to carry out concession structuring studies in the sanitation sector, and who is also fit to act with impartiality and independence.

35.2.3. Comply with the other requirements established in this CONTRACT for the processing of its financial-economic rebalancing.

35.3. When initiated by the CONCESSIONAIRE, the request for financial-economic rebalancing shall be addressed to the GRANTING AUTHORITY, accompanied by a MARGINAL CASH FLOW statement or an analysis of the impact of the imbalance event on the BUSINESS PLAN, depending on the nature of the generating fact, pursuant to the terms set forth in this CONTRACT.

35.3.1. The GRANTING AUTHORITY shall have a period of up to 180 (one hundred and eighty) calendar days to issue a reasoned decision on the requested financial-economic rebalancing, counted from receipt of the submission and presentation of the aforementioned statements.

35.3.1.1. At the GRANTING AUTHORITY's discretion, or upon request by the CONCESSIONAIRE, the financial-economic rebalancing proceeding may count on the technical advisory support of the INDEPENDENT VERIFIER, provided that, in any event, its full autonomy and functional independence are safeguarded, and any



action that may compromise its impartiality is prohibited.

35.3.1.1.1. The request for technical advisory support from the INDEPENDENT VERIFIER does not prevent the GRANTING AUTHORITY or the CONCESSIONAIRE from requesting the hiring of other independent auditors, whose work shall be carried out on a complementary and equally autonomous basis, with a view to ensuring technical robustness and impartiality in the analyses related to the request for financial-economic rebalancing.

35.3.2. In the event that the GRANTING AUTHORITY fails to respond within the period set forth in this CONTRACT, the rebalancing request shall be deemed rejected as of the day following the expiration of such period, and the CONCESSIONAIRE may resort to the dispute resolution mechanisms set forth in this CONTRACT, pursuant to subclause 50.

35.4. When initiated by the GRANTING AUTHORITY, the request for financial-economic rebalancing shall be submitted to the CONCESSIONAIRE, accompanied by the list of imbalance events and the relevant supporting documentation, especially documents evidencing the occurrence of and quantifying the event in question.

35.4.1. The CONCESSIONAIRE shall have up to 90 (ninety) calendar days to issue a statement on the proposed rebalancing, counted from receipt of the GRANTING AUTHORITY's submission.

35.4.2. After the CONCESSIONAIRE's statement, the GRANTING AUTHORITY shall have a maximum period of 30 (thirty) calendar days to issue a reasoned decision on the financial-economic rebalancing, notifying the CONCESSIONAIRE, if applicable, of the period and conditions under which the recomposition shall be implemented.

35.4.3. If the CONCESSIONAIRE disagrees with the justifications presented by the GRANTING AUTHORITY, it may resort to the dispute resolution mechanisms set forth in this CONTRACT, pursuant to subclause 50.

36. CONCESSION CHARGE



36.1. The CONCESSIONAIRE shall bear the costs of a program aimed at improving CONTRACT management, which shall observe regulations to be issued by the GRANTING AUTHORITY, allocating annually to the program an amount corresponding to R\$ 100.000,00 (one hundred thousand reais) for each LOT, pursuant to this Clause.

36.1.1. The amount mentioned in the previous subclause shall be annually adjusted by the IPCA, and, in the absence thereof, by the index replacing it.

36.2. The gross revenue referred to in subclause 36.1 shall correspond to the sum of the MONTHLY FINANCIAL CONSIDERATIONS received by the CONCESSIONAIRE during the fiscal year, before any tax deductions or social charges.

36.3. The program shall be conducted by a public or private non-profit institution, hired by the CONCESSIONAIRE with the consent of the GRANTING AUTHORITY, and an international organization may be selected, which shall be responsible for managing the funds and reporting the results to the GRANTING AUTHORITY.

37. CONTRACTUAL PENALTIES

37.1. Subject to the GRANTING AUTHORITY'S regulations, the CONCESSIONAIRE shall be subject to the following contractual sanctions in the event of total or partial non-compliance with the provisions of this CONTRACT and its EXHIBITS, as well as with the applicable laws and regulations:

37.1.1. warning;

37.1.2. fine, depending on the severity of the infraction;

37.1.3. temporary suspension from participation in tenders and impediment from contracting with the GRANTING AUTHORITY, for a period not exceeding 2 (two) years;

37.1.4. intervention by the GRANTING AUTHORITY in the CONCESSION, in the cases provided for in the applicable laws and regulations, as well as in clause 38;

37.1.5. declaration that the CONCESSIONAIRE is unfit to tender or contract with the Public Administration, for as long as the grounds determining the punishment remain in effect



or until the CONCESSIONAIRE is reinstated before the GRANTING AUTHORITY, which reinstatement shall be granted whenever the CONCESSIONAIRE reimburses the GRANTING AUTHORITY for the losses resulting from the contractual non-compliance and after the lapse of the period of the sanction applied based on the previous item; and

37.1.6. declaration of forfeiture of the CONCESSION due to default, pursuant to clause 42 of this CONTRACT.

37.2. The imposition of any penalty by the GRANTING AUTHORITY: (i) shall not exempt the CONCESSIONAIRE from the duty to regularize, within the established term, the legal, contractual and regulatory obligations with respect to which it is in default; and (ii) shall not release the CONCESSIONAIRE from the duty to indemnify any damages eventually caused to the GRANTING AUTHORITY, and the GRANTING AUTHORITY may compensate amounts owed to the CONCESSIONAIRE, in the event there is no voluntary payment by the CONCESSIONAIRE, or draw on the CONTRACT PERFORMANCE GUARANTEE, as provided for in clauses 17 and 22.1.

37.3. The fines provided for in this clause may be imposed by the GRANTING AUTHORITY without prejudice to: (i) the characterization of an event giving rise to intervention or declaration of forfeiture of the CONCESSION, pursuant to this CONTRACT; and (ii) the determination of the CONCESSIONAIRE's administrative, civil and criminal liability.

37.4. Upon identification of any situation that may be characterized as non-compliance or commission of a legal, regulatory or contractual infraction by the CONCESSIONAIRE, the GRANTING AUTHORITY shall notify the CONCESSIONAIRE to submit its defense within a maximum period of 15 (fifteen) business days, counted from receipt of the notice.

37.4.1. The notice referred to in subclause 37.4 shall: (i) precisely identify the classification of the infraction committed by the CONCESSIONAIRE; (ii) indicate the legal, regulatory or contractual provision violated by the CONCESSIONAIRE; (iii) indicate the penalty applicable to the CONCESSIONAIRE; (iv) inform that the CONCESSIONAIRE may review the case file; and (v) inform that the proceeding shall continue regardless of the CONCESSIONAIRE's submission.

37.4.2. The CONCESSIONAIRE shall be entitled to a 20% (twenty percent) reduction in the amount of the penalty indicated in the notice referred to in subclause 37.4 if it elects to



pay it without submitting a defense and without carrying out any other administrative, arbitral or judicial challenge to the notice of violation.

37.5. Once the defense has been submitted and reviewed, and if it is not upheld, the GRANTING AUTHORITY shall issue the respective notice of infraction.

37.5.1. The notice of infraction shall: (i) include the information indicated in clause 37.4.1; (ii) indicate the CONCESSIONAIRE's right to a 5% (five percent) reduction in the amount of the penalty indicated in the notice of infraction, in the event that the CONCESSIONAIRE elects to pay it without filing an administrative appeal and without carrying out any other administrative, arbitral or judicial challenge to the notice of infraction; (iii) be issued in two counterparts; and (iv) be delivered to the CONCESSIONAIRE by means of a notice sent with acknowledgment of receipt.

37.6. Within 10 (ten) business days from receipt of the notice referred to in subclause 37.5.1, the CONCESSIONAIRE may file an administrative appeal, which shall: (i) be received by the GRANTING AUTHORITY with suspensive effect, provided that it has been timely filed by the CONCESSIONAIRE; and (ii) be decided, with a reasoned and substantiated decision, by the competent superior authority, indicating which elements of the defense submitted by the CONCESSIONAIRE were accepted or not.

37.6.1. Any entry in the CONCESSIONAIRE's records is prohibited until a final decision has been rendered on the merits of the notice of infraction.

37.6.2. Upon receipt of the administrative appeal, the authority that issued the notice of infraction may reconsider its decision within 5 (five) calendar days. If the decision is not reconsidered, the records of the administrative appeal shall be forwarded to the superior authority, duly supported, for decision, within a maximum period of 30 (thirty) calendar days from receipt of the appeal.

37.6.3. If the notice of infraction is upheld, whether due to the absence of an appeal, recognition that it was untimely, or a decision rendered by the superior authority, the CONCESSIONAIRE shall be notified accordingly, and the penalty shall be imposed in compliance with the following:



- i. in the event of application of the penalty of warning, the administrative sanction shall be recorded in the CONCESSIONAIRE's records before the GRANTING AUTHORITY;
- ii. in the event of application of the penalty of fine, the CONCESSIONAIRE shall be notified to make payment within a maximum period of 20 (twenty) calendar days from receipt of the notice of the decision, and failure to make payment within the stipulated period shall give rise to the possibility for the GRANTING AUTHORITY to compensate the amounts against payments owed to the CONCESSIONAIRE or draw on the CONTRACT PERFORMANCE GUARANTEE, pursuant to clauses 17 and 22.1; and
- iii. in the event of application of the penalties indicated in subclause 37.1.5, the GRANTING AUTHORITY shall take the appropriate measures for their registration and imposition, pursuant to this CONTRACT, as well as the applicable laws and regulations.

37.7. Failure to pay any fine imposed pursuant to this clause within the established period shall result in monetary adjustment by the variation of the IPCA or, in the absence thereof, by the index replacing it, as well as default interest of 1% (one whole percent) per month, *pro rata die*, without prejudice to other consequences provided for in this CONTRACT.

37.8. The CONCESSIONAIRE's actions to remedy the act or omission that gave rise to the commencement of the administrative proceeding, for the purpose of determining its liability and applying the applicable penalty, shall be considered by the competent authorities when imposing the penalty.

37.9. Service of process of the acts and decisions referred to in this clause shall be made by sending written communication to the CONCESSIONAIRE, preferably by electronic means.

37.10. Two or more similar infractions or infractions arising from the same generating fact may be determined in a single administrative proceeding, in which case individualized penalties shall be applied to each infraction or, in the event of continuing infractions, a single penalty shall be applied.

37.10.1. Infractions that demonstrably arise from the same generating fact and whose



effects continue over time shall be deemed continuing infractions.

37.11. The pecuniary amounts resulting from the application of fines shall revert to the GRANTING AUTHORITY.

37.11.1. The GRANTING AUTHORITY may convert the fines imposed into the establishment of new obligations, provided that they are at least equal to the amount of the fine corresponding to the infraction.

37.12. For purposes of establishing the penalty to be applied, the following circumstances shall be considered:

- i. the nature and severity of the infraction;
- ii. the technical nature and the service provision standards of the SERVICES involved in or affected by the commission of the infraction;
- iii. the damages resulting from the infraction to the SERVICES provision and to the USERS, and the penalty shall not be lower than such amount, whenever quantifiable;
- iv. the benefit obtained by the CONCESSIONAIRE as a result of the commission of the infraction, and the penalty shall not be lower than such amount, whenever quantifiable;
- v. the proportionality between the severity of the sanction and the seriousness of the infraction, including with respect to the number of USERS affected by the commission of the infraction, the geographic area directly affected in relation to the SERVICE PROVIDER'S COVERAGE AREA, and the duration of the suspension of the SERVICES, if applicable;
- vi. the CONCESSIONAIRE's history of infractions; and
- vii. the CONCESSIONAIRE's repeated commission of the infraction.

37.12.1. The gradation of penalties for cases of infractions shall observe the following



parameters:

37.12.2. The infraction shall be deemed **minor** when it results from unintentional and fully remediable conduct, or from excusable conduct by the CONCESSIONAIRE, from which it derives no benefit.

37.12.2.1. In such case, the sanction of warning shall apply.

37.12.3. The infraction shall be deemed of **medium** severity when it results from voluntary, but remediable, conduct, or from conduct carried out by the CONCESSIONAIRE for the first time and that does not bring it any benefit or advantage, nor cause significant harm to the public interest, because it does not effectively or potentially jeopardize the life or physical safety of the USERS, public health, the environment, the public treasury, or the execution of the CONTRACT itself.

37.12.3.1. In such case, the sanction of warning or a fine in an amount of up to 5% (five percent) of the MONTHLY FINANCIAL CONSIDERATION shall apply;

37.12.4. The infraction shall be deemed **severe** when:

- i. it results from bad faith on the part of the CONCESSIONAIRE;
- ii. it has the potential to generate financial-economic advantages for the CONCESSIONAIRE;
- iii. it results from repeated conduct classified as of medium severity; or
- iv. it causes significant harm to the public interest by effectively or potentially jeopardizing the life or physical safety of the USERS, public health, the environment, the public treasury, or the execution of the CONTRACT itself.

37.12.4.1. In such case, the sanction of warning or a fine of up to 20% (twenty percent) of the MONTHLY FINANCIAL CONSIDERATION shall apply;

37.12.5. The infraction shall be deemed **extremely severe** when, cumulatively:

- i. it results from bad faith on the part of the CONCESSIONAIRE;



- ii. it has the potential to generate financial-economic advantages for the CONCESSIONAIRE;
- iii. it causes significant harm to the public interest by effectively or potentially jeopardizing the life or physical safety of the USERS, public health, the environment, the public treasury, or the execution of the CONTRACT itself.

37.12.5.1. In the event of an extremely severe infraction, the sanctions provided for in this CONTRACT may be applied cumulatively, subject to the limit of one MONTHLY FINANCIAL CONSIDERATION;

37.12.5.2. The infraction shall also be deemed extremely severe in the event of repeated commission of a severe infraction within the same 4 (four)-year period.

37.13. The penalty of warning shall impose on the CONCESSIONAIRE the duty to regularize, within the established period, the contractual obligations in which it is in default, and shall also be applied, without prejudice to other cases, when the CONCESSIONAIRE:

- i. does not allow the entry of personnel of the GRANTING AUTHORITY or of the REGULATORY AGENCY for the inspecting exercise in the manner provided for in this CONTRACT;
- ii. fails to provide, within the stipulated period, the information requested or the information it is required to provide regardless of request;
- iii. fails to comply with any of the obligations assumed in this AGREEMENT and not provided for as grounds for the application of a fine, or be negligent, reckless, or act malpractice in complying with them.
- iv. prevents or does not facilitate access to the books, accounting documentation, and other information related to the SERVICE provision;

37.14. Without prejudice to the possibility of imposing fines due to contractual non-compliance, subject to the procedures and parameters set forth in this CONTRACT, the CONCESSIONAIRE shall be subject to the following pecuniary sanctions, without prejudice to other cases:



- i. for preventing or obstructing inspection by the GRANTING AUTHORITY or the REGULATORY AGENCY: a fine, per infraction, of 5% (five percent) of the amount of the MONTHLY FINANCIAL CONSIDERATION for the month in which the infraction occurred, per obstruction event.
- ii. for unjustified suspension of the SERVICE, resulting from risks manageable by the CONCESSIONAIRE: a fine, per day of suspension, in the amount of R\$ 30,000.00 (thirty thousand reais), applicable until the provision of the SERVICES is regularized.
- iii. for continuing to prevent or hinder access by the GRANTING AUTHORITY to the books, accounting documentation, and other information related to the provision of the SERVICE, after 15 (fifteen) calendar days from receipt of the warning referred to in subclause 37.13: a fine, per infraction, of 5% (five percent) of the amount of the MONTHLY FINANCIAL CONSIDERATION for the month in which the infraction occurred.
- iv. for delay exceeding 15 (fifteen) days in complying with its information-disclosure duties, including with respect to the implementation and updating of the software mentioned in clause 49: a fine, per day of delay, in the amount of R\$ 10,000.00 (ten thousand reais), applicable until implementation of the delayed act.
- v. for delay in complying with any parameter or obligation set forth in this CONTRACT and its EXHIBITS for purposes of the CONCESSIONAIRE's socio-environmental accountability and corporate governance: a fine, per day of delay, in the amount of R\$ 10,000.00 (ten thousand reais), applied separately to each instance of non-compliance and until implementation of the omitted act.
- vi. for delay in contracting or renewing the insurance policies: a fine, per day of delay, in the amount of R\$ 10,000.00 (ten thousand reais), applicable until implementation of the omitted act.
- vii. for delay in the provision, recomposition or maintenance of the CONTRACT PERFORMANCE GUARANTEE required under this CONTRACT: a fine, per day of delay, in the amount of R\$ 30,000.00 (thirty thousand reais), applicable until implementation of the omitted act.



- viii. for delay in obtaining the licenses and authorizations under the CONCESSIONAIRE's responsibility, or unjustified delay in providing any document or taking any measure under its responsibility, within the scope of ongoing administrative proceedings for such purpose: a fine, per day of delay, in the amount of R\$ 10,000.00 (ten thousand reais), applicable until implementation of the omitted act.
- ix. for delay in the payment-in of the share capital, pursuant to clause 16: a fine, per day of delay, in the amount of 0.05% (five hundredths percent) of the amount of the MONTHLY FINANCIAL CONSIDERATION paid in the month in which the infraction occurred, applicable until implementation of the omitted act.
- x. for inertia regarding the effective use of Tax on Goods and Services – IBS and Contribution on Goods and Services – CBS credits, whether through compensation or reimbursement, resulting in loss of the credit right due to statute of limitations or preclusion period: a fine, with indemnity and punitive nature, equivalent to twice the updated amount of the unused credit.
- xi. for failure to comply with the annual milestones of the EXECUTION SCHEDULE for the SYSTEM IMPROVEMENT WORKS, except where demonstrably due to the GRANTING AUTHORITY's fault: a fine corresponding to 10% (ten percent) of the sum of the investment amounts assigned to the unfulfilled events whose completion is scheduled for the respective year, based on the budgets of the projects submitted by the CONCESSIONAIRE and approved by the GRANTING AUTHORITY. In the absence of the aforementioned budgets, the fine shall be R\$ 1,000,000.00 (one million reais) per unfulfilled event whose completion is scheduled for the respective year.
- xii. for execution of the works without the GRANTING AUTHORITY's prior approval of the respective projects and studies, including any adjustments and changes requested by the GRANTING AUTHORITY: a fine corresponding to 5% (five percent) of the amount of the MONTHLY FINANCIAL CONSIDERATION for the month in which the infraction occurred.
- xiii. for preventing or obstructing the provision of the SERVICES to a service connection served by water supply systems operated by the GRANTING AUTHORITY, within the SERVICE PROVIDER'S COVERAGE AREA, where there is an implemented wastewater



system: a fine corresponding to 5% (five percent) of the amount of the MONTHLY FINANCIAL CONSIDERATION for the month in which the infraction occurred.

- xiv. for adopting any fraudulent action or conduct, whether by act or omission, in the monthly report of the performance measurement system or in measuring equipment and processes intended for its determination: a fine equivalent to the last MONTHLY FINANCIAL CONSIDERATION paid, without prejudice to the recalculation and collection of amounts unduly paid to the CONCESSIONAIRE.
- xv. for repeated failure to comply with or partial compliance with the micro-metering update targets set forth in APPENDIX I – ANNUAL TARGET FOR THE PERFORMANCE INDICATORS AND THE MICRO-METERING UPDATE INDICATOR, of EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, within the same 5 (five)-year period, counted from the SYSTEM OPERATION by the CONCESSIONAIRE, including the results measured during the grace period for the application of the IGAM: a fine of 10% (ten percent) of the last FIXED COMPONENT paid in the month preceding the date of the infraction.
- xvi. for repeated failure to comply with or partial compliance with the targets for expansion of SYSTEM coverage with wastewater connection set forth in APPENDIX II – MUNICIPAL TARGETS FOR COVERAGE WITH SERVICE CONNECTION TO WASTEWATER COLLECTION AND TREATMENT - CCE, of EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, within the same 3 (three)-year period, counted from the fourth year of the CONCESSION: a fine of 2% (two percent) of the MONTHLY FINANCIAL CONSIDERATION paid in the month preceding the date of the infraction, for each municipal target not achieved.
 - a. Pursuant to EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, the failure to achieve, in the first two assessments of the IDU, the municipal targets set forth in APPENDIX II shall not be deemed a contractual breach, nor shall it be taken into account for purposes of determining recurrence, provided that the LOT connection coverage target, the municipal service targets set forth in APPENDIX III, and, where applicable, the municipal coverage target set forth in the PROGRAM CONTRACT have been met.
- xvii. for failure to achieve, in the same MUNICIPALITY and for the same indicator of the Operational Indicators category (IDO), except for the IRA – Environmental Regularity Indicator, the minimum scoring value for 6 (six) consecutive months or 7 (seven) non-



consecutive months within a 24 (twenty-four)-month period, counted from the fourth year of the CONCESSION: a fine of 0.5% (zero point five percent) of the VARIABLE COMPONENT of the MONTHLY FINANCIAL CONSIDERATION paid in the month preceding the date of the infraction, for each indicator, for each MUNICIPALITY.

- xviii. for failure to achieve, in the same MUNICIPALITY, the target established for the IRA – Environmental Regularity Indicator, pursuant to EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, for 3 (three) consecutive quarterly measurements, counted from the second year of the CONCESSION: a fine of 0.5% (zero point five percent) of the VARIABLE COMPONENT of the MONTHLY FINANCIAL CONSIDERATION paid in the month preceding the date of the infraction, for each MUNICIPALITY.
- xix. for obtaining a value relating to the measurement of the Operational Indicators (IDO) below the minimum of 0.80, for 3 (three) consecutive months or 4 (four) non-consecutive months within a 12-month period, from the fifth year of the CONTRACT, counted from the beginning of the SYSTEM OPERATION: a fine of 20% (twenty percent) of the last MONTHLY FINANCIAL CONSIDERATION paid in the month preceding the date of the measurement.
- xx. failure to pay the imposed fines on their due date: automatic surcharge corresponding to 5% (five percent) of the amount due, without prejudice to monetary adjustment and late payment interest.
- xxi. for entering into a contract without observing the PREEMPTIVE RIGHT, where this was required under this CONTRACT: a fine, per contract entered into, in an amount equivalent to 10% of the amount of the contract entered into with a third party without observing the PREEMPTIVE RIGHT or, in the absence of such information, in the amount of R\$ 100,000.00 (one hundred thousand reais).

37.14.1. Any other fines eventually imposed by the GRANTING AUTHORITY for infractions not mentioned in subclause 37.14 shall be evaluated taking as the minimum possible amount 5% (five percent) of the MONTHLY FINANCIAL CONSIDERATION and the maximum permitted amount equivalent to the last MONTHLY FINANCIAL CONSIDERATION paid.

37.15. Whenever the amounts of the CONTRACT or of the MONTHLY FINANCIAL CONSIDERATION serve as the basis for calculating the fines imposed, the duly updated amounts at the closing of the respective administrative penalty proceeding shall be taken into account.



37.16. The total amount of fines imposed each year may not exceed 7% (seven percent) of the annual billed amount as MONTHLY FINANCIAL CONSIDERATION in the previous fiscal year.

38. INTERVENTION

38.1. Without prejudice to the applicable penalties and liabilities, the GRANTING AUTHORITY may, on an exceptional basis, intervene in the CONCESSION in order to ensure the adequate provision of the SERVICES, as well as the faithful compliance with the relevant contractual, regulatory and legal obligations, safeguarding the CONCESSIONAIRE's right to full defense and adversarial proceedings.

38.1.1. Intervention in the CONCESSION shall depend on a reasoned decision by the chief executive officer of the GRANTING AUTHORITY, duly published in the Official Gazette of the State/DOE, which shall contain the appointment of the intervener, the term of the intervention and the limits of the measure.

38.2. The intervention shall be grounded on the occurrence of at least one of the following events:

- i. cessation or interruption, in whole or in part, of the SERVICES provision that are the subject matter of this CONTRACT, which poses materialized or imminent risks to the health or safety of the USERS, except in cases of scheduled or justified interruption;
- ii. failures to comply with the CONCESSIONAIRE's obligations that pose materialized or imminent risks to the health or safety of the USERS or, alternatively, to the environment or public assets;
- iii. repeated failures by the CONCESSIONAIRE to comply with relevant obligations set forth in this CONTRACT or in the applicable laws and regulations, which affect the adequate provision of the SERVICES, including, but not limited to, the CONCESSIONAIRE's frequent unsatisfactory performance due to repeated failure to meet the PERFORMANCE INDICATORS and the CONTRACTUAL UNIVERSALIZATION TARGETS; or



- iv. use by the CONCESSIONAIRE of the CONCESSION infrastructure for illicit purposes.

38.3. Prior to intervention in the CONCESSION, and upon verification of any situation that may give rise to its declaration, the GRANTING AUTHORITY shall notify the CONCESSIONAIRE to, within the non-extendable term established for it, remedy the indicated irregularities or submit a containment plan with the measures and schedule for doing so, without prejudice to the imposition on the CONCESSIONAIRE of the penalties provided for in this CONTRACT and in the applicable laws and regulations.

38.3.1. In the event of non-compliance with the above or unsatisfactory compliance by the CONCESSIONAIRE, the GRANTING AUTHORITY shall initiate the procedures necessary for intervention in the CONCESSION.

38.4. Once the intervention is declared, the GRANTING AUTHORITY shall:

38.4.1. Temporarily assume, directly or through an intervener, the SERVICES provision, as well as the REVERSIBLE ASSETS possession and, further, the contracts, rights and obligations linked to the object of the CONTRACT or necessary for the SERVICES provision.

38.4.2. Within a maximum period of 30 (thirty) calendar days, commence an administrative proceeding to verify the causes determining the measure and determine liabilities, with the CONCESSIONAIRE being ensured the right to full defense and adversarial proceedings within the scope of such proceeding.

38.4.2.1. If it is proven that the intervention in the CONCESSION did not observe the applicable contractual, legal or regulatory requirements, its nullity shall be declared, and the SERVICES administration and provision shall be immediately returned to the CONCESSIONAIRE, without prejudice to its right to compensation for any losses and damages incurred as a result of the intervention.

38.4.2.2. The administrative proceeding referred to in this subclause shall be concluded within a maximum period of 180 (one hundred and eighty) calendar days, failing which the effects of the intervention shall cease immediately, and the SERVICES administration and provision shall be immediately returned to the



CONCESSIONAIRE, without prejudice to its right to compensation for any losses and damages incurred as a result of the intervention.

38.5. The shareholders of the CONCESSIONAIRE under intervention shall have a period of 60 (sixty) calendar days, counted from the act that declared the intervention, to submit to the GRANTING AUTHORITY a recovery plan and a plan for remedying the failures and breaches that gave rise to the intervention, containing at least:

- i. A detailed description of the means of recovery/remedy of failures to be employed;
- ii. Demonstration of its financial-economic feasibility;
- iii. Proposal for an exceptional regime of regulatory sanctions for the recovery period; and
- iv. A schedule aimed at complying with any obligations in default by the CONCESSIONAIRE, regardless of the nature of the obligation, and the periods may not exceed the term of the CONCESSION.

38.5.1. The period set forth in subclause 38.5 may be extended only once, for an equal period, provided that it is duly justified by the CONCESSIONAIRE and subject to the consent of the GRANTING AUTHORITY.

38.6. The intervention shall cease upon the GRANTING AUTHORITY's approval of the recovery plan and upon the CONCESSIONAIRE's remedying of the failures and breaches having urgent or extremely severe effects on the provision of the SERVICES or on the USERS.

38.6.1. If the intervention ceases without the termination of the CONTRACT, the administration and the provision of the SERVICES shall be returned to the CONCESSIONAIRE, preceded by the rendering of accounts by the intervener, if any, who shall be liable for all acts performed during its administration.

38.6.2. Upon the return of the CONCESSION, the CONCESSIONAIRE shall submit to the GRANTING AUTHORITY, on a quarterly basis, a report on compliance with the recovery plan until its effective completion.



38.6.3. If the CONCESSIONAIRE fails to comply with the provisions of subclause 38.6.2, or if the recovery plan is denied or is not submitted within the prescribed period, forfeiture of the CONCESSION shall be declared.

38.7. The CONCESSIONAIRE is obliged to make available to the intervener or, as the case may be, to the GRANTING AUTHORITY, all assets allocated to the CONCESSION immediately after the declaration of intervention.

38.8. For the performance of acts of transfer and disposal of the CONCESSIONAIRE's assets, or for the performance of acts of waiver, the intervener shall obtain the prior written authorization of the GRANTING AUTHORITY.

38.8.1. With respect to the acts of the intervener, the filing of an administrative appeal with the GRANTING AUTHORITY shall be admitted within a maximum period of 10 (ten) calendar days, counted from the occurrence of the challenged act..

39. CASES OF TERMINATION OF THE CONCESSION

39.1. The CONCESSION shall terminate upon:

- i. expiration of the contractual term;
- ii. takeover;
- iii. forfeiture;
- iv. termination;
- v. annulment of the CONTRACT, and
- vi. bankruptcy or dissolution of the CONCESSIONAIRE.

39.2. Upon termination of the CONCESSION, the following shall apply:



39.2.1. The reversion of the REVERSIBLE ASSETS shall occur by operation of law, pursuant to clause 46;

39.2.2. Provided that the applicable laws and the provisions of this CONTRACT are observed, the GRANTING AUTHORITY may temporarily assume the SERVICES provision or, at its discretion, maintain the SERVICES provision through the CONCESSIONAIRE until a new concessionaire is contracted through a TENDER;

39.2.3. The GRANTING AUTHORITY shall pay the CONCESSIONAIRE, when applicable, the respective indemnity due as a result of the mode of termination of the CONCESSION applied;

39.2.3.1. In the event of a new TENDER for the subject matter of the CONTRACT, the GRANTING AUTHORITY may assign to the future winning tenderer the burden of payment of any indemnity arising from the termination of the CONCESSION, whether directly to the financiers of the former CONCESSIONAIRE or to the CONCESSIONAIRE itself, as the case may be.

39.2.4. The GRANTING AUTHORITY may occupy and use the sites, facilities, equipment and materials necessary for the execution of the CONTRACT, as well as use the personnel employed in the provision of the SERVICES as necessary for their continuity;

39.2.5. The GRANTING AUTHORITY may apply the applicable penalties to the CONCESSIONAIRE, subject to the specificities of each mode of extinction;

39.2.6. The GRANTING AUTHORITY may, at its sole discretion, and provided that this CONTRACT and the applicable laws and regulations are observed, be subrogated to the agreements entered into by the CONCESSIONAIRE with third parties, as necessary for continuity of the SERVICES provision, including, among these, financing agreements relating to the execution of works or services, provided that they do not have an amortization period exceeding the remaining term until the expiration of the CONCESSION.

39.3. In the events of termination of the CONCESSION by takeover or forfeiture, eventual indemnity due to the CONCESSIONAIRE shall be calculated by the GRANTING AUTHORITY in



accordance with the fair value methodology, based on ANA Reference Standard No. 3, of August 3, 2023.

39.3.1. For purposes of calculating eventual indemnity due to the CONCESSIONAIRE, the GRANTING AUTHORITY shall carry out the surveys and valuations required to determine the indemnity amount, observing the provisions of ANA Reference Standard No. 03/2023.

39.3.2. The GRANTING AUTHORITY may hire a consulting services provider with expertise in asset valuation to carry out the surveys and valuations required to determine the amount of eventual indemnity due to the CONCESSIONAIRE.

39.3.3. In the event of subclause 39.3.2, the hired entity shall demonstrate (i) experience in the field of asset valuation; and (ii) independence and technical impartiality, and the GRANTING AUTHORITY may verify such requirements by using selection criteria similar to those adopted for the hiring of the INDEPENDENT VERIFIER.

39.3.4. Either of the PARTIES may submit any dispute regarding the calculations carried out by the GRANTING AUTHORITY to the dispute resolution mechanisms provided for in this CONTRACT.

39.3.5. Once the amount of any indemnity due to the CONCESSIONAIRE has been determined, the GRANTING AUTHORITY shall begin its payment within up to 60 (sixty) calendar days, payment in installments being permitted, provided that all installments are settled by the date of resumption of the SERVICES by the GRANTING AUTHORITY or by a new concessionaire.

39.3.6. Delay in payment of eventual indemnity due to the CONCESSIONAIRE shall give rise, for the GRANTING AUTHORITY, to payment of a fine corresponding to 2% (two whole percent) of the overdue amount, plus default interest of 1% (one whole percent) per month, and the unpaid balance (principal and default charges) shall be monetarily adjusted pro rata die by the variation of the Extended National Consumer Price Index – IPCA, from the due date until the date of effective payment of the amount.

39.3.7. Payment of any indemnity due to the CONCESSIONAIRE, in an amount calculated in accordance with this CONTRACT and accepted by the CONCESSIONAIRE, shall constitute



full, general and unrestricted discharge with respect to the amount due by the GRANTING AUTHORITY as a result of termination of the CONCESSION, and the CONCESSIONAIRE may not claim, through administrative, judicial or arbitral proceedings, any other indemnities on any grounds whatsoever, including for loss of profits and actual damages.

39.4. In any event of termination of the CONTRACT, provided there is no legal restriction, the GRANTING AUTHORITY may require the CONCESSIONAIRE to continue providing the SERVICES until: (i) they are assumed by the GRANTING AUTHORITY; or (ii) the TENDER for a new concession of the SERVICES is concluded and the new operator is able to assume them, with the assumptions of the terminated CONTRACT being maintained.

39.4.1. Once the option to maintain the CONCESSIONAIRE as provider of the SERVICES has been exercised, pursuant to subclause 39.4, the conditions for provision of the SERVICES established in this CONTRACT shall remain in force until transfer of the contractual object to the new operator.

39.5. In calculating the indemnity due to the CONCESSIONAIRE, the amount of any Tax on Goods and Services – IBS and Contribution on Goods and Services – CBS credit that has not been effectively used by the CONCESSIONAIRE, whether through compensating or reimbursement, shall mandatorily be deducted.

40. EXPIRATION OF THE CONTRACTUAL TERM

40.1. The CONCESSION shall terminate upon expiration of its term of validity, thereby ending the contractual relations maintained between the PARTIES, except for those expressly provided for in this CONTRACT and the post-contractual obligations attributed to the CONCESSIONAIRE and to the GRANTING AUTHORITY, pursuant to this CONTRACT.

40.2. Upon expiration of the final term of the CONCESSION, without prejudice to eventual subrogation of the GRANTING AUTHORITY into the ongoing contracts, the CONCESSIONAIRE shall be entirely and exclusively responsible for the termination of any contractual relations entered into with third parties.

40.2.1. The GRANTING AUTHORITY shall not assume, except in the event of exercise of its prerogative to be subrogated into contracts entered into by the CONCESSIONAIRE, any



liability, burden or encumbrance with respect to the contracts entered into by the CONCESSIONAIRE, and no indemnity shall be due to the CONCESSIONAIRE or to third parties as a result of the termination of such contractual relations.

40.2.2. The CONCESSIONAIRE shall facilitate dealings between the GRANTING AUTHORITY and the third parties contracted by it in order to enable the exercise of the GRANTING AUTHORITY's prerogative of subrogation.

40.3. It is an obligation of the CONCESSIONAIRE to cooperate with the GRANTING AUTHORITY so that there is no interruption in the provision of the SERVICES or deterioration of the REVERSIBLE ASSETS upon expiration of the contractual term and the consequent termination of this CONTRACT.

40.4. The CONCESSIONAIRE shall, 1 (one) year in advance of the expiration of the contractual term, submit its operational demobilization program, with a proposed set of procedures for the assumption of the operation of the SERVICES by the GRANTING AUTHORITY or by a new concessionaire.

40.4.1. The program mentioned in the previous subclause shall include the TRANSITION PLAN referred to in subclause 46.9.

40.5. All investments provided for in the CONTRACT and made by the CONCESSIONAIRE in the REVERSIBLE ASSETS shall be amortized during the term of the CONCESSION.

40.5.1. On an exceptional basis, and subject to the caveats set forth in Articles 15, paragraph 2, and 16, paragraph 1, of ANA Reference Standard No. 03/2023, the CONCESSIONAIRE shall be entitled the right to indemnity for investments made in the REVERSIBLE ASSETS that have not been amortized during the term of the CONCESSION, provided that:

40.5.1.1. they result from a fact that does not constitute a risk allocated to the CONCESSIONAIRE under the risk matrix of this CONTRACT and that has not been the subject of financial-economic rebalancing during the execution of the CONTRACT; or



40.5.1.2. they refer to extraordinary incremental investments arising from demonstrably unforeseeable events, the implementation of which has been justified by a technical report, which shall be submitted upon the request for indemnity.

40.5.2. It shall be the CONCESSIONAIRE's exclusive obligation to evidence unequivocally the existence of investments not amortized during the term of the CONCESSION, as well as compliance with the conditions referred to in subclause 40.5.1.

40.5.3. For purposes of indemnity of non-amortized investments, the CONCESSIONAIRE shall mandatorily submit to the GRANTING AUTHORITY the following information:

40.5.3.1. Updated inventory of the REVERSIBLE ASSETS;

40.5.3.2. Financial statements audited by an independent audit firm;

40.5.3.3. Specific technical reports, prepared by an independent specialized legal entity, demonstrating the amounts involved and, in the event referred to in subclause 40.5.1.2, the reasons why the investments proved necessary; and

40.5.3.4. Financial statements broken down by Municipality.

40.5.4. For purposes of requesting the indemnity mentioned in subclause 40.5.1, the CONCESSIONAIRE shall submit to the GRANTING AUTHORITY a request accompanied by the documents referred to in subclause 40.5.3, at least 3 (three) years prior to the expiration date of the CONTRACT, except with regard to possible investments made during such period, under penalty of waiver of the indemnity claim.

40.5.5. The GRANTING AUTHORITY shall have a period of 30 (thirty) calendar days, counted from receipt of the request, to decide on the indemnity claim, notifying the CONCESSIONAIRE of its respective decision.

40.5.5.1. For purposes of valuating the CONCESSIONAIRE's indemnity claim, the GRANTING AUTHORITY may count on the support of the INDEPENDENT VERIFIER or of specialized consultancy to prepare a financial-economic opinion regarding the amount due as indemnity.



40.5.6. Once notified of the GRANTING AUTHORITY's decision, the CONCESSIONAIRE shall have a period of 15 (fifteen) calendar days to, at its discretion, submit a reasoned statement regarding the decision rendered.

40.5.7. After the statement referred to in the previous subclause, successive and alternating periods of 10 (ten) calendar days shall be permitted for the PARTIES to submit further statements, objections or clarifications; however, the analysis of the indemnity claim shall be concluded within a maximum period of 90 (ninety) calendar days, counted from receipt of the CONCESSIONAIRE's request, by means of a final decision of the GRANTING AUTHORITY.

40.5.8. In the event the CONCESSIONAIRE disagrees with the GRANTING AUTHORITY's decision, it may refer the matter to the DISPUTE RESOLUTION COMMITTEE within up to 5 (five) calendar days, which, in turn, shall submit a proposed solution to the dispute within a maximum period of 120 (one hundred and twenty) calendar days, counted from commencement of the administrative proceeding.

40.5.9. If the conflict remains unresolved, the CONCESSIONAIRE may submit the dispute to the Arbitration Court, with commencement of arbitration proceedings, provided that it does so within up to 5 (five) calendar days counted from receipt of the final proposed solution to the dispute submitted by the DISPUTE RESOLUTION COMMITTEE, under penalty of waiver of the indemnity claim, both administratively and judicially.

40.5.9.1. The arbitration proceedings referred to in the previous subclause shall be concluded at least 3 (three) months prior to the expiration of the CONTRACT, and shall have the effect of *res judicata* between the PARTIES.

40.5.9.2. If any indemnity is due to the CONCESSIONAIRE, the Arbitration Court shall determine the amount to be paid.

40.5.10. If the CONCESSIONAIRE is entitled to the right of any indemnity, it shall be paid by the date of assumption of the operation of the SERVICES by the GRANTING AUTHORITY or by a new concessionaire.



40.5.10.1. With the CONCESSIONAIRE's consent, the indemnity may be paid in installments.

40.5.10.2. The PUBLIC GUARANTEE may also be used to guarantee payment of the indemnity in question.

40.5.10.3. Delay in payment of the indemnity provided for in this subclause shall give rise, for the GRANTING AUTHORITY, to payment of a fine corresponding to 2% (two percent) of the overdue amount, plus default interest of 1% (one percent) per month, and the unpaid balance (principal and default charges) shall be monetarily adjusted pro rata die by the variation of the Extended National Consumer Price Index – IPCA, or any index replacing it, from the due date until the date of effective payment of the amount.

40.5.10.4. If any indemnities are due to the CONCESSIONAIRE by reason of expiration of the contractual term, the amounts relating to fines, indemnities, compensation for damage to the REVERSIBLE ASSETS and other rights that the GRANTING AUTHORITY may have shall be deducted from the indemnity amount.

40.5.11. If any conflicts arising from the application of the provisions of this clause are not resolved by the date set for reversion of the REVERSIBLE ASSETS, the GRANTING AUTHORITY shall provide a guarantee in favor of the CONCESSIONAIRE, in a satisfactory amount and one that does not prejudice the public interest, and the latter shall proceed with the reversion of the REVERSIBLE ASSETS.

40.5.11.1. The guarantee referred to in subclause 40.5.11 shall be established within the scope of the administrative, arbitral or judicial proceeding in which the corresponding dispute resolution proceeding is pending, or by means of a consensual instrument to be entered into by the PARTIES.

41. TAKEOVER

41.1. During the term of the ADMINISTRATIVE CONCESSION, the GRANTING AUTHORITY may promote the resumption of the SERVICES, for reasons of public interest or administrative convenience, duly justified in administrative proceedings, with due process of law being



ensured. For purposes of takeover, the specific law shall be deemed to be the legislation that delegated the provision of the SERVICES to the GRANTING AUTHORITY, as well as authorized that this CONTRACT be derived from such first delegation.

41.2. In the event of takeover of the CONCESSION, any indemnity due to the CONCESSIONAIRE shall be calculated by the GRANTING AUTHORITY in accordance with the provisions of ANA Reference Standard No. 03/2023, observing the provisions of subclauses 13.4.3 and 39.3.

41.3. With respect to any indemnity due to the CONCESSIONAIRE, the portion corresponding to the unpaid balance of the financings may be paid directly to the LENDERS, and the remainder shall be paid directly to the CONCESSIONAIRE.

41.4. Fines, indemnities and any other amounts owed by the CONCESSIONAIRE, duly determined within the scope of administrative proceedings, shall be deducted from the indemnity provided for in the event of takeover.

41.5. In the event of termination of the CONCESSION by takeover, the indemnity due by the GRANTING AUTHORITY to the CONCESSIONAIRE shall be paid prior to the reversion of the REVERSIBLE ASSETS, pursuant to Article 37 of Federal Law No. 8,987/1995.

42. FORFEITURE

42.1. Repeated total or partial non-execution of the CONTRACT, or of the CONCESSIONAIRE's duties imposed by law or regulation, causing actual damage to the execution of the CONTRACT, may, at the GRANTING AUTHORITY's discretion, give rise to the declaration of forfeiture of the CONCESSION, due process of law being observed in such case.

42.1.1. The declaration of forfeiture shall occur without prejudice to the possibility of application of the other applicable penalties.

42.2. In addition to the events provided for in Article 38 of Federal Law No. 8,987/1995, forfeiture of the CONCESSION, by act or omission of the CONCESSIONAIRE, may be declared by the GRANTING AUTHORITY upon the occurrence of one or more of the events indicated below:



42.2.1. The CONCESSIONAIRE irretrievably loses or compromises the economic, technical, or operational conditions necessary to maintain the adequate SERVICES provision, the SYSTEM IMPROVEMENT WORKS execution, or the realization of other investments necessary for the execution of this CONTRACT.

42.2.2. There is repeated non-compliance with contractual obligations, legal and regulatory provisions or technical rules relating to the CONCESSION, compromising the adequate provision of the SERVICES or the safety of the USERS, provided that the respective failures are duly recorded in an administrative proceeding.

42.2.3. There is a total or partial interruption of the SERVICES provision for a period exceeding 45 (forty-five) calendar days, except for scheduled or technically justified interruptions.

42.2.4. The CONCESSIONAIRE uses the CONCESSION infrastructure for illicit purposes.

42.2.5. There is a transfer of the CONCESSION or of control of the CONCESSIONAIRE without compliance with the authorizing conditions for its consummation, especially in the event of characterization of a violation of the TENDER NOTICE restriction on the concentration of LOTS in the same concessionaire, pursuant to subclause 15.6.2.

42.2.6. The CONCESSIONAIRE achieves the Operational Performance Indicator – IDO below the minimum of 0.80 for 6 (six) consecutive months or 7 (seven) non-consecutive months within the interval of the last 24 (twenty-four) months, as from the fifth year of the CONTRACT;

42.2.7. The amount applied as fines exceeds the limit established in clause 36.

42.2.8. Repeated non-compliance with any of the CONTRACTUAL UNIVERSALIZATION TARGETS, by municipality, set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS of this CONTRACT (coverage-with-connection or service targets) in 2 (two) consecutive years or 3 (three) alternate years, within any 5 (five)-year period.

42.2.8.1. Pursuant to EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, the failure to achieve, in the first two assessments of the IDU, the municipal targets set forth in APPENDIX II shall not be deemed a contractual breach, nor shall it be



taken into account for purposes of determining recurrence, provided that the LOT connection coverage target, the municipal service targets set forth in APPENDIX III, and, where applicable, the municipal coverage target set forth in the PROGRAM CONTRACT have been met.

42.3. Notwithstanding the characterization of the events set forth in the previous subclause, the GRANTING AUTHORITY may, at its discretion and in view of the particularities of the specific case, decide to apply other measures provided for in this CONTRACT which, in its judgment, better serve the public interest, such as decreeing intervention in the CONCESSION or executing the CONTRACT PERFORMANCE GUARANTEE, where admissible.

42.4. The declaration of the CONCESSION's forfeiture shall be preceded by verification of the CONCESSIONAIRE's contractual, legal or regulatory default, in a regular administrative proceeding, within which the CONCESSIONAIRE shall be assured due process of law, especially the right to adversarial proceedings and full defense.

42.5. The commencement of the administrative proceeding for verification of the default and declaration of the CONCESSION's forfeiture shall be preceded by notice to the CONCESSIONAIRE, in which the legal, contractual and regulatory breaches committed shall be detailed, granting the CONCESSIONAIRE a period of not less than 60 (sixty) calendar days to remedy the irregularities indicated.

42.6. At the end of the administrative proceeding, the GRANTING AUTHORITY shall issue its decision, which shall be preceded by the opinion of the CGPPP.

42.7. In the event of termination of the CONTRACT due to forfeiture, any indemnity due to the CONCESSIONAIRE shall be calculated by the GRANTING AUTHORITY in accordance with the fair value methodology, based on ANA Reference Standard No. 03/2023, observing the provisions of subclauses 13.4.3 and 39.3, not considering:

- i. the losses caused by the CONCESSIONAIRE as a result of breach of contractual obligations and the amounts owed by the CONCESSIONAIRE to the GRANTING AUTHORITY;
- ii. the contractual fines imposed on the CONCESSIONAIRE that have not been paid



by the date of payment of the indemnity amount;

- iii. any amounts received by the CONCESSIONAIRE as insurance coverage related to the reversion of assets or early termination of the CONCESSION.

42.8. With respect to eventual indemnity due to the CONCESSIONAIRE, the portion corresponding to the unpaid balance of the financings may be paid directly to the LENDERS, and the remainder shall be paid directly to the CONCESSIONAIRE.

42.9. The declaration of forfeiture of the CONCESSION shall also entail, for the CONCESSIONAIRE:

- i. retention of eventual credits arising from this CONTRACT, up to the limit of the losses caused to the GRANTING AUTHORITY;
- ii. immediate reversion of the REVERSIBLE ASSETS to the GRANTING AUTHORITY;
and
- iii. immediate resumption by the GRANTING AUTHORITY of the SERVICES provision.

42.10. Once forfeiture of the CONCESSION has been declared and eventual indemnity due to the CONCESSIONAIRE has been paid, the GRANTING AUTHORITY shall not incur any kind of liability with respect to charges, burdens, obligations or commitments to third parties or to the CONCESSIONAIRE's employees, including with respect to labor and social security debts.

43. TERMINATION

43.1. The CONCESSIONAIRE may terminate the CONTRACT in the event of breach of the contractual rules by the GRANTING AUTHORITY by means of a legal action specifically brought for such purpose, in which case the SERVICES may not be interrupted or suspended until a decision is rendered by the Judiciary, except in the cases expressly authorized in this CONTRACT.

43.2. The CONTRACT may also be terminated by mutual agreement between the PARTIES, including due to a FORTUITOUS EVENT OR FORCE MAJEURE.



43.3. The indemnity due to the CONCESSIONAIRE, in the event of judicial termination of the CONTRACT due to fault of the GRANTING AUTHORITY, shall be equivalent to takeover and calculated in the manner set forth in subclauses 41.2 and 40.5.8 of this CONTRACT.

44. ANNULMENT

44.1. In the event defects are identified in the TENDER NOTICE and its exhibits, in the TENDER, or in this CONTRACT and its EXHIBITS, the GRANTING AUTHORITY is committed to revalidate the administrative acts, whenever possible, in order to preserve the public interest, social order and comply with the principle of legal certainty.

44.2. If it is proven and duly justified, in accordance with Decree-Law No. 4,657/1942, that it is impossible to revalidate the defects indicated in the previous subclause, the GRANTING AUTHORITY may annul the CONCESSION, after commencement of a specific administrative proceeding that grants the CONCESSIONAIRE the right to adversarial proceedings and full defense.

44.3. In the event of annulment of the CONCESSION, the GRANTING AUTHORITY, supported by consultancy specialized in asset valuation, shall carry out the surveys and valuations required to determine the amount of any indemnity due to the CONCESSIONAIRE, pursuant to this CONTRACT.

44.4. If the annulment does not arise from a fact attributable to the CONCESSIONAIRE, or to its current or former shareholders, the indemnity shall be equivalent to that calculated for the event of early termination of the CONCESSION by takeover, pursuant to ANA Reference Standard No. 03/2023.

44.5. If the annulment arises from a fact attributable to the CONCESSIONAIRE, or to its current or former shareholders, the indemnity shall be equivalent to that calculated for the event of early termination of the CONCESSION by forfeiture, pursuant to ANA Reference Standard No. 03/2023.



44.6. Until the TENDER for hiring a new concessionaire is concluded and the new concessionaire is able to assume the SERVICES, the CONCESSIONAIRE shall provide the SERVICES, with the financial-economic balance of the CONTRACT being preserved.

45. BANKRUPTCY OR DISSOLUTION OF THE CONCESSIONAIRE

45.1. The CONCESSION may be terminated if the CONCESSIONAIRE is dissolved or has its bankruptcy decreed.

45.2. In such case, the indemnity due by the GRANTING AUTHORITY shall be calculated based on the investments in REVERSIBLE ASSETS made by the CONCESSIONAIRE and not yet amortized, monetarily adjusted by the IPCA or, in the absence thereof, by the index replacing it.

45.3. The indemnity referred to in the item above shall be paid to the bankrupt estate, duly monetarily adjusted by the IPCA or, in the absence thereof, by the index replacing it, from the date the non-amortized investment is made until the date of full payment of the amount due.

45.4. In the event of dissolution or liquidation of the CONCESSIONAIRE, its corporate assets may not be distributed unless the GRANTING AUTHORITY certifies, by means of an inspection report, the condition of the REVERSIBLE ASSETS, which shall revert free and clear of encumbrances, or unless any amounts eventually due to the GRANTING AUTHORITY, by way of indemnity or on any other grounds, are paid.

45.5. Eventual conflicts arising from the application of the provisions of this clause may be resolved through the dispute resolution mechanisms set forth in clause 50.

46. REVERSION OF REVERSIBLE ASSETS

46.1. Reversion consists of the termination of the encumbrance of bearing the CONCESSIONAIRE's exploitation rights during the term of the CONTRACT.

46.2. Upon termination of the CONCESSION, the REVERSIBLE ASSETS shall automatically revert to the GRANTING AUTHORITY, subject to the need for any indemnities or provision of a guarantee, which shall be made under the conditions established in this CONTRACT, as well as



in accordance with the applicable laws, ANA Reference Standard No. 03/2023, and other regulatory acts issued or to be issued on the matter.

46.3. For the purposes set forth in this clause, the CONCESSIONAIRE is obliged to transfer the REVERSIBLE ASSETS to the GRANTING AUTHORITY, free and clear of any encumbrances or charges, in normal operating, use and maintenance conditions, except for normal wear and tear resulting from their use, so as to allow the continuity of the provision of the SERVICES and the operability of the REVERSIBLE ASSETS for an additional minimum period according to the following terms:

- i. 10 (ten) years after the date of termination of the CONCESSION, with respect to the REVERSIBLE ASSETS consisting of wastewater collection networks; and
- ii. 5 (five) years after the date of termination of the CONCESSION, with respect to the other REVERSIBLE ASSETS.

46.3.1. The terms mentioned above shall not apply to REVERSIBLE ASSETS whose useful life is naturally shorter than 5 (five) years.

46.3.2. To comply with the provisions of this subclause, the CONCESSIONAIRE shall submit, upon execution of the SYSTEM REVERSION TERM, a technical report duly certified by its technical representative or by an independent audit, certifying that the condition of conservation of the REVERSIBLE ASSETS allows their operability for the additional terms mentioned above.

46.4. The assets transferred to the CONCESSIONAIRE without provision for their replacement by assets of the same nature during execution of the CONTRACT and with a useful life naturally shorter than the term of the CONCESSION shall not be subject to reversion.

46.5. Except for the events of materialization of risks whose responsibility has been allocated to the GRANTING AUTHORITY, pursuant to this CONTRACT or the applicable laws and regulations, all costs related to the decommissioning and reversion of the REVERSIBLE ASSETS shall be borne by the CONCESSIONAIRE, including with respect to compliance with any applicable environmental conditions, except for the costs of demolition works or any other form



of requalification of the REVERSIBLE ASSETS for purposes of their use by the GRANTING AUTHORITY.

46.6. In the event of termination of the CONCESSION due to expiration of the contractual term, the GRANTING AUTHORITY shall verify the state of conservation of the REVERSIBLE ASSETS, jointly with the CONCESSIONAIRE, at least 1 (one) year prior to the expected expiration date of the CONCESSION term, by means of prior written notice to the CONCESSIONAIRE, with a proposal of dates for carrying out the inspection.

46.6.1. In the event of omission by the GRANTING AUTHORITY with respect to carrying out the inspection, the CONCESSIONAIRE shall directly notify the GRANTING AUTHORITY to carry it out, and the latter shall have a period of 30 (thirty) calendar days, counted from receipt of the notice, to perform the inspection.

46.6.2. In the event of early termination of the CONCESSION, the inspection referred to in subclause 46.6 shall be carried out within up to 60 (sixty) calendar days, counted from receipt by the CONCESSIONAIRE of the notice sent by the GRANTING AUTHORITY regarding the termination of the CONCESSION.

46.7. Once the inspection has been completed, the CONCESSIONAIRE and the GRANTING AUTHORITY shall execute a SYSTEM REVERSION TERM, which shall indicate the characteristics and the state of conservation of the REVERSIBLE ASSETS.

46.8. If the REVERSIBLE ASSETS, over which the CONCESSIONAIRE has control or use by virtue of the activities herein assigned to it, are not, upon their return, in adequate condition, as provided for in subclause 46.3, the CONCESSIONAIRE shall indemnify the GRANTING AUTHORITY in an amount to be determined by the GRANTING AUTHORITY, with full defense and participation of the CONCESSIONAIRE being ensured.

46.8.1. The indemnity referred to in subclause 46.8. shall no longer be due if the CONCESSIONAIRE evidences that the inadequate state of conservation of the REVERSIBLE ASSETS results from the materialization of a risk allocated to the GRANTING AUTHORITY under this CONTRACT.



46.8.2. If the GRANTING AUTHORITY decides that the indemnity is due, it shall establish for the CONCESSIONAIRE a period for making the respective payment, which may not be less than 30 (thirty) calendar days.

46.8.3. The GRANTING AUTHORITY may count on the support of the INDEPENDENT VERIFIER or of specialized consultancy to prepare a financial-economic opinion regarding the amount due by way of indemnity, in the manner determined by the GRANTING AUTHORITY and within the period granted to it.

46.9. The CONCESSIONAIRE shall prepare and submit to the GRANTING AUTHORITY a proposal of a TRANSITION PLAN, with a view to facilitating the reversion of the REVERSIBLE ASSETS.

46.9.1. The TRANSITION PLAN shall contain the updated list of the REVERSIBLE ASSETS, identifying their location, state of conservation, any related environmental licenses and georeferencing, among other information that the CONCESSIONAIRE or the GRANTING AUTHORITY may deem necessary.

46.9.2. In the event of termination of the CONCESSION due to expiration of the contractual term, the TRANSITION PLAN referred to in clause 46.9 shall be submitted by the CONCESSIONAIRE at least 1 (one) year prior to the expiration of the term of the CONCESSION.

46.9.3. In the event of early termination of the CONCESSION, the TRANSITION PLAN referred to in clause 46.9 shall be submitted by the CONCESSIONAIRE within up to 75 (seventy-five) calendar days, counted from receipt of the notice sent by the GRANTING AUTHORITY regarding the termination of the CONCESSION.

46.9.4. The GRANTING AUTHORITY shall issue its comments on the TRANSITION PLAN within up to 30 (thirty) calendar days, counted from its submission by the CONCESSIONAIRE, and may, with proper justification, request supplements or amendments to the proposal submitted by the CONCESSIONAIRE.

46.10. The GRANTING AUTHORITY shall promote the establishment of a parity reversion committee, with functions similar to those of the TRANSITION COMMITTEE, composed of representatives formally appointed by the GRANTING AUTHORITY and by the CONCESSIONAIRE,



for the purpose of planning and conducting the reversion process of the REVERSIBLE ASSETS and of the SYSTEM.

47. SOCIO-ENVIRONMENTAL RESPONSIBILITY AND CORPORATE GOVERNANCE STANDARDS

47.1. The CONCESSIONAIRE is committed to comply with best practices of environmental, social and corporate governance responsibility, aligning itself with national and international guidelines, especially the 2030 Agenda and the Sustainable Development Goals of the United Nations (UN), as well as the standards and parameters that may replace them.

47.2. Within the scope of environmental responsibility, the CONCESSIONAIRE is committed to:

47.2.1. Strictly comply with the guidelines set forth in the GRANTING AUTHORITY's Environmental Policy, always in accordance with the most recent version of said document.

47.2.2. Prepare and implement an Environmental Management System (SGA) program for the works and actions required for performance of the CONTRACT, the duration of which shall follow the CONCESSION term, with periodic submission to the GRANTING AUTHORITY for five-year reviews, observing, for such purpose, ABNT NBR ISO 14001, and containing, at least, the following subprograms:

47.2.2.1. Environmental education subprogram, including awareness-raising actions for the adoption of environmentally appropriate practices in the execution of activities, within and outside the work environment, including topics capable of training and raising awareness among employees with respect to the other programs indicated in this subclause, which shall be implemented by the CONCESSIONAIRE by the end of the third year of the CONCESSION;

47.2.2.2. Energy efficiency subprogram, including incentives for the use of renewable energy and high energy-efficiency equipment, which shall be implemented by the CONCESSIONAIRE by the end of the third year of the CONCESSION;



47.2.2.3. Subprogram for reduction of water consumption in operations, including incentives for the use of reuse water, which shall be implemented by the CONCESSIONAIRE by the end of the third year of the CONCESSION;

47.2.2.4. Subprogram for reduction and proper waste management, with attention to the reverse logistics of construction materials and including incentives for the use of recycled or recyclable inputs, in addition to environmentally sustainable ones, which shall be implemented by the CONCESSIONAIRE within up to 12 (twelve) months after the beginning of the SYSTEM OPERATION; and

47.2.2.5. Subprogram for control, improvement and accomplishment of the Environmental Management System as a whole, including implementation, continuous monitoring, accountability and identification of improvement opportunities, which shall be implemented by the CONCESSIONAIRE by the end of the third year of the CONCESSION.

47.2.3. Pursuant to EXHIBIT IV – CONCESSION SPECIFICATIONS, prepare and submit to the GRANTING AUTHORITY, at least 60 (sixty) days prior to the date scheduled for the end of the SYSTEM ASSISTED OPERATION, a program of socio-environmental awareness actions in the COVERAGE AREAS, with the purpose of raising awareness, communicating with and engaging the populations of the MUNICIPALITIES in the promotion of a sustainable CONCESSION, so as to mitigate any perception among individuals in such localities that the execution of the SERVICES does not imply benefits for the population as a whole.

47.2.4. Prepare and submit to the GRANTING AUTHORITY, annually, a Greenhouse Gas (GEE) Inventory, for purposes of calculating and quantifying all emissions, in carbon equivalent, to be neutralized, in view of the activities carried out by the CONCESSIONAIRE in the performance of the CONTRACT in the previous year.

47.2.4.1. The inventories shall be submitted to the GRANTING AUTHORITY by the last day of January and shall cover the period from January to December of the year preceding their preparation. The first inventory shall be submitted in the first January following the beginning of the SYSTEM OPERATION, covering the activities performed since such milestone.



47.2.4.2. The inventories shall be prepared based on methodologies and standards internationally recognized in the market, such as ABNT NBR 14064-2, the GHG Protocol, or other equivalent standards.

47.2.4.3. Along with each inventory, the CONCESSIONAIRE shall submit a voluntary GEE emissions reduction targets program for the following period.

47.2.5. The CONCESSIONAIRE shall prepare and submit to the GRANTING AUTHORITY, annually and/or upon request, sustainability-related information in order to support institutional reports, as provided for in CVM Resolution No. 193/2023, as subsequently amended, and in the other applicable laws and regulations.

47.3. Within the scope of social responsibility, the CONCESSIONAIRE is committed to:

47.3.1. Prepare and implement, by the end of the 2nd (second) year of the CONCESSION, counted from the transfer of the SYSTEM, an Occupational Health and Safety Management System, based on ABNT NBR ISO 45001, which shall include policies and actions to encourage freedom of association, the elimination of all forms of forced or compulsory labor, the effective abolition of child labor, and the elimination of all forms of discrimination, as well as mechanisms to disseminate the existence of the program to its employees, business partners and other interested stakeholders.

47.3.2. Implement, in the new facilities, adequate structures to allow access by the public with reduced mobility and by persons with disabilities, in compliance with the applicable laws.

47.3.3. Reserve positions in its workforce to be filled by persons with disabilities, pursuant to article 93 of Federal Law No. 8,213/1991, and comply with the other specific rules on reserved positions for persons with disabilities, rehabilitated Social Security beneficiaries and apprentices.

47.4. Within the scope of corporate governance, the CONCESSIONAIRE is committed to:



47.4.1. Observe the updated guidelines of the Brazilian Corporate Governance Code, published by the Brazilian Institute of Corporate Governance (IBGC), as well as the applicable regulations of the Securities and Exchange Commission of Brazil – CVM.

47.4.2. Comply with corporate governance standards and adopt standardized accounting and financial statements, in accordance with the accounting practices in force in Brazil and the relevant corporate rules, especially Federal Law No. 6,404/1976, and its ulterior amendments.

47.4.3. Submit for approval to the GRANTING AUTHORITY and implement, within up to 3 (three) months counted from the beginning of the SYSTEM OPERATION, an Integrity Program (Compliance), consisting of internal integrity and audit mechanisms and procedures, and incentives for the reporting of irregularities and for the effective application of codes of ethics and conduct, as well as policies and guidelines aimed at detecting and remedying misconduct, fraud and any illicit acts committed against the Public Administration, in compliance with Federal Law No. 12,846 and articles 56 and 57 of Federal Decree No. 11,129/2022, and the other applicable laws and regulations.

47.4.4. Prepare and submit to the GRANTING AUTHORITY, by the end of the SYSTEM ASSISTED OPERATION period, a RELATED PARTY transactions policy, observing the guidelines set forth in subclause 19.7.

47.4.5. Within the scope of its governance structure, the following are desirable:

47.4.5.1. the participation of independent members on the Board of Directors;

47.4.5.2. the bylaw provision for an Audit Committee with the participation of independent members and its own budget;

47.4.5.3. the provision for an internal audit area reporting directly to the Board of Directors;

47.4.5.4. the provision for a minimum and mandatory percentage of 40% (forty percent) participation of women on the Board of Directors, observing, for such purpose, the person's self-declaration;



47.4.5.5. the provision for a minimum and mandatory percentage of 50% (fifty percent) participation of black, brown and indigenous persons (PPI) in strategic or tactical-level positions within the organization, considering as strategic the highest level of hierarchy (Executive Board, Board of Directors, senior managers and other executives) and as tactical the intermediate level (managers, supervisors and other sector leaders), and observing the person's self-declaration;

47.4.5.6. the existence of a whistleblowing channel, which may be under the responsibility of the internal audit area or of a third party of recognized capacity, vested with independence, autonomy and impartiality;

47.4.5.7. the creation of a unit aimed at developing employee inclusion and well-being policies, with human resources strategies intended to promote mental health and gender, racial, disability and LGBTQIAP+ diversity;

47.4.5.8. the existence of an Ethics and Conduct Committee with the participation of independent members, including authority to decide on cases of moral or sexual harassment.

47.5. Failure by the CONCESSIONAIRE to adopt any of the environmental, social and governance responsibility standards set forth in the previous subclauses shall be formally explained by setting forth and demonstrating the reasons supporting its conduct.

47.5.1. The explanation shall be formalized in writing and submitted to the GRANTING AUTHORITY within 60 (sixty) calendar days counted from the final deadline established for adoption of the standard or, in the absence of a pre-established deadline, in an annual report to be issued by the CONCESSIONAIRE and provided to the GRANTING AUTHORITY, as from the beginning of the SYSTEM OPERATION, containing information regarding compliance with the environmental, social and governance responsibility parameters.

47.5.2. The explanation for total or partial non-adoption of the standards shall be reasoned, consistent, clear and objective, and shall demonstrate a cost-benefit and cost-efficiency analysis regarding incorporation of the guidelines by the CONCESSIONAIRE.



47.6. In addition to the environmental, social and governance obligations set forth in the previous subclauses, the CONCESSIONAIRE shall implement, by the end of the 12th (twelfth) month counted from the beginning of the SYSTEM OPERATION, a Human Resources Policy containing, but not limited to, the following items:

47.6.1. code of conduct for employees and outsourced personnel based on ethical principles, including the promotion of diversity and inclusion and awareness of discriminatory or violent practices within and outside the work environment;

47.6.2. ongoing training and qualification programs for all employees, including outsourced personnel, focused on topics related to diversity and inclusion, aligned with the code of conduct;

47.6.3. procedures to ensure and promote, for positions at the CONCESSIONAIRE and its subcontractors, equal opportunities as to gender, race and other factors of discrimination or inequality;

47.6.4. diversity promotion program focused on gender, race, disability and LGBTQIAP+, containing an appropriate and recognized methodology that includes stages of census-taking, publicity, engagement, recruitment, training, talent retention and career advancement;

47.6.5. mental health support programs for employees, with emphasis on those belonging to historically vulnerable groups, aimed at promoting employee engagement and good performance;

47.6.6. establishment of accessible mechanisms for consultation, complaints and reporting by workers, including outsourced personnel. Such mechanisms shall be widely publicized and shall ensure the anonymity of users, addressing issues such as discrimination, moral, sexual or physical harassment; in addition to ensuring equal treatment in working conditions across all CONCESSION activities; and

47.6.7. equal treatment in working conditions across all CONCESSION activities.

48. INTELLECTUAL PROPERTY RIGHTS AND DATA PROTECTION



48.1. The intellectual property rights over the studies, projects, plans, drawings, documents and other materials prepared for the specific objects of the CONCESSION, whether by the CONCESSIONAIRE or through the hiring of outsourced workers, shall be transferred, at no cost and on a permanent basis, to the GRANTING AUTHORITY, throughout the term of the CONCESSION, and the CONCESSIONAIRE shall take all measures necessary for this purpose.

48.2. Likewise, the intellectual property currently held by the GRANTING AUTHORITY and forming an integral part of the TENDER NOTICE or this CONTRACT shall be deemed assigned free of charge to the CONCESSIONAIRE for exclusive use in the CONCESSION during its term.

48.3. Access to the USER registry used by the GRANTING AUTHORITY shall be granted free of charge to the CONCESSIONAIRE upon the commencement of the SYSTEM OPERATION, and such registry shall be updated by the PARTIES and, at the end of the CONCESSION, reverted to the GRANTING AUTHORITY in its most updated version, observing the personal data protection rules set forth in Federal Law No. 13,709/2018 (General Personal Data Protection Law – LGPD).

48.4. The CONCESSIONAIRE, in compliance with the provisions of the GRANTING AUTHORITY's Privacy Policy, the General Personal Data Protection Law, and eventual determinations of regulatory bodies/entities regarding personal data protection, shall protect the rights related to the processing of personal data and, for such purpose, shall adopt good governance measures from the technical, including security, legal and administrative standpoints, mainly observing the following parameters:

48.4.1. The processing of personal data shall be based on one of the legal bases provided for in the LGPD, be limited to the activities necessary for the execution of the CONTRACT and its related instruments, and be carried out for legitimate, specific purposes informed to the personal data subjects.

48.4.2. The CONCESSIONAIRE, in its capacity as controller, shall inform the respective data subjects about the possibility of sharing their personal data for purposes related to the object of this CONTRACT.

48.4.3. The personal data shared by reason of this CONTRACT and its related instruments shall be accurate and up to date, and shall be deleted upon the end of their



processing, except where the law permits their maintenance after such event. Further, whenever possible, the data shall be shared in anonymized form.

48.5. The PARTIES shall promptly notify the other PARTY of any incident involving violation or risk of violation or leakage of personal data shared by reason of this CONTRACT and its related instruments, informing all measures adopted and the personal data that may have been affected.

48.6. The CONCESSIONAIRE shall reimburse the GRANTING AUTHORITY for eventual damage it has caused and that has been remedied by the GRANTING AUTHORITY, whether as a result of non-compliance with the responsibilities and obligations provided for under this CONTRACT, or failure to comply with the legislation in force on personal data protection or determinations of regulatory bodies/entities.

48.7. By signing EXHIBIT IX – PERSONAL DATA PROCESSING AGREEMENT, the CONCESSIONAIRE adheres to and is subject to the GRANTING AUTHORITY's Privacy Policy.

49. INSPECTION AND INFORMATION DISCLOSURE

49.1 Without prejudice to the inspection of the SERVICES carried out by the REGULATORY AGENCY, the powers to inspect the execution of the CONTRACT shall be exercised by the GRANTING AUTHORITY, which, throughout the term of the CONCESSION, shall have free access to such information and operational reports as it deems relevant, as well as to data relating to the administration, accounting, compliance of the treated wastewater, and the technical, economic and financial resources of the CONCESSIONAIRE.

49.1. For purposes of inspecting and monitoring of the execution of the CONTRACT, the CONCESSIONAIRE shall implement and make available software intended for the management and provision of information regarding the CONCESSION, which shall be compatible with the GRANTING AUTHORITY's systems, as well as enable, by means of a API RESTful, the customized export of data and access by the GRANTING AUTHORITY's accredited professionals, always in compliance with the GRANTING AUTHORITY's information security and technology policy and with the General Personal Data Protection Law.



49.2. The CONCESSIONAIRE shall implement and make the aforementioned software available within up to 6 (six) months after the commencement of the SYSTEM OPERATION, failing which such delay shall constitute contractual default, with the application of the applicable penalties, pursuant to clause 37.

49.3. Within the same period mentioned in subclause 49.2, the PARTIES shall also establish a committee with equal participation by the GRANTING AUTHORITY and the CONCESSIONAIRE, which shall have the function of resolving matters relating to management obligations concerning the software, such as the expansion of the system's database or amendment of the periodicity for submission of the report, its powers not including sanctioning powers — reserved to the GRANTING AUTHORITY — or powers to decide disputes, the latter being incumbent on the DISPUTE RESOLUTION COMMITTEE.

49.4. The software referred to in the previous subclause shall be constantly updated by the CONCESSIONAIRE so as to reflect the faithful current status of the execution of the CONTRACT and include in its database the information that the CONCESSIONAIRE is mandatorily required to provide, as indicated throughout this CONTRACT, especially, but not limited to:

49.4.1. Information relating to the upgrades, maintenance, replacement and acquisition of new REVERSIBLE ASSETS in operation;

49.4.2. Information relating to compliance with the socio-environmental responsibility and corporate governance standards;

49.4.3. Information relating to occurrences concerning expropriations, easements and administrative limitations;

49.4.4. Information relating to the insurance policies, including policy updates, occurrence of claims or expected claims;

49.4.5. Information relating to the composition of the CONCESSIONAIRE's corporate structure, especially regarding changes in its shareholder base;

49.4.6. Information relating to the progress of execution of the SYSTEM IMPROVEMENT WORKS, taking into account the activities described in the EXECUTION SCHEDULE; and



49.4.7. Information relating to the assets built, acquired, replaced, transferred, written off and disposed of, so that the GRANTING AUTHORITY may carry out the proper registration and control of the intangible assets comprising the object of this CONTRACT, including the financial amount of the assets corresponding to the investments made during the period.

49.5. In addition, on a quarterly basis, the CONCESSIONAIRE shall export a consolidated report of the information contained in the respective software, which shall be submitted to the GRANTING AUTHORITY by the 5th (fifth) business day of the third month, by hard-copy correspondence or in digital format, the latter to be sent by e-mail.

49.6. The submission to the GRANTING AUTHORITY of the consolidated report generated from the software referred to in this clause does not exclude or replace the CONCESSIONAIRE's other information obligations set forth in this CONTRACT and its EXHIBITS.

49.7. Any discrepancies or delays in the information to be provided by the CONCESSIONAIRE, based on the consolidation and extraction of data from the software in question, shall be subject to duly reasoned clarification by the CONCESSIONAIRE, on which occasion it shall be granted an additional period to remedy the irregularities identified, on terms to be established by the GRANTING AUTHORITY.

49.8. If the identified irregularities or the CONCESSIONAIRE's delay persist, or if the above-mentioned clarification is not submitted, the CONCESSIONAIRE shall be subject to the penalties set forth in this CONTRACT, pursuant to clause 37.

49.9. The CONCESSIONAIRE shall also make available to the GRANTING AUTHORITY, whenever requested and within the period established by it, all information, elements, data, documents and records relating to the provision of the SERVICES or to the functioning of the SYSTEM that may be necessary for the GRANTING AUTHORITY to comply with an obligation arising from a provision set forth in an ANA Reference Standard or in a regulatory resolution issued by the REGULATORY AGENCY.

49.9.1. By the last business day of February of each year, and regardless of prior request, the CONCESSIONAIRE shall submit to the GRANTING AUTHORITY a report on the calculation of the performance indicators set forth in ANA Reference Standards No. 8 and



No. 9, accompanied by a detailed breakdown of the calculations and of the data, elements and other parameters considered for the measurement of each indicator.

49.9.1.1. The indicators referred to in the previous subclause shall not be construed as the contractually binding PERFORMANCE INDICATORS, being used for purposes of regulatory monitoring, planning, accountability of the GRANTING AUTHORITY before the REGULATORY AGENCY and transparency, unless expressly included among the CONCESSIONAIRE's contractual targets and obligations, notably in EXHIBIT III – PERFORMANCE INDICATORS.

49.9.2. As for any other information that may be required, the GRANTING AUTHORITY shall formalize its request to the CONCESSIONAIRE, with due specification of the required content and establishment of a reasonable period for compliance, which shall be strictly and timely observed by the CONCESSIONAIRE.

50. DISPUTE RESOLUTION MECHANISMS

50.1. With respect to eventual conflicts or disputes arising from the performance of this CONTRACT, the PARTIES may, by mutual agreement, resort to the following dispute resolution mechanisms, observing the conditions and reservations set forth in this clause:

- i. Mediating action to be conducted by the UNIVERSALIZATION TECHNICAL COMMITTEE;
- ii. Mediating action to be conducted by the DISPUTE RESOLUTION COMMITTEE; or
- iii. Arbitration proceedings to be conducted by the Brazil-Canada Chamber of Commerce Arbitration and Mediation Center (CAM-CCBC).

50.2. Submission of conflicts or disputes to the DISPUTE RESOLUTION COMMITTEE constitutes an optional mechanism and, therefore, is not a condition for the commencement of arbitration proceedings with respect to matters within its competence.

50.3. In technical disputes, especially those relating to the SYSTEM IMPROVEMENT WORKS and whose jurisdiction for review is reserved to the UNIVERSALIZATION TECHNICAL



COMMITTEE, prior submission of the matter to such TECHNICAL COMMITTEE constitutes a mandatory condition for access to arbitration.

50.3.1. In the above event, the precedent condition shall only be deemed fulfilled upon issuance by the UNIVERSALIZATION TECHNICAL COMMITTEE of a technical opinion analyzing the merits or, alternatively, a decision of lack of competence or impossibility of resolving the matter, within the period and on the terms contractually established.

UNIVERSALIZATION TECHNICAL COMMITTEE

50.4. Within up to 60 (sixty) days after execution of the CONTRACT, the GRANTING AUTHORITY shall establish a UNIVERSALIZATION TECHNICAL COMMITTEE, with permanent composition and operation limited until the end of the year 2033, for the purpose of settling, solely and exclusively, technical doubts and disputes relating to the SYSTEM IMPROVEMENT WORKS, submitted to its valuation by either of the PARTIES, with a view to avoiding delays in such works and achieving the CONTRACTUAL UNIVERSALIZATION TARGETS for the provision of the SERVICES, pursuant to this Clause.

50.5. The UNIVERSALIZATION TECHNICAL COMMITTEE shall be responsible for analyzing the disputes and doubts existing between the PARTIES and submitted to it, by issuing a reasoned and conclusive opinion containing a proposed resolution, for the purpose of guiding the PARTIES' decision-making.

50.5.1. The opinions and proposed resolutions of the UNIVERSALIZATION TECHNICAL COMMITTEE regarding the doubts and disputes submitted to it shall not be binding on the PARTIES, nor on the decisions of the GRANTING AUTHORITY.

50.5.2. The conclusive opinions and proposed resolutions of the UNIVERSALIZATION TECHNICAL COMMITTEE shall be deemed approved if supported by a majority of votes.

50.5.3. The UNIVERSALIZATION TECHNICAL COMMITTEE shall not serve to analyze disputes relating to other aspects of the performance of the CONTRACT other than those that are: (i) essentially technical in nature; and (ii) related to the SYSTEM IMPROVEMENT WORKS and other engineering projects aimed at universalizing the SERVICES provision, unless expressly provided otherwise in this CONTRACT.



50.5.3.1. By way of illustration, the following matters may be submitted to the UNIVERSALIZATION TECHNICAL COMMITTEE:

- i. Disputes and issues relating to the BASIC AND EXECUTIVE PROJECTS, as well as to the other engineering studies related to the SYSTEM IMPROVEMENT WORKS;
- ii. Valuation of technical solutions implemented for expansion of the SYSTEM; and
- iii. Valuation of technical interferences in the execution of the established schedules.

50.5.3.2. In the event of doubt as to the competence of the UNIVERSALIZATION TECHNICAL COMMITTEE to analyze and resolve a given matter, it shall be incumbent upon the COMMITTEE itself to decide on the matter.

50.5.3.3. If the UNIVERSALIZATION TECHNICAL COMMITTEE declares that it lacks competence to resolve the matter submitted to it, a decision shall be rendered extinguishing the claim without analysis of the merits, and either of the PARTIES may submit the matter to the DISPUTE RESOLUTION COMMITTEE, subject to the procedures set forth in subclause 50.18.

50.5.4. The issues and disputes arising after the year 2033 shall be submitted to the DISPUTE RESOLUTION COMMITTEE, as governed by this CONTRACT, even if related to the universalization of the provision of the SERVICES and to the SYSTEM IMPROVEMENT WORKS.

50.6. The UNIVERSALIZATION TECHNICAL COMMITTEE shall be composed of 3 (three) sitting members and 3 (three) alternate members, appointed as follows:

50.6.1. one sitting member and the respective alternate member shall be appointed by the GRANTING AUTHORITY;

50.6.2. one sitting member and the respective alternate member shall be appointed by the CONCESSIONAIRE; and



50.6.3. one sitting member and the respective alternate member shall be appointed by mutual agreement between the 2 (two) members appointed by the PARTIES, and shall also serve as chair of the UNIVERSALIZATION TECHNICAL COMMITTEE.

50.7. For purposes of composition of the UNIVERSALIZATION TECHNICAL COMMITTEE, the PARTIES shall observe the following conditions:

50.7.1. The members shall be professionals of recognized qualification and technical knowledge regarding matters related to the universalization of the provision of wastewater services and to the execution of works similar to those intended for the improvement of the SYSTEM that is the object of the CONCESSION;

50.7.2. The members shall serve a 4 (four)-year term, extendable at the PARTIES' discretion;

50.7.3. The members composing the UNIVERSALIZATION TECHNICAL COMMITTEE, even if for a single term, shall be prevented from serving on the DISPUTE RESOLUTION COMMITTEE until their definitive removal from the former;

50.7.4. The members of the UNIVERSALIZATION TECHNICAL COMMITTEE shall act with impartiality, independence, competence and discretion, and, where applicable, the provisions of Chapter III of Federal Law No. 9,307/1996 shall apply.

50.7.5. Each of the PARTIES shall bear the costs of the members it appoints and, with respect to the third member and the respective alternate member, the expenses shall be equally shared by the PARTIES, and the CONCESSIONAIRE shall advance the full amount of such expenses, and, within a maximum period of 60 (sixty) calendar days counted from proof of payment made by the CONCESSIONAIRE, the GRANTING AUTHORITY shall reimburse it in an amount corresponding to half of the expenses.

50.8. The PARTIES wishing to clarify or settle disputes involving matters pertinent to the thematic scope referred to in subclause 50.4 may refer the matter to the UNIVERSALIZATION TECHNICAL COMMITTEE by means of a request containing:



50.8.1. the description of the facts that gave rise to the doubt sought to be clarified or to the dispute sought to be settled;

50.8.2. the reasons why the claim was understood to fall within the thematic area of competence of the UNIVERSALIZATION TECHNICAL COMMITTEE;

50.8.3. the presentation of the technical, legal or economic reasons supporting its allegations regarding the merits of the doubt or dispute; and

50.8.4. the definition of the request as to the analysis and resolution to be rendered by the UNIVERSALIZATION TECHNICAL COMMITTEE.

50.9. The request referred to in subclause 50.8, duly accompanied by the documentation necessary to support the report and the allegations contained therein, shall be forwarded to the representative of the other PARTY and, subsequently, to the Chair of the UNIVERSALIZATION TECHNICAL COMMITTEE, together with proof that the other PARTY has been notified.

50.10. As from receipt of the request by the UNIVERSALIZATION TECHNICAL COMMITTEE, the respondent PARTY shall have a non-extendable period of 15 (fifteen) business days to submit its statement regarding the facts and reasons set forth.

50.10.1. Once the respondent PARTY has been notified and the period referred to in subclause 50.10 has elapsed, eventual omission by the respondent PARTY shall neither jeopardize the actions of the UNIVERSALIZATION TECHNICAL COMMITTEE nor prevent the solutions proposed within the scope of the proceeding from producing effects on the CONCESSION.

50.11. As from the submission of the respondent PARTY's statement, or the lapse of the period for such submission, the UNIVERSALIZATION TECHNICAL COMMITTEE shall have a period of 30 (thirty) business days to analyze the claim and issue its opinion.

50.11.1. If necessary, the UNIVERSALIZATION TECHNICAL COMMITTEE may request the PARTIES to submit additional clarifications, which shall automatically extend the period mentioned in subclause 50.11 by an additional period of 30 (thirty) calendar days.



50.11.2. Once duly notified of the issuance of the opinion referred to in subclause 50.11, the PARTIES shall have the possibility of requesting, within a maximum period of 10 (ten) calendar days, supplementation of the pronouncement from the Chair of the UNIVERSALIZATION TECHNICAL COMMITTEE, which shall have a non-extendable period of 15 (fifteen) calendar days to issue its statement on the matter.

50.11.3. If the solution proposed by the UNIVERSALIZATION TECHNICAL COMMITTEE is not accepted by one or both of the PARTIES, either PARTY may submit the dispute to the Judiciary or to arbitration, and re-discussion of the same matter before the DISPUTE RESOLUTION COMMITTEE is prohibited.

50.12. If the claimant PARTY withdraws the request commenced, termination of the proceeding without analysis by the UNIVERSALIZATION TECHNICAL COMMITTEE shall depend on notice to the other PARTY, which may express its interest in proceeding with the analysis and issuance of an opinion by the UNIVERSALIZATION TECHNICAL COMMITTEE.

50.13. The actions of the UNIVERSALIZATION TECHNICAL COMMITTEE shall be deemed jeopardized if the respondent PARTY expressly refuses to take part in the proceeding.

50.14. If necessary, implementation of the solution submitted by the UNIVERSALIZATION TECHNICAL COMMITTEE, duly accepted by both PARTIES, shall be formalized by means of an addendum to the CONTRACT, observing the publicity requirements set forth in the applicable laws and regulations.

50.15. Submission of any doubt or dispute to the UNIVERSALIZATION TECHNICAL COMMITTEE shall not release the PARTIES from complying with the contractual obligations under discussion, in the form and under the conditions set forth in the CONTRACT, until eventual amendment or solution is implemented.

50.16. On an exceptional basis, suspension, by mutual agreement, of the PARTIES' compliance with obligations set forth in the CONTRACT shall be admitted when the subject matter of the dispute/conflict submitted to the UNIVERSALIZATION TECHNICAL COMMITTEE gives rise to risks to the safety of persons or of the enterprise.



50.17. The UNIVERSALIZATION TECHNICAL COMMITTEE shall be dissolved in December 2033, so that new doubts or disputes may only be submitted by the PARTIES to said COMMITTEE until the month of July 2033.

50.17.1. By mutual agreement, the PARTIES may decide on the early removal of the UNIVERSALIZATION TECHNICAL COMMITTEE.

50.17.2. Exceptionally, and with the consent of both PARTIES, it shall be admitted that the actions of the UNIVERSALIZATION TECHNICAL COMMITTEE continue until the end of the first quarter of 2034, exclusively for the purpose of settling any conflicts and issues pending analysis and resolution, provided that such proceedings have been submitted to the COMMITTEE for appreciation by the month of July 2033.

50.17.3. As an alternative to extending the period of operation of the UNIVERSALIZATION TECHNICAL COMMITTEE, the PARTIES may, by mutual agreement, choose to refer to the DISPUTE RESOLUTION COMMITTEE any conflicts and issues pending analysis and resolution at the time of dissolution of the UNIVERSALIZATION TECHNICAL COMMITTEE.

50.17.4. If the PARTIES do not reach a consensus as to the approach to be adopted in order to enable the analysis of the issues unresolved by the time of dissolution of the UNIVERSALIZATION TECHNICAL COMMITTEE, the proceedings relating to such claims shall automatically be deemed terminated, regardless of any urgency or of the procedural stage in which they may be.

DISPUTE RESOLUTION COMMITTEE

50.18. For the resolution of eventual doubts or disputes of a technical, financial-economic or legal nature, or regarding contractual matters not falling within the competence of the UNIVERSALIZATION TECHNICAL COMMITTEE, either of the PARTIES may request, by means of written notice addressed to the other PARTY, the formation of a specific (*ad hoc*) DISPUTE RESOLUTION COMMITTEE for such purpose, composed of specialized professionals, in accordance with the rules set forth below.

50.19. The DISPUTE RESOLUTION COMMITTEE shall be responsible for analyzing the disputes and doubts existing between the PARTIES, issuing reasoned and conclusive opinions containing a



proposed resolution, with a view to guiding the PARTIES' decision-making.

50.19.1. The opinions and proposed resolutions of the DISPUTE RESOLUTION COMMITTEE regarding the doubts and disputes submitted to it by the PARTIES shall be merely advisory and shall not be binding on the PARTIES, nor on the decisions of the GRANTING AUTHORITY.

50.20. The conclusive opinions and proposed resolutions of the DISPUTE RESOLUTION COMMITTEE shall be deemed approved if supported by a majority of votes.

50.21. The DISPUTE RESOLUTION COMMITTEE shall not decide any matter without first hearing the PARTIES and without the pronouncement of all its members.

50.22. The DISPUTE RESOLUTION COMMITTEE shall be formed within up to 45 (forty-five) calendar days, counted from the formalization of the request made by one of the PARTIES to the other.

50.23. The DISPUTE RESOLUTION COMMITTEE shall be composed of 3 (three) sitting members and 3 (three) alternate members, appointed as follows:

50.23.1. one sitting member and the respective alternate member shall be appointed by the GRANTING AUTHORITY;

50.23.2. one sitting member and the respective alternate member shall be appointed by the CONCESSIONAIRE; and

50.23.3. one sitting member and the respective alternate member shall be appointed by mutual agreement between the two members appointed by the PARTIES, and shall also serve as chair of the DISPUTE RESOLUTION COMMITTEE.

50.24. The members of the DISPUTE RESOLUTION COMMITTEE shall be professionals of recognized qualification and technical, economic or legal knowledge regarding the matters involved in the execution of the CONTRACT.

50.25. The appointments referred to in subclause 50.23 shall observe the following periods:



50.25.1. In the very act of notifying the other PARTY of the constitution of the *ad hoc* COMMITTEE, the requesting PARTY shall already appoint one sitting member and the respective alternate member;

50.25.2. Within a maximum period of 15 (fifteen) calendar days counted from receipt of the request for constitution of the DISPUTE RESOLUTION COMMITTEE, the other PARTY shall appoint 01 (one) sitting member and the respective alternate member; and

50.25.3. As from the appointment of the second member and the respective alternate member, the third member to compose the COMMITTEE shall be appointed by the others within up to 15 (fifteen) calendar days.

50.26. The members of the DISPUTE RESOLUTION COMMITTEE shall be remunerated per engagement.

50.27. Each of the PARTIES shall bear the costs of the members it appoints and, with respect to the third member, the expenses shall be equally shared by the PARTIES, and the CONCESSIONAIRE shall advance the full amount of such expenses, and, within a maximum period of 60 (sixty) calendar days counted from proof of payment made by the CONCESSIONAIRE, the GRANTING AUTHORITY shall reimburse it in an amount corresponding to half of the expenses.

50.28. Once the DISPUTE RESOLUTION COMMITTEE has been formed, with the appointment of all its members, the requesting PARTY shall submit, within a non-extendable period of 15 (fifteen) business days, a request containing:

50.28.1. the description of the facts that gave rise to the doubt sought to be clarified or to the dispute sought to be settled;

50.28.2. the presentation of the technical, legal and economic reasons supporting its allegations regarding the merits of the doubt or dispute; and

50.28.3. the definition of the request as to the analysis and resolution to be rendered by the DISPUTE RESOLUTION COMMITTEE.



50.29. The request referred to in subclause 50.28, duly supported by the documentation necessary to substantiate the allegations contained therein, shall be forwarded to the representative of the other PARTY and, subsequently, to the Chair of the DISPUTE RESOLUTION COMMITTEE, together with proof that the other PARTY has been notified.

50.30. As from receipt of the request by the DISPUTE RESOLUTION COMMITTEE, the respondent PARTY shall have a non-extendable period of 15 (fifteen) business days to submit its statement regarding the facts and reasons set forth.

50.31. As from the submission of the respondent PARTY's statement, or the lapse of the period for such submission, the DISPUTE RESOLUTION COMMITTEE shall have a period of 30 (thirty) business days to analyze the claim and issue its opinion.

50.31.1. If necessary, the DISPUTE RESOLUTION COMMITTEE may request the PARTIES to submit additional clarifications, which shall automatically extend the period mentioned in subclause 50.31 by an additional period of 30 (thirty) calendar days.

50.32. At the end of the period established in subclause 50.31, the DISPUTE RESOLUTION COMMITTEE shall issue an opinion and a proposed resolution, of a merely recommendatory nature, with an analysis of the facts and reasons submitted.

50.32.1. If implementation of the solution proposed by the DISPUTE RESOLUTION COMMITTEE and accepted by the PARTIES requires the formalization of an addendum to the CONTRACT, the PARTIES shall do so, observing the publicity requirement set forth in the applicable laws and regulations.

50.32.2. If the solution proposed by the DISPUTE RESOLUTION COMMITTEE is not accepted by one or both of the PARTIES, either PARTY may submit the dispute to arbitration or judicial proceedings, as the case may be, pursuant to this CONTRACT.

50.33. With respect to possible disputes involving matters on which the CGPPP must issue a statement, notably in the events of amendment, addendum, review, readjustment, extension or termination of the CONTRACT, the GRANTING AUTHORITY shall submit the DISPUTE RESOLUTION COMMITTEE's proposed resolution to the CGPPP so that it may deliberate jointly with the GRANTING AUTHORITY on whether or not to accept the alternative submitted.



50.33.1. In the event of doubt as to whether the matter under discussion falls within the event referred to in subclause 50.33, it shall be incumbent upon the CGPPP itself to decide on its competence.

50.34. The claimant PARTY may, at any time, withdraw the request for issuance of an opinion by the DISPUTE RESOLUTION COMMITTEE, by means of written notice addressed to said COMMITTEE, with a copy sent to the other PARTY, without prejudice to the remuneration due to its members for the actions performed.

50.35. The actions of the DISPUTE RESOLUTION COMMITTEE shall be deemed jeopardized if the respondent PARTY expressly refuses to participate in the proceeding.

50.36. Submission of any doubt or dispute to the DISPUTE RESOLUTION COMMITTEE shall not release the PARTIES from complying with the contractual obligations under discussion, in the form and under the conditions set forth in the CONTRACT, until eventual amendment or solution is implemented.

ARBITRATION

50.37. The conflicts and disputes existing between the PARTIES as a result of the application of this instrument may be submitted to arbitration, pursuant to the provisions of Federal Law No. 9,307/1996, whenever they involve disposable property rights and, when related to technical matters, only after the attempt at consensual resolution within the scope of the UNIVERSALIZATION TECHNICAL COMMITTEE has failed.

50.37.1. For purposes of this CONTRACT, the following matters shall be deemed disposable property rights subject to arbitration:

- i. the characterization of imbalance events, recognition of the right, and determination of the amount relating to the financial-economic rebalancing, in favor of either of the PARTIES and in all situations provided for in the CONTRACT;
- ii. the characterization of an event of contractual default by either of the PARTIES



and the application of a contractual sanction to the CONCESSIONAIRE;

- iii. the calculation and application of the readjustment of the MONTHLY FINANCIAL CONSIDERATIONS and the calculation of the MONTHLY FINANCIAL CONSIDERATIONS;
- iv. the activation of the guarantee mechanisms stipulated in this CONTRACT;
- v. the calculation and form of payment of the indemnity amount and the REVERSIBLE ASSETS valuation; and
- vi. the calculation and form of payment of the indemnity amount in the event of termination of the CONTRACT.

50.38. Without prejudice to other events, the following shall not be deemed disputes related to disposable property rights and, therefore, may not be submitted to arbitration:

- i. Matters relating to regulatory powers, police powers and inspecting powers, as well as their exercise by the GRANTING AUTHORITY or the REGULATORY AGENCY;
- ii. The exercise of the power to impose financial and administrative penalties on the CONCESSIONAIRE, except for the assessment of the factual assumptions for the imposition of specific penalties or, further, disagreements regarding the calculation or dosimetry of the pecuniary penalty.
- iii. The exercise of the right of takeover or intervention, or the decision declaring forfeiture of the CONTRACT, or, further, the decision regarding other forms of contractual termination at the initiative of the GRANTING AUTHORITY, except, in the cases of forfeiture or intervention, for disputes regarding the occurrence of the factual grounds that legitimize them;
- iv. The exercise by the GRANTING AUTHORITY of measures indispensable for the continuity of the SERVICES; and
- v. Matters relating to the nature and ownership of the SERVICES.



50.38.1. Eventual losses arising from the exercise of the administrative powers legally conferred upon the GRANTING AUTHORITY, including those described in subclause 50.38, as well as eventual right to the corresponding indemnity, may be determined by means of arbitration.

50.39. The arbitration shall be conducted in the capital of the State of Ceará, before the Brazil-Canada Chamber of Commerce Arbitration and Mediation Center (CAM-CCBC), in accordance with the internal rules of said Chamber.

50.39.1. The PARTIES may, by mutual agreement, opt for the use of another Arbitral Chamber, observing the provisions of subclause 50.38, which shall conduct the proceedings in accordance with its rules and the other rules set forth in this CONTRACT.

50.39.2. In the event of disagreement regarding the replacement of the Arbitral Chamber, the Chamber originally chosen pursuant to subclause 50.39 shall prevail.

50.40. The arbitration proceedings shall be conducted in Portuguese, and, for this reason, the arbitral tribunal shall require the translation of documents submitted in a foreign language.

50.41. The arbitration shall be composed of and conducted by 3 (three) members, each PARTY being entitled to appoint one member, and the third arbitrator shall be chosen by mutual agreement between the other two arbitrators appointed by the PARTIES, and shall have proven professional experience in the specialty that is the subject matter of the dispute.

50.41.1. The 3rd (third) arbitrator shall chair the Arbitral Tribunal.

50.41.2. In the absence of consensus between the arbitrators chosen by each PARTY, the 3rd (third) arbitrator shall be appointed by the Arbitral Chamber, subject to the applicable terms and conditions set forth in its arbitration rules.

50.41.3. Those who have acted in another capacity under the CONTRACT, notably as members of the UNIVERSALIZATION TECHNICAL COMMITTEE or of the DISPUTE RESOLUTION COMMITTEE, as well as the INDEPENDENT VERIFIER or as mediators, shall not be appointed as arbitrators, nor those who, within the last 10 (ten) years, have acted



in positions within the Judiciary or the Public Prosecutor's Office, or those who have been officers of public or private companies that are public service providers.

50.42. If it is necessary to obtain interim or emergency relief prior to the constitution of the Arbitral Tribunal, the PARTIES may request them directly from the Judiciary, in accordance with Federal Law No. 9,307/1996.

50.43. The courts of the District of Fortaleza, State of Ceará, to the exclusion of any other, however privileged, shall have jurisdiction to hear and decide any interim or urgent measure or, further, to hear actions whose subject matter may not be discussed in arbitration, as well as actions ensuring the institution of the arbitration proceedings and enforcement of the arbitral award, pursuant to Federal Law No. 9,307/1996.

50.44. Unless otherwise determined by the Judiciary or by the Arbitral Tribunal, pursuant to the previous subclause, the submission of any matter to the solution provided for in this subclause shall not release the PARTIES from the punctual and timely compliance with the provisions of the CONTRACT, nor shall it permit any interruption in the development of the activities that are the subject matter of this CONTRACT, which shall continue to be carried out under the terms in force on the date of submission of the matter, and shall remain so until a final decision is obtained regarding the matter in question.

50.45. The final decisions of the Arbitral Tribunal shall have the authority of *res judicata* and may not be re-litigated in any forum, pursuant to article 31 of Federal Law No. 9,307/1996.

50.46. Responsibility for payment of the costs of the arbitration proceedings shall be determined as follows:

50.46.1. The CONCESSIONAIRE shall be responsible for the costs of commencement of the arbitration proceedings, including the advance payment of a percentage of the fees due to the arbitrators.

50.46.2. Attorneys' fees, the fees of technical assistants and of the other professionals hired by the PARTIES to defend their interests shall be borne by each of the PARTIES, without any advance payment by the PARTY initiating the dispute.



50.46.3. The remaining costs and charges relating to eventual measures and diligences taken in the arbitration proceedings shall be advanced by the CONCESSIONAIRE, even when arising from a request by the Arbitral Tribunal or by the GRANTING AUTHORITY.

50.46.4. The losing PARTY in the arbitration proceedings shall bear all costs for commencement of the arbitration proceedings and, if applicable, shall reimburse the other PARTY for the costs previously borne by it.

50.46.5. The arbitral award shall define the allocation of the remaining costs and charges relating to eventual measures and diligences taken during the arbitration proceedings, as well as the determination of prevailing-party attorneys' fees.

51. COMMUNICATIONS

51.1. Communications between the PARTIES shall be made in writing and sent:

- i. preferably, by e-mail, with confirmation of receipt;
- ii. by hand, provided that delivery is evidenced by protocol; or
- iii. by registered mail, with acknowledgment of receipt.

51.2. Communications between the PARTIES shall be made to the following addresses:

GRANTING AUTHORITY:

(full address)

Tel.: [●]

(e-mail)

CONCESSIONAIRE:

(full address)

Tel.: [●]

(e-mail)

51.3. The PARTIES may change their address by written notice to the others.



51.4. All communication between the PARTIES shall be deemed delivered on the date of receipt by the addressee.

52. COUNTING OF DEADLINES

52.1. The deadlines established in days in this CONTRACT shall be counted in calendar days, unless there is express reference to business days or deadlines counted in months or years, excluding the first day of the deadline from the count and including the last day.

52.2. Deadlines with start and end terms falling on public holidays, optional holidays in the State of Ceará, and weekends shall fall on the first subsequent business day.

52.3. Deadlines counted in months or years shall be counted from date to date.

53. EXERCISE OF RIGHTS

53.1. The non-exercise, or the late or partial exercise, of any right granted to either of the PARTIES under this CONTRACT shall not constitute waiver of such right, nor prevent its subsequent exercise, and shall not constitute novation of the respective obligation, unless expressly provided otherwise.

54. PARTIAL INVALIDITY

54.1. If any provisions of this CONTRACT are declared null or invalid, such declaration shall not affect the validity of the other contractual provisions, which shall remain in full force and effect, subject to the provisions of article 24 of Decree-Law No. 4,657/1942.

55. JURISDICTION

55.1. The courts of the District of Fortaleza, State of Ceará, shall have jurisdiction to: *(i)* settle matters relating to this CONTRACT that are not capable of being decided by arbitration; *(ii)* execute the arbitral award, subject to the provisions of subclause 50.43 of this CONTRACT, to the exclusion of any other court, however privileged; and *(iii)* process and judge judicial measures in support of arbitration and all other claims related to this CONTRACT that cannot be resolved through arbitration.



And, being thus agreed, the PARTIES sign this CONTRACT in three counterparts of equal content and form, and the GRANTING AUTHORITY shall arrange for disclosure of the CONTRACT on a specific website [•], pursuant to articles 54, paragraphs 1 to 3, and 94 of Federal Law No. 14,133/2021, as well as publication of the excerpt of this CONTRACT in the Official Gazette of the State.



EXHIBIT B

LETTERS AND STATEMENTS TEMPLATE

A – Accreditation Letter Template

To the

Chair of the TENDER COMMISSION

Ref.: International Public Tender Notice No. [●]

Dear Sir,

By means of this instrument, [corporate name of the TENDERER], [qualification of the TENDERER], hereinafter simply referred to as the “Grantor”, appoints Mr./Ms. [full name] [qualification], to perform the acts necessary throughout the conduct of International Public Tender No. [●], and may, for such purpose, submit documents, sign documents, provide clarifications, comply with requirements, challenge documents, file appeals, settle, waive rights, receive notices and service of process, agree or disagree with acts and decisions of the COMMISSION, and, in short, perform all other acts that may be necessary in the course of the TENDER, in accordance with the attached power of attorney template.

This accreditation shall remain valid until the conclusion of International Public Tender No. [●].

[PLACE], [DATE].

[SIGNATURE]

[corporate name of the TENDERER]

By its legal representative, [full name]

ID No. [●]

CPF/MF No. [●]



B - Request for Clarifications Template

To the

Chair of the TENDER COMMISSION

Ref.: International Public Tender Notice No. [●]

Dear Sir,

[*corporate name of the TENDERER or of the citizen*], [*qualification of the TENDERER or of the citizen*], by its legal representative, hereby submits, at this time, the following request for clarification regarding the above-referenced Tender Notice:

Clarification No.	Tender Notice Item	Requested Clarification
[●]	Insert the item of the Tender Notice related to the requested clarification.	Set forth clearly, concisely, and objectively the desired clarification in the form of a question.
[●]	Insert the item of the Tender Notice related to the requested clarification.	Set forth clearly, concisely, and objectively the desired clarification in the form of a question.

[PLACE], [DATE].

[SIGNATURE]

[*corporate name of the TENDERER or of the citizen*]

[*name of the contact person, in the case of a legal entity*]

Contact details: [●]



C – Power of Attorney Template

POWER OF ATTORNEY

By this instrument of mandate, [*corporate name of the TENDERER*], [*qualification of the TENDERER*], hereinafter referred to as the “Grantor”, appoints and constitutes as its true and lawful attorneys-in-fact Mr./Ms. [*full name*], [*qualification*], so that, jointly or severally, regardless of the order of appointment, they may perform the following acts in the Federative Republic of Brazil, in and out of court:

- a) represent the Grantor before any entities, governmental bodies or departments, publicly held or closely held companies, mixed-capital companies, parastatal entities, registry offices, and any governmental agencies, including the TENDER COMMISSION and B3 S.A., for the purpose of establishing and maintaining dealings with such entities, agencies, bodies, or departments, receiving service of process, notices, and summons of any nature, making or promoting inquiries, requesting certificates and other documents, and performing the acts necessary during the conduct of the tender procedure described in International Public Tender Notice No. [●], including the filing of appeals and the waiver of the right to file appeals;
- b) assume commitments and/or obligations on behalf of the Grantor and, in any manner, enter into contracts, execute agreements, waive rights, and grant and receive discharge on behalf of the Grantor;
- c) represent the Grantor in the defense of its interests in court, at any level and before any court or tribunal, including by retaining attorneys, with special powers to confess, settle, withdraw, enter into agreements, and grant and receive discharge
- d) receive service of process in legal proceedings;
- e) represent the Grantor before third parties, especially before public agencies in general, including for the effective formation and registration of a consortium and a special purpose entity, as well as for obtaining the CNPJ of the consortium and the special purpose entity, including powers to sign applications, documents, and statements, and to perform any related acts; and
- f) at their discretion, appoint substitutes, in whole or in part, reserving the same powers hereby granted, under such terms as they may deem appropriate.

This power of attorney shall remain valid until the conclusion of International Public Tender No. [●].

[PLACE], [DATE].

[SIGNATURE]



[*corporate name of the TENDERER*]

By its legal representative, [*full name*]

ID No. [●]

CPF/MF No. [●]



D – Statements Templates

STATEMENT NO. 1 – EQUIVALENCE STATEMENT

To the

Chair of the TENDER COMMISSION

Ref.: International Public Tender Notice No. [●]

Dear Sir,

In compliance with the above-referenced Tender Notice, [*corporate name of the TENDERER*], with registered office at [●], in the City of [●], State of [●], enrolled with the CNPJ/MF under No. [●], herein represented by its accredited representative, Mr./Ms. [*full name of the ACCREDITED REPRESENTATIVE*], holder of ID No. [●] and enrolled with the CPF/MF under No. [●], hereby states, under the penalties of applicable law, that the documents indicated below from the TENDERER's country of origin are equivalent to the documents required in the Tender Notice.

Description of the document from the country of origin	Document required in the Tender Notice	Item of the Tender Notice requiring the document

[PLACE], [DATE].

[SIGNATURE]

[*corporate name of the TENDERER*]

By its Accredited Representative, [*full name*]

ID No. [●]

CPF/MF No. [●]



STATEMENT NO. 2 - NON-EXISTENCE OF EQUIVALENT FOREIGN DOCUMENT

To the

Chair of the TENDER COMMISSION

Ref.: International Public Tender Notice No. [●]

Dear Sir,

In compliance with the above-referenced Tender Notice, [*corporate name of the TENDERER*], with registered office at [●], in the City of [●], State of [●], enrolled with the CNPJ/MF under No. [●], herein represented by its accredited representative, Mr./Ms. [*full name of the ACCREDITED REPRESENTATIVE*], holder of ID No. [●] and enrolled with the CPF/MF under No. [●], hereby states, under the penalties of applicable law, that the documents indicated below do not exist and have no equivalent in its country of origin.

Document required in the Tender Notice with no equivalent in the country of origin	Item of the Tender Notice requiring the document

The terms written in capital letters in this instrument shall have the meanings assigned to them in the definitions of the TENDER NOTICE or the CONTRACT, as applicable.

[PLACE], [DATE].

[SIGNATURE]

[*corporate name of the TENDERER*]

By its Accredited Representative, [*full name*]

ID No. [●]

CPF/MF No. [●]



**STATEMENT NO. 3 - ACKNOWLEDGMENT AND ACCEPTANCE OF THE TERMS OF THE TENDER NOTICE,
COMPLIANCE WITH THE QUALIFICATION REQUIREMENTS, AND ABSENCE OF ANY IMPEDIMENT TO
PARTICIPATE IN THE TENDER**

To the

Chair of the TENDER COMMISSION

Ref.: International Public Tender Notice No. [●]

Dear Sir,

In compliance with the above-referenced Tender Notice, [*corporate name of the TENDERER*], with registered office at [●], in the City of [●], State of [●], enrolled with the CNPJ/MF under No. [●], herein represented by its accredited representative, Mr./Ms. [*full name of the ACCREDITED REPRESENTATIVE*], holder of ID No. [●] and enrolled with the CPF/MF under No. [●], hereby states, under the penalties of applicable law, that:

- (i) it is fully aware of and agrees with all the terms set forth in the Tender Notice and its Exhibits, as well as with the other documents related to the Tender;
- (ii) it is aware of and fully complies with all qualification requirements set forth in the Tender Notice and its Exhibits;
- (iii) it is not barred from participating in contracting procedures with the direct and indirect Administration of the State of Ceará, has not been declared disreputable, and is not subject to any other sanction that prevents it from participating in this Tender;
- (iv) it is committed to communicate the occurrence of any supervening facts related to the subject matter of this statement.

The terms written in capital letters in this instrument shall have the meanings assigned to them in the definitions of the TENDER NOTICE or the CONTRACT, as applicable.

[PLACE], [DATE].

[SIGNATURE]

[*corporate name of the TENDERER*]

By its Accredited Representative, [*full name*]

ID No. [●]

CPF/MF No. [●]



STATEMENT NO. 4 - SUBMISSION TO BRAZILIAN LAW

To the

Chair of the TENDER COMMISSION

Ref.: International Public Tender Notice No. [●]

Dear Sir,

In compliance with the above-referenced Tender Notice, [*corporate name of the TENDERER*], with with registered office at [●], in the City of [●], State of [●], enrolled with the CNPJ/MF under No. [●], herein represented by its accredited representative, Mr./Ms. [*full name of the ACCREDITED REPRESENTATIVE*], holder of ID No. [●] and enrolled with the CPF/MF under No. [●], hereby states, for all due purposes, its formal and express submission to Brazilian law and its full waiver of the right to make any claim, on any grounds of fact or law, through diplomatic channels.

[PLACE], [DATE].

[SIGNATURE]

[*corporate name of the TENDERER*]

By its Accredited Representative, [*full name*]

ID No. [●]

CPF/MF No. [●]



STATEMENT NO. 5 - INDEPENDENCE IN THE PREPARATION OF THE COMMERCIAL PROPOSAL

To the

Chair of the TENDER COMMISSION

Ref.: International Public Tender Notice No. [●]

Dear Sir,

In compliance with the above-referenced Tender Notice, [*corporate name of the TENDERER*], with with registered office at [●], in the City of [●], State of [●], enrolled with the CNPJ/MF under No. [●], herein represented by its accredited representative, Mr./Ms. [*full name of the ACCREDITED REPRESENTATIVE*], holder of ID No. [●] and enrolled with the CPF/MF under No. [●], hereby states, under the penalties of applicable law, that:

(i) it is aware of the tie-breaking criteria set forth in the head provision and paragraph 1 of Article 60 of Federal Law No. 14,133/2021; and

(ii) it has prepared its Commercial Proposal independently.

The terms written in capital letters in this instrument shall have the meanings assigned to them in the definitions of the TENDER NOTICE or the CONTRACT, as applicable.

[PLACE], [DATE].

[SIGNATURE]

[*corporate name of the TENDERER*]

By its Accredited Representative, [*full name*]

ID No. [●]

CPF/MF No. [●]



STATEMENT NO. 6 - COMPLIANCE WITH ARTICLE 7, ITEM XXXIII, OF THE FEDERAL CONSTITUTION

To the

Chair of the TENDER COMMISSION

Ref.: International Public Tender Notice No. [●]

Dear Sir,

In compliance with the above-referenced Tender Notice, [*corporate name of the TENDERER*], with registered office at [●], in the City of [●], State of [●], enrolled with the CNPJ/MF under No. [●], herein represented by its accredited representative, Mr./Ms. [*full name of the ACCREDITED REPRESENTATIVE*], holder of ID No. [●] and enrolled with the CPF/MF under No. [●], hereby states, under the penalties of applicable law, that it is in good standing with the Ministry of Labor, that it does not employ minors under eighteen years of age in night work, dangerous work, or unhealthy work, and does not employ minors under sixteen years of age, except those hired under an apprenticeship contract, over fourteen years of age.

[PLACE], [DATE].

[SIGNATURE]

[*corporate name of the TENDERER*]

By its Accredited Representative, [*full name*]

ID No. [●]

CPF/MF No. [●]



STATEMENT NO. 7 – FORM REGARDING THE TECHNICAL VISIT

To the

Chair of the TENDER COMMISSION

Ref.: International Public Tender Notice No. [●]

Dear Sir,

In compliance with the above-referenced Tender Notice, [*corporate name of the TENDERER*], with registered office at [●], in the City of [●], State of [●], enrolled with the CNPJ/MF under No. [●], herein represented by its accredited representative, Mr./Ms. [*full name of the ACCREDITED REPRESENTATIVE*], holder of ID No. [●] and enrolled with the CPF/MF under No. [●], hereby states that, being aware of the possibility of carrying out the optional technical visit provided for in the Tender Notice, it has freely and knowingly chosen to:

(Check the applicable option)

	<u>NOT</u> ATTEND THE TECHNICAL VISIT
	ATTEND THE TECHNICAL VISIT

Regardless of the option adopted by this TENDERER, I acknowledge that I have full knowledge of the activities comprising the services to be provided in the concession area and of their extent, and that I hold all information necessary for the preparation of the Commercial Proposal, and that, under no circumstances, may I seek changes to the prices, deadlines, or conditions of the CONTRACT, or allege any loss or claim any benefit, on the grounds of insufficient data or information regarding the subject matter of the TENDER, regardless of whether or not the technical visit is carried out.

[PLACE], [DATE].

[SIGNATURE]

[*corporate name of the TENDERER*]

By its Accredited Representative, [*full name*]

ID No. [●]

CPF/MF No. [●]



STATEMENT NO. 8 - TEMPLATE STATEMENT OF NO IMPEDIMENT EVENT

To the

Chair of the TENDER COMMISSION

Ref.: International Public Tender Notice No. [●]

Dear Sir,

In compliance with the above-referenced Tender Notice, [*corporate name of the TENDERER*], with registered office at [●], in the City of [●], State of [●], enrolled with the CNPJ/MF under No. [●], herein represented by its accredited representative, Mr./Ms. [*full name of the ACCREDITED REPRESENTATIVE*], holder of ID No. [●] and enrolled with the CPF/MF under No. [●], hereby states that there is no disqualifying event preventing its participation in International Public Tender No. [●] and that the partners or shareholders elected to management or executive office in the company are not barred from performing acts of civil life, nor are they subject to any restriction of rights arising from a final and unappealable criminal conviction.

[PLACE], [DATE].

[SIGNATURE]

[*corporate name of the TENDERER*]

By its Accredited Representative, [*full name*]

ID No. [●]

CPF/MF No. [●]



STATEMENT NO. 9 - STATEMENT OF COMMITMENT TO MAINTAIN A TECHNICAL PROFESSIONAL IN CHARGE

To the

Chair of the TENDER COMMISSION

Ref.: International Public Tender Notice No. [●]

Dear Sir,

In compliance with the above-referenced Tender Notice, [*corporate name of the TENDERER*], with registered office at [●], in the City of [●], State of [●], enrolled with the CNPJ/MF under No. [●], herein represented by its accredited representative, Mr./Ms. [*full name of the ACCREDITED REPRESENTATIVE*], holder of ID No. [●] and enrolled with the CPF/MF under No. [●], hereby states that it shall maintain, throughout the entire term of the CONCESSION, a graduate-level technical professional holding technical qualifications equal to or greater than those required by the TENDER NOTICE, it being admitted that such professional may subsequently be replaced by a professional with equivalent or superior experience, provided that such replacement is approved by the GRANTING AUTHORITY.

[PLACE], [DATE].

[SIGNATURE]

[*corporate name of the TENDERER*]

By its Accredited Representative, [*full name*]

ID No. [●]

CPF/MF No. [●]



STATEMENT NO. 10 – CONFIDENTIALITY TERM FOR CARRYING OUT THE TECHNICAL VISIT

To the

Chair of the TENDER COMMISSION

Ref.: International Public Tender Notice No. [●]

Dear Sir,

In compliance with the above-referenced TENDER NOTICE, and in view of its interest in carrying out the technical visit referred to in item 16 of the tender instrument, [*corporate name of the TENDERER*], with registered office at [●], in the City of [●], State of [●], enrolled with the CNPJ/MF under No. [●], herein represented by its ACCREDITED REPRESENTATIVE, Mr./Ms. [*full name of the ACCREDITED REPRESENTATIVE*], holder of ID No. [●] and enrolled with the CPF/MF under No. [●], hereby COMMITTS TO:

- i. keep confidential all information to which we may have access, especially information of a technical nature;
- ii. use the information solely for the purpose of assessing a possible participation in the above-referenced tender and submitting the commercial proposal referred to in the tender instrument;
- iii. not copy, photograph, record, print, disclose to third parties, reveal, reproduce, or otherwise make available, in whole or in part, the information collected during the technical visit, except for purposes of preparing and submitting the commercial proposal; and
- iv. not disclose to third parties or reveal any information or fact concerning the information or discussions that occurred during the technical visit, especially information of a confidential nature, as well as the answers or questions raised in the place designated for such process.

I acknowledge that the breach of any of the obligations set forth in this instrument shall give rise to the application of the applicable civil and criminal penalties, pursuant to law, and shall require this declarant to hold CAGECE harmless and/or indemnify CAGECE from and against any and all damages, losses, harm, or liability arising from the breach of the terms of this instrument, including with respect to any claims, actions, damages, losses, costs, and expenses that CAGECE may incur as a result of the violation of the provisions hereof.

Lastly, I acknowledge that, without prejudice to any applicable measure, CAGECE may seek any judicial or extrajudicial measure to prevent or invalidate breaches of this confidentiality term.



[PLACE], [DATE].

[SIGNATURE]

[*corporate name of the TENDERER*]

By its Accredited Representative, [*full name*]

ID No. [.]

CPF/MF No. [.]



**STATEMENT NO. 11 – STATEMENT OF ACKNOWLEDGMENT OF AND SUBMISSION TO THE TERMS OF
CAGECE’S CODE OF CONDUCT AND INTEGRITY**

To the

Chair of the TENDER COMMISSION

Ref.: International Public Tender Notice No. [●]

Dear Sir,

In compliance with the above-referenced Tender Notice, [*corporate name of the TENDERER*], with registered office at [●], in the City of [●], State of [●], enrolled with the CNPJ/MF under No. [●], herein represented by its accredited representative, Mr./Ms. [*full name of the ACCREDITED REPRESENTATIVE*], holder of ID No. [●] and enrolled with the CPF/MF under No. [●], hereby states, for all due purposes, that it is aware of and submits to the terms of CAGECE’s Code of Conduct and Integrity, committing to:

- i. not perform acts contrary to the laws, rules, and regulations in force under the Brazilian legal system that may cause harm to the Domestic or Foreign Public Administration, pursuant to Law No. 12,846/2013 – the Anti-Corruption Law, regulated within the Executive Branch of the State of Ceará by Decree No. 33,951/2021, and further acknowledging that non-compliance with any such conduct may constitute grounds for unilateral termination of the contract, with recovery of losses and damages, including potential damages and the agreed penalties, without prejudice to civil and criminal liability.
- ii. refrain from performing illicit acts, and to observe the principles of legality, morality, integrity, loyalty, confidentiality, transparency, and efficiency, as well as to respect the values set forth in CAGECE’s Code of Conduct and Integrity.

[PLACE], [DATE].

[SIGNATURE]

[*corporate name of the TENDERER*]

By its Accredited Representative, [*full name*]

ID No. [●]

CPF/MF No. [●]



EXHIBIT C

COMMERCIAL PROPOSAL TEMPLATE

To the

Chair of the Tender Commission

Ref.: International Public Tender Notice No. [●]

Dear Sir,

The TENDERER [*corporate name*], with its headquarter at [●], in the city of [●], State of [●], enrolled with the CNPJ/MF under No. [●], herein represented by its **ACCREDITED REPRESENTATIVE**, Mr./Ms. [*full name of the ACCREDITED REPRESENTATIVE*], holder of RG No. [●] and enrolled with the CPF/MF under No. [●], hereby, in compliance with the TENDER NOTICE, submits its COMMERCIAL PROPOSAL for this TENDER.

1. SUBJECT MATTER OF THE PROPOSAL

1.1 This COMMERCIAL PROPOSAL refers to the CONCESSION for the regionalized SERVICES provision and COMPLEMENTARY SERVICES within the SERVICE PROVIDER'S COVERAGE AREA of LOT [●], through the operation of the pre-existing infrastructure and of the infrastructure to be built during the term of the CONCESSION.

1.2 The capitalized expressions used in this instrument have the meanings ascribed to them in EXHIBIT I to the TENDER NOTICE, corresponding to the CONTRACT.

2. PROPOSAL AMOUNT

2.1 The TENDERER proposes the **total amount** of R\$ [●] ([●]), corresponding to the aggregate amount of the MONTHLY FINANCIAL CONSIDERATIONS over the term of the CONTRACT for LOT [●], which represents a discount of [●]% ([●]) in relation to the reference amount, to be monetarily updated by the IPCA index, with the ENVELOPES SUBMISSION DATE as the base date, as follows:

- Monthly Fixed Amount (VF): R\$ [●] ([●]);
- Fixed Unit Amount (*VFhid*): R\$ [●] ([●]);
- Unit Price for Wastewater Treatment (*PU*): R\$ [●] ([●]);
- Unit Price for Individual Solutions (*PUSI*): R\$ [●] ([●]); e
- Internal Rate of Return (TIR): [●]% ([●])



2.2 This COMMERCIAL PROPOSAL is binding, irrevocable, irreversible and unconditional.

2.3 For purposes of preparing the PROPOSAL, all charges, taxes, costs and expenses necessary for performance of the CONCESSION were taken into account, in accordance with the elements of the TENDER NOTICE and the CONTRACT.

3. COMMITMENTS

3.1 The TENDERER is committed to its duty of maintaining the technical soundness of the BUSINESS PLAN, by having it executed by a technical professional with proven experience in concession structuring or who has demonstrably been pre-qualified by a federal financial institution, within the last five years, to carry out concession structuring studies in the sanitation sector, and who is capable of acting with impartiality and independence.

3.2 The TENDERER commits to taking all measures necessary and sufficient for the proper provision of the SERVICES, as established in the TENDER NOTICE and its EXHIBITS, and to bearing all expenses, burdens, charges, disbursements and pecuniary obligations arising from the services provision.

3.3 The TENDERER has full knowledge of the nature and extent of the risks assumed, which were taken into account in the formulation of the proposal.

4. PROPOSAL VALIDITY TERM

4.1. The validity term of this proposal is 180 (one hundred and eighty) days, counted from the ENVELOPES SUBMISSION DATE, and all conditions shall be maintained throughout such period.

[PLACE], [DATE].

[SIGNATURE]

[corporate name of the TENDERER]

By its ACCREDITED REPRESENTATIVE, *[full name]*

RG No. [●]

CPF/MF No. [●]



EXHIBIT C.1 - BUSINESS PLAN TEMPLATE

For preparation of the BUSINESS PLAN, the TENDERER shall complete the spreadsheet made available in **EXHIBIT C.1 – BUSINESS PLAN TEMPLATE** as follows:

- The TENDERER may modify only the highlighted cells in the “Bids” tab of the Spreadsheet, and shall indicate:

(i) in the cells highlighted in yellow (CAPEX, OPEX and IRR line items), a positive, non-null value equal to or below 100% (one hundred percent) provided for in the Business Plan Template; and

- Indicating 100% (one hundred percent) means maintaining the amount provided for in the Business Plan Template;
- Indicating a value below 100% means a discount on the amount provided for in the Business Plan Template;
- Each highlighted cell may be modified independently from the others, and it is possible to apply different discounts to each one, as the TENDERER may wish;
- The TENDERER may not enter a negative value in the cell.
- Once the cells highlighted in yellow have been completed, the Template will automatically calculate the unit prices that define the Ceiling Amounts to be used in future reviews and that shall comprise item 2.1 of the TENDERER’s commercial proposal.
- For verification purposes, the cells highlighted in yellow, when transcribed into the reference spreadsheet of the respective LOT, should produce the same results presented in the COMMERCIAL PROPOSAL.



PPP WASTEWATER – CAGECE

EXHIBIT D SERVICE PROVIDER'S COVERAGE AREA



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1. DEFINITIONS

In addition to the terms defined in the CONTRACT, the expressions identified below are used, for the purposes of this report, in accordance with the definitions set forth below:

a. URBAN SETTLEMENT¹:

Human settlement, with urban use and characteristics, consisting of real estate units with an area smaller than the minimum land subdivision fraction provided for in Article 8 of Federal Law No. 5,868, dated December 12, 1972, regardless of land ownership, even if located in an area classified or registered as rural;

b. INFORMAL URBAN SETTLEMENT²:

A clandestine or irregular URBAN SETTLEMENT, or one in which it has not been possible to grant title to its occupants, even if the legislation in force at the time of its implementation or regularization has been complied with;

c. CONSOLIDATED INFORMAL URBAN SETTLEMENT³:

An INFORMAL URBAN SETTLEMENT that is difficult to reverse, considering the length of occupation, the nature of the buildings, the location of circulation routes, and the presence of public facilities, among other circumstances to be assessed by the Municipality or the Federal District;

d. PERMANENT PRESERVATION AREAS:

Areas that fall within the classification set forth in Article 4 of Federal Law No. 12,651, dated May 25, 2012.

1 Article 3, X of Federal Law No. 11,445, dated January 5, 2007, as amended by Federal Law No. 14,026, dated July 25, 2020.

2 Article 3, XI of Federal Law No. 11,445, dated January 5, 2007, as amended by Federal Law No. 14,026, dated July 25, 2020.

3 Article 3, XII of Federal Law No. 11,445, dated January 5, 2007, as amended by Federal Law No. 14,026, dated July 25, 2020.

2. SERVICE PROVIDER'S COVERAGE AREA

Initially, Table 1 and Figure 1 present the list of Municipalities comprising LOTS 1, 2, 3, 4, and 5 of the SERVICE PROVIDER'S COVERAGE AREA:

Table 1 - List of MUNICIPALITIES comprising LOTS 1, 2, 3, 4, and 5 of the SERVICE PROVIDER'S COVERAGE AREA.

Lots	Municipalities
1 – NORTH-COASTAL LOT (NORTE-LITORÂNEO)	Acaraú, Alcântaras, Bela Cruz, Cariré, Coreaú, Cruz, Forquilha, Frecheirinha, Groaíras, Hidrolândia, Itatira, Jijoca de Jericoacoara, Marco, Martinópolis, Massapê, Meruoca, Moraújo, Morrinhos, Santa Quitéria, Santana do Acaraú, Senador Sá, Sobral and Uruoca
2 – CENTRAL-SOUTH LOT (CENTRO-SUL)	Abaiara, Acopiara, Altaneira, Antonina do Norte, Araripe, Arneiroz, Assaré, Aurora, Baixo, Barro, Campos Sales, Catarina, Cedro, Granjeiro, Ipaumirim, Jati, Lavras da Mangabeira, Mauriti, Milagres, Orós, Parambu, Penaforte, Porteiras, Potengi, Saboeiro, Salitre, Tarrafas, Tauá, Umari and Várzea Alegre
3 – CENTRAL-EAST LOT (CENTRO-LESTE)	Alto Santo, Aracati, Beberibe, Capistrano, Choró, Ereré, Fortim, Ibaretama, Ibicuitinga, Iracema, Itaiçaba, Itapiúna, Jaguaratama, Jaguaribara, Jaguaruana, Ocara, Palhano, Pereiro, Potiretama, Quixadá, Quixeré, Russas and Tabuleiro do Norte
4 – TRÊS CLIMAS-MACIÇO LOT (TRÊS CLIMAS-MACIÇO)	Acarape, Apuiarés, Aracoiaba, Aratuba, Barreira, Baturité, Caridade, General Sampaio, Guaramiranga, Irauçuba, Itapipoca, Itarema, Miraíma, Mulungu, Pacoti, Palmácia, Paramoti, Pentecoste, Redenção, Tejuçuoca, Tururu, Umirim and Uruburetama
5 – SERTÕES DE CRATEÚS-IBIAPABA LOT (SERTÕES DE CRATRÚS-IBIAPABA)	Ararendá, Barroquinha, Carnaubal, Catunda, Chaval, Crateús, Croatá, Graça, Guaraciaba do Norte, Ibiapina, Independência, Mombaça, Monsenhor Tabosa, Mucambo, Novo Oriente, Pacujá, Piquet Carneiro, Pires Ferreira, Poranga, Quiterianópolis, Reriutaba, São Benedito, Senador Pompeu, Tamboril, Tianguá, Ubajara, Varjota and Viçosa do Ceará

The SERVICE PROVIDER'S COVERAGE AREA corresponds to the urban areas and contiguous areas of the Municipalities, as well as districts and localities with water supply systems operated by and to be implemented by CAGECE, as indicated in Table 2 and in APPENDICES I to CXXVIII (Maps of the Municipalities' Coverage Area), where the SERVICES shall be provided by the CONCESSIONAIRE, pursuant to this CONTRACT.

Table 2 - Municipalities, districts, and localities included in the Service Provider's Coverage Area.

No.	Municipality	District(s)	Locality(ies)
1	Abaiara	Abaiara	Abaiara (Headquarter)
2	Acarape	Acarape	Acarape (Headquarter)
			Cantagalo
			Carro Atolado
			Pau Branco

No.	Municipality	District(s)	Locality(ies)
			Riachão do Norte
3	Acaraú	Acaraú	Acaraú (Headquarter)
4	Acopiara	Acopiara	Acopiara (Headquarter)
5	Alcântaras	Alcântaras	Alcântaras (Headquarter)
6	Altaneira	Altaneira	Altaneira (Headquarter)
7	Alto Santo	Alto Santo	Alto Santo (Headquarter)
8	Antonina do Norte	Antonina do Norte	Antonina do Norte (Headquarter)
		Taboleiro	Taboleiro
9	Apuiarés	Apuiarés	Apuiarés (Headquarter)
10	Aracati	Aracati	Aracati (Headquarter)
			Baixio
			Canavieira
			Canoa Quebrada
			Cumbé
			Córrego Nova Esperança
			Majorlândia
			Pedra Redonda
			Quixaba
			Volta
		Barreira dos Vianas	Boca do Forno
		Cabreiro	Cabreiro
			Tabuleiro
11	Aracoiaba	Aracoiaba	Aracoiaba (Headquarter)
			Baixio
			Batimbal
			Caninha
			Encosta
			Oiticica
		Ideal	Capivara
			Ideal
		Jenipapeiro	Jenipapeiro
		Lagoa de São João	Agroviola de São João
			Lagoa de São João
		Vazantes	Vazantes
12	Ararendá	Ararendá	Ararendá (Headquarter)
13	Araripe	Araripe	Araripe (Headquarter)
		Alagoinha	Alagoinha
		Pajeú	Pajeú
			Baixo do Lima
			Campina
14	Aratuba	Aratuba	Aratuba (Headquarter)
15	Arneiroz	Arneiroz	Arneiroz (Headquarter)
16	Assaré	Assaré	Assaré (Headquarter)
17	Aurora	Aurora	Aurora (Headquarter)
		Ingazeiras	Ingazeiras
18	Baixio	Baixio	Baixio (Headquarter)
19	Barreira	Barreira	Barreira (Headquarter)
			Batalha
			Cajueiro
		Córrego	Córrego
		Lagoa Grande	Cocos
			Lagoa Grande
20	Barro	Barro	Barro (Headquarter)
		Iara	Iara
21	Barroquinha	Araras	Araras
		Barroquinha	Barroquinha (Headquarter)
			Lagoa do Mato

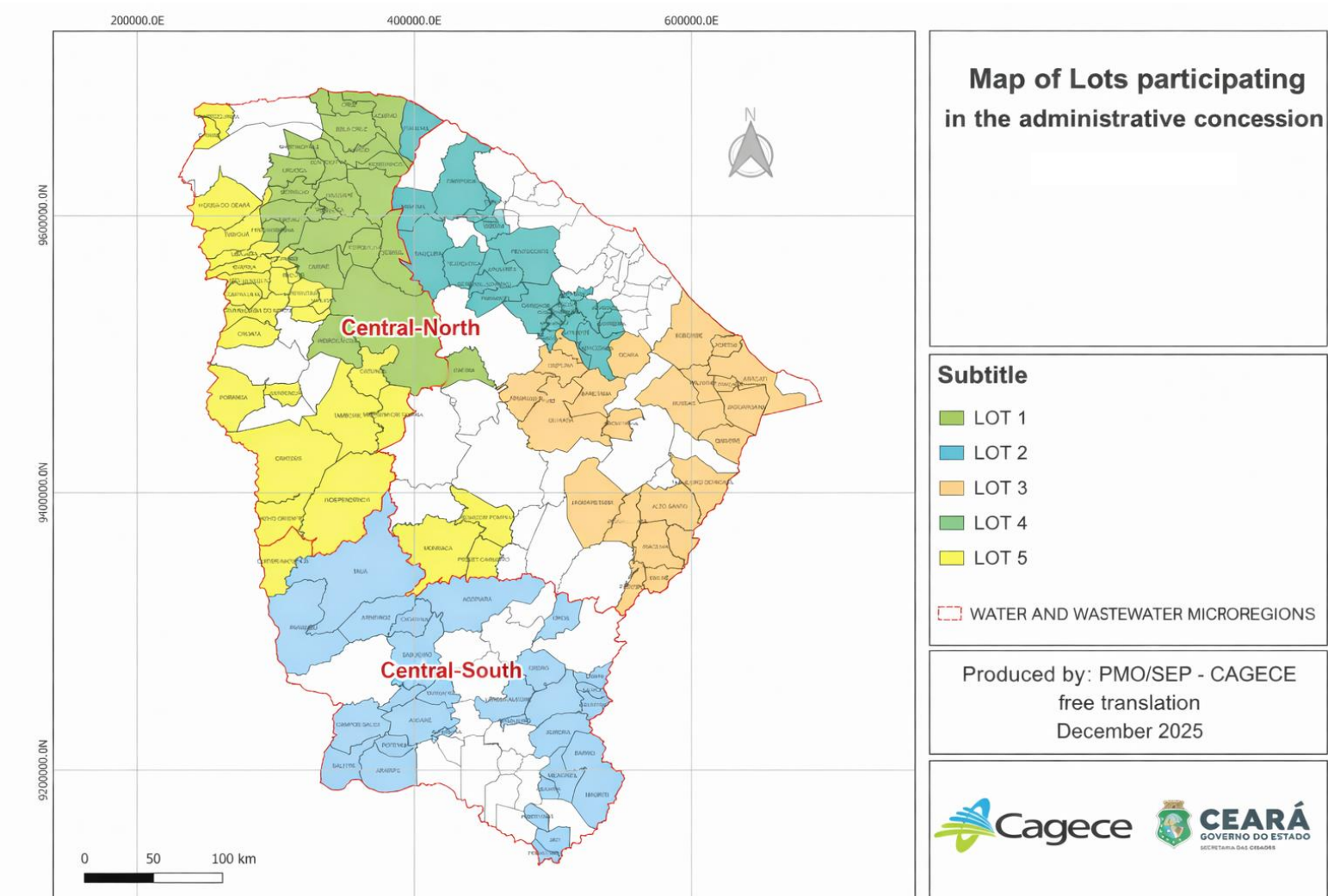
No.	Municipality	District(s)	Locality(ies)
		Bitupitá	Bitupitá
22	Baturité	Baturité	Baturité (Headquarter)
23	Beberibe	Beberibe	Beberibe (Headquarter)
			Choro
			Morro Branco
		Parajuru	Parajuru
		Serra do Félix	Serra do Félix
24	Bela Cruz	Bela Cruz	Bela Cruz (Headquarter)
			Cedro
			Salinas
			Santa Rosa
25	Campos Sales	Campos Sales	Campos Sales (Headquarter)
26	Capistrano	Capistrano	Capistrano (Headquarter)
27	Caridade	Campos Belos	Campos Belos
		Caridade	Caridade (Headquarter)
			Pedra Branca
			Pereiros
28	Cariré	Cariré	Cariré (Headquarter)
29	Carnaubal	Carnaubal	Carnaubal (Headquarter)
			Faveira
30	Catarina	Catarina	Catarina (Headquarter)
31	Catunda	Catunda	San Gonçalo
			Catunda (Headquarter)
32	Cedro	Cedro	Candeias
			Cedro (Headquarter)
		Lajedo	Sítio Lajedo
		Lajedo	Sítio São Raimundo
		Lajedo	Sítio Mucururé
		Várzea da Conceição	Várzea da Conceição
33	Chaval	Chaval	Chaval (Headquarter)
		Passagem	Passagem
34	Choró	Choró	Choró (Headquarter)
35	Coreaú	Coreaú	Coreaú (Headquarter)
		Ubaúna	Ubaúna
36	Crateús	Crateús	Crateús (Headquarter)
37	Croatá	Croatá	Croatá (Headquarter)
38	Cruz	Cruz	Cruz (Headquarter)
		Caiçara	Paraguai
			Preá
39	Ererê	Ererê	Ererê (Headquarter)
40	Forquilha	Forquilha	Forquilha (Headquarter)
41	Fortim	Barra	Barra
		Campestre	Campestre
		Fortim	Fortim (Headquarter)
		Maceió	Maceió
		Viçosa	Jardim
			Viçosa
42	Frecheirinha	Frecheirinha	Frecheirinha (Headquarter)
			Sítio Jardim
43	General Sampaio	General Sampaio	General Sampaio
44	Granjeiro	Granjeiro	Granjeiro
45	Graça	Graça	Graça (Headquarter)
		Lapa	Lapa
46	Groaíras	Groaíras	Groaíras (Headquarter)
			Sanharão dos Donatos
		Itamaracá	Cantagalo
			Itamaracá
47	Guaraciaba do Norte	Guaraciaba do Norte	Guaraciaba do Norte
		Sussuanha	Sussuanha

No.	Municipality	District(s)	Locality(ies)
48	Guaramiranga	Guaramiranga	Guaramiranga (Headquarter)
		Pernambuquinho	Forquilha
49	Hidrolândia	Hidrolândia	Hidrolândia (Headquarter)
		Irajá	Irajá
50	Ibaretama	Ibaretama	Ibaretama (Headquarter)
51	Ibiapina	Betânia	Betânia
		Ibiapina	Ibiapina (Headquarter)
			Janeiro
			Pituba
52	Ibicuitinga	Caiçara	Caiçara
		Açude dos Pinheiros	Açude dos Pinheiros
		Canindezinho	Antônio Pereira
		Canindezinho	Canindezinho
		Ibicuitinga	Ibicuitinga (Headquarter)
		Viçosa	Currais
53	Independência	Viçosa	Viçosa
		Independência	Independência (Headquarter)
54	Ipaumirim	Felizardo	Felizardo
		Ipaumirim	Ipaumirim (Headquarter)
55	Iracema	Ema	Ema
		Iracema	Iracema (Headquarter)
56	Irauçuba	Irauçuba	Irauçuba (Headquarter)
57	Itaíçaba	Itaíçaba	Itaíçaba (Headquarter)
		Itaíçaba	Tomé Afonso
58	Itapipoca	Deserto	Deserto
		Itapipoca	Brotas
			Itapipoca (Headquarter)
			Lagoa da Cruz
59	Itapiúna	Caio Prado	Barra Nova
			Bico da Arara
			Caio Prado
		Itans	Itans
		Itapiúna	Itapiúna (Headquarter)
			Lagoa da Pedra
60	Itarema	Palmatória	Palmatória
		Almofala	Torrões
61	Itatira	Itarema	Itarema (Headquarter)
		Itatira	Itatira (Headquarter)
62	Jaguetama	Lagoa do Mato	Lagoa do Mato
62	Jaguetama	Jaguetama	Jaguetama (Headquarter)
63	Jaguaribara	Jaguaribara	Jaguaribara (Headquarter)
64	Jaguaruana	Jaguaruana	Jaguaruana (Headquarter)
		Saquinho	Saquinho
65	Jati	Jati	Jati (Headquarter)
66	Jijoca de Jericoacoara	Jijoca de Jericoacoara	Jericoacoara
			Jijoca de Jericoacoara
67	Lavras da Mangabeira	Amaniutuba	Amaniutuba
		Lavras da Mangabeira	Lavras da Mangabeira
		Mangabeira	Mangabeira
		Quitaiús	Quitaiús
68	Marco	Marco	Marco (Headquarter)
			Santa Rosa
			Triângulo do Marco
69	Martinópolis	Martinópolis	Martinópolis (Headquarter)
70	Massapê	Ipaguaçu	Ipaguaçu
		Massapê	Massapê (Headquarter)
		Mumbaba	Mumbaba
		Mauriti	Mauriti (Headquarter)

No.	Municipality	District(s)	Locality(ies)
71	Mauriti	Palestina do Cariri	Palestina do Cariri
72	Meruoca	Meruoca	Meruoca (Headquarter)
73	Milagres	Milagres	Milagres (Headquarter)
		Rosário	Rosário
74	Miraíma	Brotas	Brotas
		Miraíma	Miraíma (Headquarter)
75	Mombaça	Mombaça	Mombaça (Headquarter)
76	Monsenhor Tabosa	Monsenhor Tabosa	Monsenhor Tabosa (Headquarter)
77	Moraújo	Moraújo	Moraújo (Headquarter)
		Várzea da Volta	Várzea da Volta
78	Morrinhos	Morrinhos	Junco Manso
			Morrinhos (Headquarter)
		Sítio Alegre	Sítio Alegre
79	Mucambo	Mucambo	Caiçara
			Chapada
			Mucambo (Headquarter)
80	Mulungu	Mulungu	Mulungu (Headquarter)
81	Novo Oriente	Novo Oriente	Novo Oriente (Headquarter)
82	Ocara	Ocara	Ocara (Headquarter)
		Sereno de Cima	Sereno de Cima
83	Orós	Guassussê	Guassussê
		Orós	Orós (Headquarter)
		Palestina	Palestina
84	Pacoti	Pacoti	Pacoti (Headquarter)
85	Pacujá	Pacujá	Pacujá (Headquarter)
86	Palhano	Palhano	Palhano (Headquarter)
87	Palmácia	Palmácia	Palmácia (Headquarter)
88	Parambu	Parambu	Parambu (Headquarter)
			Santa Rita
89	Paramoti	Paramoti	Paramoti (Headquarter)
90	Penaforte	Penaforte	Penaforte (Headquarter)
91	Pentecoste	Pentecoste	Pentecoste (Headquarter)
		Sebastião de Abreu	Sebastião de Abreu
		Matias	Vazante Grande
92	Pereiro	Crioulos	Crioulos
		Pereiro	Pereiro (Headquarter)
93	Piquet Carneiro	Piquet Carneiro	Piquet Carneiro (Headquarter)
94	Pires Ferreira	Otavilândia	Otavilândia
		Pires Ferreira	Pires Ferreira (Headquarter)
		Santo Izidro	Marruá das Rosas
			Santo Izidro
95	Poranga	Poranga	Poranga (Headquarter)
96	Porteiras	Porteiras	Porteiras (Headquarter)
97	Potengi	Potengi	Potengi (Headquarter)
98	Potiretama	Potiretama	Potiretama (Headquarter)
99	Quiterianópolis	Quiterianópolis	Quiterianópolis (Headquarter)
100	Quixadá	Juatama	Juatama
		Quixadá	Quixadá (Headquarter)
		Tapuiará	Tapuiará
		Cipó dos Anjos	Lagoa da Pedra
			Lagoa da Santana
			Sítio Alegre
			Siriema
101	Quixeré	Quixeré	Quixeré (Headquarter)
102	Redenção	Antônio Diogo	Antônio Diogo
		Barra Nova	Barra Nova
		Redenção	Diamante
			Itapaí
			Outeiro de Fora

No.	Municipality	District(s)	Locality(ies)
			Redenção (Headquarter)
103	Reriutaba	Reriutaba	Reriutaba (Headquarter)
104	Russas	Bonhu	Bonhu
		Flores	Flores
		Flores	Jardim de São José
		Russas	Russas (Headquarter)
		São João de Deus	São João de Deus
105	Saboeiro	Saboeiro	Saboeiro (Headquarter)
106	Salitre	Salitre	Salitre (Headquarter)
107	Santa Quitéria	Lisieux	Lisieux
		Macaraú	Macaraú
		Santa Quitéria	Santa Quitéria (Headquarter)
108	Santana do Acaraú	Santana do Acaraú	Santana do Acaraú (Headquarter)
109	Senador Pompeu	Senador Pompeu	Senador Pompeu (Headquarter)
110	Senador Sá	Senador Sá	Senador Sá (Headquarter)
111	Sobral	Aprazível	Aprazível
		Jaibaras	Ipueiras
		Jaibaras	Jaibaras
112	São Benedito	Inhuçu	Inhuçu
		São Benedito	São Benedito (Headquarter)
113	Tabuleiro do Norte	Tabuleiro do Norte	Tabuleiro do Norte (Headquarter)
114	Tamboril	Sucesso	Sucesso
		Tamboril	Tamboril (Headquarter)
115	Tarrafas	Tarrafas	Tarrafas (Headquarter)
116	Tauá	Tauá	Tauá (Headquarter)
117	Tejuçuoca	Tejuçuoca	Tejuçuoca (Headquarter)
118	Tiangúá	Caruataí	Caruataí
		Pindoguaba	Canastra
			Pindoguaba
			Valparaíso
		Tiangúá	Itaguaruna
			Sítio São José
			Tiangúá (Headquarter)
119	Tururu	Cemoaba	Cemoaba
		Tururu	Canto Escuro
			Tamanduá
			Tururu (Headquarter)
120	Ubajara	Jaburuna	Jaburu
		Nova Veneza	Jaburuna
			Nova Veneza
			Ubajara (Headquarter)
121	Umari	Pio X	Pio X
		Umari	Umari (Headquarter)
122	Umirim	Caxitoré	Caxitoré
		São Joaquim	São Joaquim
		Umirim	Umirim (Headquarter)
123	Uruburetama	Uruburetama	Uruburetama (Headquarter)
124	Uruoca	Uruoca	Uruoca (Headquarter)
125	Varjota	Varjota	Varjota (Headquarter)
126	Viçosa do Ceará	Lambedouro	Lambedouro
		Quatiguaba	Inharim
			Quatiguaba
			Queimadas
		Viçosa do Ceará	Viçosa do Ceará (Headquarter)
127	Várzea Alegre	Várzea Alegre	São Vicente
		Várzea Alegre	Várzea Alegre (Headquarter)

Figure 1 - Municipalities comprising the Concession Blocks.



In the event that CAGECE becomes responsible for providing the public wastewater service in other municipalities in the State of Ceará, in which it is not currently responsible for the operation of the wastewater system, the SERVICE PROVIDER'S COVERAGE AREA may be expanded, during the performance of the CONTRACT, so as to add the urban areas and contiguous areas of such municipalities, as well as districts and localities with operating water supply systems or to be implemented. The forecast of the possibility of eventual expansion of the SERVICE PROVIDER'S COVERAGE AREA does not generate any right or prerogative for the CONCESSIONAIRE, such that the non-implementation of this expansion shall not give rise to economic-financial rebalancing or any other form of indemnification claim.

The expansion of the SERVICE PROVIDER'S COVERAGE AREA to include municipalities is conditioned upon the prior grant to CAGECE, under any legal title, of responsibility for the provision of the public wastewater service in the respective municipality. In the event of expansion of the SERVICE PROVIDER'S COVERAGE AREA to include a municipality, the entry of the adhering municipality shall occur in the LOT defined in Table 3.

Table 3 - List of municipalities that may be added to each LOT.

Lots	Municipalities
1 – North-Coastal Lot	Camocim, Madalena, Sobral
2 – Central-South Lot	Aiuaba, Brejo Santo, Caririaçu, Cariús, Crato, Deputado Irapuã Pinheiro, Icó, Iguatu, Jardim, Jucás, Quixelô
3 – Central-East Lot	Banabuiú, Icapuí, Jaguaribe, Limoeiro do Norte, Milhã, Morada Nova, Pindoretama, Quixeramobim, São João do Jaguaribe, Solonópole
4 – Três Climas-Macizo Lot	Amontada, Canindé, Itapajé
5 – Sertões de Crateús-Ibiapaba Lot	Boa Viagem, Granja, Ipaporanga, Ipu, Ipueiras, Nova Russas, Pedra Branca

3. SYSTEM OPERATION

3.1. AREAS COVERED BY THE REGULAR SYSTEM OPERATION

The regular SYSTEM OPERATION by the CONCESSIONAIRE shall cover all urban localities and contiguous areas of the MUNICIPALITY or DISTRICT where there is a formal and regular water supply system operated by CAGECE. For purposes of the CONTRACT, all CONSOLIDATED INFORMAL URBAN SETTLEMENTS located in the MUNICIPALITIES shall be deemed urban localities.

Under no circumstances shall the SERVICE PROVIDER'S COVERAGE AREA differ from the coverage area related to CAGECE's Service Agreements, or to other legal arrangements underlying the provision of the public wastewater service in the MUNICIPALITIES.

4. CARRYING OUT INVESTMENTS

4.1. AREAS ELIGIBLE FOR INVESTMENTS

All urban localities and contiguous areas of the MUNICIPALITY or DISTRICT where there is a formal and regular water supply system operated by CAGECE shall be eligible for investments to be made by the CONCESSIONAIRE, as provided for in the CONCESSION CONTRACT. For purposes of the CONTRACT, all CONSOLIDATED INFORMAL URBAN SETTLEMENTS located in the MUNICIPALITIES shall be deemed urban localities.

The targets established for wastewater services concern sanitation infrastructure, which is linked to the Municipality's urban and road infrastructure. Compliance with the targets shall correspond to the urban planning and land regularization of the Municipality's substandard areas. Accordingly, joint action between the municipal authority and CAGECE will enable the achievement of the proposed targets.

Under no circumstances shall the SERVICE PROVIDER'S COVERAGE AREA differ from the coverage area related to CAGECE's Service Agreements, or other legal arrangements underlying the provision of the public wastewater service in the MUNICIPALITIES.

LOT 1 – NORTH-COASTAL LOT:

APPENDIX III MAP OF THE COVERAGE AREA OF THE MUNICIPALITY OF ACARAÚ

APPENDIX V MAP OF THE COVERAGE AREA OF THE MUNICIPALITY OF ALCÂNTARAS

APPENDIX XXIV MAP OF THE COVERAGE AREA OF THE MUNICIPALITY OF BELA CRUZ

APPENDIX XXVIII MAP OF THE COVERAGE AREA OF THE MUNICIPALITY OF CARIRÉ

APPENDIX XXXV MAP OF THE COVERAGE AREA OF THE MUNICIPALITY OF COREAÚ

APPENDIX XXXVIII MAP OF THE COVERAGE AREA OF THE MUNICIPALITY OF CRUZ

APPENDIX XL MAP OF THE COVERAGE AREA OF THE MUNICIPALITY OF FORQUILHA

APPENDIX XLII MAP OF THE COVERAGE AREA OF THE MUNICIPALITY OF FRECHEIRINHA

APPENDIX XLVI MAP OF THE COVERAGE AREA OF THE MUNICIPALITY OF GROÁIRAS

APPENDIX XLIX MAP OF THE COVERAGE AREA OF THE MUNICIPALITY OF HIDROLÂNDIA

APPENDIX LXI MAP OF THE COVERAGE AREA OF THE MUNICIPALITY OF ITATIRA

APPENDIX LXVI MAP OF THE COVERAGE AREA OF THE MUNICIPALITY OF JIJOCA DE JERICOACOARA

APPENDIX LXVIII MAP OF THE COVERAGE AREA OF THE MUNICIPALITY OF MARCO

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EXHIBIT E
B3 PROCEDURES MANUAL

NOTICE FOR INTERNATIONAL BIDDING PROCESS N.º 20260001

**ADMINISTRATIVE CONCESSION OF SERVICES NECESSARY FOR
THE UNIVERSALIZATION OF SANITARY SEWERAGE IN 127
MUNICIPALITIES IN THE INTERIOR OF CEARÁ STATE SERVED BY
CAGECE, INCLUDING BLOCKS 1 TO 5, IDENTIFIED IN ANNEX D –
COVERAGE AREA OF THE SERVICE PROVIDER**

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INTRODUCTION

This PROCEDURES MANUAL instructs BIDDERS on the stages of the BIDDING PROCESS and is merely informative and complementary to the NOTICE.

B3 will report to the SPECIAL BIDDING COMMISSION any and all issues arising from its service provision.

The final decisions of the BIDDING PROCESS are the sole responsibility of the SPECIAL BIDDING COMMISSION, who is responsible for conducting the procedures relating to the BID.

B3 does not guarantee the fulfillment of any obligation of the parties involved in the BID, GRANTING AUTHORITY, advisors, BIDDERS, ACCREDITED BROKERS, and is not obligated to honor any payments due. Furthermore, it does not act as a co-obligor of the defaulting party and, therefore, does not make any payments on their behalf.

B3 emphasizes its role as advisor to the GRANTING AUTHORITY within the scope of the BID. Therefore, B3's role is limited to providing technical support relating to the procedures inherent to the BID, such as: analysis of the BIDDING DOCUMENT; drafting of the PROCEDURES MANUAL; provision of resources and spaces for sessions held at B3; provision of resources and spaces for document storage; assistance in clarifying doubts for BIDDERS regarding procedures involving B3; assistance in receiving, assessing, maintaining, returning and executing BID BOND; support in evaluating documents for legal, technical, economic-financial, tax and labor compliance; disclosure of the link to access the NOTICE and the PROCEDURES MANUAL on the B3 website.

On the other hand, it is not under B3's responsibility to act in activities that are fundamental to the BID, nor to take the lead role or make non-delegable decisions of the Public Administration in the BID, as these are the exclusive prerogatives of the GRANTING AUTHORITY, such as publication of an official or binding nature; access to the NOTICE and its ANNEXES; any information, any other manuals, any technical notes, clarifications to the NOTICE; deadline changes; return of BID BOND in the form of security deposit; credit, liquidity, enforceability and execution of BID BOND; any other guarantees; provision of documentation for consultation; remedying faults or promoting due diligence; participation or qualification of BIDDERS; obligations of BIDDERS and the WINNING BIDDER, any shareholder agreements, any liquidation, any credits, any tag-along and participation rights, obligations of the GRANTING AUTHORITY towards the WINNING BIDDER; and other BID phases not covered in this PROCEDURES MANUAL

PREVALENCE OF THE NOTICE

In case of any conflict between the provisions of this document and the NOTICE, the terms of the NOTICE shall prevail.

DEFINITIONS AND ABBREVIATIONS

The definitions used in this PROCEDURES MANUAL shall be the same as those applied to the NOTICE. No new term potentially used in this PROCEDURES MANUAL shall replace or invalidate the terms used in the NOTICE, which shall always prevail.

BIDDING PROCESS DOCUMENTS

Documents associated with the BIDDING PROCESS shall be made available officially as provided for in the NOTICE.

This PROCEDURES MANUAL is available online on the B3 homepage, at www.b3.com.br/licitacoes/, in the section “Licitações e Alienações” (“Bidding Processes and Disposals”).

CLARIFICATION OF DOUBTS

ACCREDITED BROKERS and other interested parties in the BIDDING PROCESS may clarify any doubts concerning the operating procedures described in this PROCEDURES MANUAL by e-mail at leiloes@b3.com.br.

Questions sent to the aforementioned email address should not be confused with any potential challenge, clarification or appeal regarding the NOTICE.

B3 notes that any guidance provided within the scope of its work as a technical advisory specializing in bidding processes shall not constitute clarifications to the NOTICE.

CHAPTER 1

ACCREDITED PARTICIPANTS

The BIDDER may be represented by an ACCREDITED BROKER as per the NOTICE.

Whenever necessary, B3 will contact the ACCREDITED BROKER and the latter, in turn, must communicate with the BIDDER.

Only a brokerage house or a securities dealer authorized to trade on B3 may represent the BIDDER.

This authorization can be confirmed in a list published on the B3 website at https://www.b3.com.br/en_us/products-and-services/membership/participant-search/participants/.

Each ACCREDITED BROKER may represent only one BIDDER, whereas each BIDDER may only be represented by a single ACCREDITED BROKER. In the case of a BIDDER participating in a CONSORTIUM, the ACCREDITED BROKER will represent all members of the CONSORTIUM, which shall constitute a single BIDDER.

BROKERAGE CONTRACT BETWEEN THE BIDDER AND THE ACCREDITED BROKER

To formalize this intermediation, the BIDDER must enter into a brokerage contract with an ACCREDITED BROKER as set forth in Annex A to this PROCEDURES MANUAL, and the document shall be described in ENVELOPE 1.

The document must be signed by the legal representatives of the BIDDER and by representatives of the ACCREDITED BROKER, by two witnesses, and should contain notarized recognition from the signatories' signatures, or signed digitally as per the NOTICE.

The powers of the legal representatives of ACCREDITED BROKERS will be verified in the B3 system. If the ACCREDITED BROKER is not registered with B3, its registration is out of date, or if the signatories of the brokerage contract are not registered in the B3 system, the ACCREDITED BROKER must present proof of the signatories' powers in ENVELOPE 1, as per the NOTICE.

The verification of the ACCREDITED BROKER's current registration status with B3 can be done by writing to leiloes@b3.com.br, providing the company name of the ACCREDITED BROKER and the full names of the representatives to be consulted.

CHAPTER 2

DELIVERY OF ENVELOPES

The BIDDER, duly represented by an ACCREDITED BROKER, must deliver the ENVELOPES in person to B3 on the dates and times specified in the NOTICE.

REPRESENTATION FOR DELIVERY OF ENVELOPES

The documents must be delivered through representatives of the BIDDER's ACCREDITED BROKER.

If the registration of the ACCREDITED BROKER is out of date, the ACCREDITED BROKER may update its registration according to the guidelines of item 4. Make Requests, a) include a new representative or b) update of registration and corporate data, Navigation Manual, as applicable.

If the ACCREDITED BROKER's registration at the time of DELIVERY OF ENVELOPES to B3 is not updated, the ACCREDITED BROKER must submit documents proving its powers of representation, separately from any envelope, since ENVELOPE 1 shall only be opened following verification of sufficient powers to perform this act.

At the end of the process, for it to be finalized, the ACCREDITED BROKER must sign, together with B3, the receipt protocol in at least two counterparts, with B3 retaining one copy.

Furthermore, if the registration is out of date, the ACCREDITED BROKER may update it in advance with the B3 Registration area, thus being exempt from submitting the aforementioned documents proving its powers.

It is not necessary to be a B3 trader to act as a representative of the ACCREDITED BROKER; it is sufficient to be its authorized representative.

EXAMINATION OF ENVELOPES

After the delivery of the ENVELOPES, the SPECIAL BIDDING COMMISSION shall open and examine ENVELOPE 1, whose regularity will be required for the participation of BIDDERS in the PUBLIC SESSION and subsequent stages

The examination of documents may be carried out jointly by the SPECIAL BIDDING COMMISSION and B3. Any and all decisions regarding the eligibility of BIDDERS are the sole and exclusive responsibility of the SPECIAL BIDDING COMMISSION.

Results of the examination shall be published by the SPECIAL BIDDING COMMISSION on the dates specified in the NOTICE, on the website specified in the NOTICE for monitoring the BIDDING PROCESS.

The documents examined by B3 shall be kept in its custody for subsequent filing.

CHAPTER 3

BID BOND

ACCEPTED MODELS

The BID BOND can be presented according to the instructions below, in the following models:

- Guarantee Insurance Policy;
- Bank Guarantee Letter;
- Government Bond;
- Cash Bond; and/or
- Capitalization Bond.

APPLICABLE RULES TO ALL MODELS

SPECIFIC DEPOSIT

BIDDERS must make a specific guarantee deposit to participate in the BIDDING PROCESS. Any guarantee deposited with B3 for other operations of the ACCREDITED BROKERS or BIDDERS is not part of the BID BOND.

CURRENCY

The BID BOND must be issued in Brazilian currency, BRL/Real.

PURPOSE

To ensure the maintenance of the PRICE BID S submitted by the BIDDERS during the BID.

VALUE

The BIDDER must provide a BID BOND, in accordance with the value set forth stipulated in item 21.1 of the NOTICE.

DENOMINATION

If the BIDDER participates alone, the bid security must have its own corporate name as the borrower/guarantor/holder/depositary.

CONSORTIUM

If the BIDDER is in a CONSORTIUM, the BID BOND that uses the name of the CONSORTIUM as borrower/guarantor/holder/depositary will not be accepted, given that CONSORTIA are not a legal person. In that case, the BID BOND may be delivered:

- In only one instrument in corporate name of a CONSORTIUM MEMBER; or
- In different instruments, each in corporate name of a CONSORTIUM MEMBER, so that the sum of the shares reaches the minimum value stipulated in the NOTICE.

According to item 21.10 of the NOTICE, if the BIDDER participates in a CONSORTIUM, it is permissible for the total amount of the BID BOND to be segregated among the CONSORTIUM MEMBERS, who may choose one of the guarantee models, without prejudice to the choice of a different model by the other CONSORTIUM MEMBERS. Furthermore, a single CONSORTIUM MEMBER may also submit a single BID BOND, corresponding to the full value of the guarantee.

In all cases, the BID BOND must ensure the CONSORTIUM's liability as a BIDDER, and an instrument that guarantees only the participation of a CONSORTIUM MEMBER is not allowed. The name of the CONSORTIUM, the corporate names of all the CONSORTIUM MEMBERS and their participation shares must be included in the description of the Guarantee Insurance Policy, Bank Guarantee Letter and/or be reported if it is a Government Bond.

INVESTMENT FUND

In the case of an investment fund, the BID BOND must be provided by its administrator.

The name of the investment fund must be included in the description of the Guarantee Insurance Policy, the Bank Guarantee Letter and/or be reported if it is a Government Bond..

TERM

According to item 21.9, of the NOTICE, the BID BOND must have a minimum validity period of 180 (one hundred and eighty) calendar days, counted from DATE FOR RECEIPT OF ENVELOPES. In compliance with SUSEP Circular Letter No. 662, dated April 11, 2022, the guarantee insurance must cover 24 (twenty-four) hours, both from the date of commencement of its validity, namely the DATE FOR RECEIPT OF ENVELOPES and from the date of end of its validity.

VALUATION AND MAINTENANCE

B3 shall constantly assess, while BID BONDS remain under its custody, economic value and compliance with the requirements of the NOTICE, including by the issuer, provided that it is able to recommend to the SPECIAL BIDDING COMMISSION that BID BONDS be maintained and/or replaced, as per the NOTICE.

REPLACEMENT

After the deadline for depositing the BID BOND, on the date of DELIVERY OF ENVELOPES, these bonds may only be modified or replaced with other accepted guarantees, as provided for in the NOTICE and in this PROCEDURES MANUAL, with the express and prior consent of the SPECIAL BIDDING COMMISSION or at the time of their renewal, and to restore their economic value and enforceability conditions.

B3 shall only return the replaced guarantees after the provision of substitute guarantees.

B3 shall only execute any movement of the deposited BID BOND under the express and formal order of the SPECIAL BIDDING COMMISSION.

RETURN

The return of the pledged guarantees will be authorized by the SPECIAL BIDDING COMMISSION as specified in item 21.15 of the NOTICE.

The return of the BID BOND shall occur through the BIDDER's ACCREDITED BROKER with B3, in the forms of Guarantee Insurance Policy, Bank Guarantee Letter and Government Bonds. When authorized by the SPECIAL BIDDING COMMISSION, B3 shall contact the ACCREDITED BROKERS to operationalize the return of the pledged guarantees.

EXECUTION

According to item 21.17 and the hypotheses presented in the NOTICE, the BID BOND may be executed by the GRANTING AUTHORITY, with B3's operational support. If one or more of the conditions referenced therein are verified, the SPECIAL BIDDING COMMISSION shall have the prerogative to execute the BID BOND, without prejudice to any other penalties under the Law and the NOTICE

RULES APPLICABLE TO THE GUARANTEE INSURANCE POLICIES

FORM OF DOCUMENTS

Guarantee Insurance Policies shall be accepted under the following conditions:

- The Insurer is duly constituted and authorized to operate by SUSEP;
- The policy specifies the BIDDER as the borrower, observing the specific rules;
- The policy specifies the GRANTING AUTHORITY as the beneficiary;
- The guidelines of item 21.6 of the NOTICE are complied with, and the minimum content of ANNEX B – MODEL OF LETTERS AND DECLARATIONS of the NOTICE is followed;
- No clauses are added that exempt the BIDDER or the Insurer from their responsibilities;
- They comply with SUSEP Circular Letter No. 662, dated April 11, 2022, and other current conditions stipulated by the Superintendence of Private Insurance – SUSEP; and
- Guarantee Insurance Policies with digital certification must be verifiable for authenticity on the insurer's website or SUSEP's website.

FORM OF ISSUANCE AND DEPOSIT

For the Guarantee Insurance Policy model, the following instructions apply:

- The BIDDER will request the issuance of a Guarantee Insurance Policy from the Insurer, preferably an insurance institution previously registered with B3, observing the criteria stipulated in this PROCEDURES MANUAL and in the NOTICE;
- The Guarantee Insurance Policy must be included in ENVELOPE 1;
- The policy must contain digital certification; admitting policies with pen signatures, with notarized signatures, or with electronic signatures; and
- B3 will assist the SPECIAL BIDDING COMMISSION in verifying the regularity of the documents.

REGISTRATION OF THE GUARANTEE INSURANCE ISSUER WITH B3

To prove the powers of the guarantee insurance signatories, BIDDERS may use registered administrators, verifiable on the SUSEP website, as signatories of the guarantee insurance policies. Institutions that have an updated registration in B3 are exempt from sending supporting documents of representation.

Prior consultation may be carried out by the Document Portal by the issuer itself, in accordance with the guidelines of item 2. Main Screen and its Features, c) consultation, Navigation Manual.

The issuing institution may update its registration according to the guidelines of item 4. Make Requests, a) to include new representative or b) update of registration and corporate data, Navigation Manual.

If the issuing institution has not registered or updated its registration with B3, the documents must be included in ENVELOPE 1.

RULES APPLICABLE TO BANK GUARANTEE LETTERS

FORM OF DOCUMENTS

Bank Guarantee Letters will be accepted provided that they meet the following requirements:

- The Bank Guarantee Letter specifies the BIDDER as the guaranteed party, observing specific rules;
- The Bank Guarantee Letter specifies the GRANTING AUTHORITY as the beneficiary;
- The obligations of the Bank Guarantee Letter are to the GRANTING AUTHORITY;
- The guarantor institution is a commercial, investment and/or multiple bank, authorized to operate in Brazil, according to Brazilian laws and the regulations of the financial sector;
- The guarantor institution must observe the prohibitions of the National Monetary Council regarding debt limits and risk diversification;
- The guarantor institution is a financial institution rated between the first and second tiers, namely, between “A” and “B” on the long-term rating scale of at least one of the credit rating agencies Fitch Ratings, Moody’s or Standard & Poors;
- The guarantor institution must have the Embratel EMVIA system in place so that B3 can verify the authenticity of the Bank Guarantee Letter.
- The Bank Guarantee Letter must be delivered in its original physical form;
- The Bank Guarantee Letter must be signed by hand and have the signatures of the guarantor's legal representatives notarized, and the other pages and their reverse side must be initialed;
- The Bank Guarantee Letter must be signed by two witnesses;
- The guidelines of item 21.7 of the NOTICE must be complied with;
- The model contained in ANNEX B – MODEL OF LETTERS AND DECLARATIONS of the NOTICE must be used; and
- No clauses should be added that exempt the BIDDER or the guarantor institution from their responsibilities.

FORM OF ISSUANCE AND DEPOSIT

For the Bank Guarantee Letter model, the following procedures apply:

- The Bank Guarantee Letter must be presented in its original form; counterparts of any kind are prohibited;
- The Bank Guarantee Letter must be contained in ENVELOPE 1; and
- B3 will assist the SPECIAL BIDDING COMMISSION in verifying the regularity of the documents.

REGISTRATION OF THE BANK GUARANTEE ISSUER WITH B3

To prove the powers of the bank guarantee signatories, the issuing institution may use its registration with B3, as per the indications below.

Institutions that have an updated registration in B3 are exempt from sending supporting documents of representation.

Prior consultation may be carried out by the Document Portal by the issuer itself, in accordance with the guidelines of item 2. Main screen and its features, c) consultation, **Navigation Manual**.

The issuing institution may update its registration according to the guidelines of item 4. Make Requests, a) to include new representative or b) update of registration and corporate data, **Navigation Manual**.

If the issuing institution:

- Does not have a registration and wish to register, they must request registration in accordance with item 1. Access to Platform, a. Companies applying to participate, **Navigation Manual**; or
- Does not have an updated registration with B3 in a timely manner, BIDDERS may alternatively (i) Present a Certificate of Administrators issued by SUSEP, in the case of guarantee insurance; or (ii) Present proof of legal representatives issued on the Central Bank of Brazil's website, as applicable. The documents may be included in the BID BOND ENVELOPE and/or sent by email, if a digital certification is available, as applicable.

RULES APPLICABLE TO GOVERNMENT BONDS

ACCEPTED BONDS

- National Treasury Bills (Letras do Tesouro Nacional, LTN);

- National Financial Treasury Bills (Letras Financeiras do Tesouro, LFT);
- National Treasury Notes Series B Principle (Notas do Tesouro Nacional - Série B, NTN-B Principle);
- National Treasury Notes Series B (Notas do Tesouro Nacional – Série B Principal, NTN-B Principal);
- National Treasury Notes Series C (Notas do Tesouro Nacional Série C, NTN-C); and
- National Treasury Notes Series F (Notas do Tesouro Nacional Série F, NTN-F).

FORM OF TRANSFER AND DEPOSIT

The blocking on books of Government Bonds will be executed through the following procedures:

- BIDDERS holding their own Government Bond portfolio must pledge these bonds as collateral by transferring them from the Special System for Settlement and Custody (SELIC) to the account maintained by B3 in the system.
- The BIDDER will request that the financial institution to which its bond position in SELIC is linked arrange the transfer to B3. The financial institution holding the bond position is not necessarily the ACCREDITED BROKER hired by the BIDDER to represent it in the BIDDING PROCESS.
- The BIDDER shall send the following information to B3:
 - Information about bonds being transferred;
 - Company name and code of the mediating financial institution, which is associated with the administration of the BIDDER's bonds; and
 - The BIDDER's customer code and account code on the Guarantees System maintained by B3 (NGA).
- The operation is executed as an “operation without financial”, known as “1023”, in SELIC, only bonds that are available and under B3's custody, in that system.
- The ACCREDITED BROKER sends to B3 the information about the bonds being transferred. B3 then arranges for the corresponding entry in SELIC and monitors its updates to confirm the deposit in its Guarantee System.
- After this procedure, B3 registers the transfer in the B3 Guarantee System (NGA).
- Financial institutions that are registered in the system and mediate the transfer of bonds may confirm it on the homepage <https://clearing3.bvmfnet.com.br/Garantias/>.

- Delivery of the BID Bond will be confirmed digitally through the B3 system

Due to SELIC transfer deadlines, only bonds available and held by B3 in that system until the date of DELIVERY OF ENVELOPES described in the NOTICE will be accepted as BID BOND.

VALUATION

Government bonds transferred to the B3-held guarantee account are valued on a daily basis to determine their economic value, as defined by the Brazilian Ministry of Economics and determined by B3.

B3 may notify the SPECIAL BIDDING COMMISSION, at any time, on the need to recompose bonds in order to maintain the guarantee value required under the NOTICE for the BID BOND.

RULES APPLICABLE TO CASH BONDS

The acceptance of proof of deposit is made by the SPECIAL BIDDING COMMISSION, and B3 has no responsibility for this act. B3 shall also not be responsible for the return of the BID BOND deposited in the form of a cash bond and the BIDDER must contact the SPECIAL BIDDING COMMISSION directly for instructions.

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FORM OF DELIVERY

The BID BOND must be submitted by including the deposit slip in its original format in ENVELOPE 1.

FORM OF DEPOSIT

The BIDDER will not make the deposit with B3. The deposit must be made as described in item 21.2.1 of the NOTICE

Due to the clearing period, only funds held by the SPECIAL BIDDING COMMISSION until the deadline of the date of DELIVERY OF ENVELOPES described in the NOTICE will be accepted as BID BOND.

RULES APPLICABLE TO SINGLE PAYMENT CAPITALIZATION BONDS REDEEMABLE FOR THE TOTAL AMOUNT

FORM OF DOCUMENTS

Single payment Capitalization Bonds redeemable for the total value will be accepted, provided that:

- The Capitalization Company is not under tax authority management, intervention or out-of-court liquidation;
- The Capitalization Company is duly constituted and authorized to operate by SUSEP (Superintendence of Private Insurance);
- The Capitalization Bond specifies the BIDDER as the holder, observing the specific rules applicable to consortia and funds;
- The Capitalization Bond specifies the GRANTING AUTHORITY as the grantee and specifies the total redemption amount in the BID BOND value;
- No clauses are added that exempt the BIDDER or the Capitalization Company from their responsibilities;
- They strictly comply with Resolution No. 384/2020 of the National Council of Private Insurance (CNSP) and SUSEP Circular Letter No. 656/2022 and other current conditions stipulated by the regulators;
- Electronically issued bonds with digital certification must be verifiable for authenticity on the Capitalization Company website and/or on the SUSEP website;
- Electronically issued Capitalization Bonds must be signed by the Capitalization Company's legal representatives that can be verified for authenticity; and
- Physically issued Capitalization Bonds must be signed by the Capitalization Company's legal representatives with notarized signatures.

FORM OF ISSUANCE AND DEPOSIT

The following procedures shall be followed for Capitalization Bonds:

- The BIDDER will request issuance of the bond from the capitalization company of its choice, possibly previously registered with B3, observing the criteria stipulated in this PROCEDURES MANUAL and in the NOTICE;
- The ACCREDITED BROKER will deliver the bond in ENVELOPE 1; and
- B3 will assist the SPECIAL BIDDING COMMISSION in verifying the regularity of the documents.

REGISTRATION OF THE CAPITALIZATION BOND ISSUER WITH B3

To prove the powers of the capitalization bond signatories, the issuing institution may use its registration with B3, as per the indications below.

Institutions that have an updated registration in B3 are exempt from sending supporting documents of representation.

Prior consultation may be carried out by the Document Portal by the issuer itself, in accordance with the guidelines of item 2. Main Screen and its Features, c) consultation, **Navigation Manual**.

The issuing institution may update its registration according to the guidelines of item 4. Make Requests, a) to include new representative or b) update of registration and corporate data, **Navigation Manual**.

If the issuing institution:

- Does not have a registration and wish to register, they must request registration in accordance with item 1. Access to Platform, a. Companies applying to participate, **Navigation Manual**; or
- Does not have an updated registration with B3 in a timely manner, BIDDERS may alternatively (i) Present a Certificate of Administrators issued by SUSEP, in the case of guarantee insurance; or (ii) Present proof of legal representatives issued on the Central Bank of Brazil's website, as applicable. The documents may be included in the BID BOND ENVELOPE and/or sent by email, if a digital certification is available, as applicable.

CHAPTER 4

PUBLIC BIDDING SESSION

OBJECT, PLACE, DATE AND TIME

The characteristics of the BIDDING PROCESS are described in the NOTICE and in its related documents.

The decision regarding the regularity of the documents contained in ENVELOPE 1, including the BID BONDS submitted by the BIDDERS, will be published on the WEBSITE specified in the NOTICE.

The BIDDING PROCESS will be judged according to the criterion of lowest consideration, as per item 6.1 of the NOTICE.

The DIRECTOR OF THE SESSION may, at any time during the PUBLIC SESSION for the opening of COMMERCIAL PROPOSALS, determine pauses in the proceedings, for the purpose of organizing the SESSION or whenever he deems the measure convenient for its proper conduct.

GENERAL PUBLIC

Access to the PUBLIC SESSION venue is free for anyone who wants to attend, and no prior registration is required, only identification at reception. The physical capacity limit of the venue will be observed to maintain building security.

The PUBLIC SESSION opening of the PRICE BIDS will be broadcast publicly, live and will be available from its start time on www.tvB3.com.br.

BIDDERS ELIGIBLE TO PARTICIPATE IN THE PUBLIC SESSION

BIDDERS who meet all the requirements of the NOTICE shall be eligible to participate in the PUBLIC SESSION, as per the announcement published on the WEBSITE.

REPRESENTATION

In the PUBLIC SESSION, the intermediation between B3 and the BIDDER representative must be carried out by the ACCREDITED BROKER.

Up to the second business day prior to the PUBLIC SESSION, each ACCREDITED BROKER may specify to B3, via email at leiloes@B3.com.br, the BIDDER members who will be present in the PUBLIC SESSION.

Access to the area restricted to investors may be limited to ensure equality, comfort and confidentiality of communication between BIDDERS in the PUBLIC SESSION.

WORKING DYNAMICS

The procedures of the PUBLIC SESSION will be conducted by B3 on its premises, on behalf of the SPECIAL BIDDING COMMISSION and according to the dictates of the NOTICE.

The decisions taken in the PUBLIC SESSION will be the sole responsibility of the SPECIAL BIDDING COMMISSION.

The SESSION DIRECTOR will begin the PUBLIC SESSION by providing the necessary information for the conduct and proper understanding of the dynamics and will request from the SPECIAL BIDDING COMMISSION ENVELOPE 2 of each eligible BIDDER, so that it may open, examine and read to the general public the PRICE BIDS contained therein, followed by the ranking in ascending order, possible open outcry, tie-breaking resolution and ratification of the proposals, if there is an open outcry.

OPEN OUTCRY BIDDING

After the PRICE BIDS have been examined and classified, the SPECIAL BIDDING COMMISSION will rank them in ascending order of proposed value, with the first-ranked bid being the PRICE BID with the lowest sum of the MONTHLY PAYMENTS to be paid to the CONCESSIONAIRE, as per item 28.4 of the NOTICE.

If there are PRICE BIDS with a value up to 20% (twenty percent), inclusive, higher than the value proposed in the PRICE BID initially ranked first, an open outcry bid stage will be processed between these BIDDERS

Open outcry bids must meet the following requirements:

- The value of the lowest PRICE BID must be lowered at the time the bid is submitted; intermediate bids are not permitted.
- Respect the minimum variation value of R\$ 30,000,000.00 (thirty million Brazilian Reais) in the total value of MONTHLY PAYMENTS, this variation being based on the lowest PRICE BID submitted up until then.
- Respecting the maximum time between bids, of up to 10 (ten) minutes.

Bids will be offered in reverse order of the provisional ranking of the written PROPOSALS. Thus, the highest-ranked BIDDER in this stage will always be the last to offer bids in the open outcry bidding rounds, until no BIDDER expresses interest in offering new bids.

At the end of the open outcry bid stage, the SESSION DIRECTOR will announce the final ranking order of the BIDDERS, in ascending order of the lowest value of the sum of the MONTHLY PAYMENTS to be paid to the CONCESSIONAIRE

The ratification of the final bids from the BIDDERS must be done by affixing the signature of the ACCREDITED REPRESENTATIVE to the ratification document issued by the SPECIAL BIDDING COMMISSION at the PUBLIC SESSION.

If the open outcry bidding stage is open and no bids are offered, the PRICE BID corresponding to the highest bid offered up to that point will be declared the winner of the BIDDING PROCESS.

Ratification of PRICE BIDS will not be necessary if the open outcry bid stage is not held.

Selection of Blocks and Allocation of Remaining Blocks

After the PRICE BIDS in all Blocks are ranked, the BIDDERS ranked first in more than one Block will be called upon, according to their ranking order, to choose a single Block and waive the PRICE BIDS for the remaining Blocks.

A waiver at this time does not constitute an administrative infraction nor does it result in the execution of the BID BOND.

Failure to respond within the deadline will be considered a waiver of all PRICE BIDS, with the execution of the corresponding BID BONDS.

Allocation of Remaining Blocks

If, after the above phase, there are Blocks with no ranked PRICE BID, the Allocation of Remaining Blocks will be carried out, allowing a BIDDER already ranked first in one Block to be ranked in only one additional Block.

First stage

Applies to Blocks that had only one valid PRICE BID, subsequently withdrawn:

- If the BIDDER was the only proponent in only one remaining Block, it will be ranked in that Block.

- If the BIDDER was the only proponent in two or more remaining Blocks, it must choose only one.

BIDDERS ranked in this stage will not participate in the next stage to avoid the concentration of more than two Blocks per BIDDER.

Second stage

The second stage is only held if there are still Blocks without a ranked offer, involving Blocks that had more than one valid offer, but whose proponents withdrew:

- The BIDDER holding the best PRICE BID will be called, except those already ranked in the first stage.
 - If a BIDDER holds the best offer in more than one Block, it must choose only one, unless this choice results in the abandonment of any Block.
-

General Rules

- BIDDERS ranked in the Allocation phase may not withdraw their PRICE BIDS, under penalty of execution of the BID BOND.
- The procedure will be conducted in a way that maximizes the number of Blocks with ranked BIDDERS.
- The final rank will be according to the BIDDING PROCESS schedule.
- All acts of the PUBLIC SESSION will be recorded in minutes.
- The procedures are applied individually to each Block, observing the specific rules in the Allocation of Remaining Blocks.

TIEBREAKER

There may be a tiebreaker as per item 28.12 of the NOTICE.

FINAL RESULT

Subject to all preceding stages, the BIDDER that is ultimately the top-ranked one shall be immediately announced by the SESSION DIRECTOR, on behalf of the SPECIAL BIDDING COMMISSION.

CHAPTER 5

QUALIFICATION

EXAMINATION OF ELIGIBILITY DOCUMENTS

Once the results of the PUBLIC SESSION for the PRICE BIDS are announced, the top-ranked BIDDER shall have its QUALIFICATION DOCUMENTS open.

The documents will be opened and examined and it shall be incumbent upon the SPECIAL BIDDING COMMISSION to decide whether or not the BIDDER is in compliance.

Once examination of ENVELOPE 3 of the top-ranked BIDDER has concluded, the SPECIAL BIDDING COMMISSION shall render and issue its ruling as to the result of the examination.

If the top-ranked BIDDER is disqualified, other BIDDERS may, successively and according to their ranking, have their own ENVELOPES 3 examined, until one of the BIDDERS has met all the requirements in the NOTICE.

CHAPTER 6

B3 REMUNERATION

BIDDING APPROVAL AND B3 REMUNERATION

In accordance with item 31.2.6 of the NOTICE, after the approval and awarding of the object of the BIDDING PROCESS, B3 will charge the amount corresponding to its remuneration, as follows:

- i. R\$ 375,110.46 (three hundred and seventy-five thousand, one hundred and ten Brazilian Reais and forty-six cents) for BLOCK 1;
- ii. R\$ 375,110.46 (three hundred and seventy-five thousand, one hundred and ten Brazilian Reais and forty-six cents) for BLOCK 2;
- iii. R\$ 375,110.46 (three hundred and seventy-five thousand, one hundred and ten Brazilian Reais and forty-six cents) for BLOCK 3;
- iv. R\$ 375,110.46 (three hundred and seventy-five thousand, one hundred and ten Brazilian Reais and forty-six cents) for BLOCK 4; and
- v. R\$ 375,110.46 (three hundred and seventy-five thousand, one hundred and ten Brazilian Reais and forty-six cents) for BLOCK 5

Once ratification of the BIDDING PROCESS has been published, a bank slip shall be issued to allow for the payment of compensation due to B3, which shall be paid by the GRANTEE within 15 (fifteen) days, but imperatively before execution of the CONTRACT.

In the event that GRANTEE fails to make the payment as stipulated, due to a fact not attributable to B3, the amounts due will be increased by a penalty of 2% (two percent) and default interest of 0.5% (half a percent) per month, pro rata tempore, calculated from the due date of the bank slip until the date of actual settlement, without prejudice to the execution of the BID BOND, the default remaining in effect.

The amount will be updated annually by the positive variation of the National Consumer Price Index – IPCA/IBGE, published by the Brazilian Institute of Geography and Statistics, or in its absence, by an update index that may replace it, with the base date of September 2025.

B3 will confirm receipt of its remuneration to the SPECIAL BIDDING COMMISSION, attesting to the fulfillment of this condition prior to signing the CONTRACT.

ANNEX A

BROKERAGE CONTRACT BETWEEN THE BIDDER AND THE ACCREDITED BROKER

[place], [month] [day] [year].

TO B3 S.A. – BRASIL, BOLSA, BALCÃO

NOTICE FOR INTERNATIONAL BIDDING PROCESS N.º 20260001

ADMINISTRATIVE CONCESSION OF SERVICES NECESSARY FOR THE
UNIVERSALIZATION OF SANITARY SEWERAGE IN 127 MUNICIPALITIES IN THE
INTERIOR OF CEARÁ STATE SERVED BY CAGECE, INCLUDING BLOCKS 1 TO 5,
IDENTIFIED IN ANNEX D –COVERAGE AREA OF THE SERVICE PROVIDER

The parties, in the best form of law:

[enter corporate name of ACCREDITED BROKER], a company headquartered at *[enter address of ACCREDITED BROKER's headquarters]*, *[enter city and state of the ACCREDITED BROKER]*, enrolled with the CNPJ/MF (Corporate Taxpayer Registration) under no. *[enter CNPJ number of ACCREDITED BROKER]*, represented herein as established in its articles of incorporation; and

[enter corporate name of BIDDER], headquartered at *[enter address of BIDDER's headquarters]*, *[enter city and state of the BIDDER]*, enrolled with the CNPJ/MF (Corporate Taxpayer Registration) under no. *[enter CNPJ number of BIDDER]*, represented herein as established in its articles of incorporation;

Have RESOLVED to execute this instrument, so that the BIDDER may be represented by the ACCREDITED BROKER for purposes of its participation in the captioned Bidding Process.

1. The BIDDER and ACCREDITED BROKER represent that they are familiar with, agree and shall uphold, without reservation, all the terms, rules, obligations, conditions, forms and timetables in the documents concerning the BIDDING PROCESS, which, for all intents and purposes, are an integral part of this Contract, and therefore allow for consideration of the same meanings assigned to the expressions:

- NOTICE and B3 PROCEDURES MANUAL
- Documents and modifications issued by the SPECIAL BIDDING COMMISSION;
- Any and all documentation that may be communicated, disclosed or published within the scope of the BIDDING PROCESS; and
- In a subsidiary capacity, the rules and procedures of B3 concerning auctions in general.

2. The parties undertake to deliver, the BIDDER to the ACCREDITED BROKER, and the ACCREDITED BROKER to the SPECIAL BIDDING COMMISSION, at B3 or to B3, as applicable under and according to the timetable established in the NOTICE:

- BID BOND
- ENVELOPES 1, 2 and 3; and
- Compensation payable to B3, when so agreed upon between the parties.

3. The ACCREDITED BROKER hereby names its operators assigned to act at the Public Session to be held for the BIDDING PROCESS:

- Primary Operator: *[Full name of operator]*, the bearer of CPF (Taxpayer Registration) number *[CPF number of operator]*; and
- Contingency Operator: *[Full name of operator]*, the bearer of CPF (Taxpayer Registration) number *[CPF number of operator]*.

3.1. The replacement or addition of operators to participate in the PUBLIC BIDDING SESSIONS is permitted, regardless of any amendment to this Contract.

3.2. Credentials of ACCREDITED BROKER's operator shall be picked up 30 (thirty) minutes before the start of the PUBLIC SESSION to open the BID PRICES with the SESSION DIRECTOR. At the end of the PUBLIC SESSION to open the BID PRICES, the credentials shall be returned to the same location.

4. The ACCREDITED BROKER is bound as the primary obligor and payer of the compensation due to B3, as established under the NOTICE and the PROCEDURES MANUAL.

5. The brokerage fee due to the ACCREDITED BROKER, in consideration of brokerage services to be rendered under this Contract, has been freely agreed upon between the parties, being specifically *[enter the commercial terms agreed between the parties]*.

6. The ACCREDITED BROKER shall not be held liable in the event that the BIDDER is ultimately not included in the list of parties apt and/or qualified to partake in the BIDDING PROCESS, to be reported directly by the SPECIAL BIDDING COMMISSION.

7. The BIDDER recognizes and authorizes compulsory blocking and/or execution, by the SPECIAL BIDDING COMMISSION and/or B3, as applicable, of assets accepted as the BID BOND, according to the terms of the NOTICE and the PROCEDURES MANUAL.

8. The BID BOND shall be executed by way of disposal, practice, act, form, mode, out-of-court or otherwise, that is most effective to procure funds required for the proper performance of duties taken on by the BIDDER as a result of its participation in the BIDDING PROCESS.

9. The BIDDER hereby grants, under this agreement, irrevocably and irreversibly, to the ACCREDITED BROKER, special powers to represent it before B3, and to other BIDDERS, whether or not banking institutions, the Central Bank of Brazil, among other public entities or centralized or custodian systems, and exercise all rights and assume all obligations resulting from the BIDDING PROCESS, which are to be performed, at its account and on its behalf, as established hereunder, and in the NOTICE and the PROCEDURES MANUAL, provided that, to such end, it is able to attach documents pertaining to the operation and procedure to effect the financial liquidation of any and all

assets used as a form of payment or guarantee, and negotiate, transfer, receive and give acquittal, enter into commitments, issue, draw and sign bonds and documents on behalf of the BIDDER, and jeopardize and perform any other actions required for use of the BID BOND, as established under the NOTICE and the PROCEDURES MANUAL, provided, lastly, that B3 is granted powers identical to the powers granted to the ACCREDITED BROKER, regardless of the order of appointment established above, so that it may, at the account and on behalf of the SPECIAL BIDDING COMMISSION and the GRANTING AUTHORITY, perform any actions necessary for and associated with the perfection, administration, offsetting and liquidation of the forms of payment and guarantees delivered to it for any reason, as established under the NOTICE and the PROCEDURES MANUAL.

10. This Contract shall be terminated upon the occurrence of both of the following events:

- retrieval of the BID BOND by the ACCREDITED BROKER from B3, to return it to the BIDDER; and
- Confirmation of payment of compensation due to B3.

10.1. Notwithstanding any termination, the rights acquired by the parties shall be preserved, whereas effects resulting from execution of this Contract shall remain valid for purposes of any pending duties, until such time when they are duly settled.

11. Any and all forbearances or failure by the parties to enforce the rights and obligations resulting from this Contract shall not entail, save when otherwise clearly provided for, the waiver of such rights, nor shall it constitute an amendment to, or novation of this Contract.

12. This Contract is binding, also, on all heirs and successors of the parties.

13. The ACCREDITED BROKER undertakes to preserve the confidentiality of the BIDDER's identification and information, disclosing them only to B3, the SPECIAL BIDDING COMMISSION and the GRANTING AUTHORITY, as established hereunder, and for purposes of this Contract.

14. The BIDDER undertakes to expressly notify the ACCREDITED BROKER on any change to its standing or information, so that it may make any arrangements needed, and taking into account the due qualification, and observance of terms for its participation in the BIDDING PROCESS with B3, the SPECIAL BIDDING COMMISSION and the GRANTING AUTHORITY.

15. The jurisdiction of the City of São Paulo is hereby chosen as the sole competent authority to settle any supervening doubts, save for the right assured to the ACCREDITED BROKER, when in the position of plaintiff, to file suit in the BIDDER's domicile, when different from its own.

16. All doubts or disputes arising out of this Contract shall be decided by B3, upon consultation with the SPECIAL BIDDING COMMISSION, prior to any judicial notification, by either party.

In witness whereof, the contracting parties being contracted and agreed sign this instrument in *[enter number of counterparts agreed between the parties, taking into account the documents required to be submitted for the BIDDING PROCESS]* counterparts, of identical form and content, in the presence

of the two undersigned witnesses named hereunder, so that they shall be valid for all intents and purposes.

São Paulo, _____, 202__.

Signatures of legal representatives, duly certified

[Names of ACCREDITED REPRESENTATIVES] [Company name of BIDDER]

Signatures of legal representatives of the ACCREDITED BROKER, duly certified

[Names of legal representatives of ACCREDITED BROKER] [Company name of ACCREDITED BROKER]

Witnesses:

Name:

Name:

ID:

ID:

**CONTRACT FOR THE ADMINISTRATIVE CONCESSION OF THE SERVICES
REQUIRED FOR THE UNIVERSALIZATION OF WASTEWATER SERVICES IN THE
INTERIOR OF THE STATE OF CEARÁ**

EXHIBIT III

PERFORMANCE INDICATORS AND SERVICE TARGETS



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1. PERFORMANCE INDICATORS

For purposes of execution of the CONCESSION that is the subject matter of CONTRACT No. **(J)**, a performance evaluation system for the CONCESSIONAIRE was developed through indicators, with a view to ensuring compliance with the quality standards for maintenance of the elements required under EXHIBIT IV – CONCESSION SPECIFICATIONS, as well as with the rules and laws in force and the certification standards required by the competent public authorities.

Such rules, laws and standards are related to the availability, quality and sustainability of the wastewater services in the MUNICIPALITIES of the State of Ceará that will be served by the CONCESSIONAIRE. It is noted that the established performance measurement system does not eliminate or replace other inspecting and monitoring mechanisms and actions carried out by CAGECE, the REGULATORY AGENCY and/or other control and inspecting bodies.

The use of performance indicators is essential for assessing the quality of the wastewater SERVICES and the COMMERCIAL MANAGEMENT activities. This is because such practice requires constant monitoring, which allows for the improvement and monitoring of the execution of the targets set forth in this EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS and in the service provision contracts, in addition to the identification and dissemination of best techniques and performance.

Furthermore, the use of indicators is relevant as a mechanism to encourage the improvement and rationalization of inspection activities, facilitating the generation of annual diagnostics to be made available to the GRANTING AUTHORITY and to inspecting and regulatory institutions, which may even serve as a basis for the formulation of public policies in the sector. Lastly, the measurement of indicators makes it possible to assess the evolution and efficiency over time of each aspect, as well as to compare the performance of the CONCESSIONAIRE with that of other organizations in the sector.

It should be noted that the indicators proposed in this EXHIBIT are based on those used within the scope of International Public Tender No. 2022002 – CAGECE/CCC for the Administrative Concession of the Services Required for the

Universalization of Wastewater Services in the State of Ceará¹, those of CAGECE, those of the rules issued by the National Water and Sanitation Agency (ANA), and those of the rules issued by the Infranational Regulatory Agency relating to the public water supply and wastewater services.

The selection of these indicators was carried out based on market research (benchmarking), through which it was possible to verify those being adopted in sanitation projects in the country, notably in tender notices in the sector and indicators included in the National Sanitation Information System (SNIS) and in the ACERTAR program.

It should also be noted that the aforementioned performance measurement system may be subject to changes requested by CAGECE as a result of legal determinations, determinations by the regulatory agencies and determinations by the holder of the SERVICES.

1.1 Selection of Indicators

In selecting the performance indicators, the aim was to cover the most relevant dimensions of wastewater services provision, so as to ensure that the most significant information for evaluating the performance of the CONCESSIONAIRE is made available, fulfilling both inspecting activities and social interests. Accordingly, the choice of indicators considered both requirements relating to each indicator individually considered, as well as the set of indicators itself.

For the individual selection of the indicators, the following aspects were weighed:

- Possibility of calculation without significant additional effort;
- Ease and simplicity of interpretation and obtainment;
- Rigorous definition, concise meaning and unambiguous interpretation;

¹ International Public Tender No. 2022002 – Cagece/CCC for the Administrative Concession of Services Required for the Universalization of Wastewater Services in the State of Ceará, in the municipalities comprising Lot 1, consisting of the municipalities of the Fortaleza South Metropolitan Region and the Cariri Metropolitan Region, and Lot 2, consisting of the Fortaleza North Metropolitan Region.

- Objective and impartial measurement of a specific aspect of the CONCESSIONAIRE's performance, so as to avoid subjective or distorted judgments;
- Ease of access to data, verification and external auditing;
- Validity, communicability and reliability;
- Allow validation by independent verifiers.

Collectively, indicators were sought that are capable of fulfilling the following requirements:

- Reflect the main aspects of the performance of the CONCESSIONAIRE, with parameters that allow a representation of both operation and universalization;
- Avoid overlap in objectives or meaning among the indicators.

1.2 Performance Indicators Framework (QID)

The proposed indicators make up a Performance Indicators Framework (QID), containing description, calculation formula, indicator components, unit of measurement, periodicity and source for collection of the component data, as set forth jointly in APPENDIX I – ANNUAL TARGET OF THE PERFORMANCE INDICATORS.

Seeking better visualization and organization of the evaluation process, the performance indicators were classified into three distinct groups:

- Universalization Indicator;
- General Indicator for Micrometering Update; and
- Operational Indicator.

Each indicator has a specific formula, the calculation of which normally consists of a relationship between two or more variables, seeking to determine the effective performance in relation to an optimal performance. The table below presents the indicators that make up the QID.

Table 1 - Indicators by category.

Item	Category	Performance Indicator	Formula	Unit of Measurement	Definitions
1	Wastewater System Universalization Indicator - IDU	Indicator for Expansion of Coverage through Wastewater Connection (IACC)	$IACC = \frac{CCE_n - CER_n}{MCE_n - CER_n} \times 100$	%	CCE_n - Coverage index through connection of customer units to wastewater collection and treatment achieved in measurement year "n"; MCE_n - Target for coverage through connection of customer units to wastewater collection and treatment in measurement year "n"; CER_n - Reference coverage index through connection of customer units to wastewater collection and treatment in measurement year "n".
2	General Indicator for Micrometering Update - IGAM	Indicator for Micrometering Update (IAM)	$IAM = \frac{IA_{1,5} + IA_{\geq 3,5} + IA_{\geq 10} + IA_{2,5} + IA_{\geq 2,5*}}{TH_{1,5} + TH_{\geq 3,5} + TH_{\geq 10} + TH_{2,5} + TH_{\geq 2,5*}} \times 100$	%	$IA_{1,5}$ - Number of velocity water meters (Qn 1.5m³/h) within acceptable age; $TH_{1,5}$ - Total number of velocity water meters (Qn 1.5m³/h); $IA_{\geq 3,5}$ - Total number of velocity water meters (Qn ≥3.5m³/h); $TH_{\geq 3,5}$ - Total number of velocity water meters (Qn ≥3.5m³/h); $IA_{\geq 10}$ - Number of velocity water meters (Qn ≥10m³/h) within acceptable age;



Item	Category	Performance Indicator	Formula	Unit of Measurement	Definitions
					$TH_{\geq 10}$ - Total number of velocity water meters ($Q_n \geq 10 \text{ m}^3/\text{h}$); $IA_{2,5}$ - Number of volumetric water meters ($Q3 \geq 2.5 \text{ m}^3/\text{h}$) within acceptable age; $TH_{2,5}$ - Total number of volumetric water meters ($Q3 \geq 2.5 \text{ m}^3/\text{h}$); $IA_{\geq 2,5*}$ - Number of ultrasonic water meters ($Q3 \geq 2.5 \text{ m}^3/\text{h}$) within acceptable age; $TH_{\geq 2,5*}$ - Total number of ultrasonic water meters ($Q3 \geq 2.5 \text{ m}^3/\text{h}$)
3	Operational Performance Indicator - IDO	Indicator for Frauds (IFR)	$IFR = \frac{FR}{NLA} \times 1000$	Number of Frauds / 1,000 covered water connections	FR - Total number of frauds and illegal connections identified and remedied in water connections in the last 12 months; NLA - number of covered water connections on the last day of the reference month.



Item	Category	Performance Indicator	Formula	Unit of Measurement	Definitions
4	Operational Performance Indicators - IDO	Indicator for Wastewater Network Overflows (IEX)	$IEX = \frac{QE}{CR}$	Overflows / Km of wastewater collection network	<i>QE</i> - Total number of overflows in the wastewater collection network for network unclogging and connection services recorded in the month, including repetitions; <i>CR</i> - Total length of the wastewater collection network in kilometers (Km) on the last day of the month, including collection networks (conventional and condominium), trunk collectors, gravity outfalls and interceptors, excluding building connections and pumping outfalls.
5		Indicator for Average Duration of Repairs of Wastewater Overflows (IDRE)	$IDRE = \frac{DE}{QE}$	Hours / repaired overflows	<i>DE</i> - Total number of hours spent in the month on the set of actions to solve overflow problems recorded in the wastewater collection network for network unclogging services or in any part of the wastewater collection system(s) (collection network, trunk collector, outfall, pumping stations, etc.), from the first complaint made to the service provider until completion of the repair; <i>QE</i> - Total number of hours spent in the month on the set of actions to solve overflow problems recorded in the wastewater collection network for



Item	Category	Performance Indicator	Formula	Unit of Measurement	Definitions
					network unclogging services or in any part of the wastewater collection system(s) (collection network, trunk collector, outfall, pumping stations, etc.), from the first complaint made to the service provider until completion of the repair.
6	Operational Performance Indicators - IDO	Indicator for Efficiency in Wastewater Treatment (IETE)	$IETE = \frac{NTE_{Conf}}{NTE} \times 100$	%	NTE_{Conf} - Total number of effluent samples at the treatment outlet with all analyzed parameters in compliance in the month; NTE - Total number of effluent samples at the treatment outlet scheduled according to the Sampling Plan in the month.
7		Indicator for Efficiency in Service Response Times (IEP)	$IEP = \frac{SRP}{TSS} \times 100$	%	SRP - Quantity of services provided within the deadline in the month; TSS - Quantity of services requested in the month;



Item	Category	Performance Indicator	Formula	Unit of Measurement	Definitions
8	Operational Performance Indicators - IDO	Indicator for Continuity in WPS and WWTPs (ICO)	$ICO_{EEE.ETE} = \frac{\Sigma VAM - \Sigma VEM}{\Sigma VAM} \times 100$	%	VAM - Total monthly inflow volume, calculated based on the average flow capacity multiplied by the monthly number of hours of the WWTPs and WPS in the month (recorded by level sensors, hour meter installed in the WWTPs and WPS, mirrored in the automation system) or based on the total volume directly measured by the flow meters in the month; VEM - Total monthly overflow volume, calculated based on the average flow capacity multiplied by the overflow hours in the WWTPs and WPS in the month (recorded by level sensors, hour meter installed in the WWTPs and WPS, mirrored in the automation system) or based on the total overflow volume directly measured by the flow meters in the month.
9		Environmental Regularity Indicator (IRA)	$IRA = \frac{NSLAV}{NTS} \times 100$	%	NSLAV - Number of Wastewater Systems/Operational Units with licensing and environmental conditions in force within the deadline(s) set forth in the license(s); NTS - Total number of Wastewater Systems/Operational Units that require environmental licensing.
10		Indicator for Wastewater Complaints (IRE)	$IRE = \frac{QRE}{NLE} \times 100$	complaints / 100 active customer units	QRE - Quantity of complaints relating to the wastewater system and the provision of COMMERCIAL MANAGEMENT services



Item	Category	Performance Indicator	Formula	Unit of Measurement	Definitions
					in the month, including repetitions. All complaints from customers and from CAGECE addressed to the CONCESSIONAIRE originating from CAGECE's customer service channels and from the GOVERNMENT OF THE STATE OF CEARÁ shall be counted; <i>NLE</i> - Number of active wastewater customer units on the last day of the reference month.



2. METHOD FOR MEASUREMENT OF INDICATORS

One of the difficulties that may arise in a performance measurement system through indicators is the method for measuring them. The variables making up the indicator formula are not always easily obtained, and the proper delimitation of the measured parameters is of utmost relevance in order to portray the operational reality of a system.

Another important aspect is the measurement frequency, which must be established according to the characteristics of each indicator. Lastly, it is essential that the responsibilities of the parties involved in the process be clearly defined, so as to delimit their respective roles and avoid future impasses that may compromise the measurement of the indicators.

The following items are devoted to addressing these topics in greater detail.

2.1 Source for Data Collection

The data for calculating the indicators may be obtained internally or externally. Data are deemed internal when generated and controlled directly by the CONCESSIONAIRE or by the GRANTING AUTHORITY, such as the number of samples compliant with the standards in force. External data, in turn, are those that must be obtained from third parties.

For purposes of obtaining internal data, the following shall be used:

- Field inspection verifications;
- Records of the CONCESSIONAIRE:
 - Wastewater Treatment Plants (WWTPs) and Wastewater Pumping Stations (WPS);
 - Control and operation center;
- Technical and commercial records of the GRANTING AUTHORITY and of the CONCESSIONAIRE;
- Maintenance Management System;



- Environmental Licensing System;
- Operational Reports;
- Records of physicochemical, bacteriological and microbiological analyses in the laboratory and in the field;
- Records of the environmental audits carried out; and
- Records of requests and complaints through the service channels of the GRANTING AUTHORITY and of the GOVERNMENT OF THE STATE OF CEARÁ.

External data, in turn, shall be obtained by consulting external sources, such as:

- National Water and Sanitation Agency (ANA) and Regulatory Agencies;
- Secretariat for the Environment and Climate Change (SEMA) of the State of Ceará;
- Brazilian Institute of Geography and Statistics (IBGE) – Demographic Census or National Household Survey (PNAD);
- City Halls and municipal authorities covered by the Project;
- National Sanitation Information System (SNIS);
- National Basic Sanitation Information System (SINISA);
- Institute for Research and Economic Strategy of Ceará (Ipece);
- State Superintendence for the Environment (Semace);
- Water Resources Management Company (Cogerh).
- Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA)

Additionally, the data generated by the CONCESSIONAIRE must be compatible with and integrated into the systems and databases of the GRANTING AUTHORITY.



2.2 Frequency

The frequency for analysis of the Performance Indicators must observe the temporal evolution of the indicator in question and its purpose, thus meeting the interests of the USERS, the GRANTING AUTHORITY and the CONCESSIONAIRE. Accordingly, there are indicators measured on a monthly, quarterly and annual basis, which will be presented later in this item.

Indicators that are simpler to read, that may vary considerably over a short period, or that require stricter monitoring will tend to be measured at shorter reference intervals.

Accordingly, the following periodicities were established:

Table 2 - Periodicity of the Performance Indicators.

Category	Item	Performance Indicator	Frequency
Wastewater System Universalization Indicator	1	IACC - Indicator for Expansion of Coverage through Wastewater Connection	Annual
General Indicator for Micrometering Update	2	IAM - Indicator for Micrometering Update	Annual
Operational Performance Indicators	3	IFR – Indicator for Frauds	Monthly
	4	IEX – Indicator for Wastewater Network Overflows	Monthly
	5	IDRE – Indicator for Average Duration of Repairs of Wastewater Overflows	Monthly
	6	IETE - Indicator for Efficiency in Wastewater Treatment	Monthly
	7	IEP – Indicator for Efficiency in Service Response Times	Monthly
	8	ICO – Indicator for Continuity in Wastewater Pumping Stations (WPS) and Wastewater Treatment Plants (WWTPs)	Monthly
	9	IRA – Environmental Regularity Indicator	Quarterly
	10	IRE – Indicator for Wastewater Complaints	Monthly



2.3 Targets of the Performance Indicators

The result of an indicator, by itself, has no meaning whatsoever and shall always be compared with some reference value or target. The definition of targets shall be linked both to the good practices observed in the relevant market and to the efficiency levels to be achieved by the CONCESSIONAIRE within the proposed term — although challenging — and shall also be aligned with the contractual conditions considered in the project.

The sources consulted for the definition of the Reference Values/Targets were:

1. Legislation in force;
2. Technical standards related to the indicators presented in this report;
3. Reference Standards of the National Water and Sanitation Agency (ANA);
4. Historical records of the indicators of the National Sanitation Information System (SNIS) and the National Basic Sanitation Information System (SINISA);
5. National and international best practices adjusted to the reality and historical records of the GRANTING AUTHORITY;
6. International Water Association (IWA);
7. Service provision contracts and their respective addenda; T
8. Guidelines, resolutions and regulations of the Water Supply and Wastewater Microregions; e
9. Municipal, Microregional or Regional Water and Wastewater Plans.

The criteria adopted for establishing the targets contemplated herein were:

- **Adjusted to reality:** The defined targets shall be set in such a way as to become achievable by the CONCESSIONAIRE. For this purpose, knowledge of the legislation in force and of the practices verified in the market is required.



- **Optimistic, yet realistic:** The targets shall not be considerably ambitious or even unattainable, but shall instead seek to fulfill the conditions that characterize the service provided.
- **Gradual:** It is reasonable to establish gradual targets for the initial years of the CONCESSION until the system reaches maturity, at which point the targets become constant.
- **Reliable and available information:** It is essential that the information serving as the basis for defining the performance indicator targets be reliable and available.
- **Benchmarking:** The targets/reference values defined based on comparison with other realities have the advantage of the robustness of the results and the possible correction and adaptation thereof to the operating environment of the relevant service provider.
- **Experience:** An alternative approach in the absence of reliable information that may serve as the basis for establishing the targets, grounded on a qualitative method based on the experience and knowledge of a specialist in the matter.

APPENDIX II – MUNICIPAL TARGETS FOR COVERAGE THROUGH CONNECTION OF CUSTOMER UNITS TO WASTEWATER COLLECTION AND TREATMENT - CCE, BY YEAR, of this document, sets forth an expansion curve for coverage through connection for wastewater services.

Accordingly, the project begins with existing coverage through connection indexes until operational maturity is reached and the level of universalization is achieved, with the maintenance of universalization until the end of the term of the CONTRACT, in line with the evolution of the intermediary and universalization targets for coverage through connection and provision of wastewater services established in the CONTRACT and by the update of the legal framework for basic sanitation (Federal Law No. 14,026/2020), as set forth in APPENDIX II – MUNICIPAL TARGETS FOR COVERAGE THROUGH CONNECTION OF CUSTOMER UNITS TO WASTEWATER COLLECTION AND TREATMENT - CCE, BY YEAR and APPENDIX III - MUNICIPAL INTERMEDIARY AND UNIVERSALIZATION



TARGETS FOR THE PROVISION OF WASTEWATER COLLECTION AND TREATMENT SERVICES - IAE, BY YEAR, FOR THE MUNICIPALITIES OF THE CONCESSION. This is directly reflected in the targets established for the wastewater universalization indicators and, indirectly, in all those that tend to show progress as investments are made and the operation is expanded.

In addition, there are indicators that shall have fixed reference values, which do not depend on the operating time.

It should also be noted that the targets presented below shall be measured for the individual operation of each MUNICIPALITY. The MUNICIPALITIES have specific targets and all of them shall have their wastewater services universalized within the deadlines individually established and in accordance with the guidelines of Federal Law No. 11,445/2007 and its amendments. Furthermore, the CONCESSIONAIRE shall maintain continuous control of the indicators.

It is further noted that the targets set forth in this Exhibit shall, as a general rule, be verified on the basis of the individual operation of each MUNICIPALITY, each of which has specific targets and shall achieve universalization of wastewater services within the deadlines individually established, in accordance with the applicable legal and contractual provisions. Exceptionally, and exclusively for the purpose of calculating the IDU, in the first two assessments of this indicator, compliance with the targets set forth in APPENDIX II of this Exhibit may, alternatively, be verified based on the aggregated result of the respective Lot, rather than solely on each Municipality considered individually, provided that, in each Municipality, the wastewater service targets set forth in APPENDIX III and the wastewater coverage targets established in the respective Program Contracts, where applicable, are fully met. The aggregated targets by Lot, as well as the targets under the PROGRAM CONTRACT, are set out in APPENDIX V

In the exceptional circumstance referred to above, any failure to achieve, in a given MUNICIPALITY, the target set forth in this Exhibit shall not be deemed a breach, provided that: (i) the target for the respective LOT has been achieved in the relevant reference period; and (ii) the wastewater service targets established in the respective Appendix III have been met within that MUNICIPALITY; and (iii) the targets established in the respective PROGRAM CONTRACT have been met within



that Municipality. Upon the conclusion of such two measurement periods, the assessment of compliance with the targets, for purposes of calculating the IDU, shall revert to being based exclusively on the individual performance of each MUNICIPALITY, in accordance with this Exhibit.

The targets conceptually defined herein are presented annually in APPENDIX I – ANNUAL TARGET OF THE PERFORMANCE INDICATORS, in APPENDIX II – MUNICIPAL TARGETS FOR COVERAGE THROUGH CONNECTION OF CUSTOMER UNITS TO WASTEWATER COLLECTION AND TREATMENT - CCE, BY YEAR and APPENDIX III - MUNICIPAL INTERMEDIARY AND UNIVERSALIZATION TARGETS FOR THE PROVISION OF WASTEWATER COLLECTION AND TREATMENT SERVICES - IAE, BY YEAR, FOR THE MUNICIPALITIES OF THE CONCESSION..

It should be noted that any noncompliance with the targets arising from events not attributable to the CONCESSIONAIRE, according to the risk matrix, shall not be considered in the calculation of the indicators. The CONCESSIONAIRE shall justify the noncompliance with information proving the occurrence of such events not attributable to it. The GRANTING AUTHORITY and the INDEPENDENT VERIFIER shall assess the justifications submitted by the CONCESSIONAIRE and express their agreement with the arguments presented.



2.3.1 IACC - Indicator for Expansion of Coverage through Wastewater Connection

Indicator for Expansion of Coverage through Wastewater Connection			
Category:	Acessibility	Method of measurement:	Formula
Objective:	Universalization	Unit of measurement:	%
The IACC is intended to assess the expansion of coverage through the connection of customer units to the wastewater collection network and treatment of the wastewater systems, in compliance with the intermediary and universalization targets established in the CONTRACT (APPENDIX II - MUNICIPAL TARGETS FOR COVERAGE THROUGH CONNECTION OF CUSTOMER UNITS TO WASTEWATER COLLECTION AND TREATMENT - CCE, BY YEAR and APPENDIX III - MUNICIPAL INTERMEDIARY AND UNIVERSALIZATION TARGETS FOR THE PROVISION OF WASTEWATER COLLECTION AND TREATMENT SERVICES - IAE, BY YEAR, FOR THE MUNICIPALITIES OF THE CONCESSION.) and by the update of the legal framework for basic sanitation (Federal Law No. 11,445/2007, as amended by Federal Law No. 14,026/2020). This indicator consists of the ratio between the difference of the coverage index through connection of customer units to the wastewater collection network and treatment achieved and the reference coverage index through connection of customer units to the wastewater collection network and treatment in measurement year, and the difference between the target for coverage through connection of customer units to the wastewater collection network and treatment defined in measurement year (as set forth in APPENDIX II - MUNICIPAL TARGETS FOR COVERAGE THROUGH CONNECTION OF CUSTOMER UNITS TO WASTEWATER COLLECTION AND TREATMENT - CCE, BY YEAR) and the reference coverage index through connection of customer units to the wastewater collection network and treatment in measurement year: $IACC = \frac{CCE_n - CER_n}{MCE_n - CER_n} \times 100$ Where: CCE_n = coverage index through connection of customer units to the wastewater collection network and treatment achieved in measurement year “n”, resulting from the percentage calculation of the number of customer units of all property categories connected to the wastewater collection network and treatment plus the number of covered customer units of all property categories with an adequate alternative wastewater solution in locations without coverage of a public network with wastewater treatment provided for by the Infrastructural Regulatory Entity – ERI, divided by the total number of wastewater customer units of all property categories in the coverage area. It shall be measured according to the calculation of the coverage index through connection of the customer unit to the wastewater collection network and treatment (CCE) defined by CAGECE, in compatibility with the parameters of the wastewater coverage index (ICE) established by Reference Standard 08/2024 of the National Water and Sanitation Agency – ANA, adapted to consider in the numerator as a covered customer unit provided that the customer units have the property connection installed to the network, that is, with the availability of the building connection/connection to the user at the sidewalk and interconnected to the collection network with treatment. MCE_n = target for coverage through connection of customer units to the wastewater collection network and treatment in measurement year “n”; CER_n = reference coverage index through connection of customer units to the wastewater collection network and treatment in measurement year “n”, the calculation being carried out by considering in the numerator the customer units of all property categories connected to the wastewater collection			



Indicator for Expansion of Coverage through Wastewater Connection

network and treatment plus the number of covered customer units of all property categories with an alternative wastewater solution in locations without coverage of a public network with wastewater treatment provided for by the Infrastructural Regulatory Entity – ERI existing at the time of issuance of the SYSTEM TRANSFER TERM, plus the increment of customer units of all property categories with coverage and connection to the wastewater collection network and treatment delivered by the works listed in EXHIBIT VIII – GRANTING AUTHORITY INVESTMENTS, considering the deadlines established for delivery of each work, divided in the denominator by the total number of wastewater customer units of all property categories in the coverage area. In the event that the covered customer units have already been delivered by any work(s) under EXHIBIT VIII – GRANTING AUTHORITY’S INVESTMENTS prior to the issuance of the SYSTEM TRANSFER TERM and have already been registered in CAGECE’s commercial systems, the customer units of such completed and registered works upon issuance of the SYSTEM TRANSFER TERM shall not be added for purposes of calculation of the reference coverage. In the event of delay and non-delivery of the customer units provided for by the work(s) under the responsibility of the GRANTING AUTHORITY, within the respective completion deadlines indicated in EXHIBIT VIII – GRANTING AUTHORITY’S INVESTMENTS, the target set for the measurement year may be revised. In such case, the percentage impact of the coverage provided for by the delayed work shall be subtracted. Such subtraction shall be performed according to the following calculation: [Number of Covered customer units provided for by the relevant work as indicated in EXHIBIT VIII – GRANTING AUTHORITY’S INVESTMENTS – Number of Covered customer units partially delivered and duly registered in the commercial register referring to the work(s) indicated in EXHIBIT VIII – GRANTING AUTHORITY’S INVESTMENTS]/Number of Total customer units in the measurement year for the relevant municipality (obtained from CAGECE’s commercial register). In the event that the target for coverage through connection (as indicated in APPENDIX II - MUNICIPAL TARGETS FOR COVERAGE THROUGH CONNECTION OF CUSTOMER UNITS TO WASTEWATER COLLECTION AND TREATMENT - CCE, BY YEAR) of any municipality is recalculated due to delay in a work under the responsibility of CAGECE, the coverage targets of such municipality(ies) established in APPENDIX II - MUNICIPAL TARGETS FOR COVERAGE THROUGH CONNECTION OF CUSTOMER UNITS TO WASTEWATER COLLECTION AND TREATMENT - CCE for subsequent years shall remain unchanged.

Under no circumstances shall the Covered Wastewater Customer Units executed through network works not approved in CAGECE’s functionality tests or not yet included in CAGECE’s register be considered in the CCEn. Such customer units shall continue to be accounted for in the Total Wastewater Customer Units variable.

Until the year 2032, for purposes of calculation of the IACC, a minimum score value for this indicator shall be admitted in the calculation of the IDU. As from the year 2033, there shall be no minimum score value, that is, the CONCESSIONAIRE shall only score if it achieves the target of 100% coverage through connection; below that, the IACC result shall be equal to 0.00% (zero).

The IACC score of the CONCESSIONAIRE shall only be considered by municipality, for purposes of calculation of the IDU and impact on the calculation of the FIXED COMPONENT, provided that the result of the Wastewater Service Index (IAE) achieved in the year of calculation of the IACC is equal to or greater than the IAE target, as set forth in APPENDIX III - MUNICIPAL INTERMEDIARY AND UNIVERSALIZATION TARGETS FOR **THE PROVISION OF WASTEWATER COLLECTION AND TREATMENT SERVICES - IAE, BY YEAR, FOR THE MUNICIPALITIES OF THE CONCESSION..** The



Indicator for Expansion of Coverage through Wastewater Connection

IAE shall be calculated in accordance with CAGECE's methodology in force, in compliance with Reference Standard 08/2024 of the National Water and Sanitation Agency – ANA and ARCE Resolution No. 12/2025. If the IAE of the municipality(ies) in the calculation year does not meet the criteria below, it shall be deemed not achieved, equivalent to a result of 0.00% for such municipality(ies), that is, if the conditions below are not met, the IACC result(s) shall be deemed not achieved, equivalent to a result of 0.00% for the municipality(ies) in which noncompliance with such criteria is observed):

- i) from 2027 until the end of the year 2032, the IAE result in the calculation year shall be equal to or greater than 95.00% of the IAE target, as set forth in **APPENDIX III - MUNICIPAL INTERMEDIARY AND UNIVERSALIZATION TARGETS FOR THE PROVISION OF WASTEWATER COLLECTION AND TREATMENT SERVICES - IAE, BY YEAR, FOR THE MUNICIPALITIES OF THE CONCESSION.;**
- ii) as from the year 2033, the IAE result in the calculation year shall be equal to 100.00% of the IAE target, as set forth in **APPENDIX III - MUNICIPAL INTERMEDIARY AND UNIVERSALIZATION TARGETS FOR THE PROVISION OF WASTEWATER COLLECTION AND TREATMENT SERVICES - IAE, BY YEAR, FOR THE MUNICIPALITIES OF THE CONCESSION..**

The targets set forth in **APPENDIX II - MUNICIPAL TARGETS FOR COVERAGE THROUGH CONNECTION OF CUSTOMER UNITS TO WASTEWATER COLLECTION AND TREATMENT - CCE, BY YEAR** and in **APPENDIX III - MUNICIPAL INTERMEDIARY AND UNIVERSALIZATION TARGETS FOR THE PROVISION OF WASTEWATER COLLECTION AND TREATMENT SERVICES - IAE, BY YEAR, FOR THE MUNICIPALITIES OF THE CONCESSION.** shall be revisited during the approval and revisions of the addenda to the service provision contracts, whenever this results in changes to the intermediary and universalization targets for coverage through connection and wastewater service provision in the respective contracts.

The CONCESSIONAIRE shall provide wastewater services to all customer units classified under all property categories (RESIDENTIAL, COMMERCIAL, PUBLIC, PHILANTHROPIC, INDUSTRIAL, MIXED, etc.) that are served by the water supply systems operated by CAGECE within the SERVICE PROVIDER'S COVERAGE AREA, where a wastewater system has been implemented, under penalty, in the event this situation is not complied with, of application of the sanctions and penalties set forth in the CONTRACT.

The CONCESSIONAIRE shall also strictly comply with the intermediary and universalization targets set forth in **APPENDIX III - MUNICIPAL INTERMEDIARY AND UNIVERSALIZATION TARGETS FOR THE PROVISION OF WASTEWATER COLLECTION AND TREATMENT SERVICES - IAE, BY YEAR, FOR THE MUNICIPALITIES OF THE CONCESSION..** If failure to comply with the coverage through connection and service provision targets occurs in more than 01 (one) year within the interval of the last 05 (five) years, as from the SYSTEM OPERATION by the CONCESSIONAIRE, the sanctions and penalties set forth in the CONTRACT shall apply.

CAGECE Methodology - Coverage Index through Connection of Customer Units to the Wastewater Collection Network and Treatment (CCE)

Formula: $CCE (\%) = ECC / ETE$



Indicator for Expansion of Coverage through Wastewater Connection

➤ **Variables:**

- **CCE:** index representing the percentage of of all property categories, whether occupied or unoccupied, within the service provider's coverage area, covered through the connection of the customer unit to the wastewater collection network and wastewater treatment or through an adequate alternative wastewater solution in locations without coverage of a public network with wastewater treatment provided for by the Infranational Regulatory Entity – ERI (%);

- **Covered Customer Units with Wastewater Connection (ECC):** sum of the number of customer units of all property categories (RESIDENTIAL, COMMERCIAL, PUBLIC, PHILANTHROPIC, MIXED, INDUSTRIAL, etc.) in the statuses of ACTIVE, SUSPENDED, CAPPED, CONNECTED WITHOUT INTERCONNECTION, CONNECTED WITHOUT CONDITION TO INTERCONNECT and with ACTIVE network status or covered by an adequate alternative wastewater solution in locations without coverage of a public network with wastewater treatment provided for by the Infranational Regulatory Entity – ERI, considering all property standards, except vacant properties, for the wastewater product. It should be noted that all customer units characterized as having a water connection BILLED THROUGH ANOTHER PROPERTY shall be excluded;

- **Total Wastewater Customer Units (ETE):** sum of the number of customer units of all categories (RESIDENTIAL, MIXED, COMMERCIAL, PUBLIC, PHILANTHROPIC, INDUSTRIAL, etc.) in the statuses of ACTIVE, CAPPED, SUSPENDED, CONNECTED WITHOUT INTERCONNECTION, WITHOUT CONNECTION, WITHOUT CONDITION TO INTERCONNECT and with ACTIVE, FEASIBLE and POTENTIAL network status, considering all property standards, except vacant properties. It should be noted that all customer units characterized as having a water connection BILLED THROUGH ANOTHER PROPERTY shall be excluded.

Term	Minimum score value	Target	
1st Measurement - Year 2032	80.00 %	100.00 %	
As from Year 2033	-	100.00 %	
Calculation Periodicity	Annual	Data Collection Source	CAGECE Computerized Systems
Start of test measurement	Month 1	Body Responsible for Measurement and Inspecting of the Indicator	Independent Verifier
Start of effective measurement	1st Measurement within up to 6 (six) months as from the SYSTEM OPERATION 2nd Measurement in January/2028 with a 12 (twelve)-month cycle of	Area / Responsible for supplying the Data	CAGECE



Indicator for Expansion of Coverage through Wastewater Connection			

	successive measurements		



2.3.2 IAM – Indicator for Micrometering Update

Indicator for Micrometering Update (IAM)			
Category:	Measurement	Method of measurement:	Formula
Objective:	Service level	Unit of measurement:	%
This indicator assesses the up-to-dateness of the water meter stock by the number of water meters with installation time within the useful life limit established by CAGECE, according to the periods defined in the table entitled “Useful life of the water meter by capacity” set forth in EXHIBIT IV CONCESSION SPECIFICATIONS and installed water meters that, after completion of their useful life, are demonstrably meeting the metrological conditions defined in an Inmetro Ordinance in force. This indicator shall be calculated by municipality. The volume of water measured at each connection within the SERVICE COVERAGE AREA, and consequently the base volume for wastewater billing, is directly related to the age of the water meter stock, since these are meters that may undergo wear (except ultrasonic meters) with use over time and may lose precision in measuring the volume of water in the connection where they are installed, especially when subject to reduced flows, resulting in undermeasurement. Therefore, it is necessary for the CONCESSIONAIRE to keep the water meter stock updated according to the useful life indicated for the equipment, thus reducing apparent losses. This indicator consists of the ratio between the number of installed water meters within their useful life plus the installed water meters that, after completion of their useful life, are demonstrably meeting the metrological conditions defined in an Inmetro Ordinance in force, and the total number of installed water meters. It shall be measured based on CAGECE’s commercial register. $IAM = \frac{IA_{1,5} + IA_{\geq 3,5} + IA_{\geq 10} + IA_{2,5} + IA_{\geq 2,5*}}{TH_{1,5} + TH_{\geq 3,5} + TH_{\geq 10} + TH_{2,5} + TH_{\geq 2,5*}} \times 100$ Where: IAM – Indicator for Micrometering Update IA_{1,5} – Number of velocity water meters (Qn 1.5m³/h) within acceptable age TH_{1,5} – Total number of velocity water meters (Qn 1.5m³/h) IA_{≥3,5} – Number of velocity water meters (Qn ≥3.5m³/h) within acceptable age TH_{≥3,5} – Total number of velocity water meters (Qn ≥3.5m³/h) IA_{≥10} – Number of velocity water meters (Qn ≥10m³/h) within acceptable age TH_{≥10} – Total number of velocity water meters (Qn ≥10m³/h) IA_{2,5} – Number of volumetric water meters (Q3 2.5m³/h) within acceptable age TH_{2,5} – Total number of volumetric water meters (Q3 2.5m³/h) IA_{≥2,5*} – Number of ultrasonic water meters (Q3 ≥2.5m³/h) within acceptable age TH_{≥2,5*} – Total number of ultrasonic water meters (Q3 ≥2.5m³/h)			



Indicator for Micrometering Update (IAM)

Installed water meters that, after completion of their useful life, the CONCESSIONAIRE is able to demonstrate to CAGECE as meeting the metrological conditions defined in an Inmetro Ordinance in force shall be deemed to be within acceptable age.

In the IGAM result, a reduction factor shall be applied in the event of noncompliance with the response deadlines for corrective maintenance, as calculated for the lot. Such condition is intended to minimize the occurrence of micrometering and reading errors, since the proper condition, installation and management of the water meter stock are not ensured in the event of noncompliance with the maximum deadlines established for execution of the corrective replacement services of water meters, pursuant to the provisions set forth in EXHIBIT IV – CONCESSION SPECIFICATIONS.

$$IGAM \text{ Reduction Factor}(\%) = \frac{OFP}{OT} \times 100$$

Where:

OFP – Number of service orders for corrective replacement of water meters completed after the term for the lot in the measurement year;

OT – Total number of service orders for water meter replacement requested for the lot in the measurement year.

Term	Minimum score value	Target	
Year 1	85.00%	90.00%	
As from Year 2	95.00%	100.00%	
Calculation Periodicity	Annual	Data Collection Source	CAGECE Computerized Systems
Commencement of test measurement	Month 1	Body Responsible for Measurement and Inspection of the Indicator	Independent Verifier
Commencement of effective measurement	Month 13	Area / Responsible for supplying the data	CAGECE



2.3.3 IFR – Indicator for Frauds

Indicator for Frauds (IFR)			
Category:	Commercial	Method of measurement:	Formula
Objective:	Service level	Unit of measurement:	Frauds / 1,000 covered water connections
It consists of the ratio between the number of frauds or illegal connections identified and remedied throughout the water supply systems and the number of covered water connections in the municipalities of the Lot. It is intended to improve commercial efficiency and combat losses in distribution. The number of frauds directly affects the volume billed in water connections (and consequently wastewater connections) throughout the system. The remediation of frauds and illegal connections improves the economic and financial balance of the contracts through the reduction of apparent losses. $IFR = \frac{FR}{NLA} \times 1000$ Where: IFR – Indicator for Frauds and Illegal Connections; FR - Total number of frauds and illegal connections identified and remedied in water connections in the last 12 months; NLA - number of covered water connections (active, billed through another property, suspended, suppressed, cut off, feasible) on the last day of the month. The actions for investigation, verification and remediation of frauds, including complaints, shall be distributed by municipality according to the criteria defined in EXHIBIT IV – CONCESSION SPECIFICATIONS, which shall consider the annual evolution of the Water Distribution Loss Index per Connection (IPL) for each municipality based on the targets to be defined by the GRANTING AUTHORITY and in compliance with the definitions and requirements of the rules of the regulatory agencies. Within a maximum interval of up to 05 (five) years, all connections shall be verified, distributed according to the mandatory minimum percentage of 20% of verifications of the total number of connections annually. If the CONCESSIONAIRE carries out verification in more than 20% of the connections in a year, the remaining percentage to complete the 100% sweep of the current five-year cycle shall be distributed in proportional percentages over the remaining years. Additionally, as set forth in EXHIBIT IV – CONCESSION SPECIFICATIONS, considering the distinct conditions and characteristics of particular losses of each municipality, greater efforts shall be made in municipalities with higher losses or that have not achieved the loss targets established between CAGECE and the Municipalities, without, however, reducing the total target of the Lot. The service			



Indicator for Frauds (IFR)

target adjustment factors vary according to the IPL of the municipality, as set forth below, and the CONCESSIONAIRE shall be required to comply therewith:

- When the IPL is lower than 216 l/conn./day, the minimum IFR target for the municipality shall be 10% of the target of the Lot.
- When the IPL is equal to or greater than 216 l/conn./day and lower than 263 l/conn./day, the minimum IFR target for the municipality shall be 20% of the target of the Lot.
- When the IPL is equal to or greater than 263 l/conn./day and lower than 286 l/conn./day, the minimum IFR target for the municipality shall be 30% of the target of the Lot.
- When the IPL is equal to or greater than 286 l/conn./day and lower than 303 l/conn./day, the minimum IFR target for the municipality shall be 35% of the target of the Lot.
- When the IPL is equal to or greater than 303 l/conn./day, the minimum IFR target for the municipality shall be equal to 40% of the target of the Lot. It should be noted that the total target of the lot remains unchanged due to the reduction of the targets in municipalities with lower losses.

In the event of failure to comply with the minimum IFR target by municipality, a reduction factor shall be applied to the IFR result by lot, applied according to the percentage calculated between the sum of the urban population of the municipalities that did not achieve their targets and the total urban population of the relevant lot.

Minimum score value		Target	
30.00		90.00	
Calculation Periodicity	Monthly	Data Collection Source	CAGECE Computerized Systems
Commencement of test measurement	Month 1	Body Responsible for Measurement and Inspection of the Indicator	Independent Verifier
Commencement of effective measurement	Month 13	Area / Responsible for supplying the data	CAGECE and CONCESSIONAIRE



2.3.4 IEX – Indicator for Wastewater Network Overflows

Indicator for Wastewater Network Overflows (IEX)			
Category:	Operational	Method of measurement:	Formula
Objective:	Service level	Unit of measurement:	Overflows / Km of wastewater collection network
This indicator consists of the ratio between the number of overflows in collection networks and the length of the networks, in kilometers. Overflows are correlated with preventive maintenance against blockages and corrective maintenance when they occur; the responsibility for reducing the indexes shall lie with the CONCESSIONAIRE, through the improvement of the operation and maintenance services of the collection network. $IEX = \frac{QE}{CR}$ Where: IEX – Indicator for Wastewater Network Overflows; QE - Total number of times in the month, including repeated records for the same event, received from any person or source, in which overflows were recorded in the wastewater collection network and outfalls for network unclogging and connection services in CAGECE's commercial systems, with network unclogging and connection services being considered. This also includes records initiated by the service provider itself. In cases of records of network and connection blockages that do not fall within this activity, they may be excluded from the calculation of the indicator, provided that the CONCESSIONAIRE justifies and proves to CAGECE that they do not concern network unclogging and connection services. In the case of a municipality served by more than one system, the information from the various systems shall be added together. CR - Total length of the wastewater collection network operated by the CONCESSIONAIRE, in kilometers, on the last day of the month, including collection networks (conventional and condominium), trunk collectors, gravity outfalls and interceptors, excluding building connections and pumping outfalls, as existing in CAGECE's technical register.			
Term	Minimum score value	Target	
Year 1	0.50 (municipalities of Lots 1, 3 and 5) 1.00 (municipalities of Lots 2 and 4)	0.30 (all municipalities)	
Year 2	0.40 (municipalities of Lots 1, 3 and 5) 0.70 (municipalities of Lots 2 and 4)	0.20 (all municipalities)	
Year 3	0.30 (municipalities of Lots 1, 3 and 5) 0.40 (municipalities of Lots 2 and 4)	0.10 (all municipalities)	
Year 4 – Year 28	0.02 (all municipalities)	0.01 (all municipalities)	



Calculation Periodicity	Monthly	Data Collection Source	CAGECE Computerized Systems
Commencement of test measurement	Month 1	Body Responsible for Measurement and Inspection of the Indicator	Independent Verifier
Commencement of effective measurement	Month 7	Area / Responsible for supplying the data	CAGECE



2.3.5 IDRE - Indicator for Average Duration of Repairs of Wastewater Overflows

Indicator for Average Duration of Repairs of Wastewater Overflows (IDRE)			
Category:	Operational	Method of measurement:	Formula
Objective:	Service level	Unit of measurement:	Hours / overflows
This indicator consists of the ratio between the average duration of repairs of wastewater overflows in collection networks and the number of wastewater overflows recorded in the reference month. It is intended to measure the time spent from the recording of the complaint by the USER and by CAGECE until the effective repair of the wastewater overflow in the collection network. The time required to eliminate overflows in the wastewater collection network is correlated with efficiency in carrying out corrective repairs when they occur; responsibility for reducing the indexes shall lie with the CONCESSIONAIRE, through the improvement of the operation and maintenance services of the collection network. $IDRE = \frac{DE}{QE}$ Where: IDRE - Indicator for Average Duration of Repairs of Wastewater Overflows; DE - Total number of hours spent in the month on the set of actions to solve overflow problems recorded in the wastewater collection network for network unclogging and connection services, from the first complaint by the USER and by CAGECE to the service provider until completion of the repair, including repetitions; QE - Total number of overflows in the wastewater collection network (collection network, trunk collector, outfall, wastewater pumping stations (WPS), etc.) recorded for the network unclogging service in the month, with network unclogging services being considered. In cases of records of network unclogging that do not fall within this activity, they may be excluded from the calculation of the indicator, provided that the CONCESSIONAIRE justifies and proves to CAGECE that they do not concern network unclogging services. In order to determine the number of services in the month for the DE and QE variables for calculation of the IDRE, only the records whose service completion term ends within the month of calculation of the indicator shall be considered. If there are requested services opened in the month of calculation and whose response term falls in the subsequent month(s), such service(s) shall be accounted for in the DE and QE variables of the month in which the completion term of the respective service(s) ends.			
Term	Minimum score value	Target	
Year 1 - Year 7	18.00	4.00	
As from Year 8	12.00	4.00	



Calculation Periodicity	Monthly	Data Collection Source	CAGECE Computerized Systems
Commencement of test measurement	Month 1	Body Responsible for Measurement and Inspection of the Indicator	Independent Verifier
Commencement of effective measurement	Month 7	Area / Responsible for supplying the data	CAGECE



2.3.6 ICO – Indicator for Continuity in Wastewater Pumping Stations and Wastewater Treatment Plants

Indicator for Continuity in Wastewater Pumping Stations and Wastewater Treatment Plants (ICO)			
Category:	Operational	Method of measurement:	Formula
Objective:	Service level	Unit of measurement:	%
It is intended to assess the continuity of how much of the collected wastewater is conveyed to wastewater pumping stations and wastewater treatment plants. The CONCESSIONAIRE, in the first effective measurement of the ICO, after issuance of the SYSTEM TRANSFER TERM, shall have installed a measurement system in at least 50% of the existing WPS and WWTPs, with installation of the measurement system in 100% of the operational WPS and WWTP units by year 2. As from the second year, the indicator shall consider all existing WPS and WWTPs, in accordance with the provisions set forth in EXHIBIT IV – CONCESSION SPECIFICATIONS. Therefore, the units that do not have the infrastructure required for the measurement system (hour meter, level sensor or flow meter), for verification of overflows as from year 2 after issuance of the SYSTEM TRANSFER TERM, shall be deemed not compliant for purposes of calculation of the indicator. $ICO = \frac{\Sigma VAM - \Sigma VEM}{\Sigma VAM} \times 100$ Where: - ICO - Indicator for Continuity in Wastewater Pumping Stations and Wastewater Treatment Plants; - VAM – Total monthly inflow volume: calculated based on the average flow capacity multiplied by the monthly number of hours of the WWTPs and WPS in the month (recorded by level sensors, hour meter installed in the WWTPs and WPS, mirrored in the automation system) or based on the total volume directly measured by the flow meters in the month; - VEM – Total monthly overflow volume: calculated based on the average flow capacity multiplied by the number of overflow hours in the WWTPs and WPS in the month (recorded by level sensors, hour meter installed in the WWTPs and WPS, mirrored in the automation system) or based on the total overflow volume directly measured by the flow meters in the month.			
Minimum score value		Target	
98.00%		100.00%	
Calculation Periodicity	Monthly	Data Collection Source	Maintenance Management System, CCO
Commencement of test measurement	Month 1	Body Responsible for Measurement and Inspection of the Indicator	Independent Verifier



Commencement of effective measurement	Month 13	Area / Responsible for supplying the data	CONCESSIONAIRE



2.3.7 IETE – Indicator for Efficiency in Wastewater Treatment

Indicator for Efficiency in Wastewater Treatment (IETE)			
Category:	Operational	Method of measurement:	Formula
Objective:	Service level	Unit of measurement:	%
This indicator assesses the level of legal compliance of the wastewater system, according to the percentage of samples compliant with the standards required by the legislation in force and by the environmental authority, in accordance with APPENDIX IV - SAMPLING PLAN. $IETE = \frac{NTE_{Conf}}{NTE} \times 100$ Where: IETE – Indicator for Efficiency in Wastewater Treatment; NTEConf – Total number of effluent samples at the treatment outlet with all analyzed parameters in compliance in the month; NTE – Total number of effluent samples at the treatment outlet provided for in the sampling plan in the month. The schedules for collection of the samples for calculation of the Indicator for Efficiency in Wastewater Treatment shall be previously communicated to CAGECE by the 20th day of the month prior to the month of calculation, with date and time carried out on a business day and within business hours between 08:00 a.m. and 05:00 p.m., except for the daily frequency analyses, which shall be carried out also on weekends and holidays. The results of the analyses of the effluent samples shall be sent to CAGECE by the 15th day of the subsequent month. If, on the scheduled date, it is not possible to carry out collection at the treatment outlet, upon justification and proof submitted to the GRANTING AUTHORITY within a maximum period of up to 24 hours from the scheduled date, the CONCESSIONAIRE shall carry out collection on another date within the same month and shall previously inform CAGECE of the new expected date. In the event that the CONCESSIONAIRE does not carry out any scheduled collection in the month, the number of samples provided for in the sampling plan for the station shall be accounted for in the indicator and deemed non-compliant. Samples shall only be deemed compliant when all parameters analyzed in such sample meet the standards of the legislation in force. Further conditions, parameters and/or effluent discharge standards may be required by the environmental authority, and therefore the CONCESSIONAIRE shall comply with the requirements of the environmental authority and shall not limit itself only to the Sampling Plan initially established.			



Indicator for Efficiency in Wastewater Treatment (IETE)

The analyses of the samples that will form part of the calculation of the indicator for efficiency in wastewater treatment shall be carried out by laboratories with ISO 17025 accreditation for all parameters to be analyzed.

CAGECE and the INDEPENDENT VERIFIER may carry out counterproof collections and analyses, concurrently with the CONCESSIONAIRE, for purposes of oversight and demonstration of results for measurement of the indicator. In the event of divergences between the results of the collected samples, the results of the samples collected and analyzed by CAGECE shall prevail.

Minimum score value		Target	
90.00%		100.00%	
Calculation Periodicity	Monthly	Data Collection Source	Laboratory Analysis Reports of the CONCESSIONAIRE or of a third party
Commencement of test measurement	Month 1	Body Responsible for Measurement and Inspection of the Indicator	Independent Verifier
Commencement of effective measurement	Month 7	Area / Responsible for supplying the data	CONCESSIONAIRE



2.3.8 IRA – Environmental Regularity Indicator

Environmental Regularity Indicator (IRA)			
Category:	Operational	Method of measurement:	Formula
Objective:	Service level	Unit of measurement:	%

Environmental regularity is intended to measure the percentage of Wastewater Systems/Operational Units with environmental licenses in force that comply with the environmental conditions within the applicable deadline, considering both the implementation and operation phases of the systems (Preliminary License, Installation License, Installation and Expansion License, Installation and Operation License, Simplified License, Single Environmental License, License by Adhesion and Commitment, Environmental Regularization License and Operation License, etc.).

The Wastewater Operational Units may include wastewater treatment plants, wastewater pumping stations or any other equipment for which environmental licensing may be individually required by the competent environmental authority, and may fall within cases in which licensing is required separately and not as a single license for the entire wastewater system.

The IRA equation is defined by the number of Wastewater Systems/Operational Units with environmental licenses in force and all conditions duly complied with, divided by the total number of Wastewater Systems/Operational Units requiring environmental licensing:

$$IRA = \frac{NSLAV}{NTS} \times 100$$

Where:

IRA – Environmental Regularity Indicator;

NSLAV - Number of Wastewater Systems/Operational Units with licensing and environmental conditions in force within the deadline(s) established in the license(s);

NTS - Total number of Wastewater Systems/Operational Units that require environmental licensing.

It should be noted that, with respect to the licensing and environmental regularity status of the Wastewater Systems/Operational Units existing up to the issuance of the SYSTEM TRANSFER TERM, the variables for calculation of the IRA indicator shall be accounted for in accordance with the criteria and grace periods established in the table below, which sets forth guiding measures with grace periods for obtaining and/or maintaining the environmental licensing of such systems/units:



Environmental Regularity Indicator (IRA)			
Situation	Grace period for licensing or deactivation	Action	No. of systems / Units ⁽¹⁾
Licensed systems/units that already comply with the quality standard required by environmental legislation	Until the ISSUANCE OF THE SYSTEM TRANSFER TERM	Maintain the quality standard and the environmental license	43 systems (Lot 1: 10 systems; Lot 2: 06 systems; Lot 3: 06 systems; Lot 4: 09 systems; Lot 5: 12 systems)
Systems/units that do not comply with the quality standard, but have technologies capable of doing so through improvements and adjustments ⁽²⁾	12 months (6 months to apply and up to 12 months to obtain the license) as from the ISSUANCE OF THE SYSTEM TRANSFER TERM	Carry out improvements and/or operational adjustments and achieve the quality standard in order to apply for, obtain and maintain the environmental license	15 systems (Lot 1: 01 system; Lot 2: 03 systems; Lot 3: 05 systems; Lot 4: 02 systems; Lot 5: 04 systems)
Situation	Grace period for licensing or deactivation	Action	No. of systems / Units ⁽¹⁾
Systems/units that do not have technologies capable of complying with the discharge standard and for which no deactivation is planned	2 years as from the ISSUANCE OF THE SYSTEM TRANSFER TERM	Readjust or carry out improvements and/or operational adjustments and achieve the quality standard in order to apply for, obtain and maintain the environmental license	02 systems (Lot 1: 01 system; Lot 2: 01 system)
Systems/units that have or do not have technologies capable of complying with the standard, with deactivation planned	According to the DEACTIVATION SCHEDULE OF WASTEWATER SYSTEMS/OPERATIONAL UNITS	Deactivate, notify the environmental authority and comply with the remediation actions required by it	34 systems (Lot 1: 01 system; Lot 2: 11 systems; Lot 3: 04 systems; Lot 4: 05 systems; Lot 5: 13 systems)
Note ⁽¹⁾: Quantity based on information/data for April/2025; Note ⁽²⁾: Anaerobic systems followed by post-treatment (anaerobic or aerobic); stabilization ponds with at least 2 maturation units; anaerobic systems followed by polishing pond, activated sludge and other secondary-level or higher technologies; Note ⁽³⁾: the Wastewater Systems/Operational Units shall not be considered for purposes of calculation of the IRA while they remain within the grace period according to the criteria indicated in the table above, except in cases where some of such Wastewater Systems/Operational Units obtain the environmental license within the grace period. For purposes of calculation of the IRA indicator, the CONCESSIONAIRE shall submit to CAGECE the DEACTIVATION SCHEDULE OF WASTEWATER SYSTEMS/OPERATIONAL UNITS, as defined in EXHIBIT IV – CONCESSION SPECIFICATIONS.			



Environmental Regularity Indicator (IRA)

A score shall only be assigned for this indicator when the result is equal to 100%.

Compliance with the conditions that do not have deadlines established in the license shall be measured quarterly, that is, if there is noncompliance with any condition within the established calculation period, the license shall be deemed not complied with.

Target

100.00%

Calculation Periodicity	Quarterly	Data Collection Source	CONCESSIONAIRE's environmental licensing system
Commencement of test measurement	Month 1	Body Responsible for Measurement and Inspection of the Indicator	Independent Verifier
Commencement of effective measurement	Month 7	Area / Responsible for supplying the data	CONCESSIONAIRE



2.3.9 IEP – Indicator for Efficiency in Service Response Times

Indicator for Efficiency in Service Response Times (IEP)			
Category:	Operational	Method of measurement:	Formula
Objective:	Service level	Unit of measurement:	%
Efficiency in service provision is important to promote user adherence and ensure the desired level of satisfaction and service by the CONCESSIONAIRE. The objective is to improve the level of service provision requested by users and by CAGECE. The CONCESSIONAIRE shall comply with the current deadlines established by CAGECE for the various services related to the CONCESSION. The table below sets forth the list of services and current deadlines that shall be considered in the calculation of the indicator:			
Service Description		Deadline	
REVIEW OF REGISTRATION DATA		05 BUSINESS DAYS	
SUPPRESSION OF BUILDING CONNECTION		02 BUSINESS DAYS	
CUT-OFF DUE TO INFRACTION		02 BUSINESS DAYS	
TRANSFER OF WATER CONNECTION		05 BUSINESS DAYS	
VERIFICATION OF REQUESTED SERVICE NOT EXECUTED (ASSOCIATED WITH THE SERVICES OF THE CONCESSION)		02 BUSINESS DAYS	
SUPPRESSION FOR SUPPRESSED CONNECTION		02 BUSINESS DAYS	
WASTEWATER CONNECTION / PARTNERSHIP CONNECTION		05 BUSINESS DAYS	
RELOCATION OF THE EASEL KIT		02 BUSINESS DAYS	
WASTEWATER CONNECTION		05 BUSINESS DAYS	
RELOCATION OF WATER METER / EASEL KIT		02 BUSINESS DAYS	
CAPPING OF THE WASTEWATER CONNECTION		01 BUSINESS DAY	
CLEANING OF INSPECTION BOX		01 BUSINESS DAY	
CLEANING OF MANHOLE		01 BUSINESS DAY	
REPLACEMENT OF THE EASEL KIT (ASSOCIATED WITH FRAUD, RELOCATION AND WATER METER TRANSFER SERVICES)		02 BUSINESS DAYS	
PAVEMENT RESTORATION		03 BUSINESS DAYS	
SIDEWALK RESTORATION		03 BUSINESS DAYS	
REPLACEMENT OF THE COVER OF THE WASTEWATER CONNECTION BOX		01 BUSINESS DAY	
REPLACEMENT OF WASTEWATER CONNECTION WITH OR WITHOUT CHANGE OF DIAMETER		05 BUSINESS DAYS	
REPLACEMENT OF THE MANHOLE COVER		01 BUSINESS DAY	
VERIFICATION OF THE POSSIBILITY OF EXECUTION OF THE WASTEWATER CONNECTION		03 BUSINESS DAYS	
REPLACEMENT OF THE WATER METER BOX (RELATED TO DAMAGED BOX, RELOCATION SERVICES AND WATER METER TRANSFER SERVICES)		01 BUSINESS DAY	
SEALING OF WATER METER (ASSOCIATED WITH FRAUD ACTIVITIES)		03 BUSINESS DAYS	
SUPPRESSION FOR CUT-OFF CONNECTION (ASSOCIATED WITH FRAUD ACTIVITIES)		60 CALENDAR DAYS	



Indicator for Efficiency in Service Response Times (IEP)

LEAK REMOVAL	01 BUSINESS DAY
LEVELING OF THE MANHOLE	01 BUSINESS DAY
TECHNICAL REPORT/OPINION	IMMEDIATE CLOSEOUT
FIELD SURVEY OF THE WASTEWATER NETWORK	05 BUSINESS DAYS
UNCAPPING OF THE WASTEWATER CONNECTION	01 BUSINESS DAY
EXPANSION OF THE WASTEWATER NETWORK	30 CALENDAR DAYS
Service Description	Deadline
REQUEST FOR QUOTATION FOR WASTEWATER BUILDING CONNECTION	30 CALENDAR DAYS
DISPOSAL OF DOMESTIC WASTEWATER EE-II	01 BUSINESS DAY
RELOCATION OF WASTEWATER COLLECTION NETWORK	01 BUSINESS DAY
ANALYSIS AND APPROVAL OF WASTEWATER PROJECT	30 CALENDAR DAYS
TECHNICAL FEASIBILITY STUDY FOR WASTEWATER PROJECT	30 CALENDAR DAYS
CHANGE OF WASTEWATER CONNECTION STATUS	03 BUSINESS DAYS
CAPPING FOR CAPPED CONNECTION	60 CALENDAR DAYS
WASTEWATER MEASUREMENT SYSTEM	30 CALENDAR DAYS
REVISIT TO PROPERTY WITH SUSPENDED WASTEWATER SERVICE	01 BUSINESS DAY
VERIFICATION OF WASTEWATER INTERCONNECTION	05 BUSINESS DAYS
VERIFICATION OF IRREGULARITY IN THE CONNECTION	02 BUSINESS DAYS
WASTEWATER CONNECTION FINANCING – CAGECE	05 BUSINESS DAYS
WASTEWATER INTERCONNECTION FINANCING – CAGECE	05 BUSINESS DAYS
WASTEWATER FLOW MEASUREMENT	30 CALENDAR DAYS
SUPPRESSION FOR ILLEGAL CONNECTION	60 BUSINESS DAYS
REPLACEMENT FOR MANAGEMENT OF THE WATER METER STOCK	25 CALENDAR DAYS
ASPHALT INTERVENTION FOR EXECUTION OF THE SERVICES	03 BUSINESS DAYS
INSPECTION OF THE WATER SECURITY PLAN	02 BUSINESS DAYS
SEALING OF WELL METER (ASSOCIATED WITH FRAUD ACTIVITIES)	03 BUSINESS DAYS
DISPOSAL OF DOMESTIC WASTEWATER BY SEPTIC TANK CLEANING TRUCK	01 CALENDAR DAY
CAPPING DUE TO INFRACTION	01 BUSINESS DAY
SE LIGA NA REDE PROGRAM	05 BUSINESS DAYS
CHANGE OF THE LOCATION OF INSTALLATION OF THE WATER METER	01 BUSINESS DAY
RESTORATION OF DAMAGED INSPECTION BOX	01 BUSINESS DAY
DELIVERY OF REGISTRATION CHANGE NOTICE	05 BUSINESS DAYS

$$IEP = \frac{SRP}{TSS} \times 100$$

Where:

IEP – Indicator for Efficiency in Service Response Times;



Indicator for Efficiency in Service Response Times (IEP)

SRP - Number of services provided (executed and closed out in the commercial system) within the deadline in the month;

TSS - Number of services requested by customers and by CAGECE in the month. In cases of records of service requests that do not fall within the responsibility and activities of the CONCESSIONAIRE, they may be excluded from the calculation of this indicator, provided that the CONCESSIONAIRE justifies and proves to CAGECE that such records are not under its responsibility;

In order to determine the number of services in the month for the SRP and TSS variables for calculation of the IEP, only the records whose service completion deadline ends within the month of calculation of the indicator shall be considered. If there are requested services opened in the month of calculation and whose response deadline falls in the subsequent month(s), such service(s) shall be accounted for in the SRP and TSS variables of the month in which the completion deadline of the respective service(s) ends.

Minimum score value		Target	
95.00%		98.00%	
Calculation Periodicity	Monthly	Data Collection Source	CAGECE Computerized Systems
Commencement of test measurement	Month 1	Body Responsible for Measurement and Inspection of the Indicator	Independent Verifier
Commencement of effective measurement	Month 7	Area / Responsible for supplying the data	CAGECE



2.3.10 IRE – Indicator for Wastewater Complaints

Indicator for Wastewater Complaints (IRE)																			
Category:	Operational	Method of measurement:	Formula																
Objective:	Service level	Unit of measurement:	complaints / 100 active customer units																
This indicator is intended to assess the number of monthly complaints relating to wastewater services and the commercial services listed below, recorded through CAGECE's and the GOVERNMENT OF THE STATE OF CEARÁ's customer service channels and addressed to the CONCESSIONAIRE, as requested by the user and by CAGECE. It is defined by the total monthly number of wastewater and commercial service complaints addressed to the CONCESSIONAIRE, including repetitions, divided by the total number of active wastewater customer units connected to the public network. The basket of services making up the records of complaints addressed to the CONCESSIONAIRE consists of the following services: <table><tr><th>DESCRIPTION OF THE SERVICE/COMPLAINT</th></tr><tr><td>REVIEW OF REGISTRATION DATA</td></tr><tr><td>VERIFICATION OF UNEXECUTED BILLED WASTEWATER CONNECTION</td></tr><tr><td>VERIFICATION OF REQUESTED SERVICE NOT EXECUTED</td></tr><tr><td>UNCLOGGING OF THE WASTEWATER NETWORK</td></tr><tr><td>PAVEMENT RESTORATION</td></tr><tr><td>SIDEWALK RESTORATION</td></tr><tr><td>UNCLOGGING OF THE WASTEWATER CONNECTION</td></tr><tr><td>UNCLOGGING OF WASTEWATER CONNECTION WITH INTERNAL OVERFLOW</td></tr><tr><td>UNCLOGGING OF THE INTERNAL WASTEWATER INSTALLATION</td></tr><tr><td>REPLACEMENT OF THE COVER OF THE WASTEWATER CONNECTION BOX</td></tr><tr><td>REPLACEMENT OF THE MANHOLE COVER</td></tr><tr><td>LEVELING OF THE MANHOLE</td></tr><tr><td>VERIFICATION OF WASTEWATER INTERCONNECTION</td></tr><tr><td>PRAX OMBUDSMAN</td></tr><tr><td>POOR SERVICE*</td></tr></table> * Under the POOR SERVICE service/complaint, complaints addressed to the CONCESSIONAIRE regarding the provision of wastewater services and the commercial services under its responsibility, requested through CAGECE's and the GOVERNMENT OF THE STATE OF CEARÁ's customer service channels, shall also be counted. $IRE = \frac{QRE}{NLE} \times 100$ Where: - IRE: Indicator for Wastewater Complaints; - Quantity of complaints (QRE): Quantity of complaints relating to the wastewater system and the provision of COMMERCIAL MANAGEMENT services in the month, including repetitions. All complaints indicated above, recorded by customers and by CAGECE and addressed to the service				DESCRIPTION OF THE SERVICE/COMPLAINT	REVIEW OF REGISTRATION DATA	VERIFICATION OF UNEXECUTED BILLED WASTEWATER CONNECTION	VERIFICATION OF REQUESTED SERVICE NOT EXECUTED	UNCLOGGING OF THE WASTEWATER NETWORK	PAVEMENT RESTORATION	SIDEWALK RESTORATION	UNCLOGGING OF THE WASTEWATER CONNECTION	UNCLOGGING OF WASTEWATER CONNECTION WITH INTERNAL OVERFLOW	UNCLOGGING OF THE INTERNAL WASTEWATER INSTALLATION	REPLACEMENT OF THE COVER OF THE WASTEWATER CONNECTION BOX	REPLACEMENT OF THE MANHOLE COVER	LEVELING OF THE MANHOLE	VERIFICATION OF WASTEWATER INTERCONNECTION	PRAX OMBUDSMAN	POOR SERVICE*
DESCRIPTION OF THE SERVICE/COMPLAINT																			
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VERIFICATION OF REQUESTED SERVICE NOT EXECUTED																			
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PAVEMENT RESTORATION																			
SIDEWALK RESTORATION																			
UNCLOGGING OF THE WASTEWATER CONNECTION																			
UNCLOGGING OF WASTEWATER CONNECTION WITH INTERNAL OVERFLOW																			
UNCLOGGING OF THE INTERNAL WASTEWATER INSTALLATION																			
REPLACEMENT OF THE COVER OF THE WASTEWATER CONNECTION BOX																			
REPLACEMENT OF THE MANHOLE COVER																			
LEVELING OF THE MANHOLE																			
VERIFICATION OF WASTEWATER INTERCONNECTION																			
PRAX OMBUDSMAN																			
POOR SERVICE*																			



Indicator for Wastewater Complaints (IRE)

provider, originating from the customer service channels of CAGECE and of the GOVERNMENT OF THE STATE OF CEARÁ, shall be computed, including complaints deemed grounded, ungrounded, attended to or not attended to, among others. In cases of complaint records that do not fall within the responsibility and activities of the CONCESSIONAIRE, they may be excluded from the calculation of this indicator, provided that the CONCESSIONAIRE justifies and proves to CAGECE that such complaints are not under its responsibility.

- **NLE**: Number of active customer units in the status of active network and active wastewater connection on the last day of the reference month.

Minimum score value		Target	
1.50%		1.00%	
Calculation Periodicity	Monthly	Data Collection Source	CAGECE Computerized Systems
Commencement of test measurement	Month 1	Body Responsible for Measurement and Inspection of the Indicator	Independent Verifier
Commencement of effective measurement	Month 7	Area / Responsible for supplying the data	CAGECE



2.4 Measurement by Municipality

The universalization, general micrometering update and operational indicators will be measured by MUNICIPALITY in order to ensure that the overall target is not achieved to the detriment of the specific targets of each city, except for the IFR Indicator, which shall be measured by Lot.

The measurement of the indicators by municipality shall occur as from the commencement of operation.

2.5 Assignment of Responsibilities

The evaluation process is composed of three entities and encompasses the measurement, monitoring and verification of the indicators, as listed below:

- **CONCESSIONAIRE:** Responsible for carrying out the measurements of the variables under its responsibility and providing the information to the INDEPENDENT VERIFIER and to CAGECE whenever necessary.
- **CAGECE:** Responsible for monitoring the performance of the CONCESSIONAIRE, and shall request and receive additional information from the CONCESSIONAIRE whenever the need for such information is verified, carry out the measurements of the variables under its responsibility and provide the necessary information to the INDEPENDENT VERIFIER.
- **INDEPENDENT VERIFIER:** Without prejudice to the provisions set forth in the CONTRACT, this is a specialized company responsible for the verification of the data and preparation of the indicator report, as well as for the necessary field investigations. It is a company not affiliated with the CONCESSIONAIRE, which shall verify the process and the accuracy of the data collection to be provided by the CONCESSIONAIRE and by the GRANTING AUTHORITY, validating the performance achieved over a given period of time independently.



3. PERFORMANCE MEASUREMENT SYSTEM

The analysis of an indicator in isolation and out of context may lead to incorrect or distorted measurements. Therefore, it is recommended that indicators be analyzed as a whole and associated with the context in which they are inserted.

Accordingly, in order to synthetically reflect the most relevant aspects of the quality of the services provided by the CONCESSIONAIRE, a methodology was defined to consolidate the calculation of the operational indicators and of the performance indicator based on the set of indicators presented in this document.

For calculation by the CONCESSIONAIRE of the Wastewater System Universalization Indicator – IDU, the General Indicator for Micrometering Update – IGAM and the Operational Performance Indicator – IDO, the guidelines set forth below shall be observed:

- a grace period of up to 6 (six) months, counted from the issuance of the SYSTEM TRANSFER TERM, is hereby established for the purposes of calculating and applying any contractual penalties arising from the calculation of the IDU. In this context, the first effective measurement of the IDU shall occur within up to six (6) months following the issuance of the SYSTEM TRANSFER TERM, and such period may be shorter if the CONCESSIONAIRE formally requests the advancement of the measurement. The result of the IDU shall produce effects on the FIXED COMPONENT of the MONTHLY FINANCIAL CONSIDERATION only as from such first effective measurement, such that, prior to its calculation, no payment of the FIXED COMPONENT shall be made. In the first measurement, to be carried out in 2027, the amount due for the FIXED COMPONENT in that year shall be apportioned over the number of remaining months between the date of the measurement and December 2027. The second effective measurement, in turn, shall be carried out in January 2028, and subsequent measurements shall occur in twelve (12)-month cycles.
- with respect to the IGAM, the impact of the calculation of the indicator shall apply to the FIXED COMPONENT only as from the 13th month after the



issuance of the SYSTEM TRANSFER TERM, a grace period of 12 months being established as from the issuance of the SYSTEM TRANSFER TERM;

- a grace period of 6 months as from the issuance of the SYSTEM TRANSFER TERM shall be established for application of the Operational Performance Indicator – IDO to the VARIABLE COMPONENT of the MONTHLY FINANCIAL CONSIDERATION, except for the IFR and ICO indicators, which have a grace period of 12 (twelve) months. During the grace period, full compliance with the IDO shall be deemed to have occurred for purposes of payment of the VARIABLE COMPONENT.

For purposes of calculation of the IDO, only the IFR Indicator shall be measured by Lot. All other operational performance and availability indicators, for purposes of calculation of the IDO, IDU and IGAM, shall be measured by municipality.

It is further recorded that the CONCESSIONAIRE has the duty to issue reports containing the calculation of the indicators as from the commencement of operation.

3.1 IDU – Wastewater System Universalization Indicator

Description

The IDU shall reflect compliance with the targets for expansion of coverage through wastewater connection of the SYSTEM in the municipalities included in LOT [•] of the CONCESSION AREA. It is a number between 0.00% (zero percent) and 100.00% (one hundred percent), calculated as a function of the increase in covered customer units connected to the collection network, and directly impacts the FIXED COMPONENT of the MONTHLY FINANCIAL CONSIDERATION.

The IDU is calculated based on the targets for coverage through connection to wastewater collection and treatment, reflecting their annual increase. The above targets shall comply with the specifications set forth in APPENDIX II – MUNICIPAL TARGETS FOR COVERAGE THROUGH CONNECTION OF CUSTOMER



UNITS TO WASTEWATER COLLECTION AND TREATMENT - CCE, BY YEAR, which establishes the annual intermediary target for coverage through connection in the municipalities of the CONCESSION AREA of LOT [•] for which the wastewater collection and treatment infrastructure shall be available, connected and operational.

In order to ensure compliance with these targets, the CONCESSIONAIRE shall invest both in the implementation/expansion of the collection and treatment systems to make wastewater services available to USERS who currently do not have them, and in the vegetative growth of the system, so as to ensure that the increase in population is accompanied throughout the CONCESSION period.

For purposes of calculation of the IDU, a value equal to 0.00% (zero percent) corresponds to a situation in which compliance with the coverage through connection targets set forth in APPENDIX II – MUNICIPAL TARGETS FOR COVERAGE THROUGH CONNECTION OF CUSTOMER UNITS TO WASTEWATER COLLECTION AND TREATMENT - CCE, BY YEAR has been entirely breached. In turn, an IDU equal to 100.00% (one hundred percent) represents a situation in which compliance with the targets set forth in APPENDIX II – MUNICIPAL TARGETS FOR COVERAGE THROUGH CONNECTION OF CUSTOMER UNITS TO WASTEWATER COLLECTION AND TREATMENT - CCE, BY YEAR, as provided for the relevant period, has been fully achieved. Those municipalities that do not have an implementation target in the calculation year (that is, a CCE target equal to 0.00%), pursuant to APPENDIX II – MUNICIPAL TARGETS FOR COVERAGE THROUGH CONNECTION OF CUSTOMER UNITS TO WASTEWATER COLLECTION AND TREATMENT - CCE, BY YEAR, shall not be considered in the calculation for purposes of consolidation of the IDU.

The CONCESSIONAIRE shall also observe compliance with the targets of the Wastewater Service Index (IAE), as set forth in APPENDIX III - MUNICIPAL INTERMEDIARY AND UNIVERSALIZATION TARGETS FOR THE PROVISION OF WASTEWATER COLLECTION AND TREATMENT SERVICES - IAE, BY YEAR, FOR THE MUNICIPALITIES OF THE CONCESSION.

The IDU may not exceed 100.00% (one hundred percent) and shall be calculated with up to two decimal places in accordance with ABNT NBR 5891, or any



rule that may replace it. It shall be the result of the ratio between the increase in coverage through connection actually achieved and the increase in coverage through connection provided for the SYSTEM comprising LOT [•], weighted by the weights set forth in the table below:

Table 3 - Division of municipality weights.

Weight	Municipalities
1	Municipalities with urban population of up to 10 thousand inhabitants
5	Municipalities with urban population greater than 10 thousand and up to 25 thousand inhabitants
10	Municipalities with urban population greater than 25 thousand inhabitants

Note: For the municipality of Sobral, since CAGECE operates only the districts of Aprazível and Jaibaras, whose combined populations are less than 20 thousand inhabitants, its weight shall be considered as 1.

The IDU shall be calculated by means of the following formula:

$$IDU_n = \frac{\sum_{j=1}^y IACC_{n,j} \times P_j}{\sum_{j=1}^y P_j}$$

Where:

IDU_n is the Wastewater System Universalization Indicator in year “n”;

“j” is each of the municipalities forming part of the CONCESSION (variable from 1 to “y”);

IACC is the indicator for expansion of coverage through wastewater connection achieved in year “n” for municipality “j”;

“P” is the weight of municipality “j” in the calculation of the indicator;

The IDU shall be measured up to six (6) months from the commencement of SYSTEM OPERATION by the CONCESSIONAIRE, upon execution of the SYSTEM TRANSFER TERM, taking into account the grace period set forth in this Exhibit.

The indicator shall be calculated annually and applied to the FIXED COMPONENT of the MONTHLY FINANCIAL CONSIDERATION for the 12 (twelve)



months subsequent to the measurement month, as from the 2nd effective measurement, until the IDU is calculated again, except for the first effective measurement, which shall occur within up to 6 (six) months after the commencement of SYSTEM OPERATION, and the amount due of the FIXED COMPONENT IN 2027 shall be apportioned by the number of remaining months between the first measurement and December/2027.

Alternatively, in the first 2 (two) effective measurements of the IDU, the calculation of the IACC by LOT may be admitted, after the individual calculation of the IACC and the IAE for each MUNICIPALITY. For the calculation of the IACC under this alternative, the denominator of the CCE formula shall consider the sum of the total wastewater customer units (ETE) of all Municipalities comprising the LOT. The calculation of the IACC by LOT shall take into account the CCE targets set forth in APPENDIX V – CONNECTION COVERAGE TARGETS FOR UNITS WITH WASTEWATER COLLECTION AND TREATMENT BY LOT FOR THE FIRST TWO MEASUREMENT PERIODS AND MINIMUM TARGETS UNDER THE PROGRAM CONTRACTS, as well as the following criteria:

- i) Strict compliance, at the municipal level, with the wastewater coverage targets set forth in the PROGRAM CONTRACT in the first 2 (two) assessments, in accordance with the values indicated in APPENDIX V. In this case, the minimum score shall correspond to achieving 100.00% of the wastewater coverage target set forth in APPENDIX V;
- ii) Compliance with the IAE result for each Municipality in the assessment year, achieving a score equal to or greater than 95.00% of the IAE target, as provided in APPENDIX III – MUNICIPAL INTERMEDIATE AND UNIVERSALIZATION TARGETS FOR WASTEWATER COLLECTION AND TREATMENT SERVICES – IAE, BY YEAR, FOR THE CONCESSION MUNICIPALITIES. This condition shall apply only to the 2nd measurement, given that there is no IAE target for the first effective measurement.



If the CONCESSIONAIRE adopts the alternative approach for the first 2 (two) assessments by LOT, in the event of non-compliance with the IAE targets (applicable to the 2nd measurement) or with the wastewater coverage targets of the PROGRAM CONTRACT at the municipal level (applicable to the 1st and 2nd measurements), in accordance with the criteria set forth above, a reduction factor shall be applied. This factor shall consider the result of the Municipality(ies) within the LOT that failed to meet the targets in relation to the total number of Municipalities in the LOT that have a wastewater coverage target greater than 0.00% in the assessment year. In this case of non-compliance, each Municipality shall be assessed individually, and the weights set forth in Table 3 shall not apply. The IDU formula for this alternative is set out below:

$$IDU_n = IACC_{n,b} \times \left(1 - \frac{N_d}{N_t}\right)$$

Where:

IDU_n is the Wastewater System Universalization Indicator in year “n”;

“b” is the LOT comprising the CONCESSION;

IACC_{n,b} is the wastewater connection coverage expansion indicator achieved in year “n” for the LOT;

“N_d” is the number of Municipalities within the CONCESSION for which the IAE targets or the wastewater coverage targets under the PROGRAM CONTRACT at the municipal level were not met;

“N_t” is the total number of Municipalities within the CONCESSION that have a wastewater coverage target greater than 0.00% in the year of assessment under the PROGRAM CONTRACTS.

It is reiterated that, under this alternative calculation by LOT, the IDU result shall be a value between 0.00% and 100.00%.

Such exceptionality is due to the recognition of the operational challenges associated with the initial period of contractual performance, in order to allow greater feasibility in investment planning with respect to the preparation and approval of projects, the obtaining of the necessary licenses and authorizations, and



the optimization of logistics and the procurement of inputs/materials for the execution of works in the first months.

3.2 General Indicator for Micrometering Update– IGAM

For purposes of calculation of the IGAM, a value equal to 0.00% (zero percent) corresponds to a situation in which compliance with the micrometering update targets set forth in APPENDIX I – ANNUAL TARGET OF THE PERFORMANCE INDICATORS AND OF THE MICROMETERING UPDATE INDICATOR has been entirely breached. In turn, an IGAM equal to 100.00% (one hundred percent) represents a situation in which compliance with the micrometering update targets set forth in APPENDIX I – ANNUAL TARGET OF THE PERFORMANCE INDICATORS AND OF THE MICROMETERING UPDATE INDICATOR has been fully achieved. The IGAM may not exceed 100.00% (one hundred percent) and shall be calculated with up to two decimal places in accordance with NBR 5891, or any rule that may replace it. It shall be the result of the number of water meters with installation time within the useful life limit established by CAGECE, according to the periods defined in the table entitled “Useful life of the water meter by capacity” set forth in EXHIBIT IV – CONCESSION SPECIFICATIONS comprising LOT [•], and the total number of installed water meters, weighted by the weights set forth in the table below:

Table 4 - Division of municipality weights.

Weight	Municipalities
1	Municipalities with urban population of up to 10 thousand inhabitants
5	Municipalities with urban population greater than 10 thousand and up to 25 thousand inhabitants
10	Municipalities with urban population greater than 25 thousand inhabitants

Note: For the municipality of Sobral, since CAGECE operates only the districts of Aprazível and Jaibaras, whose combined populations are less than 20 thousand inhabitants, its weight shall be considered as 1.

The IGAM shall be calculated by means of the following formula:



$$IGAM_n = \frac{\sum_{j=1}^y IAM_{n,j} \times P_j}{\sum_{j=1}^y P_j} \times (1 - IGAM \text{ Reduction Factor})$$

Where:

IGAM_n is the General Indicator for Micrometering Update in year “n”;

“j” is each of the municipalities forming part of the CONCESSION (variable from 1 to “y”);

IAM is the indicator for micrometering update achieved in year “n” for municipality “j”;

“P” is the weight of municipality “j” in the calculation of the indicator;

“IGAM Reduction Factor (%)”

$$IGAM \text{ Reduction Factor}(\%) = \frac{OFP}{OT} \times 100$$

Where:

OFP – Number of service orders for corrective replacement of water meters completed after the deadline for the lot in the measurement year;

OT – Total number of service orders for water meter replacement requested for the lot in the measurement year.

The IGAM shall be measured as from the commencement of SYSTEM OPERATION by the CONCESSIONAIRE, upon signing of the SYSTEM TRANSFER TERM.

The indicator shall be calculated annually, applying to the FIXED COMPONENT of the MONTHLY FINANCIAL CONSIDERATION for the month subsequent to the measurement period, with full payment, until the IGAM is calculated again. Accordingly, the portion of the FIXED COMPONENT related to the investments in preventive replacement services for updating the water meter stock shall be remunerated annually in a single installment.

3.3 Operational Performance Indicator- IDO



The calculation procedure consists of the following steps:

- 1) Assignment of weights and minimum limits to the indicators;
- 2) Normalization of the indicators;
- 3) Calculation of the operational performance indicator;
- 4) Impact on the VARIABLE COMPONENT OF THE MONTHLY FINANCIAL CONSIDERATION.

3.3.1 Assignment of Weights to the Operational Indicators

The indicators used shall have different weights in the calculation of the Operational Performance Indicator - IDO, as set forth in the table below:

Table 5 - Weights of the indicators.

	Indicator	Indicator Weight	Objective	Objective Weight
1	IFR – Indicator for Frauds	10%	Reduction of Losses	10%
2	IEX – Indicator for Wastewater Network Overflows	10%	Continuity	10%
3	IDRE – Indicator for Average Duration of Repairs of Wastewater Overflows	10%		10%
4	ICO – Indicator for Continuity in Wastewater Pumping Stations (WPS) and Wastewater Treatment Plants (WWTPs)	10%		10%
5	IETE - Indicator for Efficiency in Wastewater Treatment	25%	Quality / Environment	40%
6	IRA – Environmental Regularity Indicator	15%		
7	IRE - Indicator for Wastewater Complaints	10%	User Satisfaction	20%
8	IEP – Indicator for Efficiency in Service Response Times	10%		
	Total	100%	Total	100%

It should be noted that compliance with the performance indicator targets, in addition to impacting the FINANCIAL CONSIDERATION to be charged by the CONCESSIONAIRE, constitutes an incentive for the CONCESSIONAIRE to comply with the legal requirements imposed by inspecting bodies. This is due to the fact that, in many cases, the penalties to be applied do not have a relevant financial



impact on the CONCESSIONAIRE, whereas, by linking the FINANCIAL CONSIDERATION to these aspects, there comes to be an overall financial impact for noncompliance with the law.

3.3.2 Normalization

Considering that the reference values/performance targets of the IDO differ among the indicators, it is necessary to normalize them so that they are on the same basis for comparison.

The formula for normalization of the indicators is set forth below:

$$IDO_m^{Norm} i_j = \frac{X_{ID} - X_{mp}}{X_{meta} - X_{mp}}$$

Where:

$IDO_m^{Norm} i_j$ – normalized Operational Performance Indicator “i” for month “m”.

“j” is each of the municipalities forming part of the CONCESSION (variable from 1 to “y”)

X_{ID} – Measured value of Performance Indicator “i”.

X_{mp} – Minimum possible score value of Performance Indicator “i”.

X_{meta} – Target value of Performance Indicator “i”.

The indicators measured in each period shall be entered in the table below in order to generate the respective normalized values based on the worst possible values and target values established for each indicator.

For some indicators, the worst-case scenario would be to maintain the current situation; therefore, in such cases, the minimum score value shall not be 0.00%.



Table 6 - Normalization of the indicators

Item	Indicator	Indicator Value (X_{id})	Minimum Score Value (X_{pp})	Target Value (X_{meta})	Normalized Value
1	IFR		30.00	90.00	
2	IEX		Year 1 0.50 (municipalities of Lots 1, 3 and 5); 1.00 (municipalities of Lots 2 and 4); Year 2 0.40 (municipalities of Lots 1, 3 and 5); 0.70 (municipalities of Lots 2 and 4); Year 3 0.30 (municipalities of Lots 1, 3 and 5); 0.40 (municipalities of Lots 2 and 4); Year 4 - Year 28 0.02 (all municipalities).	Year 1 0.30 (all municipalities) Year 2 0.20 (all municipalities) Year 3 0.10 (all municipalities) Year 4 - Year 28 0.01 (all municipalities)	
3	IDRE		Year 1 - Year 7 18.00 Year 8 - Year 28 12	4.00	
4	ICO		98.00%	100.00%	
5	IETE		90.00%	100.00%	
6	IRA		-	100.00%	
7	IEP		95.00%	98.00%	
8	IRE		1.50%	1.00%	

If the normalized value exceeds 100%, in which case $X_{ID} > X_{Meta}$, full compliance with the target shall be deemed to have occurred and, therefore, $IDO_m^{Norm} i_j$ shall be equal to 1.00. If the normalized value is lower than 0, $IDO_m^{Norm} i_j$ shall be equal to 0.00.



3.3.3 Calculation of the IDO

After normalization, it is also necessary to calculate the sum of all normalized indicators of the Municipalities, the calculation of the IDO being performed only for those municipalities that have an implemented wastewater system. Such sum, except for the IFR Indicator, shall be calculated considering the following weights:

Table 7 - Division of municipality weights.

Weight	Municipalities
1	Municipalities with urban population of up to 10 thousand inhabitants
5	Municipalities with urban population greater than 10 thousand and less than 25 thousand inhabitants
10	Municipalities with urban population greater than 25 thousand inhabitants

Note: For the municipality of Sobral, since CAGECE operates only the districts of Aprazível and Jaibaras, whose combined populations are less than 20 thousand inhabitants, its weight shall be considered as 1.

The IDO shall be calculated by means of the following formula:

$$IDO_m^{Norm} i = \frac{\sum_{j=1}^y IDO_m^{Norm} i_j x P_j}{\sum_{j=1}^y P_j}$$

Where:

$IDO_m^{Norm} i$ is the Normalized Operational Performance Indicator “i” in month “m” of the Lot

“j” is each of the municipalities forming part of the CONCESSION (variable from 1 to “y”)

“P” is the weight of municipality “j” in the calculation of the indicator, as defined in Table 7

$IDO_m^{Norm} i_j$ is the Normalized Performance Indicator “i” in month “m” of Municipality “j”



Lastly, it shall be necessary to calculate the sum of all Operational Indicators, including the IFR, considering the weights set forth in the table below:

Table 8 - Calculation of the IDO.

Item	Indicator	Weight	Normalized and Adjusted Value
1	IFR	10%	
2	IEX	10%	
3	IDRE	10%	
4	ICO	10%	
5	IETE	25%	
6	IRA	15%	
7	IRE	10%	
8	IEP	10%	
IDO			

$$IDO_m^{Norm} \text{ Adjusted} = \frac{\sum_{i=1}^y IDO_m^{Norm} i \times P_i}{\sum_{i=1}^y P_i}$$

Where:

$IDO_m^{Norm} \text{ Adjusted}$ is the normalized and adjusted Operational Performance Indicator in month “m”, adjusted by the weights of the indicators

$IDO_m^{Norm} i$ is the normalized Operational Performance Indicator “i” in month “m” of the Lot;

“i” is each of the indicators comprising the IDO;

“P” is the weight of indicator “i” in the calculation of **$IDO_m^{Norm} \text{ Adjusted}$** , as defined in the table above.

Lastly, it shall be necessary to calculate the sum of all Operational Indicators, including the IFR, considering the weights defined in the table above.

The normalized and adjusted IDO may not exceed 100.00% (one hundred percent) and shall be calculated with up to two decimal places in accordance with NBR 5891, or any rule that may replace it.

3.4 Indicator Report



The INDEPENDENT VERIFIER shall prepare a monthly indicator report to be analyzed by the parties. Such report shall contain:

- Detailed information on the calculation of all performance indicators, as well as on the methodology adopted for the calculation of each of them and also for their consolidation into a Performance Indicator for the relevant lot, including information at municipality and locality level, where applicable;
- Detailed historical record of each indicator, with all measurements performed in the period, including the historical record at municipality and locality level, where applicable;
- Methodology for calculation of its result and impact on the MONTHLY FINANCIAL CONSIDERATION.

The format for presentation of the report and the methodology for calculation of indicators shall be shared by the INDEPENDENT VERIFIER with the parties for approval prior to the commencement of operation, and may be modified throughout the CONCESSION if deemed necessary to make the calculation of results clearer and more accurate. Modifications shall be discussed among the PARTIES so that any financial and/or operational impact of a change in the parameters may be assessed. Modifications resulting in financial impacts may form part of a potential contractual rebalancing process.

All information obtained for the report shall mandatorily undergo a verification process to be carried out by the INDEPENDENT VERIFIER, as set forth in the CONTRACT.



4. USE OF PERFORMANCE INDICATORS FOR CALCULATION OF THE FINANCIAL CONSIDERATION

The Monthly Financial Consideration refers to the remuneration of the following factors:

- **Availability component:** the monthly amount to be charged by the CONCESSIONAIRE for remuneration of the investments related to the implementation/expansion of the services of the concession in the municipalities;
- **Demand component:** the monthly amount to be charged by the CONCESSIONAIRE for remuneration of the costs and expenses for the maintenance and operation of the wastewater systems of the municipalities and the other services of the concession, as well as for the implementation of the commercial programs, works management plan and socio-environmental programs.

The remuneration formula of the concession is set forth below:

$$\text{CPM} = \text{PF} + \text{PV}$$

Where:

CPM: MONTHLY FINANCIAL CONSIDERATION

PF: MONTHLY FIXED COMPONENT is the monthly amount for remuneration of investments

PV: MONTHLY VARIABLE COMPONENT is the monthly amount for remuneration of the costs and expenses for the expansion, maintenance and operation of the SYSTEM.

The FIXED COMPONENT shall be calculated in accordance with the following formula:



$$PF = (VF \times IDU \times C) + (QH \times VF_{hid} \times IGAM)$$

Where:

VF: is the Monthly Fixed Amount to remunerate the investments in the wastewater systems; and

IDU: is the Wastewater System Universalization Indicator, set forth in this EXHIBIT of PERFORMANCE INDICATORS AND SERVICE TARGETS of the CONTRACT. It represents the penalty factor in the event of noncompliance with the universalization targets set forth in APPENDIX II – MUNICIPAL TARGETS FOR COVERAGE THROUGH CONNECTION OF CUSTOMER UNITS TO WASTEWATER COLLECTION AND TREATMENT - CCE, BY YEAR.

Factor C: consists of the proportion of the increase in the planned coverage, in the form of covered wastewater connections, with the following Factor C values defined for:

Lot 1:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
0,0206	0,1218	0,1446	0,2513	0,3436	0,4056	0,6226	0,9807	0,9846
Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17 – Year 28	
0,9881	0,9911	0,9937	0,9959	0,9977	0,9991	1,0000	1,0000	

Lot 2:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
0,0127	0,1159	0,1657	0,2484	0,3283	0,4421	0,6178	0,9895	0,9919
Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17 – Year 28	
0,9940	0,9958	0,9972	0,9984	0,9992	0,9997	1,0000	1,0000	

Lot 3:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
0,0149	0,0612	0,0928	0,2467	0,3859	0,5460	0,7033	0,9889	0,9915
Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17 – Year 28	
0,9937	0,9956	0,9971	0,9984	0,9992	0,9998	1,0000	1,0000	

Lot 4:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
0,0481	0,1507	0,2430	0,3099	0,4635	0,5987	0,8209	0,9772	0,9822
Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17 – Year 28	
0,9865	0,9903	0,9935	0,9963	0,9987	0,9997	1,0000	1,0000	

Lot 5:



Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
0,0347	0,0992	0,2232	0,3539	0,4205	0,5072	0,6793	0,9853	0,9887
Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17 - Year 28	
0,9916	0,9942	0,9962	0,9977	0,9989	0,9997	1,0000	1,0000	

QH: is the number of water meters preventively replaced in the year to maintain the useful life of the water meter stock; and

VF_{hid}: is the Unit Fixed Amount for remunerating investments in the preventive maintenance of the water meter stock; and

IGAM: is the General Indicator for Micrometering Update after application of the reduction factor. It may represent a discount factor on the amount of the FIXED COMPONENT in the event of non-compliance with the IAM target in the municipalities.

The FIXED COMPONENT shall be paid monthly for remuneration of the investments in the wastewater systems, consecutively after calculation of the IDU. However, for the investments associated with the preventive replacement of the water meter stock, it shall be paid in an annual installment immediately after calculation of the IGAM, and therefore shall not be paid on a pro rata basis in the subsequent months.

Factor C as from Year 16 shall be equal to 1.00.

The VARIABLE COMPONENT shall be calculated in accordance with the following formula:

$$PV = (PU \times VEC \times IDO) + (PU_{SI} \times QL) - RA$$

Where:

PU: UNIT PRICE per cubic meter (m³) of wastewater collected and treated in wastewater systems served by collective solutions; and

VEC: Volume of wastewater collected, in cubic meters (m³), in wastewater systems served by collective solutions, subject to the GRANTING AUTHORITY's billing rules. It is equal to the sum of the volumes collected in customer units with active wastewater connections, corresponding: (i) to 80% of the micrometered volume



of water for customer units supplied by the public system; (ii) to the presumed volume in case of water consumption from alternative sources; (iii) to the minimum collection, in case of use of water from alternative sources as well as water supplied by the public system; and (iv) to the volume measured by private systems that have a wastewater metering system;

IDO: is the Operational Performance Indicator. It may represent a discount factor on the amount of the VARIABLE COMPONENT in the event of non-compliance;

PUS_i: UNIT PRICE per unit for the cleaning, transportation and final disposal services in wastewater systems served by ALTERNATIVE SOLUTION;

QL: number of properties served by ALTERNATIVE SOLUTION in which the CONCESSIONAIRE performed preventive cleaning, transportation and final disposal services in the month, according to the schedule and service intervals for cleaning, transportation and final disposal defined jointly with the GRANTING AUTHORITY.

RA: portion of the ADDITIONAL REVENUE shared with the GRANTING AUTHORITY.

With the purpose of establishing a contractual limit for the discount arising from the IDO, so as not to render the operation of the CONCESSIONAIRE unfeasible, a floor corresponding to 0.80 was established. Thus, for purposes of application of the IDO value to the remuneration of the CONCESSIONAIRE, the effective result arising from the formula set forth in Section 3.3.3 of this EXHIBIT shall be considered or, if such result is lower than the floor, the reference value of 0.80 shall be considered.

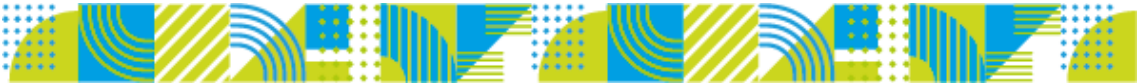
It is noted, however, that recurrence by the CONCESSIONAIRE in obtaining an IDO with a value effectively lower than the 0.80 floor may give rise to the application of the applicable contractual penalties, including pecuniary fine, as well as the initiation of an administrative proceeding for declaration of forfeiture of the CONTRACT, in the manner established in the contractual instrument.



APPENDIX I – TARGET OF THE PERFORMANCE INDICATORS AND OF THE MICROMETERING UPDATE INDICATOR

Table 1 - Target of the performance indicators

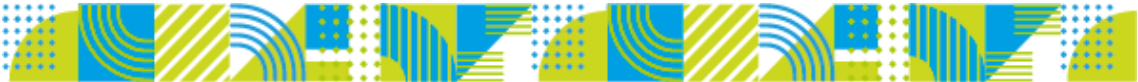
Year	Milestone	IFR	IAM	IEX	IDRE	ICO	IETE	IRA	IRE	IEP
Year 1	2026	90.00	90.00%	0.30	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 2	2027	90.00	100.00%	0.20	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 3	2028	90.00	100.00%	0.10	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 4	2029	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 5	2030	90.00	100.00%	0,01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 6	2031	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 7	2032	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 8	2033	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 9	2034	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 10	2035	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 11	2036	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 12	2037	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 13	2038	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 14	2039	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 15	2040	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 16	2041	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 17	2042	90.00	100.00%	0,01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 18	2043	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 19	2044	90.00	100.00%	0.05	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 20	2045	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 21	2046	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 22	2047	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 23	2048	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 24	2049	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 25	2050	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 26	2051	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Year 27	2052	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%
Ano 28	2053	90.00	100.00%	0.01	4.00	100.00%	100.00%	100.00%	1.00	98.00%



APPENDIX II – MUNICIPAL TARGETS FOR COVERAGE THROUGH CONNECTION OF CUSTOMER UNITS TO WASTEWATER COLLECTION AND TREATMENT - CCE, BY YEAR

Table 1 - Annual Municipal Target of the Coverage Index through Connection of Customer units to Wastewater Collection and Treatment.

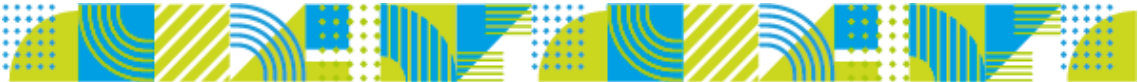
Municipality	Target Value (%)																											
	1st Effective Measurement	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Abaiaira	0.00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Acarape	44.00%	67,00%	67,00%	67,00%	67,00%	67,00%	72,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Acaraú	25.00%	25,00%	25,00%	56,00%	56,00%	56,00%	56,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Acopiara	33.00%	62,00%	62,00%	62,00%	62,00%	62,00%	62,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Alcântaras	62.00%	62,00%	62,00%	62,00%	62,00%	62,00%	88,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Altaneira	27.00%	27,00%	27,00%	27,00%	27,00%	27,00%	79,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Alto Santo	0.00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Antonina do Norte	0.00%	0,00%	0,00%	0,00%	0,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Apuiarés	0.00%	0,00%	0,00%	0,00%	0,00%	86,00%	86,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Aracati	40.00%	44,00%	72,00%	72,00%	72,00%	72,00%	72,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Aracoiaba	0.00%	0,00%	45,00%	78,00%	78,00%	78,00%	78,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Ararendá	0.00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Araripe	0.00%	0,00%	0,00%	0,00%	45,00%	80,00%	80,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Aratuba	39.00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Arneiroz	0.00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Assaré	0.00%	0,00%	45,00%	88,00%	88,00%	88,00%	88,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Aurora	28.00%	31,00%	31,00%	31,00%	31,00%	60,00%	60,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Baixio	0.00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Barreira	42.00%	48,00%	48,00%	65,00%	65,00%	65,00%	65,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Barro	22.00%	22,00%	22,00%	22,00%	22,00%	55,00%	55,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Barroquinha	37.00%	42,00%	42,00%	42,00%	42,00%	42,00%	72,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Baturité	3.00%	73,00%	73,00%	73,00%	73,00%	73,00%	73,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Beberibe	34.00%	58,00%	58,00%	58,00%	58,00%	58,00%	58,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Bela Cruz	63.00%	77,00%	77,00%	77,00%	77,00%	77,00%	77,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Campos Sales	36.00%	61,00%	61,00%	61,00%	61,00%	61,00%	61,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Capistrano	0.00%	0,00%	0,00%	0,00%	45,00%	67,00%	67,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Caridade	0.00%	0,00%	0,00%	0,00%	67,00%	67,00%	67,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Cariré	63.00%	63,00%	63,00%	63,00%	63,00%	63,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Carnaubal	0.00%	45,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Catarina	40.00%	42,00%	42,00%	42,00%	86,00%	86,00%	86,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Catunda	0.00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Cedro	10.00%	53,00%	60,00%	60,00%	60,00%	60,00%	60,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Chaval	0.00%	0,00%	0,00%	0,00%	0,00%	0,00%	76,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Choró	0.00%	0,00%	0,00%	0,00%	0,00%	0,00%	81,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Coreaú	30.00%	42,00%	42,00%	42,00%	42,00%	42,00%	65,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%



Municipality	Target Value (%)																											
	1st Effective Measurement	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Ubajara	0,00%	45,00%	86,00%	86,00%	86,00%	86,00%	86,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Umari	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Umirim	0,00%	0,00%	0,00%	0,00%	45,00%	79,00%	79,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Uruburetama	0,00%	45,00%	83,00%	83,00%	83,00%	83,00%	83,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Uruoca	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	45,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Varjota	0,00%	0,00%	0,00%	0,00%	0,00%	45,00%	84,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Várzea Alegre	0,00%	45,00%	88,00%	88,00%	88,00%	88,00%	88,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Viçosa do Ceará	25,00%	36,00%	36,00%	61,00%	61,00%	61,00%	61,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%

Note (*): The universalization target established in the new legal framework of 90% in 2033 for coverage through connection of the wastewater systems shall be met by the CONCESSIONAIRE in all localities;

Note 1: The universalization target with coverage and connection of the wastewater customer unit to the wastewater collection network and treatment in the locality of Jericoacoara, in the municipality of Jijoca de Jericoacoara, and in the locality of Preá, in the municipality of Cruz, shall be maintained at 100.00% as from the year 2027 until the end of the term of the CONTRACT by the CONCESSIONAIRE. Failure to comply with the 100.00% coverage through connection target in such localities shall result in the IACC being deemed equal to 0.00% in the municipality for purposes of calculation of the IDU and application to the payment of the FIXED COMPONENT.



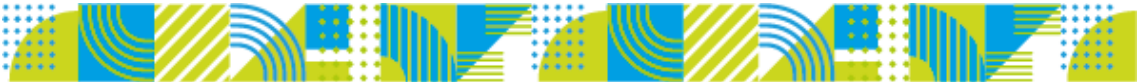
APPENDIX III - MUNICIPAL INTERMEDIARY AND UNIVERSALIZATION TARGETS FOR THE PROVISION OF WASTEWATER COLLECTION AND TREATMENT SERVICES - IAE, BY YEAR, FOR THE MUNICIPALITIES OF THE CONCESSION.

Table 1 - Intermediary and Universalization Targets for the Provision of Wastewater Collection and Treatment Services for the municipalities

Municipality	Target Value (%)																											
	1st EFFECTIVE MEASUREMENT	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Abaiara	-	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Acarape	-	46,00%	49,70%	53,40%	56,90%	60,30%	65,30%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Acaraú	-	15,50%	17,30%	19,10%	32,80%	43,50%	54,30%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Acopiara	-	20,00%	33,30%	44,00%	54,60%	57,00%	59,30%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Alcântaras	-	41,90%	46,00%	50,10%	53,90%	57,70%	61,50%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Altaneira	-	16,10%	18,20%	20,40%	22,60%	24,70%	26,80%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Alto Santo	-	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Antonina Do Norte	-	0,00%	0,00%	0,00%	0,00%	5,40%	39,10%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Apuiarés	-	0,00%	0,00%	0,00%	0,00%	0,00%	35,90%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Aracati	-	28,00%	32,70%	47,10%	58,20%	69,20%	71,70%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Aracoiaba	-	0,00%	21,80%	47,00%	63,20%	77,00%	78,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Ararendá	-	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Araripe	-	0,00%	0,00%	0,00%	13,00%	35,90%	58,20%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Aratuba	-	28,90%	51,00%	68,00%	84,90%	86,50%	88,10%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Arneiroz	-	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Assaré	-	0,00%	0,00%	17,90%	49,30%	76,10%	88,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Aurora	-	20,60%	22,50%	24,50%	26,30%	31,40%	43,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Baixio	-	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Barreira	-	22,60%	27,00%	33,70%	44,70%	54,00%	63,20%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Barro	-	13,00%	14,80%	16,60%	18,20%	22,50%	35,90%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Barroquinha	-	23,80%	26,80%	29,80%	32,80%	35,70%	40,70%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Baturité	-	2,30%	30,30%	51,30%	72,10%	72,30%	72,50%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Beberibe	-	28,70%	40,90%	50,80%	58,00%	58,00%	58,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Bela Cruz	-	41,60%	55,40%	66,70%	77,00%	77,00%	77,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Campos Sales	-	18,90%	31,30%	41,40%	51,50%	54,40%	57,40%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Capistrano	-	0,00%	0,00%	0,00%	0,00%	17,90%	49,30%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Caridade	-	0,00%	0,00%	0,00%	2,40%	37,00%	62,90%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Cariré	-	38,40%	43,30%	48,20%	52,10%	56,10%	60,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Carnaubal	-	3,20%	23,10%	52,20%	77,00%	89,50%	89,60%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Catarina	-	27,50%	30,10%	32,70%	38,20%	58,10%	73,70%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Catunda	-	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Cedro	-	8,70%	32,90%	45,60%	58,10%	58,60%	59,20%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,0														

Municipality	Target Value (%)																											
	1st EFFECTIVE MEASUREMENT	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Potiretama	-	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Quiterianópolis	-	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Quixadá	-	34,50%	42,80%	50,30%	61,60%	69,50%	78,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Quixeré	-	0,00%	0,00%	0,00%	17,90%	49,30%	76,10%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Redenção	-	19,30%	30,50%	59,80%	74,30%	82,00%	82,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Reriutaba	-	0,00%	0,00%	0,00%	0,00%	0,00%	18,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Russas	-	27,00%	36,90%	46,60%	60,70%	67,80%	73,70%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Saboeiro	-	3,60%	3,90%	4,10%	4,30%	4,50%	4,70%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Salitre	-	13,80%	15,90%	18,00%	20,10%	22,10%	24,20%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Santa Quitéria	-	0,00%	7,30%	28,60%	54,90%	77,40%	84,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Santana Do Acaraú	-	0,00%	0,00%	0,00%	17,90%	49,30%	76,10%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
São Benedito	-	30,60%	40,60%	49,20%	61,60%	68,50%	75,50%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Senador Pompeu	-	0,00%	0,00%	17,90%	49,30%	76,10%	79,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Senador Sá	-	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Sobral	-	10,30%	41,00%	64,20%	86,00%	86,00%	86,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Tabuleiro Do Norte	-	10,40%	11,10%	11,90%	12,70%	36,90%	55,30%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Tamboril	-	0,00%	0,00%	13,40%	38,80%	60,90%	79,70%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Tarrafas	-	10,60%	12,60%	14,70%	16,70%	18,60%	20,60%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Tauá	-	24,50%	34,60%	44,10%	47,20%	48,80%	50,30%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Tejuçuoca	-	0,00%	0,00%	0,00%	0,00%	0,00%	35,90%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Tianguá	-	40,00%	43,80%	47,60%	52,60%	59,40%	66,10%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Tururu	-	0,00%	0,00%	0,00%	0,00%	0,00%	8,60%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Ubajara	-	8,80%	31,30%	56,50%	78,00%	86,00%	86,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Umari	-	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Umirim	-	0,00%	0,00%	0,00%	7,00%	27,50%	52,90%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Uruburetama	-	0,00%	17,90%	49,30%	76,10%	83,00%	83,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Uruoca	-	26,30%	29,50%	32,80%	36,00%	39,20%	42,40%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Varjota	-	0,00%	0,00%	0,00%	0,00%	0,00%	18,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Várzea Alegre	-	0,70%	19,00%	49,90%	76,20%	88,00%	88,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%
Viçosa Do Ceará	-	24,80%	27,60%	36,30%	44,50%	51,40%	58,30%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%	90,00%

Note ⁽¹⁾: Upon inclusion of new localities/districts in the SERVICE PROVIDER'S COVERAGE AREA, it is hereby established that the CONCESSIONAIRE shall meet the universalization targets and deadlines set forth in the new legal framework (90% target by 2033) and in the Service Provision Contracts of the municipalities.



APPENDIX IV – SAMPLING PLAN

The quality of the effluents and the treatment efficiency of the stations shall be assessed in accordance with this monitoring plan, which considers different sizes and treatment technologies. For purposes of compliance with the Indicator for Efficiency in Wastewater Treatment (IETE), the results obtained from each analysis shall be compared with the limits indicated in COEMA Resolution 02/2017 and its updates, where applicable, also considering the exceptions indicated in this text.

If any result is not in compliance with such limits, the sample as a whole shall be deemed non-compliant, even if it is formed by several collections.

The 4 treatment size classes were established, as presented in Table 1 below.

Table 1 - Classification of Wastewater Treatment Plants (WWTPs) according to size.

Class	Flow rate (l/s)
Micro	≤ 5 and Settler-digesters
Small	$5 < x \leq 50$
Medium	$50 < x \leq 400$
Large	> 400

Note: The size of the WWTP corresponds to the average flow rate (l/s) of the basic/executive project. in the absence of a basic/executive project prepared by the CONCESSIONAIRE, the average flow rates of the existing WWTPs indicated in the conceptual engineering projects made available in the TENDER shall be used to define the Sampling Plan.

Due to the low efficiency of Settler-Digester type stations, these shall be deactivated, according to the provisions of EXHIBIT IV – CONCESSION SPECIFICATIONS, within up to 03 years for all localities. During this period, considering the efficiency that can be achieved by such technology, the conditions and standards set forth in Article 21 of CONAMA Resolution 430/2011, reproduced in Table 2, shall be adopted. The standard of COEMA Resolution 02/2017 shall be adopted only for the parameter Thermotolerant Coliforms, which shall further be replaced by *E. coli*.

Table 2 - Parameters and standards adopted for Settler-Digester type WWTPs.

Item	Parameter	Standard
1	<i>E. coli</i>	5.000
2	Total Coliforms	NA
3	Free Residual Chlorine	NA
4	BOD ¹	60% removal
5	COD ¹	60% de removal
6	Floating materials	Absent



Item	Parameter	Standard
7	pH	Between 5 and 9
8	Settleable solids	1 mL/L
9	Total suspended solids	NA
10	Hexane-soluble substances (oils and greases)	≥ 100 mg/L
11	Temperature	$<40^{\circ}\text{C}$

¹ Minimum removal efficiency of 60% according to CONAMA Resolution 430/2011 for BOD.

1. Monitoring frequency

With respect to the monitoring frequency of Settler-Digesters, the same frequency as that adopted for micro-size WWTPs (≤ 5 l/s), as set forth in Table 3, shall apply.

Table 3 - Parameters, standards and monitoring frequencies for Settler-Digesters and micro-size WWTPs (≤ 5 l/s).

Item	Parameter	Raw	Treated
1	<i>E. coli</i>		Monthly
2	Total Coliforms		Monthly
3	Free Residual Chlorine		Monthly
4	BOD	Monthly	Monthly
5	COD	Monthly	Monthly
6	Floating materials		Monthly
7	pH		Monthly
8	Settleable solids		Monthly
9	Total suspended solids	Monthly	Monthly
10	Hexane-soluble substances (oils and greases)		Monthly
11	Temperature		Monthly



For small-size WWTPs (between 5 and 50 L/s), the parameters indicated in Table 4 shall be monitored at the frequencies established therein.

Table 4 - Parameters and Monitoring Frequencies – Small Size.

Item	Parameter	Raw	Treated
1	<i>E. coli</i> ³		Monthly
2	Total Coliforms		Monthly
3	Conductivity ²		Monthly
4	Free Residual Chlorine ⁴		Monthly
5	Filtered BOD ⁵		Monthly
6	BOD	Monthly	Monthly
7	Filtered COD ⁵		Monthly
8	COD	Monthly	Monthly
9	Total Phosphorus ¹		Quarterly
10	Floating materials		Monthly
11	Oils and Greases		Monthly
12	Dissolved oxygen ⁵		Monthly
13	Ammoniacal nitrogen ¹		Quarterly
14	Nitrate ¹		Quarterly
15	Nitrite ¹		Quarterly
16	pH		Monthly
17	SAR (Sodium Adsorption Ratio) ²		Monthly
18	Settleable solids		Monthly
19	Total suspended solids	Monthly	Monthly
20	Sulfide		Monthly
21	Temperature		Monthly

¹ Protection of the water sources to be indicated by CAGECE during the term of the CONTRACT.

² For WWTPs with discharge into the soil, electrical conductivity and SAR analyses shall also be included.

³ The *E. coli* parameter was adopted in substitution for the thermotolerant coliforms parameter, and any change by the competent environmental authority shall be observed.

⁴ This parameter shall be carried out in WWTPs that have a chlorination disinfection system.

⁵ These parameters shall be carried out in WWTPs using stabilization pond technology.



For medium-size WWTPs (between 50 and 400 L/s), the parameters indicated in Table 5 shall be monitored at the frequencies established therein.

Table 5 - Parameters and Frequencies – Medium Size.

Item	Parameter	Raw	Treated
1	<i>E. coli</i> ³		Fortnightly
2	Total Coliforms		Fortnightly
3	Conductivity ²		Weekly
4	Free Residual Chlorine ⁴		Weekly
5	Filtered BOD ⁵		Fortnightly
6	BOD	Fortnightly	Fortnightly
7	Filtered COD ⁵		Weekly
8	COD	Weekly	Weekly
9	Total Phosphorus ¹		Monthly
10	Floating materials		Weekly
11	Oils and Greases		Monthly
12	Dissolved oxygen ⁵		Weekly
13	Ammoniacal nitrogen ¹		Monthly
14	Nitrate ¹		Monthly
15	Nitrite ¹		Monthly
16	pH		Weekly
17	SAR (Sodium Adsorption Ratio) ²		Monthly
18	Settleable solids		Weekly
19	Total suspended solids	Fortnightly	Fortnightly
20	Sulfide		Fortnightly
21	Temperature		Weekly

¹ Protection of the water sources to be indicated by CAGECE during the term of the CONTRACT.

² For WWTPs with discharge into the soil, electrical conductivity and SAR analyses shall also be included.

³ The *E. coli* parameter was adopted in substitution for the thermotolerant coliforms parameter, and any change by the competent environmental authority shall be observed.

⁴ This parameter shall be carried out in WWTPs that have a chlorination disinfection system.

⁵ These parameters shall be carried out in WWTPs using stabilization pond technology.



For large-size WWTPs (above 400 L/s), the parameters indicated in Table 6 shall be monitored at the frequencies established therein.

Table 6 - Parameters and Frequencies – Large Size

Item	Parameter	Raw	Treated
1	<i>E. coli</i> ³		Weekly
2	Total Coliforms		Weekly
3	Conductivity ²		Daily
4	Free Residual Chlorine ⁴		Daily
5	Filtered BOD ⁵		Weekly
6	BOD	Weekly	Weekly
7	Filtered COD ⁵		Daily
8	COD	Daily	Daily
9	Total Phosphorus ¹		Monthly
10	Floating materials		Daily
11	Oils and Greases		Monthly
12	Dissolved oxygen ⁵		Daily
13	Ammoniacal nitrogen ¹		Monthly
14	Nitrate ¹		Monthly
15	Nitrite ¹		Monthly
16	pH		Daily
17	SAR (Sodium Adsorption Ratio) ²		Monthly
18	Settleable solids		Daily
19	Total suspended solids	Weekly	Weekly
20	Sulfide		Fortnightly
21	Temperature		Daily

¹ Protection of the water sources to be indicated by CAGECE during the term of the CONTRACT.

² For WWTPs with discharge into the soil, electrical conductivity and SAR analyses shall also be included.

³ The *E. coli* parameter was adopted in substitution for the thermotolerant coliforms parameter, and any change by the competent environmental authority shall be observed.

⁴ This parameter shall be carried out in WWTPs that have a chlorination disinfection system.

⁵ These parameters shall be carried out in WWTPs using stabilization pond technology.

Lastly, for all WWTPs receiving industrial contribution, excluding Settler-Digester type WWTPs and micro-size WWTPs, the parameters established in Tables 7 and 6 shall be adopted in accordance with Article 11 of COEMA Resolution 02/2017, adopting the frequencies established in Table 7, in addition to a semiannual frequency for the parameters listed in Table 8.

For WWTPs receiving industrial contribution without any mapping of the type(s) of effluent(s) being received, all parameters in Table 8 shall be carried out on a semiannual basis.



Note: In cases where the WWTPs receive industrial contribution, the industries discharging thereto shall be monitored by the contractor, following the same parameters required by the legislation in force and Table 9, according to the type of industry.

Table 7 - Parameters and Monitoring Frequencies of WWTPs Receiving Industrial Discharge Contribution.

Item	Parameter	Frequency	
		Raw	Treated
1	Apparent color		Monthly
2	Ammoniacal nitrogen		Monthly
3	Sulfate	Monthly	Monthly

Table 8 - Semiannual Parameters to be carried out according to the type of industrial activity.

Industrial Activities	Specific Parameters
Food and Beverage	Total Phenols
	Nickel
	Selenium
Textile Industries, Knitwear, Garment Manufacturing and Laundries	Cadmium
	Lead
	Copper
	Hexavalent Chromium
	Total Chromium
	Soluble Iron
	Zinc
Leather and Hide Processing Industry	Cadmium
	Free Cyanide
	Total Cyanide
	Copper
	Hexavalent Chromium
	Total Chromium
	Zinc
Metallurgical Industries	Cadmium
	Lead
	Free Cyanide
	Total Cyanide
	Copper
	Hexavalent Chromium



Industrial Activities	Specific Parameters
	Total Chromium
	Soluble Iron
	Nickel
	Zinc
Manufacture of Costume Jewelry	Cadmium
	Lead
	Free Cyanide
	Total Cyanide
	Copper
	Soluble Iron
	Nickel
	Zinc
Manufacture of Cleaning Products / Cosmetics	Total organophosphorus and carbamate compounds
	Organochlorine compounds not listed above
Manufacture of Pharmaceutical and Veterinary Products	Total organophosphorus and carbamate compounds
	Organochlorine compounds not listed above
	Cadmium
	Free Cyanide
	Total Cyanide
	Copper
	Total Chromium
	Nickel
	Zinc
Fuels / Petroleum Products	Cadmium
	Lead
	Copper
	Mercury
	Nickel
	Zinc
	Benzene
	Styrene
	Toluene
	Xylene
Vehicle Washing	Benzene
	Styrene



Industrial Activities	Specific Parameters
Power Generation	Toluene
	Xylene
	Copper
	Lead
Paint and Dye Industries	Soluble Iron
	Zinc
	Cadmium
	Lead
	Free Cyanide
	Total Cyanide
	Hexavalent Chromium
	Total Chromium
	Soluble Iron
	Zinc

2. Example of application

The conceptual studies indicate the existence and distribution of WWTPs as shown in Table 9, some of which shall be deactivated and others constructed. Taking as a premise the quantities indicated in this table for the Current scenario and for the service horizon of the Regulatory Framework, Table 10 was prepared as an example, with the expected number of samples to be collected and analyzed according to the frequencies established in this plan, considering a month with 30 days.

Table 9 - Number of existing WWTPs at present and future expectation.

Classes	Flow rate	Number of WWTPs	
		Current scenario	Universalization
Micro and Settler-Digester	≤ 5	44	36
Small	$5 < x \leq 50$	46	149
Medium	$50 < x \leq 400$	04	04
Large	> 400	-	-
Total		94	189

Table 10 - Number of monthly samples to be assessed in a 30-day month.

Classes	Flow rate	Monthly Number of Samples	
		Current scenario	Universalization
Micro and Settler-Digester	≤ 5	44	36
Small	$5 < x \leq 50$	46	149



Medium	50<x<=400	16	16
Large	>400	-	-
Total		106	201



APPENDIX V – COVERAGE TARGETS FOR CONNECTION OF SERVICE UNITS TO WASTEWATER COLLECTION AND TREATMENT BY LOT FOR THE FIRST TWO MEASUREMENTS AND MINIMUM TARGETS UNDER THE PROGRAM CONTRACTS

Table 1 – CCE – Connection Coverage Targets per Lot for the First Two Measurement Periods.

MEASUREMENT	LOT 1	LOT 2	LOT 3	LOT 4	LOT 5
1ª medição efetiva	25,19%	15,68%	25,87%	23,55%	33,17%
2027	29,86%	29,69%	32,64%	33,81%	39,99%

Table 2 – Wastewater Coverage Targets of CAGECE's Program Contracts for the First Two Measurement Period

MUNICIPALITY	1ST EFFECTIVE MEASUREMENT	2027
ABAIARA	0,00%	0,00%
ACARAPE	40,00%	40,00%
ACARAÚ	23,00%	23,00%
ACOPIARA	31,00%	31,00%
ALCÂNTARAS	58,00%	58,00%
ALTANEIRA	24,00%	24,00%
ALTO SANTO	0,00%	0,00%
ANTONINA DO NORTE	0,00%	0,00%
APUIARÉS	0,00%	0,00%
ARACATI	38,00%	38,00%
ARACOIABA	0,00%	0,00%
ARARENDÁ	0,00%	0,00%
ARARIPE	0,00%	0,00%
ARATUBA	36,00%	36,00%
ARNEIROZ	0,00%	0,00%
ASSARÉ	0,00%	0,00%
AURORA	27,00%	27,00%
BAIXIO	0,00%	0,00%
BARREIRA	37,00%	37,00%
BARRO	19,00%	19,00%
BARROQUINHA	33,00%	41,00%
BATURITÉ	3,00%	3,00%
BEBERIBE	20,00%	20,00%
BELA CRUZ	59,00%	74,00%
CAMPOS SALES	32,00%	32,00%
CAPISTRANO	0,00%	0,00%
CARIDADE	0,00%	0,00%
CARIRÉ	58,00%	58,00%
CARNAUBAL	0,00%	0,00%
CATARINA	35,00%	35,00%
CATUNDA	0,00%	0,00%
CEDRO	9,00%	9,00%
CHAVAL	0,00%	0,00%
CHORÓ	0,00%	0,00%
COREAÚ	28,00%	39,00%



CRATEÚS	82,00%	83,00%
CROATÁ	70,00%	70,00%
CRUZ	0,00%	0,00%
ERERÉ	0,00%	0,00%
FORQUILHA	63,00%	63,00%
FORTIM	0,00%	0,00%
FRECHEIRINHA	19,00%	20,00%
GENERAL SAMPAIO	0,00%	0,00%
GRAÇA	28,00%	28,00%
GRANJEIRO	44,00%	44,00%
GROAÍRAS	0,00%	0,00%
GUARACIABA DO NORTE	39,00%	39,00%
GUARAMIRANGA	87,00%	87,00%
HIDROLÂNDIA	0,00%	0,00%
IBARETAMA	0,00%	0,00%
IBIAPINA	0,00%	0,00%
IBICUITINGA	0,00%	0,00%
INDEPENDÊNCIA	46,00%	46,00%
IPAUMIRIM	0,00%	0,00%
IRACEMA	11,00%	11,00%
IRAUÇUBA	0,00%	0,00%
ITAIÇABA	0,00%	0,00%
ITAPIPOCA	50,00%	50,00%
ITAPIÚNA	0,00%	0,00%
ITAREMA	35,00%	35,00%
ITATIRA	0,00%	0,00%
JAGUARETAMA	5,00%	5,00%
JAGUARIBARA	62,00%	64,00%
JAGUARUANA	0,00%	0,00%
JATI	0,00%	0,00%
JIJOCA DE JERICOACOARA	45,00%	45,00%
LAVRAS DA MANGABEIRA	0,00%	0,00%
MARCO	37,00%	37,00%
MARTINÓPOLE	0,00%	0,00%
MASSAPÊ	50,00%	50,00%
MAURITI	24,00%	54,00%
MERUOCA	0,00%	0,00%
MILAGRES	0,00%	0,00%
MIRAÍMA	0,00%	0,00%
MOMBAÇA	0,00%	0,00%
MONSENHOR TABOSA	0,00%	0,00%
MORAÚJO	0,00%	0,00%
MORRINHOS	0,00%	0,00%
MUCAMBO	25,00%	25,00%
MULUNGU	24,00%	24,00%
NOVO ORIENTE	47,00%	47,00%
OCARA	20,00%	20,00%
ORÓS	0,00%	0,00%
PACOTI	67,00%	67,00%
PACUJÁ	0,00%	0,00%
PALHANO	0,00%	0,00%
PALMÁCIA	32,00%	32,00%
PARAMBU	0,00%	0,00%
PARAMOTI	27,00%	27,00%
PENAFORTE	0,00%	0,00%
PENTECOSTE	0,00%	0,00%



PEREIRO	0,00%	0,00%
PIQUET CARNEIRO	0,00%	0,00%
PIRES FERREIRA	0,00%	0,00%
PORANGA	47,00%	47,00%
PORTEIRAS	29,00%	31,00%
POTENGI	0,00%	0,00%
POTIRETAMA	0,00%	0,00%
QUITERIANÓPOLIS	0,00%	0,00%
QUIXADÁ	55,00%	55,00%
QUIXERÉ	0,00%	0,00%
REDENÇÃO	3,00%	38,00%
RERIUTABA	0,00%	0,00%
RUSSAS	36,00%	36,00%
SABOEIRO	4,00%	4,00%
SALITRE	21,00%	21,00%
SANTA QUITÉRIA	0,00%	0,00%
SANTANA DO ACARAÚ	0,00%	0,00%
SÃO BENEDITO	51,00%	51,00%
SENADOR POMPEU	0,00%	0,00%
SENADOR SÁ	0,00%	0,00%
SOBRAL	14,00%	14,00%
TABULEIRO DO NORTE	12,00%	14,00%
TAMBORIL	0,00%	0,00%
TARRAFAS	20,00%	20,00%
TAUÁ	29,00%	51,00%
TEJUÇUOCA	0,00%	0,00%
TIANGUÁ	51,00%	51,00%
TURURU	0,00%	0,00%
UBAJARA	0,00%	0,00%
UMARI	0,00%	0,00%
UMIRIM	0,00%	0,00%
URUBURETAMA	0,00%	0,00%
URUOCA	42,00%	42,00%
VARJOTA	0,00%	0,00%
VÁRZEA ALEGRE	0,00%	0,00%
VIÇOSA DO CEARÁ	23,00%	23,00%



EXHIBIT IV - CONCESSION SPECIFICATIONS



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1. GENERAL CONSIDERATIONS

This CONCESSION SPECIFICATIONS sets forth general technical specifications for the CONCESSIONAIRE's activities, compliance with which is mandatory during the the services provision, without prejudice to other obligations directly or indirectly related to the same ADMINISTRATIVE CONCESSION CONTRACT ("CONTRACT").

The CONCESSIONAIRE shall be responsible for the SERVICES throughout the entire SERVICE PROVIDER'S COVERAGE AREA.

The CONCESSIONAIRE's obligations shall extend to the entire urban and contiguous area of the MUNICIPALITIES, as well as to districts and localities with water supply systems operated by and to be implemented by CAGECE, as indicated in **Table 1** below.

Table 1 - MUNICIPALITIES, Districts, and Localities included in the Service Provider's Coverage Area.

No.	Municipality	District(s)	Locality(ies)
1	Abaíara	Abaíara	Abaíara (Headquarter)
2	Acarape	Acarape	Acarape (Headquarter)
			Cantagalo
			Carro Atolado
			Pau Branco
			Riachão do Norte
3	Acaraú	Acaraú	Acaraú (Headquarter)
4	Acopiara	Acopiara	Acopiara (Headquarter)
5	Alcântaras	Alcântaras	Alcântaras (Headquarter)
6	Altaneira	Altaneira	Altaneira (Headquarter)
7	Alto Santo	Alto Santo	Alto Santo (Headquarter)
8	Antonina do Norte	Antonina do Norte	Antonina do Norte (Headquarter)
		Taboleiro	Taboleiro
9	Apuiarés	Apuiarés	Apuiarés (Headquarter)
10	Aracati	Aracati	Aracati (Headquarter)
			Baixio
			Canavieira
			Canoa Quebrada
			Cumbé
			Córrego Nova Esperança
			Majorlândia
			Pedra Redonda
			Quixaba
			Volta
11	Aracoiaba	Barreira dos Vianas	Boca do Forno
		Cabreiro	Cabreiro
			Tabuleiro
			Aracoiaba (Headquarter)
			Baixio

No.	Municipality	District(s)	Locality(ies)
		Aracoiaba	Batimbal
			Caninha
			Encosta
			Oiticica
		Ideal	Capivara
			Ideal
		Jenipapeiro	Jenipapeiro
		Lagoa de São João	Agrovila de São João
			Lagoa de São João
		Vazantes	Vazantes
12	Ararendá	Ararendá	Ararendá (Headquarter)
13	Araripe	Araripe	Araripe (Headquarter)
		Alagoinha	Alagoinha
		Pajeú	Pajeú
			Baixo do Lima
			Campina
14	Aratuba	Aratuba	Aratuba (Headquarter)
15	Arneiroz	Arneiroz	Arneiroz (Headquarter)
16	Assaré	Assaré	Assaré (Headquarter)
17	Aurora	Aurora	Aurora (Headquarter)
		Ingazeiras	Ingazeiras
18	Baixio	Baixio	Baixio (Headquarter)
			Barreira (Headquarter)
19	Barreira	Barreira	Batalha
			Cajueiro
			Córrego
		Córrego	Córrego
			Cocos
			Lagoa Grande
20	Barro	Barro	Barro (Headquarter)
		Iara	Iara
21	Barroquinha	Araras	Araras
		Barroquinha	Barroquinha (Headquarter)
			Lagoa do Mato
		Bitupitá	Bitupitá
22	Baturité	Baturité	Baturité (Headquarter)
23	Beberibe	Beberibe	Beberibe (Headquarter)
			Choro
			Morro Branco
		Parajuru	Parajuru
		Serra do Félix	Serra do Félix
24	Bela Cruz	Bela Cruz	Bela Cruz (Headquarter)
			Cedro
			Salinas
			Santa Rosa
25	Campos Sales	Campos Sales	Campos Sales (Headquarter)
26	Capistrano	Capistrano	Capistrano (Headquarter)
27	Caridade	Campos Belos	Campos Belos
		Caridade	Caridade (Headquarter)
			Pedra Branca
			Pereiros
28	Cariré	Cariré	Cariré (Headquarter)
29	Carnaubal	Carnaubal	Carnaubal (Headquarter)
			Faveira
30	Catarina	Catarina	Catarina (Headquarter)
			San Gonçalo
31	Catunda	Catunda	Catunda (Headquarter)



No.	Municipality	District(s)	Locality(ies)
32	Cedro	Cedro	Candeias
			Cedro (Headquarter)
		Lajedo	Sítio Lajedo
		Lajedo	Sítio São Raimundo
		Lajedo	Sítio Mucururé
		Várzea da Conceição	Várzea da Conceição
33	Chaval	Chaval	Chaval (Headquarter)
		Passagem	Passagem
34	Choró	Choró	Choró (Headquarter)
35	Coreaú	Coreaú	Coreaú (Headquarter)
		Ubaúna	Ubaúna
36	Crateús	Crateús	Crateús (Headquarter)
37	Croatá	Croatá	Croatá (Headquarter)
38	Cruz	Cruz	Cruz (Headquarter)
			Paraguai
		Caiçara	Preá
49	Ererê	Ererê	Ererê (Headquarter)
40	Forquilha	Forquilha	Forquilha (Headquarter)
41	Fortim	Barra	Barra
		Campestre	Campestre
		Fortim	Fortim (Headquarter)
		Maceió	Maceió
		Viçosa	Jardim
			Viçosa
42	Frecheirinha	Frecheirinha	Frecheirinha (Headquarter)
			Sítio Jardim
43	General Sampaio	General Sampaio	General Sampaio
44	Granjeiro	Granjeiro	Granjeiro
45	Graça	Graça	Graça (Headquarter)
		Lapa	Lapa
46	Groaíras	Groaíras	Groaíras (Headquarter)
			Sanharão dos Donatos
		Itamaracá	Cantagalo
			Itamaracá
47	Guaraciaba do Norte	Guaraciaba do Norte	Guaraciaba do Norte
		Sussuanha	Sussuanha
48	Guaramiranga	Guaramiranga	Guaramiranga (Headquarter)
		Pernambuquinho	Forquilha
49	Hidrolândia	Hidrolândia	Hidrolândia (Headquarter)
		Irajá	Irajá
50	Ibaretama	Ibaretama	Ibaretama (Headquarter)
51	Ibiapina	Betânia	Betânia
		Ibiapina	Ibiapina (Headquarter)
			Janeiro
			Pituba
		Caiçara	Caiçara
52	Ibicuitinga	Açude dos Pinheiros	Açude dos Pinheiros
		Canindezinho	Antônio Pereira
		Canindezinho	Canindezinho
		Ibicuitinga	Ibicuitinga (Headquarter)
		Viçosa	Currais
		Viçosa	Viçosa
53	Independência	Independência	Independência (Headquarter)
54	Ipaumirim	Felizardo	Felizardo
		Ipaumirim	Ipaumirim (Headquarter)
55	Iracema	Ema	Ema

No.	Municipality	District(s)	Locality(ies)
		Iracema	Iracema (Headquarter)
56	Irauçuba	Irauçuba	Irauçuba (Headquarter)
57	Itaiçaba	Itaiçaba	Itaiçaba (Headquarter)
		Itaiçaba	Tomé Afonso
		Deserto	Deserto
58	Itapipoca	Itapipoca	Brotas
			Itapipoca (Headquarter)
			Lagoa da Cruz
		Caio Prado	Barra Nova
			Bico da Arara
			Caio Prado
59	Itapiúna	Itans	Itans
		Itapiúna	Itapiúna (Headquarter)
			Lagoa da Pedra
		Palmatória	Palmatória
60	Itarema	Almofala	Torrões
		Itarema	Itarema (Headquarter)
61	Itatira	Itatira	Itatira (Headquarter)
		Lagoa do Mato	Lagoa do Mato
62	Jaguaretama	Jaguaretama	Jaguaretama (Headquarter)
63	Jaguaribara	Jaguaribara	Jaguaribara (Headquarter)
64	Jaguaruana	Jaguaruana	Jaguaruana (Headquarter)
		Saquinho	Saquinho
65	Jati	Jati	Jati (Headquarter)
66	Jijoca de Jericoacoara	Jijoca de Jericoacoara	Jericoacoara
			Jijoca de Jericoacoara
67	Lavras da Mangabeira	Amanituba	Amanituba
		Lavras da Mangabeira	Lavras da Mangabeira
		Mangabeira	Mangabeira
		Quitaiús	Quitaiús
68	Marco	Marco	Marco (Headquarter)
			Santa Rosa
			Triângulo do Marco
69	Martinópolis	Martinópolis	Martinópolis (Headquarter)
70	Massapê	Ipaguaçu	Ipaguaçu
		Massapê	Massapê (Headquarter)
		Mumbaba	Mumbaba
71	Mauriti	Mauriti	Mauriti (Headquarter)
		Palestina do Cariri	Palestina do Cariri
72	Meruoca	Meruoca	Meruoca (Headquarter)
73	Milagres	Milagres	Milagres (Headquarter)
		Rosário	Rosário
74	Miraíma	Brotas	Brotas
		Miraíma	Miraíma (Headquarter)
75	Mombaça	Mombaça	Mombaça (Headquarter)
76	Monsenhor Tabosa	Monsenhor Tabosa	Monsenhor Tabosa (Headquarter)
77	Moraújo	Moraújo	Moraújo (Headquarter)
		Várzea da Volta	Várzea da Volta
78	Morrinhos	Morrinhos	Junco Manso
			Morrinhos (Headquarter)
		Sítio Alegre	Sítio Alegre
79	Mucambo	Mucambo	Caiçara
			Chapada
			Mucambo (Headquarter)
80	Mulungu	Mulungu	Mulungu (Headquarter)

No.	Municipality	District(s)	Locality(ies)
81	Novo Oriente	Novo Oriente	Novo Oriente (Headquarter)
82	Ocara	Ocara	Ocara (Headquarter)
		Sereno de Cima	Sereno de Cima
83	Orós	Guassussê	Guassussê
		Orós	Orós (Headquarter)
		Palestina	Palestina
84	Pacoti	Pacoti	Pacoti (Headquarter)
85	Pacujá	Pacujá	Pacujá (Headquarter)
86	Palhano	Palhano	Palhano (Headquarter)
87	Palmácia	Palmácia	Palmácia (Headquarter)
88	Parambu	Parambu	Parambu (Headquarter)
			Santa Rita
89	Paramoti	Paramoti	Paramoti (Headquarter)
90	Penaforte	Penaforte	Penaforte (Headquarter)
91	Pentecoste	Pentecoste	Pentecoste (Headquarter)
		Sebastião de Abreu	Sebastião de Abreu
		Matias	Vazante Grande
92	Pereiro	Crioulos	Crioulos
		Pereiro	Pereiro (Headquarter)
93	Piquet Carneiro	Piquet Carneiro	Piquet Carneiro (Headquarter)
94	Pires Ferreira	Otavilândia	Otavilândia
		Pires Ferreira	Pires Ferreira (Headquarter)
		Santo Izidro	Marruá das Rosas
			Santo Izidro
95	Poranga	Poranga	Poranga (Headquarter)
96	Porteiras	Porteiras	Porteiras (Headquarter)
97	Potengi	Potengi	Potengi (Headquarter)
98	Potiretama	Potiretama	Potiretama (Headquarter)
99	Quiterianópolis	Quiterianópolis	Quiterianópolis (Headquarter)
100	Quixadá	Juatama	Juatama
		Quixadá	Quixadá (Headquarter)
		Tapuiará	Tapuiará
		Cipó dos Anjos	Lagoa da Pedra
			Lagoa da Santana
			Sítio Alegre
			Siriema
101	Quixeré	Quixeré	Quixeré (Headquarter)
102	Redenção	Antônio Diogo	Antônio Diogo
		Barra Nova	Barra Nova
		Redenção	Diamante
			Itapaí
			Outeiro de Fora
			Redenção (Headquarter)
103	Reriutaba	Reriutaba	Reriutaba (Headquarter)
104	Russas	Bonhu	Bonhu
		Flores	Flores
		Flores	Jardim de São José
		Russas	Russas (Headquarter)
		São João de Deus	São João de Deus
105	Saboeiro	Saboeiro	Saboeiro (Headquarter)
106	Salitre	Salitre	Salitre (Headquarter)
107	Santa Quitéria	Lisieux	Lisieux
		Macaraú	Macaraú
		Santa Quitéria	Santa Quitéria (Headquarter)
108	Santana do Acaraú	Santana do Acaraú	Santana do Acaraú (Headquarter)
109	Senador Pompeu	Senador Pompeu	Senador Pompeu (Headquarter)



No.	Municipality	District(s)	Locality(ies)
110	Senador Sá	Senador Sá	Senador Sá (Headquarter)
111	Sobral	Aprazível	Aprazível
		Jaibaras	Ipueiras
		Jaibaras	Jaibaras
112	São Benedito	Inhuçu	Inhuçu
		São Benedito	São Benedito (Headquarter)
113	Tabuleiro do Norte	Tabuleiro do Norte	Tabuleiro do Norte (Headquarter)
114	Tamboril	Sucesso	Sucesso
		Tamboril	Tamboril (Headquarter)
115	Tarrafas	Tarrafas	Tarrafas (Headquarter)
116	Tauá	Tauá	Tauá (Headquarter)
117	Tejuçuoca	Tejuçuoca	Tejuçuoca (Headquarter)
118	Tiangúá	Caruataí	Caruataí
		Pindoguaba	Canastra
			Pindoguaba
			Valparaíso
		Tiangúá	Itaguaruna
			Sítio São José
			Tiangúá (Headquarter)
119	Tururu	Cemoaba	Cemoaba
		Tururu	Canto Escuro
			Tamanduá
			Tururu (Headquarter)
120	Ubajara	Jaburuna	Jaburu
		Jaburuna	Jaburuna
		Nova Veneza	Nova Veneza
		Ubajara	Ubajara (Headquarter)
121	Umari	Pio X	Pio X
		Umari	Umari (Headquarter)
122	Umirim	Caxitoré	Caxitoré
		São Joaquim	São Joaquim
		Umirim	Umirim (Headquarter)
123	Uruburetama	Uruburetama	Uruburetama (Headquarter)
124	Uruoca	Uruoca	Uruoca (Headquarter)
125	Varjota	Varjota	Varjota (Headquarter)
126	Viçosa do Ceará	Lambedouro	Lambedouro
		Quatiguaba	Inharim
			Quatiguaba
			Queimadas
127	Várzea Alegre	Viçosa do Ceará	Viçosa do Ceará (Headquarter)
		Várzea Alegre	São Vicente
		Várzea Alegre	Várzea Alegre (Headquarter)

2. OBJECTIVES

This document is intended to present the minimum requirements for the CONCESSIONAIRE's services provision (investments, operation, and other associated services) during the term of the ADMINISTRATIVE CONCESSION ("CONCESSION"),

aiming at the universalization of the SERVICES¹ within the SERVICE PROVIDER'S COVERAGE AREA.

The information contained in this EXHIBIT shall be understood as general technical specifications intended to standardize practices and conduct within the scope of the implementation, operation, and maintenance of the Wastewater Systems related to the CONTRACT, with a view to achieving the targets, as well as the minimum performance established for the proper compliance with the PERFORMANCE INDICATORS.

The assets comprising the SYSTEM² shall be subject to periodic preventive maintenance and corrective maintenance whenever necessary, in addition to being replaced when their useful life is exhausted. The WASTEWATER SYSTEMS shall be maintained, renewed, and/or expanded with a view to adequate services provision, considering social, sanitary, environmental, and legal aspects, as well as technical feasibility.

The deadlines related to services provision for each municipality within the COVERAGE AREA are distinct, as are the intermediary coverage targets of the WASTEWATER SYSTEMS, and shall therefore be subject to analysis.

¹ Integrated activities that comprise the entirety of the subject matter of the CONCESSION, characterized as follows: (a) wastewater service: public service encompassing the activities of collection, transportation, treatment and proper final disposal of wastewater, from households connections through its proper discharge into the environment; and (b) COMMERCIAL MANAGEMENT of the wastewater services

² Set of infrastructures linked to the provision of SERVICES, such as wastewater pumping stations, wastewater treatment plants, manholes, interceptors, outfalls, trunk collectors, among other structures necessary for the SERVICES provision



3. INTERMEDIARY AND UNIVERSALIZATION TARGETS FOR WASTEWATER SERVICES

The universalization target for the SERVICES is the services provision of the wastewater service ensuring, at a minimum, coverage of 90.00% (ninety percent) of the customer units and service to 90.00% (ninety percent) of the population with wastewater collection and treatment, by the year 2033, within the SERVICE PROVIDER'S COVERAGE AREA of LOT [•], also observing the annual intermediary targets for coverage and service with wastewater collection network and wastewater treatment defined in the CONTRACT, as set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS.

The universalization target indicated above, as provided for in Article 11-B of Federal Law No. 11,445/2007, as amended by Federal Law No. 14,026/2020, shall comply with the requirement to ensure service to at least 90% (ninety percent) of the population and coverage of at least 90.00% (ninety percent) of the customer units with wastewater collection and treatment by December 31, 2033, as provided for in Reference Standard No. 8/2024, issued by Resolution No. 192/2024 of the National Water and Basic Sanitation Agency (ANA), as amended from time to time, and in Resolution No. 12/2025 of the REGULATORY AGENCY, as amended from time to time.

4. INVESTMENTS

The CONCESSION aims at the universalization of the SERVICE, through investments in the infrastructure, operation, and maintenance of the SYSTEM, including COMMERCIAL MANAGEMENT activities, which comprise the replacement, transfer, and relocation of water meters, the detection and verification of fraud, registry updating, telemetry of strategic customers, and implementation of a metering system for alternative water supply sources.

The CONCESSIONAIRE shall be responsible for the implementation, refurbishment, and expansion of the existing wastewater SYSTEM infrastructure within the SERVICE PROVIDER'S COVERAGE AREA of LOT [•], as provided for in these CONCESSION SPECIFICATIONS, except for any works already under execution or contracting by the State, CAGECE, or the municipal governments, at the time of

commencement of the CONCESSION CONTRACT, as listed in EXHIBIT VIII – GRANTING AUTHORITY’S INVESTMENTS of the draft CONTRACT.

With a view to fulfilling such objectives, this item of EXHIBIT IV – CONCESSION SPECIFICATIONS sets forth the obligations relating to the CONCESSIONAIRE’s investments.

The CONCESSIONAIRE shall follow the expansion guidelines and the minimum specifications for the SYSTEM within the SERVICE PROVIDER’S COVERAGE AREA of LOT [•], as set forth in the CONTRACT and in these CONCESSION SPECIFICATIONS, in order to promote quality and efficiency in services provision throughout the entire CONCESSION.

The CONCESSIONAIRE shall carry out the implementation and expansion of the wastewater infrastructure based on the concepts established in the studies and conceptual projects, it being permitted that the preparation of the basic projects, executive projects, and other specific studies incorporate the CONCESSIONAIRE’s engineering and business perspective, provided that the deadlines, service and coverage rates, and the quality of services provision established in the CONTRACT and its EXHIBITS are observed.

The studies and conceptual projects are for reference purposes only, their sole purpose being to guide CAPEX and OPEX values and assist bidders in formulating the commercial proposal, except for the refurbishments and replacements of equipment (wastewater pumping stations and wastewater treatment plants) and of wastewater collection networks, force mains, final outfalls, interceptors, and trunk sewers listed in the conceptual projects, which shall be executed by the CONCESSIONAIRE within no more than the first 3 (three) years after issuance of the SYSTEM TRANSFER TERM, in accordance with the list set forth in APPENDIX I - REFURBISHMENTS AND REPLACEMENTS TO BE CARRIED OUT IN THE FIRST 5 YEARS OF THE CONTRACT.

After the CONCESSIONAIRE assumes the services, it may or may not follow the conceptual project. The CONTRACT establishes intermediary and universalization targets for coverage, service delivery, and service quality that shall be complied with, but it does not establish investment amounts or solutions to be strictly executed. Any differences between the amounts budgeted in the conceptual project and those actually executed shall constitute risks borne by the CONCESSIONAIRE.



The expansion of the infrastructure shall necessarily be preceded by the relevant studies, projects, and licenses, which shall be developed in full compliance with the CONTRACT and its EXHIBITS, the applicable technical standards, the legislation in force, and good engineering practices.

The investments shall be executed, in accordance with the INVESTMENT PLAN, in rational stages of development, always with CAGECE's knowledge and monitoring.

It should further be noted that these CONCESSION SPECIFICATIONS contain the reference information (as presented in APPENDIX III – INFORMATION ON THE WASTEWATER COVERAGE INDEX) for purposes of identifying and assessing the following risks set forth in the Contract Risk Matrix:

- i. Effectively existing coverage level of the wastewater system in the LOT **lower** than the level informed for purposes of preparation of the COMMERCIAL PROPOSAL, observing the same methodology, except for the risk hypothesis allocated to the GRANTING AUTHORITY in subclause 34.4, item xx;
- ii. Effectively existing coverage level of the wastewater system in the LOT **lower** than the level informed for purposes of preparation of the COMMERCIAL PROPOSAL, provided that such negative variation is ascertained by the 12th (twelfth) month following the end of the ASSISTED OPERATION and **exceeds 10%** (ten percent) of the informed level, observing the same methodology; and
- iii. Effectively existing coverage level of the wastewater system **higher** than that informed for purposes of preparation of the COMMERCIAL PROPOSAL, including as a result of the existence of systems in operation under the direct responsibility of the MUNICIPALITIES.

4.1 INVESTMENTS FOR EXPANSION OF THE INFRASTRUCTURE



The CONCESSIONAIRE shall be responsible for carrying out the activities of monitoring the projects and works of the WASTEWATER SYSTEMS to be carried out by CAGECE, as well as for the management, execution, and monitoring of the projects and works of the WASTEWATER SYSTEMS to be carried out by the CONCESSIONAIRE.

In accordance with the provisions set forth in EXHIBIT V – GUIDELINES FOR THE PREPARATION OF THE INVESTMENT PLAN, the CONCESSIONAIRE shall prepare, within up to 120 (one hundred and twenty) days after execution of the CONTRACT, the first version of the INVESTMENT PLAN for the SYSTEM within the SERVICE PROVIDER'S COVERAGE AREA of LOT [●] and submit it for CAGECE's acknowledge and approval, in order to allow alignment with public sanitation policies.

The purpose of the INVESTMENT PLAN is to present the planning of the investments during the period of execution of the expansion of the SYSTEM, detailing, for the next 60 (sixty) months, the projects and works that shall serve as reference for the management of the investments in the SYSTEM IMPROVEMENT WORKS.

CAGECE shall comment on the INVESTMENT PLAN within 30 (thirty) calendar days and may request additional information or adjustments. If new versions are required, the subsequent comments shall occur within successive periods of 15 (fifteen) calendar days, and the approval procedure shall be completed within up to 180 (one hundred and eighty) days counted from signing of the CONTRACT. Should the INVESTMENT PLAN not be approved within such period, the ASSISTED OPERATION period shall be automatically extended, so that SYSTEM OPERATION by the CONCESSIONAIRE shall occur only after formal approval of the INVESTMENT PLAN.

In addition, the INVESTMENT PLAN shall be updated on an annual basis and, once approved by CAGECE, any request for amendment shall be subject to new approval by CAGECE.

Finally, the following documents shall form part of the INVESTMENT PLAN:

- I. Work Plan
- II. CAGECE Investment Management Plan
- III. CONCESSIONAIRE Investment Management Plan
- IV. Universalization Schedule
- V. Execution Schedule

The contents and deadlines for delivery of each of the deliverables are described in EXHIBIT V – GUIDELINES FOR THE PREPARATION OF THE INVESTMENT PLAN.

4.2 EXECUTION PROCESS AND DELIVERY OF THE SYSTEM IMPROVEMENT WORKS

Although there is a reference conceptual study, the CONCESSIONAIRE shall be required to carry out its own basic and executive studies and projects.

The preparation of the studies and projects, including the automation project, with the technical solutions to be adopted, shall be the sole and exclusive responsibility of the CONCESSIONAIRE.

The projects aimed at achieving the contractual targets shall be prepared to cover the entire SERVICE PROVIDER'S COVERAGE AREA of LOT The projects aimed at achieving the contractual targets shall be prepared to cover the entire SERVICE PROVIDER'S COVERAGE AREA of LOT [] and up to the end of the CONCESSION period, it being permitted to propose execution in construction stages, preceded by the respective executive projects.

In all works under its responsibility, the CONCESSIONAIRE shall comply with the INVESTMENT PLAN, the UNIVERSALIZATION SCHEDULE, the EXECUTION SCHEDULE, and their procedures, subject to the provisions set forth in the CONTRACT.

No later than 60 (sixty) days prior to the commencement of execution of the works, the CONCESSIONAIRE shall submit to the GRANTING AUTHORITY, together with the respective executive projects, the detailed schedule, section by section, for execution of the works, for its consent, and the latter may, within a maximum period of 30 (thirty) days after receipt thereof, require revision of its content, in whole or in part, in accordance with the provisions set forth in the CONTRACT. After approval by the GRANTING AUTHORITY, any amendment to the detailed schedule shall depend on new consent by the GRANTING AUTHORITY.

CAGECE will monitor and inspect the quality of the construction work being carried out by the CONCESSIONAIRE. If there are no non-conformities, whether in relation to the approved project or due to other technical and/or regulatory issues, or once any irregularities have been remedied, a Work Acceptance Term shall be issued.

Prior to the Work Acceptance Term, for purposes of accountability regarding the INVESTMENT PLAN and final acceptance of the works, the CONCESSIONAIRE shall

submit a report containing, at a minimum, the following information, by Municipality, regarding the completed works:

Installation of Wastewater Collection Networks

- a) Georeferenced records in digital format, in accordance with the template to be provided by CAGECE;
- b) Table containing the basic information on the executed connections (full address, whether the residence has a negative invert level, whether the residence has an intradomiciliary connection, number of customer units);
- c) Summary of the number of customer units delivered, with negative invert level, with connection, etc.;
- d) Summary of the quantity of wastewater collection networks installed, whether main, auxiliary, or interceptors;
- e) WWTP (Wastewater Treatment Plant) ensuring the functionality of the networks;
- f) WPS (Wastewater Pumping Station), if any, ensuring the functionality of the system;
- g) Operating License with updated scope encompassing the installed networks.

Rehabilitation of Existing Wastewater collection networks/Connections

- a) Georeferenced records in digital format, in accordance with the template to be provided by CAGECE;
- b) Table containing the basic information on the executed connections (full address, whether the residence has a negative invert level, whether the residence has an intradomiciliary connection, number of customer units);
- c) Summary of the number of customer units delivered, with negative invert level, with connection, etc.;
- d) Summary of the quantity of wastewater collection networks rehabilitated, whether main, auxiliary, or interceptors;

Localized and Special Works

- a) As-built drawings of the construction of the WWTP, WPS, non-destructive crossing, or other work, with georeferenced location in digital format;



- b) Table containing the basic information on the work (flow rate, modules installed, power of the electromechanical equipment, databook of all equipment supplied in the work);
- c) Documentation evidencing possession of the land, identifying ownership by the CONCESSIONAIRE, or grant of use, when public, recorded in the property registry.
- d) Operating License with updated scope encompassing the implemented works.

The CONCESSIONAIRE's obligations for all works under its responsibility are:

- i. The provision of all engineering and supervision services; supply of labor, service and work sites, materials, equipment, including automation equipment, spare parts and accessories; construction utilities and supplies; temporary materials, structures, and facilities; transportation (including, without limitation, unloading and handling) and storage.
- ii. The execution of all services and supply of all materials required for the construction of the units, with a view to full compliance with the conditions established in the CONTRACT.
- iii. To prepare all planning, field surveys, relevant projects and licensing, and clearances from other authorities (such as DNIT, SOP, FTL, municipal governments, etc.), submitting the documentation for CAGECE's knowledge, and CAGECE may request the applicable amendments or additions to ensure the quality and purpose of the work;
- iv. To follow the procedures established in the Technical Note on Noise Monitoring, the Technical Note on Black Smoke Monitoring, CAGECE's Environmental Rules, and the Terms of Reference for the Preparation of the Construction Waste Management Plan (PGRCC) for CAGECE's Works;
- v. To have full knowledge of everything relating to the nature and location of the work, its general and local conditions, and all else that may affect it, being responsible for all measures necessary for: its execution, preservation, and costs; transportation, acquisition, handling, and storage of materials; availability of labor, water, and electric power; communication routes; meteorological instability and variations; watercourse flows and their level fluctuations; terrain configuration and condition; types of equipment required; facilities required before or during execution of the work; and other matters regarding which it is possible to obtain information and which may in any way interfere with the execution, preservation, and quality of the work;
- vi. To provide the work equipment used at the sites, the materials and respective supplies, the facilities, the personnel employed in the work, the temporary connections (when necessary, for water, wastewater, and power), and, in general,



- all means and elements used for execution of the works, so that they are adequate and sufficient;
- vii. To stake out the works, with benchmarks duly coordinated and leveled;
 - viii. To maintain the sites and camps in proper sanitary condition, free of obstructions and debris, in compliance with occupational safety standards and environmental legislation, with the appropriate signage. Upon completion of the works, to remove all facilities, scrap, and debris, so as to restore the site to a proper condition. Where works are carried out in inhabited areas, mitigating measures shall be adopted in order to prevent the raising of dust;
 - ix. To make available office space at the worksite for CAGECE's inspection team, in accordance with CAGECE standards;
 - x. To pay the fees, taxes, emoluments, fines, and other fiscal charges that are or may become levied upon the work and the personnel assigned thereto, including insurance and labor charges, all of which shall be the sole and exclusive responsibility of the CONCESSIONAIRE;
 - xi. To be responsible for any damage caused to public or private property arising from execution of the services. The functioning of any public utility services shall not be interrupted. For such purpose, the CONCESSIONAIRE shall preserve, using all reasonable efforts and means available, the full integrity of the facilities related to such services;
 - xii. To be aware of any interferences that may occur prior to the opening of trenches and to repair any damage caused to existing buried facilities. All costs and solutions relating to the adjustment of such interferences shall be borne by the CONCESSIONAIRE;
 - xiii. To repair damage caused to public or private property and utilities due to defect or negligence, within the period agreed with CAGECE and at no cost to CAGECE;
 - xiv. To restore to its original condition any signage or signboard affected by the works, within the shortest possible period;
 - xv. To maintain, on a permanent basis, at the head of the services, an engineer (resident engineer) of recognized competence, duly registered and licensed with CREA, with issuance of the respective Technical Responsibility Annotation (ART);
 - xvi. To install a work signboard containing the main information on the subject matter: type of work, resources applied, source of funds, execution period, company responsible for execution, responsible engineer, CREA and ART numbers, and other relevant information, in accordance with the standard agreed between CAGECE and the CONCESSIONAIRE;
 - xvii. Strictly comply with the legislation in force in Brazil regarding occupational safety, occupational hygiene, and social matters;
 - xviii. Adopt the measures necessary for accident prevention and occupational safety, in accordance with the Regulatory Standards of the Ministry of Labor;

- xix. Comply with the legislation in force regarding the storage, transportation, and use of explosives. Prior to any blasting excavation, the CONCESSIONAIRE shall submit to CAGECE the work plan and technique to be used;
- xx. Carry out any work implying suspension of traffic or reduction of the circulation area only after prior consultation with and approval by the competent authority, attaching drawings proposing the intended changes, with indication of all necessary information, including the term and signage;
- xxi. Execute the SERVICES in such a way that they are fully protected against the risk of accidents involving its own personnel and third parties. For this purpose, signboards shall be used, in compliance with the requirements of the National Traffic Code and any local rules that may exist. It shall also isolate the worksite by means of barriers, so as to signal and prevent the fall of persons or vehicles into trenches or open excavations;
- xxii. Use flaggers, whenever requested by CAGECE or the competent authority, in order to allow the passage of traffic under control;
- xxiii. Immediately remove any spills resulting from transportation operations along or across any public roadway;
- xxiv. Contact Federal, State, and Municipal authorities in order to obtain clearance for execution of the works on public roads, such clearances, including the payment of fees and taxes, being under the sole responsibility of the CONCESSIONAIRE.
- xxv. Within up to 03 (three) months from completion of each of the SYSTEM IMPROVEMENT WORKS, the CONCESSIONAIRE shall provide CAGECE, in digital format, with a complete set of the projects (as built) and work documentation, including the licenses, Operation Manual, Facilities Maintenance Manual, Databook, and the Technical Records, in compliance with CAGECE's internal standards and guidelines, also ensuring delivery in software compatible with the GRANTING AUTHORITY'S systems for purposes of updating the technical records.
- xxvi. The implemented units shall be accounted for when they are in full operating condition, and also when the CONCESSIONAIRE has the technical records (as built) of the work.
- xxvii. Within 30 (thirty) days prior to the estimated completion date of each of the CONCESSIONAIRE'S INVESTMENTS, the CONCESSIONAIRE shall formally notify CAGECE thereof, forwarding the relevant projects, studies, and other technical documents, at which time it shall indicate the date on which the respective inspection will be carried out, with the joint presence of CAGECE and the CONCESSIONAIRE.
- xxviii. The inspection referred to in paragraph XXVI shall have the purpose of verifying the conformity of the works, services, and facilities related to each of the CONCESSIONAIRE'S INVESTMENTS.
- xxix. With a view to mitigating the risk of nonconformities and construction defects affecting the CONCESSIONAIRE'S INVESTMENTS, CAGECE may monitor the



execution of such works, including by carrying out technical visits and requesting any documents and information deemed necessary.

xxx. Works to be Implemented and Operated by the CONCESSIONAIRE.

CAGECE and the INDEPENDENT VERIFIER may, at their discretion, at any time monitor and request information regarding the development of such works.

Within up to 100 (one hundred) calendar days after completion of the SYSTEM IMPROVEMENT WORKS, for accountability purposes regarding the INVESTMENT PLAN, the CONCESSIONAIRE shall submit to CAGECE a report containing, at a minimum, the following information on the completed works, by Municipality:

- i. Total wastewater customer units;
- ii. Wastewater customer units capable of connection;
- iii. Wastewater customer units with intradomiciliary connection connected to the wastewater collection network;
- iv. Wastewater Treatment Plants (WWTP);
- v. Wastewater Pumping Stations (WPS);
- vi. Wastewater collection network installed for expansion;
- vii. Existing wastewater collection network replaced / renewed;
- viii. Force main / outfall installed;
- ix. Georeferenced records in digital format;
- x. As built of the special and/or localized works;
- xi. Operating License with updated scope for inclusion of the delivered works.

Other documents may be requested by CAGECE.

The information provided shall be compatible with CAGECE's technical and commercial records, and shall also comply with its technical standards.

CAGECE may also request that the report contain additional information not provided for in these CONCESSION SPECIFICATIONS.

4.2.1 Works under Implementation by CAGECE, FUNASA, MUNICIPALITIES, or the STATE to be Operated by the CONCESSIONAIRE

The works under implementation by CAGECE, FUNASA, MUNICIPALITIES, or the STATE on the CONTRACT's signing date, or implemented throughout the CONCESSION, falling within the CONCESSIONAIRE's scope of activities, may, at the CONCESSIONAIRE's discretion, be monitored and inspected as to compliance with the



projects and the quality of their execution, and the party responsible for the work shall ensure unrestricted access to the worksite facilities.

Upon completion of the implementation, the party responsible for the work (CAGECE, FUNASA, MUNICIPALITY, or STATE, as the case may be) shall deliver to the CONCESSIONAIRE all relevant technical and environmental documentation, if any, including the “as built” projects, descriptive memoranda, technical specifications, operation and maintenance manuals, databooks, and the environmental licenses obtained (LI, LIO, or LO, as the case may be), as well as the records of environmental licensing applications that may still be pending analysis by the competent authority.

The transfer of operational responsibility to the CONCESSIONAIRE shall occur when the facilities present operational conditions for the commencement of the testing phase, pursuant to clause 14 of the CONTRACT, and, on such occasion, the PARTIES shall execute the ACCEPTANCE AND TRANSFER TERM.

After the ACCEPTANCE AND TRANSFER TERM, the following shall apply with respect to the environmental licenses of the works executed by CAGECE, FUNASA, MUNICIPALITIES, or the STATE:

- (i) where an Installation and Operation License (LIO) or an Operating License (LO) has been issued in the name of the party responsible for the work, the CONCESSIONAIRE shall arrange for transfer of title to the license into its name, fully assuming compliance with the existing and future conditions thereof;
- (ii) where there is a filed application for an LIO/LO still pending conclusion, the CONCESSIONAIRE shall continue the process, including by adopting all measures necessary to obtain the license, and shall thereafter be responsible for its processing, compliance with requirements, and fulfillment of any conditions that may be imposed;
- (iii) where there is no LIO, LO, or LO application filing, the CONCESSIONAIRE shall notify the party responsible for the work so that it may adopt the initial measures to file the LO application, pursuant to item 8.1 of this EXHIBIT, and the CONCESSIONAIRE shall, after such filing, fully assume the LO issuance process, for purposes of regularizing the infrastructure that will become subject to its operation.

Upon entering into the ACCEPTANCE AND TRANSFER TERM, the CONCESSIONAIRE shall also adopt the measures necessary to change title to the electricity account into its name and may, if necessary, request support from the party responsible for the work.



Eventual nonconformities identified in the works shall be technically demonstrated by the CONCESSIONAIRE and formally communicated directly to the executor of the work and to CAGECE. In the case of works executed by CAGECE, the provisions of clause 14 of the CONTRACT shall apply.

4.3 RELEVANT STANDARDS

For the preparation of the projects and the execution of the refurbishment/expansion works of the assets comprising the wastewater systems, the ABNT Standards applicable to each case shall be followed, in their most recent versions (or such standards as may replace them during the CONCESSION period), such as (but not limited to):

- NBR NM 212 - Cold water velocity meters up to 15 m³/h
- NBR 5101 - Public Lighting.
- NBR 5.410 - Low-Voltage Electrical Installations
- NBR 5.419 - Protection against atmospheric discharges
- NBR 5461 - Lighting.
- NBR 5.462 - Reliability and maintainability
- NBR 5.681 - Technological Control of the Execution of Embankments in Building Works
- NBR 6.118 - Project of concrete structures
- NBR 6120 - Actions for the calculation of building structures
- NBR 6.122 - Project and Execution of Foundations
- NBR 6123 - Forces due to wind in buildings
- NBR 6.146/80 - Enclosures of electrical equipment - Protection - Specification
- NBR 6.459 - Soil - Determination of the Liquid Limit
- NBR 6.484 - Soil - Standard Penetration Test (SPT)
- NBR 6.493 - Use of Colors for the Identification of Industrial Piping
- NBR 7117 - Measurement of resistivity and determination of soil stratification
- NBR 7.195 - Safety Colors
- NBR 7.212 - Execution of centrally batched concrete - Procedure
- NBR 7.229 - Project, construction, and operation of septic tank systems
- NBR 7.288 - Power cables with solid extruded polyvinyl chloride (PVC) or polyethylene (PE) insulation for voltages from 1 kV to 6 kV - Specification
- NBR 7.362 - Buried systems for wastewater conveyance
- NBR 7.367 - Project and laying of rigid PVC pipelines for wastewater systems
- NBR 7.678 - Safety in the Execution of Construction Works and Services



- NBR 7.968 - Nominal diameters in sanitation piping in distribution network, transmission mains, wastewater collection networks, and interceptors - Standardization
- NBR 8.009 - Velocity meter for cold water up to 15.0 m³/h nominal flow rate - Terminology
- NBR 8.160 - Building wastewater systems - Project and execution
- NBR 8.194 - Potable water meters - Standardization
- NBR 8.681 - Actions and Safety in Structures - Procedure
- NBR 8.890 - Circular-section concrete pipe for stormwater and wastewater - Requirements and test methods
- NBR 8.953 - Concrete for structural purposes - Classification by specific mass, by strength and consistency groups
- NBR 9.649 - Project of wastewater collection networks - Procedure
- NBR 9.814 - Execution of wastewater collection networks - Procedure
- NBR 10.004 - Solid waste - Classification
- NBR 10.844 - Building rainwater installations - Procedure
- NBR 12.207 - Project of wastewater interceptors
- NBR 12.208 - Project of wastewater pumping stations - Procedure
- NBR 12.209 - Preparation of hydraulic-sanitary projects for wastewater treatment plants
- NBR 12.587 - Wastewater System Records - Procedure
- NBR 12.266 - Project and execution of trenches for installation of water, wastewater, or urban drainage piping - Procedure
- NBR 12.655 - Portland cement concrete - Preparation, control, receipt, and acceptance - Procedure
- NBR 13.133 - Execution of topographic survey
- NBR 13.969/97 - Septic tanks - complementary treatment units and final disposal of liquid effluents - Project, construction, and operation.
- NBR 14.005 - Velocity meter for cold water, from 15 m³/h to 1,500 m³/h nominal flow rate
- NBR 14.039 - Medium-voltage electrical installations (from 1.0 kV to 36.2 kV)
- NBR 14.565 - Structured cabling for commercial buildings
- NBR 14.931 - Execution of concrete structures - Procedure
- NBR 15.129 - Luminaires for public lighting - Particular requirements
- NBR 15.200 - Project of concrete structures in fire conditions
- NBR 15.538 - Potable water meters - Efficiency evaluation tests
- NBR 15.750 - PVC-O piping (oriented unplasticized polyvinyl chloride) for water or wastewater transport systems under pressure — Requirements and test methods
- NBR 15.751 - Grounding systems for substations - Requirements



- NBR 16.043 - Measurement of water flow in closed pressurized conduits – Meters for cold and hot potable water
- NBR 16.085 - Precast reinforced concrete manholes and inspection chambers for buried systems — Requirements and test methods
- NBR 60.670 - Boxes and enclosures for electrical accessories for fixed domestic and similar electrical installations
- ISO 4.064 - *Water meters for cold potable water and hot water*
- INMETRO Ordinance No. 246/2000
- ISA 5.1 Standard - International standard issued by Setting the Standard for Automation, which standardizes the use of graphic symbols and instrumentation identification in automated industrial plants
- IEC 60617 - International standard issued by the International Electrotechnical Commission, which standardizes the use of graphic symbols for electrical devices in electromechanical diagrams
- IEC 61439 - Low-voltage switchgear and controlgear assemblies
- IEC 62208 - Empty enclosures for low-voltage switchgear and controlgear assemblies
- ISA-99 - International standard issued by Setting the Standard for Automation, which standardizes the requirements for Security of Industrial Automation and Control Systems
- ANSI/ISA 18.2-2016 - International standard issued by Setting the Standard for Automation, which standardizes alarm system management in the industrial process
- ANATEL Resolution No. 395/2005, Regulation on Channeling and Conditions of Use of Radiofrequencies in the 411.675 MHz to 415.850 MHz and 421.675 MHz to 425.850 MHz bands
- ANATEL Resolution No. 674/2017 – Regulation on Channeling and Conditions of Use of Radiofrequencies in the 148 MHz to 174 MHz Band
- ANATEL Resolution No. 683/2017 – Regulation on Sharing of Support Infrastructure for the Provision of Telecommunications Services
- ANATEL Resolution No. 680/2017 – Regulation on Restricted Radiation Radiocommunication Equipment and amending the Telecommunications Services Regulation, the Quality Management Regulation for the Multimedia Communication Service, the Multimedia Communication Service Regulation, and the Private Limited Service Regulation
- ANATEL Resolution No. 700/2018 – Regulation on the Assessment of Human Exposure to Electric, Magnetic, and Electromagnetic Fields Associated with the Operation of Radiocommunication Transmitting Stations
- ANSI/AISC 360-05 - Specification for Structural Steel Buildings
- EIA-TIA-222-G - Structural Standard for Antenna Supporting Structures and Antennas



- TELEBRAS Standard 240-400-702 - General specifications for calculation memoranda for towers and metal poles
- TELEBRAS Standard 240-410-600 - Project procedures for self-supporting and guyed metal towers and metal poles

The CONCESSIONAIRE shall also fully comply with the Regulatory Standards of the Ministry of Labor, Federal, State, and Municipal legislation, Environmental and Water Resources Resolutions and Ordinances, the Sanitation Works Manual, and CAGECE's internal standards.

The CONCESSIONAIRE may implement solutions based on its expertise, ensuring the final quality of the projects/works, provided that the proposed solutions are subject to prior review and approval by CAGECE.

Regardless of the guidelines adopted for the advancement of the projects and engineering works, technical responsibility for the solutions proposed for the WASTEWATER SYSTEMS (WWS) shall rest exclusively with the CONCESSIONAIRE.

All studies and projects shall be in line with Environmental, Social, and Governance (ESG) criteria.

4.4 MINIMUM INFRASTRUCTURE SPECIFICATIONS

The CONCESSIONAIRE shall fully comply with all standards governing wastewater services and equipment. As a general rule, the CONCESSIONAIRE shall apply the provisions and specifications contained in these CONCESSION SPECIFICATIONS, in addition to strictly complying, in their most current version, with the labor regulatory standards, Federal, State, and Municipal legislation, as well as CAGECE's internal standards. Whenever necessary, CAGECE may request a material sample for issuance of an independent laboratory report to assess quality and compliance with the technical standards.

The technical specifications, standards, and regulations to be observed by the CONCESSIONAIRE are those available on the website:

- <https://www.CAGECE.com.br/documentos-publicacoes/documentos/>

The standardization of units and processes is a priority and shall be pursued in all fronts of the services, such as:

- Piping and connections
- Instrumentation and electrical and automation components
- Pumps
- WWTP equipment
- Wastewater Pumping Stations



- Treatment processes in WWTPs
- OCC equipment

The units shall comply with CAGECE's standards, attached hereto, which may be amended upon CAGECE's prior approval.

4.4.1 Wastewater Services

The guidelines and technical standards already listed shall be observed, in addition to the obligations relating to the preparation of the projects and execution of the works concerning the structures comprising the SYSTEM.

The public wastewater services shall be deemed to consist of one or more of the following activities:

- I - collection, including building and intradomiciliary connection, of wastewater;
- II - transportation of wastewater;
- III - treatment of wastewater; and
- IV - final disposal of wastewater and residues originating from the operation of collective or individual/alternative treatment units.

The wastewater collection networks shall be designed so as to allow the maximum possible gravity drainage of the buildings comprised within the project area. In situations where the topography does not allow a gravity drainage solution, the CONCESSIONAIRE shall propose alternatives always aimed at the lowest operation and maintenance cost, without, however, compromising quality. The wastewater collection networks shall preferably be designed along public roads, in such a manner as to allow the gravity connection from the last inspection chamber to the network. Should it not be possible to execute the wastewater collection network, force mains, or outfalls along a public road, the area used for installation shall be subject to land tenure regularization.

The CONCESSIONAIRE shall install a wastewater collection network under a separate system, consisting of the collection of wastewater (domestic wastewater) and infiltration water (groundwater entering through the piping and its accessories), which together constitute wastewater. Rainwater shall be collected and conveyed through an independent rainwater drainage system, which is not under the responsibility of the CONCESSIONAIRE. The layout of the wastewater collection network shall be based on the existing topographic conditions, the configuration of the urban road system, and the location planned for the WWTP. The maximum distance between inspection manholes shall be 80 meters. The layout of the wastewater collection network shall be based on the



position of the main collectors. The projected secondary networks shall, whenever possible, be developed independently and by sector.

The SYSTEM shall be equipped, at a minimum, with the following units/equipment:

- Building connection: section of the building sewer (see NBR 8160) comprised between the boundary of the plot and the wastewater collector, in accordance with the execution standard established by CAGECE described in APPENDIX II - WORK EXECUTION STANDARD DEFINED BY CAGECE.
- Wastewater collector: wastewater collection network piping that receives wastewater contribution from the building sewers at any point along its length.
- Trunk collector (CT): wastewater collection network piping that receives only wastewater contribution from other collectors (without household connections).
- Outfall (EM): piping that receives wastewater exclusively at the upstream end.
- Inspection Manhole (PV): chamber accessible through an opening in its upper part, intended for the execution of maintenance works.
- Wastewater collection network: set composed of building connections, wastewater collectors, and their accessory components. It shall be of the separate system type (without mixing with the surface drainage or rainwater system). Its project shall comply with NBR 9.649 and its updates. PVC pipes shall preferably be used, with HDPE piping being admitted, especially for sections implemented through Non-Destructive Methods, usually employed in densely built urban areas, so as to minimize the impact of the works.
- Interceptor: piping in valley bottoms that receives contribution from the networks and conveys it to strategic points of the wastewater collection network. The project of interceptors shall comply with NBR 12.207. It shall be equipped with inspection or visit manholes so as to allow access and maintenance.
- Wastewater Pumping Station (WPS): station consisting of a motor pump installed in a suction well, preceded by screening and grit removal and generally of the submersible or centrifugal type, in order to impart energy to the fluid (raising the piezometric level to overcome topographic limits of basins or to convey it to treatment or final discharge). Its project shall comply with NBR 12.208, in accordance with the execution standard established by CAGECE described in APPENDIX II - WORK EXECUTION STANDARD DEFINED BY CAGECE..
- Force Main (LR): the discharge piping of the wastewater pumping stations intended to convey fluids transposed from basins or pumped to treatment or final discharge.
- Wastewater Treatment Plant (WWTP): set of treatment units, equipment, auxiliary components, accessories, and utility systems whose purpose is to reduce the pollutant loads of wastewater and condition the residual matter resulting from treatment. Its treatment level and effluent parameters shall comply with the



standards set forth in the legislation in force. It may comprise different typologies and units. Its project shall comply with NBR 12.209 and the requirements of the environmental authority. In the event anaerobic processes are employed, it shall preferably be located away from urban settlements (minimum of 500 m), or be equipped with a reactor sealing system and treatment of the biodigestion gases. In accordance with the execution standard established by CAGECE described in APPENDIX II - WORK EXECUTION STANDARD DEFINED BY CAGECE..

- Final outfall: piping intended to convey treated wastewater to the final discharge point. Its project shall comply with NBR 12.207.

In cases where there is no technical and economic-financial feasibility for implementation of a conventional collective system, the CONCESSIONAIRE may adopt appropriate alternative solutions, whether collective or individual, provided that the intended solution is submitted for approval by the GRANTING AUTHORITY, is constructed in accordance with the minimum standards of the Brazilian ABNT Standards, and complies with the rules and/or regulations of the REGULATORY AGENCY.

For the implementation of appropriate individual alternative solutions, and without prejudice to the required consent of the GRANTING AUTHORITY, the CONCESSIONAIRE shall adopt technologies with intervals for cleaning, transportation, and proper final disposal of sludge exceeding 2 (two) years, provided that such solutions comply with the rules and/or regulations of the REGULATORY AGENCY.

In addition to compliance with the technical standards and good engineering practices, the following requirements shall also be fulfilled:

- For the MUNICIPALITIES in which a collection system is already in place, the CONCESSIONAIRE shall prepare a specific program for the investigation and disconnection of irregular rainwater contributions to the wastewater system, with short-, medium-, and long-term targets, with a view to minimizing the issue.
- The CONCESSIONAIRE shall establish a connection incentive policy and submit it to CAGECE for prior approval and validation. Under the connection incentive policy, the CONCESSIONAIRE shall perform, free of charge, the INTRADOMICILIARY CONNECTION of properties in the residential category in compliance with the annual quantities set forth in APPENDIX IV – MINIMUM MANDATORY ANNUAL QUANTITIES FOR THE EXECUTION OF INTRADOMICILIARY CONNECTIONS BY LOT, in accordance with the list of properties to be contemplated as indicated by CAGECE. All costs related to the installation of the intradomiciliary connection shall be borne by the CONCESSIONAIRE.



- All WPSs and WWTPs shall be equipped with flow measurement systems containing a continuous volume totalization function, in addition to raw and treated wastewater quality sensors at Large-Scale WWTPs (as so defined in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS). Both sets of information shall be integrated into the supervisory/automation system to be implemented at the Operations and Control Center (OCC). For purposes of measuring the overflow indicator, such systems shall measure the influent and effluent flow rates or the number of hours/quantity of overflows.
- Todas as unidades com conjuntos motobombas ou sopradores deverão possuir sistema de geradores de energia como prevenção, de no mínimo 8 horas, para casos de interrupção do fornecimento de energia elétrica pela concessionária de energia.
- The units comprising the existing SYSTEMS shall be assessed by the CONCESSIONAIRE, which shall implement the necessary adjustment measures (including civil refurbishments, improvements, or replacement of equipment), in order to permit operation of the equipment in strict compliance with the applicable standards, including occupational safety, health, and environmental safety standards applicable to the surroundings of the facilities, while minimizing any negative impacts on the immediate neighborhood.
- The CONCESSIONAIRE shall implement Hydraulic Models for all wastewater systems within no more than 3 (three) years in the case of existing SYSTEMS, and within no more than 6 (six) months in the case of implementation of new SYSTEMS.
- Any condominium wastewater collection network shall be deactivated upon implementation of a conventional network, and within up to 3 (three) years for all localities.
- The CONCESSIONAIRE shall replace the entire length of network made of asbestos cement and clay pipe material within up to 3 (three) years for all localities
- The CONCESSIONAIRE shall operate the wastewater systems within the developments of the “Minha Casa e Minha Vida Faixa I” program, or of any public housing policy that may replace it.
- The CONCESSIONAIRE shall be responsible for deactivating every treatment system by decanter-digesters and other types of treatment units that do not have technologies capable of complying with the wastewater discharge standards in force, and shall interconnect them to the integrated systems or adopt an appropriate technical wastewater solution to serve such areas in compliance with environmental legislation, within no more than 3 (three) years for any localities. The deactivation of WWTP units and rehabilitation of the area shall be carried out by the CONCESSIONAIRE, and the area shall be returned to CAGECE.
- Only works that have been approved in the functionality tests of the SYSTEM units shall be entered into CAGECE’s records. In order to ensure that new wastewater

collection networks comply with the technical and operational standards before being incorporated into the existing system, it is mandatory to carry out a series of tests and inspections. These procedures ensure the integrity, functionality, and safety of the infrastructure. The main tests include:

For Wastewater collection networks

1. Visual Inspection: Assesses whether the installation complies with the projects and technical specifications, verifying alignment, leveling, connections, and the existence of any obstructions or damage.
2. Watertightness Test: Verifies the absence of leaks in the piping and connections, ensuring that the system is watertight and preventing infiltrations or leaks that may compromise the environment and public health.
3. Flow and Level Test: Assesses the hydraulic capacity of the network, ensuring that it supports the projected volume of wastewater without overflows or backflows, thus ensuring the proper sizing of the piping.
4. Slope Verification: Confirms whether the slopes of the piping comply with the project, ensuring the proper gravitational flow of the effluents and preventing accumulation of solids or clogging.
5. Mirror Test: Verifies the alignment and integrity of newly installed wastewater collection networks. This test ensures that the piping is properly aligned and free from obstructions, thus ensuring the efficient operation of the wastewater system.

For Force Mains:

1. Pressure Test (for pressurized piping): Applies controlled internal pressure to verify the strength and integrity of the piping operating under pressure, ensuring that there are no leaks or structural failures.

The performance of these tests is essential for the acceptance and incorporation of new wastewater collection networks, ensuring their operational efficiency and longevity, in addition to protecting the environment and public health.

The CONCESSIONAIRE shall notify CAGECE in advance of the scheduled dates for the functionality tests, allowing it to appoint a technical representative to monitor their execution. Prior to carrying out the tests, the CONCESSIONAIRE shall provide the following documentation:



- “As Built” Project: faithful representation of the project as executed, reflecting all changes made during construction.
- Test Plan: detailing of the procedures to be adopted during the tests, including methodologies, equipment used, and acceptance criteria.
- Technical Professional Responsible for the Tests: identification of the qualified professional who will supervise the execution of the tests, including full name, professional registration, and contact details.
- Descriptive Memorandum: document describing the technical characteristics of the work, the materials used, and the relevant specifications.
- Technical Responsibility Annotations (ART): evidence that the professionals responsible for the execution and supervision of the tests hold the appropriate legal qualifications.

For Wastewater Pumping Stations:

1. Initial inspection: verify compliance with the approved executive project, the presence of all equipment and safety devices, grounding and compliance of the electrical installation, the structural integrity and waterproofing of the suction well and piping, operation of the automation and telemetry system, the condition of valves and hydraulic accessories, and the condition of the preliminary treatment units;
2. Pump Functional Test: verify operation of manual and automatic start-up, assess the emptying time of the suction well, verify whether the pumping flow rate is consistent with the projected flow rate, verify the vibration and noise levels, which shall comply with ABNT NBR 17094-1, motor temperature, and verify the float and sensor levels so as to ensure proper pump actuation.
3. Hydropneumatic Tank Test: test the equipment to ensure that the pressure remains stable within the operating range and that the relief valve operates properly in the event of overpressure.
4. Electrical and Automation System Test: verify protection of the electrical circuits, test communication between the WPS and the telemetry system (when applicable), assess the response of the level sensors and fault alarms, and verify actuation of the emergency devices.

Screening



1. Functional Test of Manual Screens: verify whether solid waste is being properly retained and verify the operating conditions;
2. Functional Test of Mechanized Screens: verify actuation, waste removal efficiency, and operational safety, assess whether the automatic cleaning frequency is consistent with the projected flow rate, and test operation of the equipment for disposal and transport of the retained material.

Grit Chamber

1. Sedimentation Test: assess whether the wastewater flow in the grit chamber allows efficient sedimentation of the particles, measure the removal efficiency of settleable solids, and verify the operating conditions;
2. Functional Test of Mechanized Grit Chambers: verify actuation, waste removal efficiency, and operational safety; assess whether the automatic cleaning frequency is consistent with the projected flow rate; and test the operation of the equipment for disposal and transport of the retained material.
3. Capacity and Performance Test of the WPSs: verify the performance of the equipment by testing WPS operation under maximum load, assess the energy consumption of the pumps and compare it with the specified values, and monitor the level variation in the suction well under different flow rates.
4. Simulate a power failure in order to verify operation of the emergency system (Generator Set).

For Wastewater Treatment Plants:

1. Initial inspection: verify compliance with the approved executive project, the presence of all equipment and safety devices, grounding and compliance of the electrical installation, the structural integrity and waterproofing of the civil structures and piping, operation of the automation and telemetry system, the condition of valves and hydraulic accessories, and the condition of the preliminary treatment units;
2. Sludge Drying Test: assess the residual moisture of the sludge after drying.
3. Gas Treatment System Test: measure the concentration of H₂S and other compounds and verify the reduction of atmospheric pollutants.

Sludge Drying Bed Reject Pumping Station



4. Pump Flow Rate Test: measure the pumping capacity.
5. Monitoring of Solids Accumulation: assess sedimentation in the pumping station.
6. Verification of the Operation of Control Devices: carry out testing of valves and sensors.

The test results shall be documented in technical reports containing:

- Dates and times of the measurements;
- Persons responsible for the tests;
- Report containing the results obtained in the tests and comparison with the normative limits;
- Corrective actions, if necessary; and
- Photographic record of the inspections and tests.

The CONCESSIONAIRE shall communicate in advance the dates scheduled for the functionality tests so that CAGECE may make a technical representative available to monitor their execution.

4.4.2 Urbanization of the Areas

With respect to the visual identity of the façades of the REVERSIBLE ASSETS OF THE CONCESSION (such as WWTPs and WPSs), the CONCESSIONAIRE may include its corporate name and/or trademark, provided, however, that it preserves and includes the CAGECE and Government of the State of Ceará with the Secretariat of Cities logos, adopting the standards in force used by CAGECE.

In addition, the following shall be observed:

- Fences and Gates: the infrastructure areas of the SYSTEM shall be fully protected by fencing throughout their entire perimeter, so that access to such areas occurs only through the access gates.
- Paving: the road systems providing access to the areas shall consist of existing public roads; internally, access routes shall be provided so as to permit the implementation of the works and, subsequently, the operation and maintenance services.



- **Vegetation Structures:** the soil of the areas selected for implementation of the structures shall be covered with low vegetation. In locations where earthworks are carried out, replanting of grasses from the site itself shall be provided for.

The CONCESSIONAIRE shall comply with the Visual Identity Manual proposed by CAGECE and shall, in the units, accessories, parts, and other products requiring an identification mark, ensure the preservation and inclusion of the CAGECE and Government of the State of Ceará with the Secretariat of Cities logos, in accordance with the standards in force used by CAGECE.

4.4.3 Field Team Equipment

The field teams shall have all equipment necessary to perform the services efficiently, properly, and safely.

The CONCESSIONAIRE shall ensure that the quantity of vehicles and the required structure are capable of ensuring compliance with the PERFORMANCE INDICATOR and the UNIVERSALIZATION INDICATOR, while rendering all SERVICES that are the subject matter of the CONTRACT.

The CONCESSIONAIRE shall also make available all tools and equipment necessary for the field teams to carry out the operation and maintenance works required for the SYSTEM.

4.5 LAND SUBDIVISION PROJECTS

Certain stages of the land subdivision process are the responsibility of the Land Subdivision Developer, such as responsibility for the investments required for execution of isolated wastewater systems or for interconnection with the existing system, or for expansion/reinforcement of the system, while other activities are carried out by CAGECE, which shall become the responsibility of the CONCESSIONAIRE with respect to Land Subdivisions carried out within the SERVICE PROVIDER'S COVERAGE AREA.

Accordingly, the CONCESSIONAIRE shall assume responsibility for the following activities:

- I. Issuance of information identifying the point of the WASTEWATER SYSTEM for receipt of the wastewater from the project, a technical feasibility statement, together with other relevant guidelines for the proper operation of the subdivision in conjunction with the existing system.



- II. Analysis of the wastewater projects (networks and other equipment) of the future project, in accordance with the standard established by CAGECE, conditioning commencement of the works upon prior approval thereof.
- III. Optional inspection of the works execution to be incorporated into the WASTEWATER SYSTEM.
- IV. Carrying out the assisted operation jointly with the developer and proving the efficiency of the wastewater systems.
- V. Upon issuance of the Definitive Acceptance Term, proving the efficiency of the wastewater system, and transferring the Operating License of the WASTEWATER SYSTEM from the name of the developer to the CONCESSIONAIRE, with monitoring by CAGECE, when applicable.
- VI. Operation of the wastewater system on internal roads within the residential development for low-income social housing projects and in open subdivisions with official roads.

4.6 CONSOLIDATED INFORMAL URBAN SETTLEMENTS AND REMOTE AREAS

The CONCESSIONAIRE is obliged to carry out investments in CONSOLIDATED INFORMAL URBAN SETTLEMENTS and in REMOTE AREAS located within the SERVICE PROVIDER'S COVERAGE AREA, including the works execution to ensure service to the population in such areas and the operation of the implemented systems.

For such purpose, if it is not possible or advantageous to adopt the conventional system, the CONCESSIONAIRE may adopt alternative and decentralized solutions for services provision, provided that the intended solution is permitted by the REGULATORY AGENCY, pursuant to paragraph 4 of Article 11-B of Federal Law No. 11,445/2007, as well as Reference Standards No. 8/2024 and No. 11/2024 of the National Water and Basic Sanitation Agency (ANA), Resolution No. 12/2025 of the REGULATORY AGENCY, and that such measure is authorized by the GRANTING AUTHORITY, in accordance with the provisions of the CONTRACT.

4.7 OPERATIONAL CONTROL CENTERS AND SYSTEM AUTOMATION

The CONCESSIONAIRE shall implement operational control centers ("OCCs"), including systems automation of each municipality, districts, and localities (where existing), so as to enable remote operation and monitoring, in accordance with the stages defined in the EXECUTION SCHEDULE. Such OCCs shall house the telecommunications and command center facilities, generate reports on the operational routine, as well as alarms whenever a nonconformity occurs, and activate the maintenance structure for real-time intervention in the operation. The synoptic screens of the automation system



shall be prepared in accordance with the P&I diagrams presented in the automation project, following the recommendations of ISA Standard 5.1 as to the graphic symbols and tagging rules for the identification of instruments and actuators, operational units, and control loops.

The OCC shall have backup electric power supply with generator sets and uninterruptible power supplies (UPS) units in order to prevent interruption of the operation due to lack of, or fluctuation in, electric power. All equipment and projects shall be compatible with CAGECE's standards.

The existing operational units shall be incorporated, duly adapted for the command-control function. The implemented system shall allow the incorporation of new units as they are executed and placed into operation, and shall also ensure a redundant communication network alternative so that there is no discontinuity of remote operation through the automation system in the event of failure of the main communication network.

At the CONCESSIONAIRE's discretion, regional OCCs may be implemented; however, at least one unit within the SERVICE PROVIDER'S COVERAGE AREA per LOT shall be mandatory. Operational control may be simplified in the other MUNICIPALITIES, considering the size of the systems and the number of units interconnected to the regional OCCs.

The physical implementation of the OCC shall occur by the 13th month as from the SYSTEM TRANSFER TERM, and its remote operationalization shall be completed by the 18th month, for the existing system, counted from execution of the CONTRACT, and, for the new units, the operationalization shall be carried out in accordance with the execution schedule of each work.

The automation projects for WASTEWATER SYSTEMS and/or OCCs shall be prepared and executed in accordance with CAGECE's internal standards NIT-0063, NIT-0064, NIT-0065, and NIT-0071.

Established Communication Levels:

- Level 1: Communication between the instrumentation and the CPL shall preferably occur through communication protocols (Modbus RTU or Modbus TCP/IP);
- Level 2: Communication between the CPL and the supervisory system shall preferably occur through an ETHERNET network. In the case of use of radio modem networks, the protocol to be used shall be Modbus TCP. In the case of use of mobile telephony networks or LoRaWAN, the IoT MQTT protocols (for telemetry only) or OPC-UA (for telemetry and remote command) shall be used. In the case of use of the IoT MQTT protocol, the reading data shall be posted to CAGECE/GETIC's MQTT Broker, which shall in turn be queried by the SCADA supervisory system and displayed on the synoptic screens. In the case of use of the OPC-UA protocol, the CPLs of the Remote Transmission Units (RTUs) themselves



shall be the direct servers of the reading and command data for the OPC client of the SCADA supervisory system, which shall make them available on the synoptic screens;

- Level 3: Communication between the supervisory system and the corporate network shall preferably occur through Ethernet.

The computers shall be equipped with a Supervisory Control and Data Acquisition system (SCADA-type software) enabling the remote automatic operation of the operational units, as well as access to information and visualization of synoptics, trend graphs, alarm screens, etc.

The CONCESSIONAIRE shall carry out the integration of the SCADA systems' Databases with CAGECE's database. Integration between the systems shall be carried out by means of a RESTful API or such technology as may be indicated by CAGECE, in compliance with CAGECE's information security and technology policy, as well as with the General Data Protection Law (LGPD).

The CONCESSIONAIRE shall ensure that the GRANTING AUTHORITY has real-time access to the SCADA system, in visualization mode and with permission to generate reports, enabling continuous and efficient monitoring of the operations.

The automation system shall operate in such a manner that communication shall be centralized through the CPL, which shall be responsible for acquiring the process data provided through the sensors and field network, interconnected to the control network.

For each unit, there shall be, at a minimum, equipment for measuring the described variables and accessories for implementation of the following communication:

- i. Electrical Power Substations and Units with equipment in general: the electrical variables (nominal current, power factor, voltage, and power) shall be monitored, and such units shall also be equipped with a presence sensor in the unit perimeter and remote control through a supervisory system;
- ii. Wastewater collection network and Interceptor: the flow rate shall be monitored at specific points to be defined by the CONCESSIONAIRE and approved by CAGECE, in order to monitor any level rise during periods of rain or other exceptional events, so as to anticipate possible overflows;
- iii. Wastewater Pumping Stations: the electrical variables of the motor pump set and generator set (nominal current, voltage, power, phase loss, power factor, etc.), as well as temperature, humidity, vibration, rotation, and motor status, shall be monitored; ultrasonic level sensors shall also be installed in the suction wells (for pump operation and overflow detection), as well as flow meters and pressure gauges on the force mains, monitoring and control of the electric actuators of

- valves and gates, and a presence sensor in the unit perimeter, with remote control and monitoring through a supervisory system;
- iv. Wastewater Treatment Plant: the electrical variables of the motor pump groups, blowers, and generator set (nominal current, power factor, voltage, and power), as well as temperature, humidity, vibration, rotation, and motor status, shall be monitored; wastewater level sensors shall also be installed within the various units (minimum and maximum for pump operation and overflow level for alert purposes), as well as flow meters and pressure gauges on the lines (especially on the final force main, if any), sensors for treatment parameters in accordance with the Monitoring Plan for Large-Scale Treatment Plants (such as: Biochemical Oxygen Demand – BOD; Dissolved Oxygen – DO; Suspended Solids – SS; etc.) defined for each type of equipment, as well as environmental control (presence sensor, video camera) at the main operating points that form part of the treatment process, with remote control from the OCC for operation management through a supervisory system.

Strategic Customers Telemetry: shall be integrated into CAGECE's OCC controls.

Prior to installation of the measurement systems in the units, the CONCESSIONAIRE shall submit to CAGECE, for approval, the technical and installation specifications of the measuring instruments.

For purposes of calculation of the ICO indicator set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, the CONCESSIONAIRE shall have installed a measurement system (hour meter, level sensor, or flow meter) in at least 50% of the existing WPSs and WWTPs by year 1, with installation of the measurement system in 100% of the operational WPS and WWTP units by year 2, for purposes of verification of overflows. Every new WPS and WWTP unit shall already be delivered with the measurement system duly installed. Each of the field instruments shall have an associated TAG, printed on a label affixed or attached to the instrument.

All sensors used to monitor operational units must comply with quality certification standards, and the CONCESSIONAIRE must implement a calibration and validation program that can be audited by the independent verifier and by CAGECE for all parameters on which the IDO depends.

All costs relating to installation of the OCC shall be borne by the CONCESSIONAIRE.

The CONCESSIONAIRE shall ensure that the security and surveillance solution for the OCC(s) includes an access control system to be implemented in all environments.

The CONCESSIONAIRE shall allow for the designation of confidential information, which shall be stored in encrypted form.

The CONCESSIONAIRE shall ensure that any communication between its systems and CAGECE's systems, as well as access by its personnel to CAGECE's systems and to the CONCESSIONAIRE's systems, is carried out through a secure connection. Such connection shall be analyzed and approved by CAGECE for the purpose of ensuring the confidentiality, integrity, and availability of the transmitted data, using advanced encryption technologies and appropriate methodologies to protect against unauthorized access and threats.

The CONCESSIONAIRE shall be required to maintain backup copies of all data relating to the operational units in a safe and protected environment, so as to ensure business continuity in the event of incidents of any nature.

The CONCESSIONAIRE shall be required to record all information relevant to the OPERATIONAL PERFORMANCE INDICATOR, keeping it available for access by CAGECE and the INDEPENDENT VERIFIER.

The CONCESSIONAIRE shall ensure the acquisition of duly licensed equipment, hardware, and software, recognized in the technical field, capable of preventing and eliminating the risks of possible cyberattacks and/or unwanted access to the existing network (ransomware, malware, spyware, viruses, etc.).

All equipment shall comply with the minimum requirements established in CAGECE's internal standards.

The CONCESSIONAIRE shall ensure access control to all systems and shall periodically review user profiles, in order to keep the user list for each of the software solutions used always up to date.

The CONCESSIONAIRE shall ensure remote access by CAGECE and the INDEPENDENT VERIFIER to the OCC, in unrestricted visualization mode and with permission to generate reports, for monitoring by means of username and password, in quantities sufficient to meet the demands of CAGECE and the INDEPENDENT VERIFIER, in real time and with immediate access to all existing screens, including the visualization of the new operational units as from the commencement of their operation.



4.8 GEOREFERENCED INFORMATION MANAGEMENT SYSTEM (GIS)

The CONCESSIONAIRE shall have a duly licensed Geographic Information System (GIS), compatible with that used by CAGECE³, so that it may connect to the database and perform the registration. Following such registration, the information shall be forwarded to CAGECE's records validation sector and, upon approval, shall be entered into CAGECE's georeferenced database.

This system (GIS) shall be adopted for registering all structures comprising the SYSTEM (wastewater collection network, trunk collector, interceptor, WPS, WWTP, and outfalls, parts, and accessories). The GIS shall support the planning, operation, and maintenance teams in identifying all units of the SYSTEM, so as to enable CAGECE's planning and control actions.

The updating of networks and parts shall mandatorily occur after any field intervention that changes the location and/or the quantitative and qualitative attributes of the networks.

This system (GIS) shall also be mandatorily adopted to georeference properties and customers in accordance with the rules and procedures of CAGECE's commercial records.

5. OPERATION AND MAINTENANCE

The CONCESSIONAIRE shall fully assume the operation and maintenance of the EXISTING SYSTEM or resulting from the expansions and enlargements implemented in all MUNICIPALITIES within the SERVICE PROVIDER'S COVERAGE AREA of the respective LOT throughout the entire SYSTEM OPERATION period, commencing after issuance of the SYSTEM TRANSFER TERM, as established in the TENDER NOTICE, the CONTRACT, and its EXHIBITS, in particular in these CONCESSION SPECIFICATIONS.

Any and all software used by the CONCESSIONAIRE shall enable, by means of a RESTful API or such technology as may be indicated by CAGECE, the customized export of data and integration with CAGECE's systems, in compliance with CAGECE's information security and technology policy and with the LGPD.

All costs (direct and indirect), whether involving in-house or outsourced teams, related to the operation and maintenance of the SYSTEM within the SERVICE

³ CAGECE uses the PostgreSQL 12.4 database software, with the PostGIS 3.0.1 spatial extension, fed by the ArcGIS 10.8 and QGIS 3.1 software. The technical criteria adopted are: SIRGAS2000 Geodetic System; UTM coordinates; 24 S; and Cartographic Accuracy Standard – Class A.

PROVIDER'S COVERAGE AREA of the respective LOT, shall be borne by the CONCESSIONAIRE.

This section sets forth the minimum obligations of the CONCESSIONAIRE with respect to the services rendered by it.

5.1 SERVICES TO BE PROVIDED BY THE CONCESSIONAIRE

The SERVICES to be provided by the CONCESSIONAIRE within the scope of this CONCESSION are those necessary for the continuity of the operation/maintenance of the EXISTING SYSTEM within the SERVICE PROVIDER'S COVERAGE AREA of LOT [•] and its expansion in accordance with the deadlines and targets established in the CONTRACT, in addition to the services related to the commercial area and to the socio-environmental actions.

Accordingly, areas shall be structured so as to enable the management, operation, maintenance, and expansion of the systems, quality control and environmental management, administrative, commercial, and financial management, as well as support for human resources, contract and supplies, legal advisory, social communication, and other activities necessary for execution of the subject matter.

The EXISTING SYSTEM shall be adapted to the applicable guidelines, licenses, and environmental and labor legislation in force as from signing of the contract. The expansions of the SYSTEM executed by the CONCESSIONAIRE shall already take such premises into consideration from the preparation of the projects and works.

For purposes of sizing the resources and projects for the activities contemplated for operation and maintenance, the expansion of the service within the SERVICE PROVIDER'S COVERAGE AREA, as established in the EXECUTION SCHEDULE, and the natural growth of the population shall be considered, so as to ensure that the coverage, service, and universalization indexes are met within the prescribed periods.

5.1.1 Responsibility for Wastewater Meters of Industrial Customers

The CONCESSIONAIRE shall be responsible for verifying the wastewater meters of industrial customers, observing the following provisions:

- I. The CONCESSIONAIRE shall carry out periodic inspections, at least annually, to verify the operation and accuracy of the wastewater meters installed at industrial customers;

- II. The verifications shall be carried out in accordance with the applicable technical standards and the guidelines established by the GRANTING AUTHORITY and/or the REGULATORY AGENCY;
- III. The CONCESSIONAIRE shall maintain an updated record of all verifications carried out, including information on dates, results, and any corrective actions recommended;
- IV. Should any irregularities or meters with errors outside the acceptable limits be identified, the CONCESSIONAIRE shall immediately notify the industrial customer and the GRANTING AUTHORITY, recommending the measures necessary for correction;
- V. The CONCESSIONAIRE shall provide the GRANTING AUTHORITY and the REGULATORY AGENCY, whenever requested, with detailed reports on the condition of the industrial wastewater meters and the verification activities carried out.

Responsibility for the maintenance and replacement of the wastewater meters shall rest with the industrial customers, observing that:

- I. Upon prior notice to the GRANTING AUTHORITY under the terms established by the GRANTING AUTHORITY, the CONCESSIONAIRE shall inform the industrial customers of the need for maintenance or replacement of the meters, whenever identified during the verifications;
- II. The CONCESSIONAIRE shall monitor and verify the proper performance of the maintenance and replacements by the industrial customers, reporting to the GRANTING AUTHORITY and the REGULATORY AGENCY any nonconformities;
- III. Should the industrial customer fail to carry out the maintenance or replacement within the stipulated period, the CONCESSIONAIRE shall immediately notify the GRANTING AUTHORITY and the REGULATORY AGENCY for the applicable measures.

The CONCESSIONAIRE shall develop and implement awareness and guidance measures for industrial customers regarding the importance of proper wastewater



measurement and the responsibilities related to the operation and maintenance of the meters.

The costs related to the verification activities of the industrial wastewater meters shall be borne by the CONCESSIONAIRE.

5.2 MAINTENANCE MANAGEMENT SYSTEM (MMS)

The operation and maintenance activities of the SYSTEM shall be managed by the CONCESSIONAIRE through a maintenance management system (MMS) implemented and maintained by the CONCESSIONAIRE and validated by CAGECE. Such system shall be computerized and shall allow for the registration of units and service orders, the prioritization of activities, the estimated and actual deadlines, as well as management reports enabling evaluation of the quality of the interventions, whether electrical, mechanical, or civil, in accordance with the indicators set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, excluding the services provided directly to the USER, which shall be monitored by CAGECE's commercial system.

The services provided directly to USERS shall be monitored through CAGECE's commercial systems.

The CONCESSIONAIRE shall ensure CAGECE access to the MMS in unrestricted visualization mode and with report-generation capability.

The management system shall be compatible and integrated with the system used by CAGECE, complying with the company's internal standards and rules.

The MMS shall interface with the OCC, with the USER service system, with the other systems of the CONCESSIONAIRE that may generate service orders, such as the Commercial System and the Maintenance System, and shall allow, at a minimum, the following procedures for managing the execution of maintenance services:

- Origin of demands: demands may be entered into the system based on requests/complaints from external customers (USERS via the service system, such as 0800, applications, and other CAGECE service channels), or from internal customers, based on the other systems of the CONCESSIONAIRE (commercial, maintenance, OCC);
- Execution of demands: the demand for registered services, with the priority defined by the MMS for service, shall be forwarded to the OCC for scheduling and generation of standardized documents, such as notices to the areas involved, Service Orders (SOs) for the field teams, and the applicable prioritizations; Management



Reports – the MMS, with the information on service inclusion, scheduling, and execution data, shall generate reports containing at least the following aspects:

- a) Monthly Service Quality Report – detailing the average response times for each type of service and comparing them with the established standard; (ATTACH the response times)
- b) Maintenance Team Performance Report – detailing the performance of the maintenance teams, particularly productivity and route efficiency, indicating potential performance improvements;
- c) Other reports containing the information necessary for the compilation of the PERFORMANCE INDICATORS;
- d) Annual report on the condition of the linked assets, indicating interventions, useful life, etc., for purposes of the monitoring provided for in Article V of Law No. 14.391/09.

The CONCESSIONAIRE shall deliver calibration and verification certificates and reports for the hydraulic equipment and measuring instruments.

5.3 Operational Plan

The CONCESSIONAIRE shall prepare an OPERATIONAL PLAN for the purpose of guiding the operation and maintenance management practices, which shall serve as the reference for management of the CONCESSION.

The OPERATIONAL PLAN shall contain procedure rules and operation manuals defined by the CONCESSIONAIRE and approved by CAGECE.

For such purpose, the OPERATIONAL PLAN shall contain a description of all operation services with defined standards, covering aspects of the quality of the SERVICES provided, standardized maximum response times, specification of the methodology for execution of the services and materials, as well as system operation rules. The operating standards for all services shall be established for the purpose of ensuring the quality required by the CONTRACT documentation and the legislation in force.

The OPERATIONAL PLAN shall set forth all guidelines required for operation and maintenance, in addition to the practices proposed by the CONCESSIONAIRE, with a view to maintaining the full functioning of the SYSTEMS. Such guidelines shall be adopted by the CONCESSIONAIRE for the adaptation of all existing services and those to be implemented within the SERVICE PROVIDER'S COVERAGE AREA, by means of analysis and rehabilitation of the existing structures, as well as the adoption of standardized



procedures for their operation, including the stages of training, standardization, and identification.

It should be noted that, for purposes of sizing the resources and planning the activities provided for in this OPERATIONAL PLAN, the expansion of service of the SYSTEMS and the natural growth during the CONCESSION period shall be considered for the MUNICIPALITIES, districts, and localities within the SERVICE PROVIDER'S COVERAGE AREA.

The purpose of the OPERATIONAL PLAN defined for the SYSTEMS is to ensure the full functioning of the structures and units, reducing operating costs through good practices, proper operation of the SYSTEMS, and the corrective, preventive, and predictive maintenance plan.

As to its content, the OPERATIONAL PLAN shall contain a description of the operation and maintenance activities, the deadlines for assumption of the operation and maintenance services, team training plan, operational contingency plan, socio-environmental programs, among others described in these CONCESSION SPECIFICATIONS. In addition to the obligations previously presented, the OPERATIONAL PLAN shall incorporate the Specific Obligations of the Wastewater System.

With respect to the deadlines, the OPERATIONAL PLAN for the WASTEWATER SYSTEMS of the MUNICIPALITIES comprising the CONTRACT shall be submitted to CAGECE within up to 3 months after the date of execution of the CONTRACT. The other deadlines for CAGECE's comments thereon and for adjustments shall follow the provisions of the CONTRACT.

Once approved by CAGECE, any request for amendment to the OPERATIONAL PLAN shall be subject to CAGECE's approval.

As from CAGECE's approval of the OPERATIONAL PLAN, the periods for the progress and fulfillment of the obligations set forth therein shall begin to run.

Together with submission of the OPERATIONAL PLAN, the CONCESSIONAIRE shall submit all documentation evidencing the filing, with the competent environmental authority, of the request to change the name of the developer in the related environmental licenses.

5.3.1 SYSTEM ASSISTED OPERATION

On the signing date of the CONTRACT, the CONCESSIONAIRE and CAGECE shall commence the SYSTEM ASSISTED OPERATION period, with a duration of up to 180 (one hundred and eighty) days.



During the SYSTEM ASSISTED OPERATION phase, CAGECE shall continue to control, operate, and maintain (correctively and preventively) the SYSTEM. Notwithstanding the foregoing, the CONCESSIONAIRE shall carry out activities enabling the training and qualification of the team that will be responsible for such activities, thereby obtaining all knowledge and experience necessary for operation of the units and equipment. During such period, CAGECE shall remain responsible for all operating costs, except those involving the CONCESSIONAIRE's personnel.

After the SYSTEM ASSISTED OPERATION period, the CONCESSIONAIRE shall assume services provision in the existing WASTEWATER SYSTEMS of the MUNICIPALITIES belonging to the SERVICE PROVIDER'S COVERAGE AREA of LOT [•], observing the deadlines defined below, except for the works planned or under execution previously contracted by the STATE, CAGECE, or the MUNICIPALITIES, which shall remain under their responsibility and whose operation shall be transferred to the CONCESSIONAIRE, pursuant to the terms set forth in the CONTRACT.

5.3.2 Operational Transfer

The OPERATIONAL PLAN shall provide for the milestones and maximum deadlines for the operational transfer of the full services provision that is the subject matter of this CONTRACT. The transfer periods shall observe the following indications, to be developed within the 180 (one hundred and eighty) days of the SYSTEM ASSISTED OPERATION period:

- i. Up to 2 (two) months for commencement of the activities for monitoring the investments of the STATE, CAGECE, and the MUNICIPALITIES;
- ii. Up to 6 (six) months for commencement of services provision related to COMMERCIAL MANAGEMENT, under the terms established;
- iii. Up to 6 (six) months for the full assumption of the other services set forth in the CONTRACT and its EXHIBITS, except for works under execution by CAGECE or the MUNICIPALITIES, and whose operation shall be transferred to the CONCESSIONAIRE pursuant to the terms set forth in these CONCESSION SPECIFICATIONS and in the CONTRACT.
- iv. Upon expiration of the SYSTEM ASSISTED OPERATION period, measurement of the PERFORMANCE INDICATOR shall commence.

The CONCESSIONAIRE shall ensure the full operation of all equipment and facilities of the SYSTEMS, seeking full compliance with the SUBJECT MATTER of this CONTRACT.

5.3.3 Registration Procedure

The OPERATIONAL PLAN shall describe the procedures for registration of the units to be adopted by the CONCESSIONAIRE, covering at least the following aspects:

- i. Georeferenced records of all operational units of the SYSTEM.
- ii. Technical specifications of the equipment and facilities comprising the SYSTEM.
- iii. Interconnection of the USER records with the geographic database of the water distribution and wastewater collection systems and with the commercial billing and collection system.

The following items shall, at a minimum, be registered:

- The coverage area defined by the records of streets, avenues, blocks, plot boundaries, and points of interest;
- Utility infrastructure as water, gas, power, telephony, drainage network, or any other facilities that may be relevant to the maintenance and operation services, including data on diameter, type of material, depth, location on the public road, type of pavement, etc., as well as characteristic points of the street, highlighting the existing infrastructure.
- The wastewater collection network, trunk collector, interceptor, and outfall piping shall be georeferenced and include information on diameter, type of material, depth, location on the public road, type of pavement, position of inspection manholes, and characteristic points of the street, installation date, and other information contained in the template to be provided by CAGECE and in its internal technical regulations, with emphasis on the existing infrastructure that may interfere with maintenance and expansion works;
- The wastewater connections shall be georeferenced and shall comply with the template to be provided by CAGECE, which includes, among other information, the installation date, interconnection to the wastewater collection network (position and depth), branch piping (diameter, length, material), sidewalk box (position, depth, diameter), interconnected with CAGECE's commercial records and the property records of the Municipality;
- The PUMPING STATION shall be georeferenced, and the installation date shall be indicated: the location of the plot, of the pump house, of the valve chamber, indicating elevations, depths, position of pumps, motors, control panel, the force main riser, the connections, and all information on the existing parts and equipment;
- The WASTEWATER TREATMENT PLANT shall be georeferenced, and the installation date shall be indicated: the location of the plot, of the hydraulic block,



of the interconnections between units, of the hydraulic and electromechanical equipment, including all additional geographic positions.

In addition to the georeferenced position, the CONCESSIONAIRE shall be required to detail the technical specification of all electromechanical and hydraulic equipment comprising the WASTEWATER SYSTEM, highlighting the following aspects:

- Detailed descriptive memorandum of the equipment construction process, including the manufacturer's specifications and manuals, highlighting the list of parts, manufacturing material, assembly sequence, and operation and maintenance recommendations;
- Detailed descriptive memorandum of the equipment installation conditions, addressing any nonconformities, if any, with the manufacturer's recommendations, as well as the operating recommendations.

The representation of the technical records, to be prepared by the CONCESSIONAIRE and approved by CAGECE, shall consist of graphic documents reflecting all record information, a descriptive memorandum of the registered units, and the technical manual of the equipment, so that it may be used as a tool for planning actions in the system.

5.3.4 Maintenance Procedures for the SYSTEM

The OPERATIONAL PLAN shall describe the maintenance procedures to be adopted by the CONCESSIONAIRE, covering at least the aspects relating to corrective maintenance, preventive maintenance, and predictive maintenance.

The completion of repair and maintenance services shall be recorded by photographic means, in accordance with CAGECE's standards and procedures.

The brief description of the maintenance categories to be considered is as follows:

- i. Corrective maintenance may be defined as the activity carried out after the occurrence of a breakdown, intended to restore the previous operating condition. This activity is aimed at carrying out repair and unclogging services on the facilities caused by an unforeseeable event and requiring emergency action because it results in interruption of services provision or affects the quality of operation.
- ii. Preventive maintenance is based on acting before a failure occurs and, according to NBR 5462, consists of "maintenance carried out at predetermined intervals, or



- according to prescriptive criteria, intended to reduce the probability of failure or the degradation of the functioning of an item”.
- iii. Predictive maintenance is defined as a set of services and works intended to ensure the useful life of the units and their intervention. It requires detailed diagnoses and prognoses capable of identifying opportunities for implementing improvements, notably through the adoption of new technologies and replacement of equipment. This category may be understood as an extension of preventive maintenance, though with greater impact, as it requires additional resources for its implementation and should not be adopted in a generalized manner.
 - iv. The services carried out by the CONCESSIONAIRE shall include photographic records of the repair/rehabilitation, in accordance with CAGECE's standards and procedures.

The CONCESSIONAIRE shall inform CAGECE in advance, by the last day of the preceding month, of the schedule for preventive maintenance services.

The CONCESSIONAIRE shall periodically prepare an instrumentation plan, containing at least calibration and verification data for the instrumentation equipment (hour meter, level sensor, or flow meter), and shall also submit the respective attestations, reports, and/or certificates.

5.3.5 Specific Obligations of the Wastewater System

5.3.5.1 Household Connections and Wastewater collection networks

The following operational actions shall be implemented in domiciliary connections and wastewater collection networks:

- i. Periodic preventive cleaning of inspection manholes and network stretches with low slope and/or a history of recurrent maintenance.
- ii. Unclogging, within the shortest possible time (in accordance with the deadlines established in the CONTRACT), of networks and service connections, in order to minimize damage caused by overflows.
- iii. Restoration of the base and paving of sidewalks and carriageways damaged by leaks in the wastewater system or by works for their implementation or maintenance, in strict compliance with the applicable rules and regulations. When the paving restoration service is located on avenues and main streets, the CONCESSIONAIRE shall restore the full width of the road.
- iv. Re-laying of wastewater collection networks and accessories presenting problems, such as: piping or accessories improperly executed, damaged, with



slopes, depths, type of material, or nominal diameter outside the standards established by ABNT and/or CAGECE, or presenting any other project, execution, maintenance, or operation issue.

5.3.5.2 Pumping Stations

The following operational actions shall be implemented in the wastewater pumping stations (WPS):

- i. Implementation of control and automation of the existing units, providing for rotation among the existing equipment.
- ii. Assessment of the installed equipment in light of the flow rates, manometric heads, and operating period, correlating such information with the electrical variables (voltage, current, and power), with a view to achieving energy efficiency.
- iii. Assessment of the pump operating curve, in order to verify whether it is consistent with the manufacturer's and the system's curves, so as to ascertain whether the equipment has adequate performance.
- iv. Preventive maintenance of pumps, impellers, motor-generator sets, hydropneumatic tanks, air valves, valves and electromechanical equipment, control panels, starting devices, and the sensors of the automation and communication system with the OCC.
- v. Establishment of a routine for periodic cleaning of the screening, grit chamber, and suction well, so as to avoid accumulation of waste in the equipment.
- vi. Verification of the operating valves, check valves, hydropneumatic tanks, and air valves installed in the header, as well as of the bulk meters and/or installed instrumentation.

5.3.5.3 Interceptors, Outfalls, and Force Mains

The following operational actions shall be implemented in interceptors, outfalls, and force mains:

- i. Periodic preventive cleaning of inspection manholes and stretches with low slope and/or a history of recurrent maintenance.
- ii. Non-destructive inspection using video camera equipment in stretches with a history of recurrent maintenance, in order to identify any damage to or rupture of the piping that requires intervention for a definitive solution to the issue.
- iii. Unclogging, within the shortest possible time (in accordance with the deadlines established in the CONTRACT), of compromised stretches in order to minimize damage caused by overflows.
- iv. Restoration of the base and paving of sidewalks and carriageways damaged by leaks in the wastewater system or by works for their implementation or maintenance, in strict compliance with the applicable rules and regulations. When



the paving restoration service is located on avenues and main streets, the CONCESSIONAIRE shall restore the full width of the road.

- v. Periodic flushing for cleaning of force mains.
- vi. Periodic maintenance of connections, valves, and air valves of the force mains.

For purposes of item 5.3.5.1, “avenues and main streets” shall mean those roads which, in the Municipality in which they are located:

- a) are classified, in an official instrument of the road system or urban mobility system of the competent public authority, as arterial road, express road, main collector road, or equivalent designation; or,
- b) even if not formally classified under item “a”, present at least two of the following objective characteristics:
 - I. they constitute a connecting axis between neighborhoods, districts, or municipal seats;
 - II. they present a significant flow of vehicle traffic, compatible with the main urban displacement routes, in accordance with existing traffic studies or, in the absence thereof, based on a duly grounded technical assessment;
 - III. they are served by at least one regular public transport line;
 - IV. they ensure direct or predominant access to structuring urban facilities, such as hospitals, transport terminals, administrative centers, or large commercial or service hubs.

5.3.5.4 Treatment Plant

The following operational actions shall be implemented in the wastewater treatment plants (WWTPs):

- i. Establishment of a routine for periodic cleaning of the preliminary treatment units (especially screening and grit chambers) and removal of scum, so as not to cause accumulation of waste in the equipment.
- ii. Testing and definition of the dosage of chemical products.
- iii. Preventive maintenance of pumps, blowers, motor-generator set, valves, dosing equipment, control panels, starting devices, sensors of the automation and communication system with the OCC, and the other equipment of the units. An annual report on the maintenance of the equipment of each plant shall be submitted.
- iv. Periodic discharge and cleaning of reactors and clarifiers in accordance with the Sludge and Solid Waste Management Plan, to be prepared by the CONCESSIONAIRE together with the basic and executive projects, specifically for each WWTP / Municipality. A report containing records of compliance with the plan shall be submitted every six months.

- v. Certification of the laboratories used for analysis of samples from the treatment process.
- vi. Carrying out laboratory analyses of the parameters established in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, in strict compliance with the applicable standards, resolutions, and licenses.
- vii. Preservation, cleaning, and maintenance of the slopes of the stabilization ponds.
- viii. Removal of floating material from the ponds.
- ix. Proper conditioning, treatment, transportation, final disposal, and quantification of all material removed from the WWTPs and Pumping Stations (solid waste, sand, grease, and sludge).

5.3.5.5 Appropriate Alternative Wastewater Solutions through Individual Treatment Systems

The following operational actions shall be implemented in the individual treatment systems:

- i. Establishment of a routine for periodic cleaning of the units of the individual treatment system;
- ii. preventive maintenance of the structure of the units;
- iii. corrective maintenance of the structure of the units;
- iv. preservation and maintenance of the structures of the units;
- v. proper conditioning, treatment, transportation, final disposal, and quantification of all material removed from the individual treatment systems.

5.4 MAINTENANCE DEADLINES

Continuity of the wastewater collection and conveyance service generated by the served community is achieved by the set of operation, maintenance, and safety actions and routines of the systems described throughout these CONCESSION SPECIFICATIONS, especially by ensuring the operation of the wastewater pumping stations and the unclogging of networks, interceptors, and trunk collectors, thereby avoiding backflow and overflows in inspection manholes and/or domiciliary connections.

The CONCESSIONAIRE shall prioritize, in carrying out maintenance and rehabilitation services in inspection manholes, the use of methods that do not require closure of the roads. Exceptionally, whenever interventions in inspection manholes requiring trench opening are necessary, the CONCESSIONAIRE shall observe a strict protocol, to be defined jointly with the GRANTING AUTHORITY, establishing the procedures that ensure: partial closure of the road, guaranteeing a detour or alternative

lane for vehicle traffic; prompt execution; and full reopening of traffic on the road on the same day the service is performed.

All overflow occurrences identified by the CONCESSIONAIRE itself shall be recorded in the OCC systems and made available for access by CAGECE and the INDEPENDENT VERIFIER.

The maintenance deadlines set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS of the CONCESSION CONTRACT shall be observed.

The main maintenance services to be performed in order to ensure maintenance of the operational units, which shall be addressed in the OPERATIONAL PLAN, are set forth below, without being limited thereto:

Maintenance of the electrical and electromechanical equipment shall be carried out in accordance with the manufacturer's manual.



WASTEWATER COLLECTION NETWORK	
Corrective Maintenance	Repair of building connection, sidewalk box, and inspection manhole Unclogging of wastewater collection network and building service connection Cleaning of inspection manhole and sidewalk box Installation of wastewater connection Other services (inspection manhole leveling, inspection manhole adjustment, raising of inspection manhole cover, etc.)
Preventive Maintenance	Cleaning of the wastewater collection network by hydrojetting and suction through the inspection manholes
Preventive Maintenance	Diagnosis of the hydraulic and operating conditions (ruptures/obstruction) of the wastewater collection network (inspection by video test) Replacement and/or repair of the wastewater collection networks identified as requiring recovery of useful life

INTERCEPTOR / TRUNK COLLECTOR / OUTFALL	
Corrective Maintenance	Interceptor repair (rupture, displacement, etc.), cleaning of inspection manhole
Preventive Maintenance	Cleaning of the wastewater collection network by hydrojetting and suction through the inspection manholes
Preventive Maintenance	Diagnosis of the hydraulic and operating conditions (ruptures/obstruction) - (inspection by video test) Replacement and/or repair of the listed piping with prognosis for recovery of useful life

BUILDING CONNECTIONS	
Corrective Maintenance	Repair of piping and sidewalk box (rupture), unclogging of the building service connection piping (from the sidewalk box to the network) Cleaning of sidewalk box
Preventive Maintenance	Cleaning of the building service connection by hydrojetting Inspection of irregular building connections involving discharge of rainwater, lowering of the groundwater table, swimming pool water, etc.
Preventive Maintenance	Diagnosis of the hydraulic conditions of the building connection (flow rate, water depth) for future replacement

WASTEWATER PUMPING STATION	
Corrective Maintenance	Repair of isolation, check, relief, and drain valves Repair of screening and equipment for removal of coarse solids Repair of the force main riser/piping (piping, valves, air valves, connections, etc.) Repair of pump, etc. Repair of motor, etc. Repair of electrical installation (cable network, relay, circuit breaker, timer, contactor, etc.) Repair of monitoring system sensors Repair of the generator set Repair of the hydropneumatic tank
Preventive Maintenance	Removal of excess coarse solid waste, sand, and sludge Planned replacement of bearings, hydraulic seal, packing, impellers, etc. Lubrication of electromechanical equipment Replacement of sensors (flow rate, pressure, rotation, temperature, suction well level, etc.) Upkeep of the pump house grounds (grass cutting, fencing, etc.) Upkeep of the pump house (painting, hydraulic systems, roofing, etc.) Replacement of fluids, filters, fuel, etc. of the generator set Replacement of the bladders/chamber of the hydropneumatic tank
Preventive Maintenance	Diagnosis of the hydraulic conditions of the WPS (performance, flow rate, rotation, vibration) for future replacement and/or rehabilitation of the equipment

WASTEWATER TREATMENT PLANT	
Corrective Maintenance	Repair of hydraulic block piping (corrosion and breakage) Rehabilitation of the filter layer (gravel) in the drying bed Rehabilitation of sludge scrapers and overhead cranes Rehabilitation of gas burners Repair of sludge pump (bearing, seal, packing, rotating assembly, impeller, etc.) Repair of motor (bearings, motor shaft, rewinding, etc.) Repair of generator set Repair of electrical installation (cable network, relay, circuit breaker, timer, contactor, control and metering, etc.) Repair of air blowers and diffuser (bearing, seal, fan, etc.) Repair of ponds, reactors, filters, tanks, etc
Preventive Maintenance	Planned replacement of mechanical components (bearing, seal, packing, rotating assembly, impeller, etc.) Planned replacement of measurement sensors (flow rate, pressure, DO, SS, voltage, etc.) Maintenance of metering components and replacement of sensors Upkeep of the WWTP grounds (grass, internal roads, fences, etc.) Painting of facilities (piping, guardrails, hydraulic block, etc.)
Preventive Maintenance	Diagnosis of the hydraulic/electrical parameters of the electromechanical equipment in order to identify operational improvements Planned replacement of hydraulic block piping and of the motor pump set Diagnosis of the physical, chemical, and biological parameters of the effluent

With respect to corrective maintenance, timeliness in remedying failures is of the utmost importance, since it reflects the customer's perception and assessment of the service provided. Accordingly, in the section of the OPERATIONAL PLAN relating to corrective maintenance, the CONCESSIONAIRE shall propose deadlines and services, in addition to complying with the deadlines and services defined in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS.

Additional services are also contemplated, relating to service requests from USERS and the GRANTING AUTHORITY which may eventually generate new demands.

The services and the service response times shall be agreed upon by CAGECE, the CONCESSIONAIRE, and the Regulatory Agency.

The service response time is defined as the period elapsed between the request for the service by the USER and/or CAGECE and the moment of its effective completion. Failure to comply with the stipulated deadlines shall give rise to a penalty on the MONTHLY CONSIDERATION.

5.5 SAFETY PROCEDURES

The occupational safety and health procedures prescribed by the Ministry of Labor shall be adopted during the performance of the various operational, maintenance, and expansion activities of the wastewater systems. Special attention shall be given to activities of an unhealthy and/or hazardous nature, inherent to wastewater structures, the handling of chemical products, or activities related to energized networks.

5.6 OPERATION CONTINGENCY PLAN

The SYSTEM shall have contingency plans for the purpose of describing the measures to be taken by the CONCESSIONAIRE, including the activation of manual procedures, so that its vital processes may return to full operation, or to a minimally acceptable condition, as quickly as possible, thus avoiding a prolonged interruption that may cause greater losses to the CONCESSIONAIRE, such as sanctions by environmental or regulatory authorities.

The contingency plan to be prepared by the CONCESSIONAIRE shall map the most critical risks and define the technical, operational, and administrative actions to address emergencies, also observing the general conditions regarding safety, contingency, and emergency measures, including with respect to rationing, as set forth in ANA Resolution No. 230/2024. In this contingency plan, for all operational units, at least the following stages shall be described:

- i. Mapping of the risks of occurrence of floods, inundations, and landslides on slopes affecting units comprising the SYSTEM.
- ii. Mapping of the incidence of risks of prolonged power interruption.
- iii. Mapping of risks related to the rupture of wastewater force mains installed on public roads.
- iv. Mapping of risks related to leakage of chemical products at the WWTPs and their impact on the environment.



- v. Mapping of the areas with a high incidence of wastewater backflow into residences, arising from rainwater due to irregular use of the connection.
- vi. Mapping of risks of wastewater leakage or overflow at pumping stations, wastewater collection network, inspection manholes, interceptors, outfalls, and WWTPs, and their impacts on water bodies.
- vii. Mapping of the risk of failure in the automation system communication.
- viii. Other less significant risks to be mapped.

The protocol of responsibilities shall also be included, as well as the procedures to be adopted on an emergency basis in order to minimize the risk of operational damage upon the occurrence of such events.

5.7 TRAINING PLAN FOR THE OPERATION AND MAINTENANCE TEAMS

The training of the operation and maintenance teams of the SYSTEM, including those that will work in the OCCs, shall be planned in order to ensure the quality of services provision in accordance with the standards and procedures adopted. The planning of the training of the teams shall address the following aspects:

- i. OCC Operation Teams: training shall be provided to all members of the operator team, covering the architecture of the OCC system, the system operation information and data that may trigger remedial actions, and shall also detail a protocol for operational failure routines, the practices for restoring normal operation, and the event communication hierarchies defined in the operation manual.
- ii. Operation and Maintenance Teams of the SYSTEM Structures: training shall be provided to all team members, covering the operation and maintenance procedures, including Theoretical Training, Practical Training, and occupational safety and health standards.

5.8 TESTING AND QUALITY CONTROL LABORATORIES

The CONCESSIONAIRE shall carry out quality control of the treated wastewater and, whenever required by the environmental authorities, of the receiving water bodies.

To that end, the analyses and tests related to operational control shall be performed by an in-house or outsourced laboratory, with regional coverage, capable of measuring all control parameters established in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS.



In the case of daily tests and analyses, performance by a local laboratory shall be mandatory, as is typically the case for analyses of pH, temperature, floating materials, settleable solids, and residual chlorine in WWTPs using chlorination processes, in addition to those set forth in the MONITORING PLAN.

For the analyses and tests related to statutory quality control and associated with the performance indicators, the CONCESSIONAIRE shall use laboratories accredited to ISO/IEC 17025 for all parameters to be analyzed and required under the municipal, state, or federal legislation in force, and any amendments thereto.

CAGECE, the INDEPENDENT VERIFIER, and the REGULATORY AGENCY, as well as any other competent authority, may carry out effluent sampling campaigns for inspection purposes, whenever necessary.

5.8.1 Quality Control of Treated Wastewater and Receiving Water Bodies

The quality of the final effluent is the main factor to be monitored at the Wastewater Treatment Plants. This obligation reflects the CONCESSIONAIRE's commitment to environmental preservation, especially of water resources, and is specified in the Performance Indicators Table, for which the analysis parameters, acceptance standards, and periodicity to be observed are established.

Compliance with this obligation presupposes effective operation of the treatment unit, designed and built in a manner appropriate to the preservation of the receiving water body. The obligations relate to the means of measuring the indicator, for which the minimum laboratory analysis procedures shall be adopted.

The verifications shall be carried out by means of laboratory analyses of the conditions, parameters, and discharge standards required under the environmental licenses, in compliance with the applicable municipal, state, and/or federal legislation and its updates.

The quality control of the wastewater discharged by the treatment plant and of its respective receiving water body shall fully comply with the requirements set forth in the operating license.

The CONCESSIONAIRE shall install laboratories to serve all Wastewater Treatment Plants for purposes of carrying out routine analyses, and shall have and demonstrate that its quality management system complies with ISO/IEC 17025. It shall also maintain valid calibration certificates for the quality sensors, equipment, glassware, and reference materials used in the laboratory analyses, issued by companies accredited

by the Brazilian Calibration Network (RBC) or another entity accredited by the National Institute of Metrology, Quality and Technology (INMETRO).

Should the CONCESSIONAIRE choose to subcontract the effluent quality monitoring service, the subcontracted service provider shall mandatorily hold accreditation under ISO/IEC 17025.

In addition, operating instructions, included in the OPERATIONAL PLAN, shall be prepared for the determination of each analysis to be carried out. The CONCESSIONAIRE shall ensure that all collected wastewater is properly treated and that its effluent presents parameter results in accordance with the applicable municipal, state, and/or federal legislation and its updates.

With respect to wastewater discharge, the CONCESSIONAIRE shall observe the classification of the water bodies, also in accordance with the applicable municipal, state, and/or federal legislation and its updates.

6. SOCIO-ENVIRONMENTAL AWARENESS PROGRAM IN THE COVERAGE AREA

Without prejudice to the other measures provided for in the CONTRACT for purposes of socio-environmental accountability, the CONCESSIONAIRE shall develop and implement a SOCIO-ENVIRONMENTAL AWARENESS PROGRAM aimed at social awareness, considering that the benefits arising from services provision are not always perceived by the entire community.

The SOCIO-ENVIRONMENTAL AWARENESS PROGRAM shall be submitted by the CONCESSIONAIRE to the GRANTING AUTHORITY, for prior approval, within up to 60 days before the end of the SYSTEM ASSISTED OPERATION, in order to enable its implementation as from the assumption of SYSTEM OPERATION by the CONCESSIONAIRE.

In this context, the GRANTING AUTHORITY is committed to submit, within a maximum period of 30 days counted from receipt of the SOCIO-ENVIRONMENTAL AWARENESS PROGRAM, its comments on the document, and may request adjustments or already express its consent to the proposed program. In the event of a request for adjustments, the CONCESSIONAIRE shall resubmit the SOCIO-ENVIRONMENTAL AWARENESS PROGRAM, in an adjusted version, within 10 (ten) days counted from receipt of the statement issued by the GRANTING AUTHORITY.

The main objective of the SOCIO-ENVIRONMENTAL AWARENESS PROGRAM shall be to develop actions aimed at raising awareness among the populations of the MUNICIPALITIES within the COVERAGE AREAS regarding the sustainable aspect of the



CONCESSION, so as to foster the integration of individuals into the benefits arising from the CONCESSION.

The SOCIO-ENVIRONMENTAL AWARENESS PROGRAM shall be developed by the CONCESSIONAIRE so as to be implemented on a permanent and continuous basis throughout the term of the CONCESSION.

The referred program shall pursue the following results:

- i. Effective interconnection of the wastewater network of the properties to the wastewater collection network made available.
- ii. Disconnection of the wastewater collection network made available from rainwater contributions from gutters, yards, and gardens.
- iii. Environmental sustainability and reduction of the environmental impact of the operations of the SYSTEM, in accordance with the parameters to be adopted by the CONCESSIONAIRE in the Environmental Management System (EMS) to be implemented under the terms of the CONTRACT.
- iv. Promotion of environmental education aimed at the population covered in the areas that will receive works for implementation and expansion of the wastewater collection network, with a view to raising awareness of its importance and seeking to minimize the perception of disruption caused during its execution.
- v. Raising awareness among the population in order to avoid the improper disposal of solid waste and oils into the wastewater collection network.
- vi. Promoting social benefits in communities in situations of social vulnerability.
- vii. Raising awareness among the population regarding the frauds occurring in the water supply systems and wastewater systems, as well as the responsibility of users to report the existence of such frauds.
- viii. Raising awareness among the population regarding adherence to the water supply system in cases of properties using alternative water supply sources.
- ix. Raising awareness among the population regarding the importance of the activities related to updating the property records.

The specific objectives of the SOCIO-ENVIRONMENTAL AWARENESS PROGRAM are those described below and shall form part of the action plan:

- i. Raise awareness of, communicate to, and encourage the benefited community regarding the importance of wastewater services and the commercial activities under the responsibility of the CONCESSIONAIRE, especially for public health and for socio-economic and environmental sustainability.



- ii. Raise awareness of, communicate to, and encourage the population to carry out building connections to the wastewater collection network and to adopt habits and practices that lead to the proper use of sanitary facilities.
- iii. Carry out actions and social activities in communities in situations of social vulnerability or with low HDI, identified in a socio-territorial diagnosis, such as professional qualification workshops, income generation workshops, environmental education workshops, etc.
- iv. Foster and implement processes and practices that encourage sustainability and efficiency in the activities.

The CONCESSIONAIRE shall be responsible for the preparation, execution, monitoring, and assessment of the SOCIO-ENVIRONMENTAL AWARENESS PROGRAM, as well as for the costs arising from such services, engagement of a qualified technical team, reproduction of materials and didactic and communication resources, and the equipment necessary for the full development of the actions.

The SOCIO-ENVIRONMENTAL AWARENESS PROGRAM prepared by the CONCESSIONAIRE shall also contain the guidelines for the social work projects and ACTION PLANS aimed at local economic development, environmental and heritage education, in addition to strengthening the image of the partnership between the GRANTING AUTHORITY and the CONCESSIONAIRE.

The MUNICIPALITIES comprising the SERVICE PROVIDER'S COVERAGE AREA shall be the main partners of the program, which shall not preclude the CONCESSIONAIRE from establishing partnerships with other local and regional entities.

Each ACTION PLAN within the scope of the SOCIO-ENVIRONMENTAL AWARENESS PROGRAM shall contain at least:

- i. Specific objectives.
- ii. Description of the activities.
- iii. Initial and final execution periods.
- iv. Technical professionals responsible.
- v. Expected results.

In order to carry out works execution for establishment, expansion, or improvement of the WASTEWATER SYSTEM, socio-environmental actions shall be carried implemented before, during, and after completion of the works.

As the projects associated with the SYSTEM IMPROVEMENT WORKS are planned for execution, the CONCESSIONAIRE shall prepare and submit to the GRANTING AUTHORITY, for approval, the Social Technical Project, specific to each intervention area directly impacted by the implementation of the new projects.



For works involving improvements and expansions of the SYSTEM with lesser impact on the community, the SOCIO-ENVIRONMENTAL AWARENESS PROGRAM shall provide for actions to monitor the families directly impacted, and, in such cases, preparation of a Simplified Social Technical Project shall be permitted, provided that the GRANTING AUTHORITY gives its consent, with provision for social communication and work monitoring actions (before and during the intervention period), based on the definition of territories or micro-areas of intervention. For the Simplified Social Technical Project, there are situations in which the GRANTING AUTHORITY, when consulted by the CONCESSIONAIRE, may waive the diagnostic stage.

6.1 Preparation of the Social Technical Project (STP) by intervention area/municipality

The Social Technical Project, for each intervention area of the SYSTEM IMPROVEMENT WORKS, shall be prepared and executed containing, at a minimum:

- i. **Diagnosis:** the CONCESSIONAIRE shall carry out the socio-environmental and territorial diagnosis as a preliminary activity in the formulation of the Social Technical Project, with community involvement and participation, based on primary data collection.
- ii. **Justification:** list and present the reasons for implementation of the STP in the intervention area.
- iii. **Objectives:** define the general and specific objectives, which shall be specifically related to the social work and the proposed intervention.
- iv. **Methodology:** describe the social work strategies, addressing, at a minimum, the activities to be carried out, the targets for achieving the proposed objective, the target audience, and the materials, instruments, and techniques to be used.
- v. **Indicators:** define the process and outcome indicators for monitoring and assessing the socio-educational actions and the achievement of the proposed objectives of the STP or Simplified STP.
- vi. **Composition of the technical team:** define the team responsible for the socio-educational activities, as well as the responsibilities of each member, according to the scale of the intervention.
- vii. **Schedule:** it shall be compatible with the planning and execution of the engineering interventions, containing the planning of the actions and the delivery of the periodic reports.

In the development of the socio-educational actions to be provided for in the methodology of the STPs, the CONCESSIONAIRE shall present, as part of the mandatory minimum scope:

- i. **Action 1: Research for socio-environmental diagnosis**



The CONCESSIONAIRE shall apply the socio-environmental survey for data collection in order to identify the socio-economic conditions of the beneficiary community, the characteristics and infrastructure of the properties, the health condition of the residents, in addition to collecting socio-cultural information, as well as the residents' opinion regarding the works, for purposes of preparing the diagnosis.

ii. Action 2: Alignment with construction operators

In order to broaden the reach of the information, it is essential to carry out an alignment process with the workers before the beginning of execution of the works, in order to convey information regarding the professional posture and conduct of such workers in relation to the community.

iii. Action 3: Formation and meetings of the Social Committee for Monitoring the Works

The socio-organizational development action shall take place through the composition of and support for the social committees for monitoring the works, created to integrate the beneficiary population into the project. For this action, community meetings shall be held, together with coordination with social actors or already formed community groups, in order to consolidate the formation of such committees, which may operate in person and/or virtually, depending on the characteristics of the community.

The committee may be formed based on the identification of leaders/opinion-makers, as well as from groups already established within the area to be covered.

According to the proposal for group formation, the role of the committee and the manner in which it will act shall be detailed.

iv. Action 4: Home visits for awareness-raising and work monitoring

In order to disseminate information regarding the intervention, the team shall carry out home visits to all properties that will benefit from the wastewater works. Such visits shall allow broad communication between the social team and the community and shall serve as a means of disseminating information regarding the project.

The dissemination of information is intended to raise awareness among families so that they understand the importance of the wastewater system for promoting public health and quality of life, in addition to fostering acceptance and use of the implemented system. During the visits, the responsible professional shall provide clarification regarding the items included in the engineering project for the area, such as: the function and proper use of the wastewater system, the implementation of the building connection, the expected interconnection to the collection box, the tariffing of the wastewater collection and treatment service, among other information.



This action shall take place throughout the execution process of the works, in order to reach all existing properties in the interference area, so that all of them are visited and their residents receive information regarding the project and its benefits. If it is not possible to contact the resident at the time of the visit, return visits or other contact strategies shall be carried out, so as to make it possible to pass the information on to the beneficiaries.

The CONCESSIONAIRE shall demonstrate the performance of the activities carried out within the scope of the SOCIO-ENVIRONMENTAL AWARENESS PROGRAM, the Action Plans, and the STPs by means of the preparation of reports, which shall be divided into periodic reports and a final report.

6.1.1 PERIODIC REPORTS

The periodic reports of the Social Technical Projects - STPs shall be submitted to the GRANTING AUTHORITY for monitoring of the socio-educational activities implemented and shall be delivered monthly, by the 5th (fifth) business day of the subsequent month, as from the reference period marking the commencement of execution of the project.

The structure of the report shall be at the discretion of the CONCESSIONAIRE and shall contain, at a minimum, the following information:

- i. Identification:
 - a. Interference area
 - b. technical professionals responsible
 - c. Reference period
- ii. Description of the activities carried out
 - a. Methodological detailing of the execution, including the stages of the action, date, executing team, and actions' target audience;
 - b. Identification of the instruments and techniques used;
 - c. Planned but not carried out activities: justification and forecast of new execution date;
 - d. Unplanned but carried out activities.
- iii. Means of verification and record of the activities
 - a. Photographic record;
 - b. Photographic record;
 - c. Templates of the forms/instruments used in the execution of the actions;
 - d. Copy of the notices used;
 - e. Tabulation and analysis of various data (systematization of information).
- iv. Evaluation of the activities carried out



- a. Evaluation of the actions by the executing technical team, containing a brief account of the facilitating aspects and hindering aspects, with the respective alternative solutions;
- b. Adequacy of the techniques and instruments provided for;
- c. Main results obtained;
- d. Evaluation of the process indicators;
- e. Participation and involvement of the beneficiaries;

v. Involvement of partners in the development of the STP

- a. Integration between execution of the STP and the engineering project/actions;
- b. Integration of the STP with other social projects developed in the area.

vi. Evaluation of the actions by the population served

- a. Evaluation instruments used (questionnaire, survey, evaluation meeting, others);
- b. Tabulation and analysis of the results of the evaluation applied.

6.1.2 Final Report

The Final Report is the systematization of all actions carried out and a technical evaluation of the overall development of the social work provided for in the STP, its relation to the progress of the works, and an evaluation of the achievement of the proposed objectives by means of the presentation of the final results and analysis of the indicators.

For simplified STPs, only the Final Report shall apply.

6.2 Other Obligations of the CONCESSIONAIRE

The CONCESSIONAIRE shall observe the following deadlines associated with the socio-environmental actions:

- i. Submit the Social Technical Project or Simplified Social Technical Project no later than 60 (sixty) days prior to the commencement of execution of the projects.
- ii. Initiate the socio-environmental actions at least 30 days before the commencement of each work's execution.
- iii. Submit monthly, by the 15th business day of the current month, through a communication channel previously established with the GRANTING AUTHORITY, the schedule of activities planned for the following month, containing information on the action, date, time, and place, in order to enable the GRANTING AUTHORITY to participate in the actions carried out with the communities.
- iv. If the deadlines associated with the engineering projects or execution of the projects are rescheduled and affect the initial content or the execution



schedule of the already approved STP, the rescheduling carried out by the CONCESSIONAIRE shall be communicated to the GRANTING AUTHORITY.

- v. In cases of free intradomiciliary interconnection of the property by the CONCESSIONAIRE, it shall ensure that the person responsible for the property is aware that the charges for the wastewater collection and treatment services shall be imposed in accordance with the period and conditions defined by the GRANTING AUTHORITY.
- vi. Review the SOCIO-ENVIRONMENTAL AWARENESS PROGRAM annually and submit it to the GRANTING AUTHORITY for consideration within no more than 30 (thirty) calendar days after the anniversary date of SYSTEM OPERATION. The GRANTING AUTHORITY shall comment within a maximum period of 30 (thirty) days for purposes of requesting any adjustments, and the CONCESSIONAIRE shall submit, within up to 10 (ten) calendar days, the final revised version of the SOCIO-ENVIRONMENTAL AWARENESS PROGRAM for the current year.

The CONCESSIONAIRE shall be responsible for the execution, monitoring, and evaluation of the SOCIO-ENVIRONMENTAL AWARENESS PROGRAM, the Action Plans, and the Social Technical Projects, as well as for the costs arising from such services, such as the engagement of a qualified technical team, reproduction of materials and didactic and communication resources, and the equipment necessary for the full development of the actions.

Should there be a possibility of entering into partnerships with other social projects, the CONCESSIONAIRE shall submit the relevant proposal for approval by the GRANTING AUTHORITY, indicating the CONCESSIONAIRE's role, responsibilities, and duties within the partnership.

All graphic materials for presentation to and/or distribution to the population shall contain the identification of CAGECE and of the CONCESSIONAIRE. Such material shall be previously approved by the social and communication area of the GRANTING AUTHORITY.

The CONCESSIONAIRE shall maintain facilitated access for guided technical visits to the wastewater operational units promoted by the GRANTING AUTHORITY for its external public, provided that the GRANTING AUTHORITY formalizes the request at least 3 (three) business days in advance, and the CONCESSIONAIRE shall designate the technical professional who will conduct the visit and/or presentation to the participants.

7. COMMERCIAL MANAGEMENT

Apparent loss corresponds to the volume of water that, after being produced and distributed, is not accounted for by the sanitation company for billing and collection purposes, as a result of metering errors in the water meters, the various forms of existing fraud, or failures in the company's commercial records.

For properties without water metering, which use wells, the volume for billing by the CONCESSIONAIRE shall be defined in accordance with CAGECE's commercial rules, approved by the REGULATORY AGENCY.

The CONCESSIONAIRE shall act in compliance with CAGECE's commercial policy.

Accordingly, it is hereby established that the programs for replacement, transfer, and relocation of water meters, implementation of metering in alternative water supply sources, fraud verification services, records updating, and telemetry of strategic customers shall be executed by the CONCESSIONAIRE ("COMMERCIAL PROGRAMS") within the SERVICE PROVIDER'S COVERAGE AREA, within the minimum scopes defined below.

7.1 PROGRAM FOR REPLACEMENT, IMPLEMENTATION OF METERING IN ALTERNATIVE SOURCES FOR WASTEWATER BILLING, TRANSFER AND RELOCATION OF WATER METERS

The CONCESSIONAIRE shall be responsible for carrying out all investments in water meters required for the maintenance of the water meter stock in the MUNICIPALITIES, districts and/or localities within the SERVICE PROVIDER'S COVERAGE AREA of LOT [•], including within its scope everything from their acquisition to the services inherent to the replacement or installation of the equipment, as well as all materials and services such as excavation, backfilling, repaving, meter boxes, valves, seals, connections, and others.

For purposes of carrying out the water meter transfer and relocation services, the CONCESSIONAIRE shall perform the removal, relocation and/or transfer of the existing water meters installed in the interior portion of the properties to their exterior portion, including bearing all costs necessary for the acquisition of materials and services for the readjustment of the building connection and reinstallation of the water meters, and shall perform such services within up to 03 years for all MUNICIPALITIES, after issuance of the SYSTEM TRANSFER TERM. A new service connection shall be executed for the purposes of the water meter transfer services, and the existing service connection may not be reused. The performance of the water meter transfer or relocation services



shall comply with CAGECE's standards in force, and the CONCESSIONAIRE shall execute at least 1/3 per year of the total services provided for, until completion in year 03. Table 2 sets forth the quantity of water meter transfer and relocation services by municipality.

Table 2 - Quantities of water meter relocation and transfer services by municipality.

Municipality	Quantity of water meter transfer services	Quantity of water meter relocation services
Abaíara	40	94
Acarape	236	549
Acaraú	226	526
Acopiara	898	2094
Alcântaras	129	301
Altaneira	233	542
Alto santo	30	71
Antonina do Norte	309	720
Apuiarés	99	231
Aracati	675	1574
Aracoiaba	292	681
Ararendá	12	29
Araripe	401	934
Aratuba	84	196
Arneiroz	73	171
Assaré	451	1053
Aurora	475	1109
Baixio	105	246
Barreira	164	381
Barro	328	766
Barroquinha	207	483
Baturité	183	427
Beberibe	164	384
Bela cruz	98	230
Campos Sales	732	1708
Capistrano	99	232
Caridade	82	192
Cariré	114	266
Carnaubal	206	479
Catarina	177	414
Catunda	96	225
Cedro	452	1056
Chaval	74	171
Choró	27	64
Coreaú	302	704
Crateús	997	2325
Croatá	11	24
Cruz	109	255
Ereré	11	25
Forquilha	567	1324
Fortim	82	192



Frecheirinha	353	822
General Sampaio	26	60
Graça	155	363
Granjeiro	41	94
Groaíras	134	312
Guaraciaba do Norte	204	475
Guaramiranga	13	29
Hidrolândia	86	200
Ibaretama	2	6
Ibiapina	387	902
Ibicuitinga	47	111
Independência	56	131
Ipaumirim	313	729
Iracema	29	68
Irauçuba	204	475
Itaíçaba	23	54
Itapipoca	239	559
Itapiúna	152	353
Itarema	117	272
Itatira	326	760
Jaguaretama	56	132
Jaguaribara	11	25
Jaguaruana	158	367
Jati	152	355
Jijoca de Jericoacoara	143	334
Lavras da Mangabeira	846	1975
Marco	403	941
Martinópolis	140	327
Massapê	369	860
Mauriti	325	759
Meruoca	67	157
Milagres	375	874
Miraíma	46	106
Mombaça	331	771
Monsenhor Tabosa	357	833
Moraújo	51	118
Morrinhos	113	262
Mucambo	279	652
Mulungu	98	228
Novo Oriente	318	743
Ocara	123	286
Orós	306	715



Pacoti	54	127
Pacujá	138	322
Palhano	72	169
Palmácia	78	181
Parambu	347	810
Paramoti	41	96
Penaforte	211	492
Pentecoste	177	412
Pereiro	52	120
Piquet Carneiro	43	100
Pires Ferreira	14	33
Poranga	483	1126
Porteiras	134	313
Potengi	212	496
Potiretama	20	45
Quiterianópolis	68	157
Quixadá	418	974
Quixeré	68	158
Redenção	472	1101
Reriutaba	98	227
Russas	272	636
Saboeiro	353	825
Salitre	152	354
Santa Quitéria	239	557
Santana do Acaraú	206	480
São Benedito	717	1674
Senador Pompeu	308	719
Senador Sá	55	128
Sobral	47	108
Tabuleiro do Norte	220	514
Tamboril	214	499
Tarrafas	101	234
Tauá	1262	2944
Tejuçuoca	48	113
Tianguá	903	2107
Tururu	62	146
Ubajara	416	970
Umari	105	244
Umirim	217	507
Uruburetama	330	769
Uruoca	176	410
Varjota	207	482
Várzea alegre	1522	3551
Viçosa do Ceará	76	178



The acquisition of water meters shall be carried out in accordance with the conditions established by INMETRO Ordinance No. 155, dated March 30, 2022, and its respective Metrological Technical Regulation (or any subsequent regulation that may replace it), considering the meter's useful life, the performance curve according to its model, sizing errors, changes in the customer's consumption profile, installation position causing premature wear of the gears, or physical damage to the water meter caused, for example, by fraud. Technologies with a useful life of less than 5 (five) years shall not be accepted for the water meter replacement service.

The metering programs shall include the proper sizing of the service connections and water meters to be installed, according to the consumption profile of the connection.

All batches of new water meters acquired by the CONCESSIONAIRE, before being installed at the consumer units, shall be inspected on a sample basis at CAGECE's hydrometry laboratory, accredited under ISO/IEC 17025, or inspected at the manufacturer's premises, such inspections being carried out by technicians from CAGECE's hydrometry laboratory, with the costs of such tests, including airfare, lodging, and transportation, being borne in full by the CONCESSIONAIRE.

The CONCESSIONAIRE shall bear the costs of the water meter inspection carried out at CAGECE's hydrometry laboratory, in accordance with CAGECE's user service price table.

All water meters in the fleet shall be of a typology provided for in the applicable NBR and homologated by INMETRO. It should also be noted that every new water connection shall be equipped with a water meter, and that the time in service of the water meters shall comply with the age limit indicator applicable to the corresponding water meters set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS.

Based on the database provided by CAGECE, the CONCESSIONAIRE shall replace all water meters classified as “non-compliant”, in accordance with CAGECE's procedures and standards, including those that become “non-compliant” during the concession period, observing the deadlines established by CAGECE.

In the first year of the concession, the CONCESSIONAIRE shall execute all services relating to non-compliant water meters, and throughout the entire concession term, the CONCESSIONAIRE shall also carry out the preventive replacement of the water meter stock, maintaining all installed water meters within the useful life indicated by CAGECE, as set forth in Table 3.



Table 3 - Useful life of the water meter by capacity.

Water Meter Capacity Qn or Q3 (m ³ /h) – DN (mm)	Type and Class	Maximum Age (months)
Qn: 1,5 m ³ /h – 20 mm	Velocity Meter Class B and C	60
Qn: ≥ 3,5 m ³ /h – 25 mm	Velocity Meter Class B	48
Qn: ≥ 10 m ³ /h – 40 a 150 mm	Velocity Meter or Woltmann Class B	36
Q3: 2,5 m ³ /h – 20 mm	Volumetric	84
Q3: ≥ 2,5 m ³ /h – 20 a 150 mm	Ultrasonic	120

Management of the Preventive and Corrective Replacement of the Water Meter Stock shall be carried out by CAGECE on a shared basis with the CONCESSIONAIRE, in accordance with the criteria defined in Operational Procedure POPMED067 - Water Meter Stock Management, and any subsequent updates thereto.

Water meters presenting the best efficiencies and accuracies in accordance with the operational reality and the customer profile shall be used. Replacement of a water meter by another with inferior efficiency and accuracy characteristics shall only be permitted where the impossibility of using the technology being adopted is duly demonstrated on technical grounds.

The water meters shall preferably be of the volumetric type or of superior performance. Exceptionally, velocity meters may be used, provided that their use is duly justified and subject to CAGECE's approval. The CONCESSIONAIRE shall submit for CAGECE's prior approval the intended acquisition of the water meter models to be installed by the CONCESSIONAIRE. The water meters acquired shall be covered by the applicable approval Ordinances issued by INMETRO - National Institute of Metrology, Quality and Technology, and shall hold CAGECE's Technical Conformity Certificate (CCT). The batches of water meters to be installed in CAGECE's connections shall have test reports issued by accredited laboratories and shall be approved in tests conducted at CAGECE's Hydrometry Laboratory or at the manufacturer's premises. The tests shall be carried out or monitored by the technicians of CAGECE's Hydrometry Laboratory.

For the service of implementation of metering in properties with alternative sources for wastewater billing purposes, meters may be used in accordance with the monthly consumption range established in POPMED 067/20. The requested service shall be performed within a maximum period of 30 days, counted from the issuance of the service order requested by CAGECE. For execution of the service, CAGECE's commercial guidelines and conditions shall be observed. The CONCESSIONAIRE shall deliver to the customer the notices issued by CAGECE, informing the customer of the need for



regularization and/or for requesting water use permits for water abstractions from wells or other types of alternative sources.

It shall be incumbent upon the CONCESSIONAIRE to assess the feasibility of installing water meters upon receipt of the list of customers forwarded by CAGECE.

The CONCESSIONAIRE shall install water meters at the alternative water supply abstractions required by CAGECE or implement the wastewater metering system required by CAGECE for purposes of charging the wastewater tariff based on the volumes collected, in accordance with CAGECE INTERNAL STANDARD NIT 0009 – Billing of the wastewater service for customers in properties with an alternative water supply source, and any updates thereto. For purposes of carrying out the activities associated with the services for implementing metering in alternative sources, the CONCESSIONAIRE shall observe the following conditions:

- submit to CAGECE the list of customers who did not allow the collection of the data/information necessary for subsequent adoption of the applicable measures;
- verify the proper functioning of the water meters, as well as replace and/or repair them whenever necessary;
- carry out the maintenance and calibration of such water meters, ensuring the useful life of such meters in accordance with the provisions set forth in these CONCESSION SPECIFICATIONS for updating the water meter stock defined for the performance of the water meter replacement services.

Requests for services involving corrective replacement of water meters shall be performed by the CONCESSIONAIRE within the periods established by CAGECE, in order to maintain the conformity and quality of the water meter stock, also observing the conditions set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS.

The periods for preventive and corrective maintenance services are set forth in POPMED 067 and any updates thereto.

WATER METERS – CAGECE STANDARD:

A water meter that complies with the specifications established by INMETRO and is approved in the metrological verification process carried out by the technicians at CAGECE's Hydrometry Laboratory or at the manufacturer's premises, characterized as follows:



- Velocity water meter, metrological class C, 45° dry register, shielded or unshielded, tempered glass dome, pre-equipped for connection to an inductive-type sensor (non-magnetic) and manually orientable up to 360°, multi-jet, magnetic transmission, direct reading, metal regulator plug in brass, reversible operation, for cold water measurement, temperature from 1°C to 40°C, and IDM equal to or greater than 95%. When installed horizontally, with the inclination of the turbine axis up to 30° to the left or right, this meter shall maintain its metrological class.

- Volumetric water meter, R 400 or greater, accuracy class 1 and/or 2, 45° or flat register, dry, tempered glass dome, pre-equipped for connection to an inductive-type sensor and manually orientable 360°, direct reading, reversible operation, IP 68, cold water measurement, temperature from 1°C to 40°C, IDM equal to or greater than 98% (error table adopted by CAGECE). When installed horizontally, with the inclination of the turbine axis up to 30° to the left or right, this meter shall maintain its metrological class.

- Ultrasonic transit-time water meter, static type, without moving parts, DN 20 mm - R400, DN 25 mm - R400, DN 40 mm - R400, accuracy class 1 and/or 2, equipped with signal cable, pulse output, and communication via radio or M-Bus/ModBus, double ultrasonic sensor, digital flat LCD display, internally battery-powered with a minimum duration of 10 years, IP 68, direct reading, for cold water measurement, temperature from 1°C to 40°C. When installed in any position, this meter shall maintain its metrological class. IDM equal to or greater than 99%.

- Ultrasonic transit-time water meter, static type, without moving parts, R 500 (DN 50 mm, 80 mm, 100 mm, and 150 mm), accuracy class 1 and/or 2, equipped with signal cable, pulse output, and communication via radio or M-Bus and/or Mod-Bus, double ultrasonic sensor, digital flat LCD display, internally battery-powered with a minimum duration of 10 years, IP 68, direct reading, for cold water measurement, temperature from 1°C to 40°C, flanged. When installed in any position, this meter shall maintain its metrological class. IDM equal to or greater than 99%.

After execution of any service involving the replacement of water meters, the water meters removed from the field shall be returned to CAGECE, following the procedures for their decommissioning and registration in the PRAX system, and adopting the procedure established by GEMED for their return.

7.2 PROGRAM FOR ELIMINATION OF FRAUD AND IRREGULARITIES

The CONCESSIONAIRE shall implement a robust anti-fraud program throughout the water supply systems and/or wastewater systems, so that, in addition to



acting upon existing fraud, there shall be permanent inspection as a means of maintaining the results already achieved and reducing cases of recurrence.

The main forms of fraud commonly detected in anti-fraud projects are: irregularities in the water meter (broken seals or damage to the device, such as perforations in the dome), clandestine connections made directly to the water supply network, water diversions upstream of the water meter (by-pass), tampering with supply suspension, unauthorized interventions in the meter installation assembly, in addition to those relating to the WASTEWATER SYSTEM, such as connection without prior authorization from CAGECE and the discharge of improper effluents into the absolute separate system.

The CONCESSIONAIRE shall cap off a customer connection when required by CAGECE.

In this context, the CONCESSIONAIRE shall have, among its obligations, participation in specific COMMERCIAL PROGRAMS, proposing projects and action plans, subject to CAGECE's approval, that contribute to the reduction of apparent losses and mitigation of business risks.

The CONCESSIONAIRE shall act in the procedures for detection and elimination of fraud in two ways:

- a) The first shall apply to those properties in which CAGECE, during its normal activities, carries out verification or identifies evidence, mainly through the meter reading and bill issuance processes, or based on analyses and studies carried out by the CONCESSIONAIRE and the GRANTING AUTHORITY, in which any occurrence is indicated. This shall generate service(s) that shall be immediately forwarded for execution by the CONCESSIONAIRE. These are usually occurrences related to violations of water supply suspensions, irregularities in the water meters along the reading routes, and other occurrences in the water supply systems or those relating to the wastewater service;
- b) The second way shall consist of the development by the CONCESSIONAIRE of annual action plans for fraud detection through inspections at customer installations, with systematized sweeps of all water and/or wastewater connections presenting some type of abnormality, throughout the term of the contract, along the service connection/protective box/water meter system. The CONCESSIONAIRE may, subject to CAGECE's approval, develop cross-checking of specific information that will indicate potential fraud or irregularities in the connections, such as "by-pass", clandestine water or wastewater connections, improper handling of the water meter by the USER, among others.

Fraud verification shall be carried out through non-destructive technologies.



Execution of the services shall comply with the same operating standards and procedures of CAGECE, including with respect to the procedure for verification of fraud and irregularities involving USERS, which shall require the initiation of sanctioning and indemnification proceedings against them. Failure to observe and apply the procedural rules for such cases involving USERS shall give rise to reimbursement by the CONCESSIONAIRE of all costs relating to recovery of consumption, fines, and resulting indemnifications.

All processing of information related to the services will be conducted electronically using CAGECE's systems; the CONCESSIONAIRE shall maintain the necessary equipment (hardware, software, and other applications) to fully meet the requirements for the real-time transfer of files for both planned and completed services.

All communication forms, information notices, notifications, and other documents relating to the USER/CAGECE relationship used by the CONCESSIONAIRE shall be approved by CAGECE. The costs arising from their design and preparation shall be borne by the CONCESSIONAIRE.

The CONCESSIONAIRE shall be subject to penalties in the event of non-compliance with the criteria set forth in the Fraud Indicator, provided for in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS of the Administrative Concession Contract.

In view of the need to increase the consumed and billed volume, CAGECE proposed inclusion of the water meter replacement and fraud detection and prevention services, actions that directly affect the loss indicator of the MUNICIPALITIES. It should be noted that the MUNICIPALITIES shall have loss targets that must mandatorily be met in order to ensure maintenance of the operating contracts for the water distribution systems. Accordingly, both the water meter replacement services and the fraud prevention and combat services, as well as other irregular uses, shall be guided, in line with CAGECE's loss reduction plans, not only by the needs related to quantification of the wastewater volume.

Following the premises described above, it was proposed to link such services to the loss targets. The LOT targets are described in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS.

Considering the distinct conditions and characteristics of the losses specific to each municipality, greater efforts shall be made in MUNICIPALITIES with higher losses or that have failed to meet the loss targets established between CAGECE and the MUNICIPALITIES, but without reducing the total target of the LOT. The CONCESSIONAIRE shall carry out fraud prevention planning on a shared basis with CAGECE, with a view to aligning it with CAGECE's planning and actions in combating losses in the

MUNICIPALITIES, and may carry out its own planning subject to CAGECE's prior approval. The adjustment factors for the service targets depend on the municipality's IPL, as set forth below, and the CONCESSIONAIRE shall be required to comply with them:

- When the IPL is less than 216 l/connection.day, the minimum IFR target for the municipality shall be 10% of the LOT target.
- When the IPL is greater than or equal to 216 l/connection.day and less than 263 l/connection.day, the minimum IFR target for the municipality shall be 20% of the LOT target.
- When the IPL is greater than or equal to 263 l/connection.day and less than 286 l/connection.day, the minimum IFR target for the municipality shall be 30% of the LOT target.
- When the IPL is greater than or equal to 286 l/connection.day and less than 303 l/connection.day, the minimum IFR target for the municipality shall be 35% of the LOT target.
- When the IPL is greater than or equal to 303 l/connection.day, the minimum IFR target for the municipality shall be greater than or equal to 40% of the LOT target.

It should be noted that the total LOT target remains unchanged despite the reduction of the targets in the MUNICIPALITIES with lower losses.

7.3 PROGRAM FOR TELEMETRY OF STRATEGIC CUSTOMERS

The CONCESSIONAIRE shall be responsible for carrying out all investments in telemetry for strategic customers necessary for the implementation and maintenance of the telemetry or remote metering system, including within the scope the acquisition of ultrasonic water meters, data transmission equipment and software, pressure sensors, as well as services related to the replacement or installation of equipment, including all materials and services such as excavation, backfilling, repaving, panels, valves, seals, connections, readjustment of the service connection, and others.

The Telemetry System shall comply with the requirements and technical conditions adopted and approved in the telemetry systems implemented by CAGECE.

The Telemetry System shall be implemented for CAGECE's strategic customers according to the minimum quantities indicated in the table below, as required by CAGECE. The deadline for implementation of telemetry for all quantities indicated in the table below shall be up to 02 years, counted from the commencement of SYSTEM OPERATION.



Table 4 - Quantities of the Strategic Customers Telemetry service by lot.

Lot	Total of Strategic Customers
1	311
2	288
3	332
4	305
5	300

The CONCESSIONAIRE shall install the telemetry equipment with data transmission, for both flow rate and pressure, on the meters, in accordance with the list of properties indicated by CAGECE.

The installation of the remote metering data analysis and transmission equipment shall not require any type of infrastructure on the part of CAGECE's customer, and such equipment shall communicate with the systems used by CAGECE to monitor the flow rate and pressure information of such customers.

The CONCESSIONAIRE shall define the data transmission technology to be used and shall be responsible for the entire installation and maintenance of the communication infrastructure, and CAGECE shall validate the technology to be implemented.

The SERVICE to be performed shall include the Management Software that will receive the field information from the water meters, using data transmission technology by any of the existing and possible means, whether combined or not, such as, for example, but not limited to: GSM / GPRS / 3G / 4G / Sigfox / LoRa / NB-IoT; Wi-Fi system; radio relay system by troposcatter, line-of-sight, or satellite; or optical fiber; etc.; to a database, and shall allow monitoring of the consumption of CAGECE's strategic customers.

The CONCESSIONAIRE shall make the customer monitoring management software available to CAGECE in an environment to be maintained by it, ensuring secure access for duly authorized CAGECE personnel.

The CONCESSIONAIRE shall comply with Federal Law No. 13,709, the General Personal Data Protection Law, in order to ensure the privacy of customer information.

The CONCESSIONAIRE shall ensure that all information collected is maintained in redundant environments, in order to ensure that such information may be recovered in the event of disasters affecting the environment in which the database containing customer information is hosted.

During the term of the contract, the CONCESSIONAIRE shall be responsible for the replacement and/or installation of the meters and/or telemetry equipment, as well as for the reinstallation and reprogramming of its data analysis and transmission equipment coupled to the meters.

Alternatively to the foregoing item, the CONCESSIONAIRE shall perform the services within up to 48 hours after communication from CAGECE.

The schedule for replacement of the meters and/or sensors upon preventive and/or corrective maintenance shall take place between 8:00 a.m. and 12:00 p.m. and between 1:00 p.m. and 5:30 p.m., and shall be communicated by CAGECE to its customers 24 hours in advance.

The data transmission costs, certification of the equipment, and approval of the complete Telemetry System by the competent authorities shall be borne by the CONCESSIONAIRE throughout the term of the contract.

The CONCESSIONAIRE shall carry out, daily, on its facilities, monitoring of alarms, analysis of the information generated by the management system, registration of the information, parameterization, management of the system users, and technical support to the CAGECE team using the Telemetry System, proposing actions arising from such activities.

The ultrasonic water meters of telemetered customers shall be preventively replaced after 10 (ten) years from installation.

7.4 RECORDS UPDATING PROGRAM

The property and customer records constitute the information base supporting the commercial system and thus enabling customer billing, in addition to supporting CAGECE's operational activities as a whole. Within a maximum period of 02 years, counted from the commencement of SYSTEM OPERATION, the CONCESSIONAIRE shall review the entire property records within the SERVICE PROVIDER'S COVERAGE AREA, including the initial registration of new properties.

The CONCESSIONAIRE shall submit monthly to the GRANTING AUTHORITY the schedule for the records updating service. Records updating services may be requested by the customer, by CAGECE, or by the CONCESSIONAIRE, such that such properties shall undergo at least one complete update within a period not exceeding 48 (forty-eight) months.

This activity consists of the identification of the properties for the operationalization of the following activities: water meter reading, bill issuance, response to user requests, billing, collection, commercialization, and making available the water supply and wastewater collection services, as well as georeferencing. The property and

customer records provide essential information for purposes of planning and services provision, as well as information on the quantities and status of the connections, thereby enabling management of service expansion and accounting for billing and revenue, in addition to measuring the customer units that are fundamental to the execution of billing.

The records updating shall comply with CAGECE's Internal Standards, as well as those of the REGULATORY AGENCIES.

The demand for the updating service may be recorded by CAGECE, by the CONCESSIONAIRE, or by the CUSTOMER through CAGECE's commercial system and auxiliary systems, such as the Geographic Information System (GIS), for field execution at the property.

In demands in which the customer is not the requesting party, the CONCESSIONAIRE shall provide prior notice, in accordance with CAGECE's current Letter of Assurance template, of the period during which it will visit the customer.

CAGECE may make the cartographic base available, where it exists, whether updated or not (it may eventually be in image or PDF format). If the overlay does not exist for any reason, the CONCESSIONAIRE shall prepare it based on field reality. Based on the cartographic base made available, or not, by CAGECE, through access to the commercial system and the georeferenced mapping systems, the CONCESSIONAIRE shall carry out the verification/updating of the lot, which is a measurement resulting from the sum, in meters and centimeters, of each property, always starting from the southernmost point of the lot.

After the overlay has been drawn, quality control shall be carried out by sampling, covering at least 10% and at most 100% of the total overlays measured and drawn.

The phase of preparing and executing the overlay in the field shall mandatorily precede the drawing in the GIS, as well as the phase of entering the information into the Commercial System and the field census using CAGECE's Property Registration Bulletin (BCI mobile).

This BCI is a form for collecting information and photographic records, containing all information to be collected from the property and the customer, in accordance with the Internal Standards and following the determinations of the REGULATORY AGENCIES. CAGECE shall make the BCI-Mobile app available, and the property and customer information shall be filled in on site.

After the form is completed in the field, CAGECE shall carry out quality control of all services performed and may reject the services in cases where they do not comply with the required standards.

The result of the records updates performed shall mandatorily be informed to the customer by means of the Registration Change Notice (CMC), in accordance with the model established by CAGECE and in compliance with the regulatory deadlines established by the REGULATORY AGENCIES. The updated information shall only take effect after such communication to the customer is evidenced in CAGECE's commercial system.

All transmission (sending and receiving) of the BCI records updating process shall be carried out via webservice using the registration application (BCI mobile) for the field census, through a 3G, 4G, 5G, or wi-fi network, that is, data upload and download shall occur via the internet. The preliminary review and validation of the consistency of the data collected in the field shall be carried out by the application itself.

All communication between the BCI and CAGECE's commercial system shall take place via tablet/smartphone; exceptionally, when it is not possible to take the tablet/smartphone into the field, the service may be performed using the BCI in printed form and subsequently entered into the tablet, without prejudice to the progress of the process, except for the photographic record, which in this case shall be absent. The scheduling shall be carried out normally with data upload and download. Paper-based scheduling shall be requested from and authorized by CAGECE.

All costs, from the acquisition of the smartphone device and other equipment/materials to execution of the services, shall be borne by the CONCESSIONAIRE, which shall follow CAGECE's technical recommendations.

In addition to the commercial system, this update shall be materialized in CAGECE's Geographic Information System (GIS), and access to CAGECE's Georeferenced Database shall be granted to the CONCESSIONAIRE. The software used for such access are QGIS and ArcGIS. The licenses for and installation of such software shall be the responsibility of the CONCESSIONAIRE. The database in question is georeferenced in the SIRGAS 2000 Geodetic System, Universal Transverse Mercator coordinates – UTM 24 S.

All deadlines for the services requested shall follow CAGECE's internal standards and be in accordance with the REGULATORY AGENCIES. The CONCESSIONAIRE, by mutual agreement with CAGECE, may propose improvements to the standard processes and procedures for updating records.

7.5 GUIDELINES FOR THE COMMERCIAL PROGRAMS

In all services executed, the CONCESSIONAIRE shall promote the recording of the mandatory information relating to the execution thereof, as well as to the records updating, in compliance with the rules and guidelines of CAGECE's commercial records, including the items relating to the number of customer units, connections, inhabitants, existence of alternative source, storage, size of the properties, type of ceramic finish, etc.

The teams responsible for executing the water meter installation and replacement services shall be instructed to carry out the activities in accordance with CAGECE's procedures.

For fraud prevention and combat, the CONCESSIONAIRE shall promote, in addition to other technological means, the geophone survey of the connections.

All results of the surveys shall be forwarded to CAGECE so that it may proceed with the relevant actions, in accordance with its internal procedures.

CAGECE's service generation process is automated, based on internal and/or external requests (demands). Internal demands are those generated automatically in the daily processing routine, usually during the night, or those generated from the information collected in the billing or operational service processes. External demands are those arising from USER requests through the customer service counter, Call Center, Internet, or any other CAGECE service channel.

Each request shall be traceable from its origin through its final completion. For each request, as many services as may be necessary may be generated until its due completion.

The CONCESSIONAIRE shall receive, in batch form, all open services (Service Orders) as they are entered, whether in batch form or individually, on an online basis. Upon each execution, the CONCESSIONAIRE shall also return the information on an online basis, individually, directly into CAGECE's centralizing system.

The CONCESSIONAIRE may indicate adjustments and changes which, if approved, may be implemented in CAGECE's standard procedures.

8. ENVIRONMENTAL GUIDELINES

The preparation of projects, implementation or expansion, and operation of the SYSTEM require compliance with the environmental guidelines in force, as set forth in the applicable legal and regulatory provisions at the federal, state, and municipal levels, as well as with the requirements established by best practices and by the competent environmental authorities, and shall be aligned with the objectives and guidelines of



CAGECE's Environmental Policy. Compliance with such provisions shall be the obligation of the CONCESSIONAIRE in connection with the projects for which it shall bear environmental responsibility.

For all purposes of liability and obligations, the CONCESSIONAIRE shall be responsible for the civil remediation of environmental liabilities arising after the assumption of SYSTEM OPERATION. In addition to the obligations related to the legality of the operations, good practices in the use and preservation of natural resources shall also be commitments of the CONCESSIONAIRE.

The CONCESSIONAIRE shall enter into Commitment Terms with the competent environmental authorities and/or oversight bodies in compliance with the requirements established pursuant to Article 44 of Federal Law No. 11,445/2007, as amended by Federal Law No. 14,026/2020, and shall also be aligned with the performance measurement mechanisms for purposes of verification of its environmental compliance in accordance with EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS. It should also be noted that the CONCESSIONAIRE shall comply with the recommendations and requirements issued by the environmental authorities and/or inspecting bodies for the follow-up and monitoring of the actions and measures proposed in the Commitment Terms.

The most up-to-date environmental licenses may be consulted at the websites of the environmental authorities: <https://mobile.semace.ce.gov.br/consultaProcesso>

8.1 ENVIRONMENTAL LICENSING PROCESS

The environmental licensing process for the SYSTEM comprises, on the part of the CONCESSIONAIRE, the submission to the competent environmental authority of the request for issuance of the relevant license according to the phase of the project and the coverage area. It may involve the application for a Preliminary License (LP), Installation License (LI), Installation and Operation License (LIO), Operating License (LO), and renewal of the LI, LIO, and LO, among others.

The licensing jurisdiction shall be determined considering the activity to be carried out, the scale of the project, the polluting potential, and the coverage area of the environmental impact to be generated. Accordingly, the licensing may be required at the federal (IBAMA), state (SEMACE), or municipal level (Municipal Department of the Environment), in accordance with the powers and duties established by the legislation in force.

The CONCESSIONAIRE shall be responsible for compliance with the environmental conditions at all licensing stages of the projects under its environmental



responsibility, including all corresponding costs. As regards conditions for which no deadlines are established in the license, compliance therewith shall be assessed on a quarterly basis; therefore, if any condition is not complied with within the period established for measurement of the IRA Indicator, as described in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, the license shall be deemed not complied with.

The environmental conditions relating to the systems operation shall be complied with by the CONCESSIONAIRE as from the assumption date of the definitive operation, even if title remains under CAGECE's responsibility.

The licenses for the SYSTEM under implementation by the STATE, CAGECE, or the MUNICIPALITIES shall be filed by the party responsible for the work, who shall remain identified as responsible before the environmental authority until completion of the work. Once implementation of the work is completed and the application for the Operating License has been filed, responsibility for processing the application, obtaining the respective LO, and complying with the applicable conditions shall be transferred to the CONCESSIONAIRE, pursuant to item 4.2.1 of this EXHIBIT.

Where an LO or LIO has already been issued in the name of the party responsible for the work, the CONCESSIONAIRE shall directly adopt the necessary measures for transfer of title before the environmental authority, and CAGECE or the party responsible for the work shall refrain from creating obstacles and shall provide all necessary documentation.

The CONCESSIONAIRE shall implement an environmental management and monitoring system for the SYSTEM, including registration of licenses, authorizations, and permits, as well as a description of the conditions and their respective compliance deadlines under the environmental licenses, with the availability of a monitoring module for CAGECE, and such system shall be compatible and integrated with CAGECE's environmental licensing system, in compliance with CAGECE's internal standards and rules.

The CONCESSIONAIRE's environmental management and monitoring system shall monthly feed the information and documents required in CAGECE's environmental licensing system, thus allowing CAGECE to monitor, manage, and inspect environmental compliance in the provision of wastewater services. The deadline for implementation of such system shall be up to 6 months as from the commencement of SYSTEM OPERATION.

8.2 ENVIRONMENTAL LICENSES AND AUTHORIZATIONS

For purposes of environmental compliance, all infrastructure and activities under implementation and/or operation by the CONCESSIONAIRE shall comply with the legal requirements for licenses, authorizations, certifications, registrations, and permits required at the federal, state, and municipal levels, including maintenance of the validity of this set of documents and of the respective guidelines (such as technical conditions and validity requirements).

The CONCESSIONAIRE shall be responsible for obtaining, controlling, and monitoring all applicable environmental licenses and authorizations for the infrastructure under its operation, also encompassing the regularization of the existing units with respect to the expansions of the EXISTING SYSTEM. The CONCESSIONAIRE shall also comply with Resolution No. 02/2017 of the State Environmental Council (COEMA), which provides for the standards and conditions for discharge of liquid effluents generated by polluting sources, or any updates thereto.

At the end of the SYSTEM ASSISTED OPERATION period, all licenses and permits pertaining to the SYSTEM shall be transferred to the CONCESSIONAIRE.

Upon expiration of the contract, the CONCESSIONAIRE shall deliver the facilities in full environmental compliance, with licenses and permits valid for a minimum period of 6 (six) months, or with the relevant renewal application having been filed within the legal period, including proof of compliance with all environmental conditions satisfied during the period.

8.2.1 Renewal

Upon transfer of operational responsibility, the CONCESSIONAIRE shall submit the request for change of title of all existing licenses, authorizations, or permits.

As from such act, renewal of such licenses and maintenance of their respective validity shall be the sole responsibility of the CONCESSIONAIRE.

8.2.2 Infrastructure Expansion

Environmental compliance of the EXISTING SYSTEM expansion shall be the sole responsibility of the CONCESSIONAIRE, which shall be responsible for compliance with the environmental legislation in force and environmental studies, where applicable.



8.3 WATER USE PERMIT PROCESS

The practice of discharging treated effluents is regulated by the legislation governing permits for effluent discharge.

The CONCESSIONAIRE shall be responsible for compliance with the applicable conditions at all stages of obtaining the discharge permit for the projects under its environmental responsibility, including observance of the relevant renewal period, in accordance with the legislation in force.

8.4 LEGISLATION AND STANDARDS IN FORCE

The CONCESSIONAIRE shall be responsible for full compliance with all environmental standards and legislation in force at the federal, state, and municipal levels.

The CONCESSIONAIRE shall prioritize alternatives that minimize the environmental impacts generated and the respective compensation and compensatory measures associated therewith. The CONCESSIONAIRE shall be responsible for the execution and monitoring of the environmental compensation associated with the projects under its responsibility.

8.5 SOCIO-ENVIRONMENTAL RESPONSIBILITY AND GOOD PRACTICES

The CONCESSIONAIRE shall prepare, submit to the GRANTING AUTHORITY for approval, and implement an Environmental Management System (EMS) program for the works and actions necessary for fulfillment of the CONTRACT, the duration of which shall correspond to the term of the CONCESSION, observing, for such purpose, ABNT NBR ISO 14001.

Within the scope of the Environmental Management System (EMS), subprograms aimed at sustainable contractual execution and effective socio-environmental accountability shall be integrated. For such purpose, the CONCESSIONAIRE shall implement, at least, the following subprograms:

- i. Environmental education subprogram, comprising awareness actions for the adoption of environmentally appropriate practices in the execution of activities, inside and outside the work environment, including themes intended to train and raise awareness among employees regarding the other programs referred to in this

subclause, which shall be implemented by the CONCESSIONAIRE by the end of the third year of the CONCESSION;

- ii. Energy efficiency subprogram, comprising incentives for the use of renewable energy and high energy-efficiency equipment, which shall be implemented by the CONCESSIONAIRE by the end of the third year of the CONCESSION;
- iii. Subprogram for reduction of water consumption in operations, comprising incentives for the use of reuse water, which shall be implemented by the CONCESSIONAIRE by the end of the third year of the CONCESSION;
- iv. Subprogram for preservation of the water sources used for water supply and wastewater discharge, which shall be implemented by the CONCESSIONAIRE by the end of the third year of the CONCESSION;
- v. Subprogram for reduction and proper management of waste, especially that arising from works and from system operation, with attention to the reverse logistics of construction materials and comprising incentives for the use of recycled or recyclable inputs, in addition to environmentally sustainable inputs, which shall be implemented by the CONCESSIONAIRE within up to 12 (twelve) months after the commencement of SYSTEM OPERATION; and
- vi. Subprogram for control, improvement, and effectiveness of the Environmental Management System as a whole, comprising implementation actions, continuous monitoring, accountability, and identification of opportunities for improvement, which shall be implemented by the CONCESSIONAIRE by the end of the third year of the CONCESSION.

Furthermore, with respect to the proper management of solid waste, the CONCESSIONAIRE shall:

- i. Submit the Construction Waste Management Plans – PGRCC, approved by the respective environmental authority conducting the licensing of the project/work, and in accordance with the Terms of Reference for the Preparation of the Construction Waste Management Plan (PGRCC) for CAGECE's Works. In addition, it shall submit, every six months, the Waste



Movement Declarations obtained through the National Information System – SINIR on Solid Waste Management.

- ii. Submit the Solid Waste Management Plans – PGRS, approved by the respective environmental authority competent for licensing the project, after commencement of its operation. In addition, it shall submit, every six months, the Waste Movement Declarations obtained through the National Information System – SINIR on Solid Waste Management.

The Environmental Management System (EMS) shall also be aligned with national and international good environmental practices, including:

- iii. Prepare and maintain an internal training program for its employees regarding the proper use of resources, aimed at reducing the consumption of electric power and water, and the generation of solid waste.
- iv. Make rational use of water and train its personnel regarding the proper use of water, avoiding waste.
- v. Establish quality requirements for the acquisition and use of equipment and practices that promote the reduction of water and energy consumption, also encouraging energy efficiency.
- vi. Carry out periodic maintenance on its electrical devices and equipment.
- vii. Train its personnel regarding the rational use of inputs.
- viii. Use materials and equipment of quality and extended useful life, in order to minimize the generation of solid waste.
- ix. Implement good practices to promote the importance of services provision in basic sanitation, especially in systems located in environmental/permanent preservation areas.
- x. Undertake efforts in the management and handling of solid waste, observing the following order of priority: non-generation, reduction, reuse, recycling, treatment of solid waste, and environmentally appropriate final disposal of rejects.
- xi. Promote the use of recycled and recyclable materials and environmentally appropriate technologies in the procurement of inputs and equipment, and in works and engineering services, based on the sustainable procurement guidelines of ISO 20400.
- xii. Ensure the implementation and management of the Solidary Selective Collection Program, with the purpose of directing its waste to recycling, in accordance with the Commitment Term executed with the Government of the State of Ceará.



- xiii. Carry out a four-year inventory of the management of the solid waste generated, so as to comply with the guidelines of the National and State Solid Waste Policies.
- xiv. Use high energy-efficiency equipment, building automation, renewable energy sources, low thermal absorption materials, and other strategies for the rational use of electric power in administrative, commercial, and operational buildings.

In observance of good environmental practices, the CONCESSIONAIRE shall prepare and submit to the GRANTING AUTHORITY, on an annual basis, a Greenhouse Gas (GHG) Inventory, for purposes of calculating and quantifying all emissions, in carbon dioxide equivalent, to be neutralized, considering the activities carried out by the CONCESSIONAIRE in execution of the CONTRACT during the previous year.

Lastly, the CONCESSIONAIRE shall prepare and submit to the GRANTING AUTHORITY, on an annual basis and/or upon request, information related to sustainability, in order to support institutional reports, as provided for in CVM Resolution No. 193/2023, as subsequently amended, and in the other applicable laws and regulations.

9. GENERAL OBLIGATIONS OF THE CONCESSIONAIRE

For the full functioning of the CONTRACT, in addition to the obligations relating to Investment and to Operation and Maintenance of the SYSTEMS, there are other obligations not directly related to services provision that shall be observed by the CONCESSIONAIRE and are essential for execution of the CONTRACT.

The general obligations of the CONCESSIONAIRE, in addition to those contained in the CONTRACT and in this EXHIBIT, are:

I - Develop, with a view to execution of the services, management practices and models in accordance with international standards and norms, so as to ensure that the needs of all USERS are understood, accepted, and fulfilled, by providing structures and services in a consistent manner and with a high level of quality.

II - Be bound by the provisions of the CONTRACT, the TENDER NOTICE, and the other EXHIBITS, its COMMERCIAL PROPOSAL, the legislation in force, the applicable regulations, and the other Brazilian technical standards in force, at the federal, state, and municipal levels, with respect to execution of the Object of this TENDER NOTICE;



III - Keep its technical qualifications and licenses before the responsible authorities up to date;

IV - Consult CAGECE and obtain its express authorization, during the ADMINISTRATIVE CONCESSION, to carry out any change or inclusion of services within the scope of the ADMINISTRATIVE CONCESSION or any change to the equipment required under the TENDER NOTICE and its EXHIBITS, proceeding with the financial rebalancing of the contract in favor of CAGECE or of the CONCESSIONAIRE, if necessary;

V - Provide any clarifications requested from it and promptly address complaints regarding its services, remedying them in the shortest possible time;

VI - Immediately communicate in writing to CAGECE any irregularity identified, including of an operational nature, so that the necessary remedial measures may be adopted;

VII - Keep the facilities and equipment related to execution of the service in perfect conditions of use;

VIII - Acknowledge that it is the sole and exclusive party responsible for any damage or loss it may cause to CAGECE, to any third party's property or assets, or to any third party person, as a result of execution of the subject matter, or for damage arising from any conduct of its employees while on duty, and shall bear, at its own expense and without any burden to CAGECE, any reimbursement or indemnification that such damage or loss may entail;

IX - Fully comply with the CONTRACT, in accordance with the legal and regulatory provisions, as well as with CAGECE's determinations, as issued from time to time;

X - Comply with the requirements, recommendations, or observations made by CAGECE, within the periods established in each case;

XI - Maintain, throughout execution of the CONTRACT, all qualification and technical qualification conditions necessary for the continuity of the Investments and of SERVICES provision;

XII - Replace, within a maximum period of 72 (seventy-two) hours, counted from receipt of written notice from CAGECE to such effect, any officer, employee, assistant, agent, subcontractor, or any third party retained for execution of the SERVICES who is infringing the regulatory standards, any legal provision, or the provisions set forth in the CONTRACT;

XIII - Be liable before CAGECE and third parties for all acts and events within its competence, especially for any negligence and failures regarding obligations arising from the ADMINISTRATIVE CONCESSION;

XIV – Maintain and restore, in good operating, conservation, and safety condition, at its own expense, the assets necessary for services provision that form part of the ADMINISTRATIVE CONCESSION, throughout the term of the CONTRACT;

XV - Carry out the investments and execute the SERVICES, satisfying the conditions of regularity, continuity, efficiency, up-to-dateness, universality, comfort, hygiene, and courtesy;

XVI - Comply with the criteria, PERFORMANCE INDICATORS, and quality parameters for services provision set forth in the CONTRACT and its EXHIBITS;

XVII - Reimburse CAGECE for all disbursements arising from judicial determinations of any nature for satisfaction of obligations originally attributable to the CONCESSIONAIRE, including labor claims brought by employees or third parties connected to the CONCESSIONAIRE, as well as damages caused to customers and to control and inspecting bodies;

XVIII - Comply, with respect to its employees, with the legal requirements of labor, social security, occupational safety, and occupational medicine legislation.

XIX - Comply with the applicable environmental legislation and regulations at the federal, state, and municipal levels;

XX - Promote educational, informative, and operational campaigns for the proper fulfillment of the obligations undertaken in this CONTRACT, subject to CAGECE's prior approval;

XXI - Update annually and submit to CAGECE the inventory and records of the assets linked to this ADMINISTRATIVE CONCESSION;

XXII - Whenever served with process or notified of any judicial action or administrative proceeding that may result in liability for CAGECE, the CONCESSIONAIRE shall immediately inform CAGECE thereof, including the procedural terms and deadlines, and shall use its best efforts in the defense of the common interests, taking all appropriate procedural measures for such purpose. CAGECE may avail itself of any procedural instrument of third-party intervention;

XXIII - Prepare, jointly with CAGECE, an emergency communication plan for the events in which any occurrence may impair the SERVICES and/or the USERS.

XXV - Make available employees in the quantity necessary for services provision.

XXVI - Make available labor previously trained for the function, periodically promoting, at its own expense, general and specific training for the entire work team.



XXVIII - Keep the facilities and equipment related to execution of the service in perfect conditions of use.

XXX – Deliver to CAGECE, within a maximum period of 2 (two) years, all plans, projects, studies, and programs requested in these specifications that do not have pre-established deadlines.

9.1 LEGISLATIVE PROVISIONS

9.1.1 Federal and State Basic Sanitation Legislation

The CONCESSIONAIRE shall observe the following legal instruments:

a. The principles and guidelines set forth in Federal Law No. 11,445/2007 and, further, in Regulatory Decrees No. 7,217/2010, all of which provide for the basic sanitation policy, as amended from time to time.

9.1.2 General Legislation

The systems shall be operated in compliance with federal labor and occupational safety legislation.

The discharge of effluents from the wastewater treatment plants shall comply with CONAMA Resolution No. 430/2011, COEMA Resolution No. 02/2017, and any subsequent amendments thereto.

The guidelines set forth in State Complementary Law No. 162, dated June 20, 2016, which establishes the State Water Supply and Wastewater Policy of the State Government, State Complementary Law No. 247, dated June 18, 2021, which establishes, in the State of Ceará, the water and wastewater microregions of the west, center-north, and center-south, and their respective governance structures, as well as other related state legislation, shall be observed.

9.1.3 Municipal and/or Microregional Water and Wastewater Plans

The contractual rules shall be compatible, for each municipality, with the provisions of the respective Municipal and/or Microregional Water and Wastewater Plan, in the chapters relating to wastewater.

9.1.4 Rules and Resolutions of the Regulatory Entity

The requirements established by the Regulatory Agencies shall be complied with.

Upon publication of Federal Law No. 14,026, dated July 15, 2020, which amended Federal Law No. 11,445/2007, the National Water and Basic Sanitation Agency (ANA) became competent to issue reference standards for the regulation of public basic sanitation services by their holders and their regulatory and inspecting entities.

At the State level, the requirements established by the Regulatory Agency of the State of Ceará (Arce), established by State Law No. 14,394, dated July 7, 2009, as regulator of the services operated by CAGECE, namely Water Supply and Wastewater, shall be complied with. It is incumbent upon Arce, following the publication of ANA's Reference Standards, to publish its respective regulations in accordance with such standards. In January 2024, Arce became the sole Regulatory Entity for the water supply and wastewater services of the 184 Ceará MUNICIPALITIES, as regulated by Resolutions No. 1/MRAE-1/2023, No. 1/MRAE-2/2023, and No. 1/MRAE-3/2023, dated November 27, 2023.

The CONCESSIONAIRE shall comply with the current Arce Resolution No. 130/2010 and its updates and/or any resolutions that may replace it, which establishes the general conditions for the provision and use of public water supply and wastewater services, as well as any other future resolutions and standards establishing new conditions and/or targets for the proper provision of basic sanitation services.

9.2 GOVERNANCE PRACTICES AND ACCOUNTING BOOKKEEPING

The CONCESSIONAIRE shall observe good Corporate Governance practices, in accordance with the guidelines of the Brazilian Institute of Corporate Governance - IBGC, with the presentation of standardized accounts and financial statements, in accordance with the accounting standards and practices adopted in Brazil, as well as with the regulations of the Securities and Exchange Commission – CVM.

The CONCESSIONAIRE shall ensure that its actions are guided by the expected socio-environmental and economic return for the wastewater services, which guide the public interest involved. To that end, the principles of Corporate Governance shall foster and contribute to the achievement of the objectives of the Administrative Concession.

The CONCESSIONAIRE and CAGECE may agree upon the creation of other governance mechanisms throughout the CONCESSION.



The CONCESSIONAIRE is prohibited from adopting measures or issuing decisions that contradict or amend the provisions of the TENDER NOTICE or the CONTRACT, or that otherwise exceed the purpose of the subject matter of this contracting.

The CONCESSIONAIRE shall maintain the accounting records of all operations in accordance with the standards applicable to Publicly-Held Companies;

The CONCESSIONAIRE shall submit to CAGECE and publish, in accordance with law, its accounting and financial statements, accompanied by the report of an independent audit firm, in compliance with Law No. 6,404/76 and its subsequent amendments, the applicable CVM resolutions, or the rules that may succeed such legal instruments, highlighting the following information relating to the fiscal year ended on December 31 of the previous year:

- a) Related-Party Transactions;
- b) Management Report;
- c) Depreciation and amortization of the CONCESSIONAIRE's assets, whenever the accounting standard determines that the registration and accounting recognition of the reversible assets shall be carried out by the CONCESSIONAIRE;
- d) Provision for contingencies (labor, civil, tax, environmental, administrative, etc.);
- e) Opinion of the external auditors and of the fiscal council, if any;
- f) Statement by the CONCESSIONAIRE regarding its fully paid-in capital stock and any changes in its corporate structure;

The CONCESSIONAIRE shall be required to disclose Related-Party Transactions, in accordance with Article 247 of Law No. 6,404/76:

- a) such disclosure shall be made in the notes to the financial statements, subject to the condition that sufficient details be provided to identify the Related Party(ies) and any essential conditions inherent to the transactions referred to;

The CONCESSIONAIRE shall submit an analytical trial balance demonstrating its monthly accounting and financial position, within 10 business days counted from the last day of the month.

The CONCESSIONAIRE shall submit quarterly, within up to 45 days after the end of each quarter, the standardized financial statements, in accordance with Article 31, item II, of CVM Instruction No. 202/93 80/22, and subsequent amendments.

The CONCESSIONAIRE shall keep the inventory and the records of the Concession Assets updated, as provided for in the applicable legislation and regulations;

Whenever served with process or notified in any judicial action or administrative proceeding that may result in liability for CAGECE, the CONCESSIONAIRE shall immediately inform CAGECE thereof, including the applicable procedural terms and deadlines, and shall use its best efforts in the defense of the common interests, taking all appropriate procedural measures for such purpose. CAGECE may avail itself of any procedural instrument of third-party intervention.

9.3 INFORMATION REQUESTS

In compliance with the requirements imposed by federal, state, and/or municipal bodies and entities, the CONCESSIONAIRE is obliged to:

- I. Carry out the management of data (operational, commercial, financial, technical, administrative, among others), including the collection, critical analysis, and validation thereof;
- II. Comply with the guidelines and parameters established by such bodies and entities, as well as by CAGECE;
- III. Structure data collection in accordance with CAGECE's Corporate Geography and the existing information systems;
- IV. Make available statistics, indicators, and other relevant information for the characterization of demand;
- V. Make data and information available monthly to CAGECE's requesting areas, or in such periodicity as may be required by the GRANTING AUTHORITY, ensuring quality and consistency, as well as compliance with the applicable deadlines. The data and information shall be made available in the format indicated by CAGECE, depending on the requesting area;
- VI. Provide annual information to CAGECE's requesting areas, ensuring quality and consistency, as well as compliance with the applicable deadlines;
- VII. Provide the clarifications requested by CAGECE; and
- VIII. Ensure information security, in compliance with the applicable rules and legislation, especially the LGPD.



9.4 INSPECTION

For inspection purposes, and without prejudice to the contractual provisions, the CONCESSIONAIRE is obliged to:

- i. Provide the information and clarifications requested by CAGECE, the REGULATORY AGENCY, or the INDEPENDENT VERIFIER, ensuring them access, at any time, to all premises of the operational structures and headquarters, as well as to employee and vehicle documentation.
- ii. Clarify and seek to remedy the complaints, requirements, or observations made by CAGECE, within the deadlines established in each case.
- iii. Provide CAGECE, the REGULATORY AGENCY, and the INDEPENDENT VERIFIER with any and all documents and information relevant to the CONCESSION, allowing inspection and the performance of audits.
- iv. Implement and make available software aimed at the management of and provision of information on the CONCESSION, which shall be compatible with the systems of the GRANTING AUTHORITY, as well as enable, by means of a RESTful API, the customized export of data and access by the duly authorized professionals of the GRANTING AUTHORITY, always in compliance with the GRANTING AUTHORITY's information security and technology policy and with the General Data Protection Law.
- v. In the event of audit or verification processes conducted by control and regulatory bodies, or any inspection processes conducted by CAGECE or a third party authorized by it, facilitate and make available access to the relevant information and documentation.

9.5 OBLIGATIONS REGARDING HUMAN RESOURCES

The CONCESSIONAIRE shall implement, by the end of the 12th (twelfth) month counted from the commencement of SYSTEM OPERATION, a Human Resources Policy, containing, but not limited to, the following items:

- i. a code of conduct for workers and outsourced personnel, based on ethical principles, including the promotion of diversity and inclusion and awareness of discriminatory or violent practices inside and outside the work environment;



- ii. continuous training and qualification programs for all employees, including outsourced workers, with a focus on themes related to diversity and inclusion, aligned with the code of conduct;
- iii. procedures to ensure and promote, with respect to positions of the CONCESSIONAIRE and its subcontractors, equal opportunities in relation to gender, race, and other factors of discrimination or inequality;
- iv. a program for the promotion of gender, racial, disability, and LGBTQIAP+ diversity, containing an appropriate and recognized methodology comprising stages of census-taking, publicity, engagement, recruitment, training, talent retention, and career advancement;
- v. programs to support the mental health of employees, with emphasis on those belonging to historically vulnerable groups, aimed at promoting employee engagement and good performance;
- vi. establishment of accessible mechanisms for consultation, complaints, and reporting by workers, including outsourced personnel. Such mechanisms shall be widely publicized and shall ensure the anonymity of users, addressing issues such as discrimination and moral, sexual, or physical harassment; and
- vii. isonomy on working conditions in all activities of the CONCESSION.

Furthermore, with respect to the CONCESSIONAIRE's employees, it shall:

- i. Assume full and exclusive responsibility for any burden or charges related to its employees in the services provision that are the subject matter of the CONTRACT, whether arising from labor, social security, and/or environmental legislation, including indemnities for accidents, illnesses, or others of a professional and/or occupational nature.
- ii. With respect to its own workforce, assume full responsibility for timekeeping control, discipline, and compliance with all labor, tax, and social security obligations, including those arising from accidents, indemnities, fines, insurance, public health standards, and labor regulations.
- iii. Strictly comply with occupational safety and occupational medicine standards, in accordance with the legislation in force, always aiming at reducing risks to the safety and health of employees and preventing workplace accidents.

- iv. It is the CONCESSIONAIRE's responsibility to ensure that the team selected to perform the services covered by the CONTRACT fulfills the following requirements:
- Qualifications required for the position.
 - Compliance with the legal requirements (licenses, certificates, legal authorizations, etc.) for performance of the position.
 - Sufficient knowledge for the proper services provision that are the subject matter of the CONTRACT.
- v. Present, whenever requested, proof of payment of employees' remuneration, benefits, and charges.
- vi. All personnel involved in the provision of the services that are the subject matter of the CONTRACT shall be duly uniformed and identified, demonstrating proper personal appearance, cleanliness, and hygiene.
- vii. Such personnel shall also wear, at all times, an identification badge with a recent photograph.
- viii. In the event of a strike affecting the services provision that are the subject matter of the CONTRACT, the CONCESSIONAIRE shall offer solutions ensuring continuity of the minimum essential services determined by the CONTRACT.
- ix. For all purposes contemplated in this document, the responsibility arising from subcontracted work shall rest with the CONCESSIONAIRE, as shall the respective costs, whenever the strike concerns any claim by the personnel responsible for the provision of the CONCESSIONAIRE's services.

Lastly, the CONCESSIONAIRE shall reserve positions in its workforce to be filled by persons with disabilities, pursuant to Article 93 of Federal Law No. 8,213/1991, and shall also be obliged to comply with the other specific rules regarding reserved positions for persons with disabilities, social security rehabilitated persons, and apprentices.

9.6 SAFETY, HEALTH, AND PREVENTION OF OCCUPATIONAL RISKS

- i. The CONCESSIONAIRE shall have technical professionals responsible for occupational safety and occupational medicine in a quantity compatible with the needs, and such professionals shall establish the guidelines necessary for compliance with the rules in force on this matter. The implementation of prevention policies shall be the sole responsibility of the CONCESSIONAIRE.
- ii. The CONCESSIONAIRE shall provide the medical examinations and, where necessary, the supplementary examinations required under the rules in force,



every 12 (twelve) months or within shorter periods in the cases provided for in the specific legislation applicable to a given category.

- iii. The CONCESSIONAIRE shall maintain employees and/or service providers deemed fit for the function performed under the CONTRACT, promoting their replacement whenever necessary or requested.
- iv. Instruct its employees as to the need to comply with the Occupational Safety and Occupational Medicine Rules.
- v. Provide personal protective equipment (PPE) and collective protective equipment (CPE) to all direct employees and service providers, including: (a) periodically requesting and keeping on file the records of delivery of PPE, containing approval certificate numbers, names, signatures, description of the PPE provided, among other information, at its units; (b) requesting the training records required by the legislation in the area of occupational health and safety; and (c) recording all actions referred to in items (a) and (b), as well as the measures adopted in the event irregularities are identified.
- vi. “Operating Protocols for Prevention of Occupational Risks” shall be established sufficiently in advance of the commencement of the services. Such Protocols shall incorporate instructions for the use of protective equipment appropriate to the activity to be carried out. The CONCESSIONAIRE shall be responsible for the acquisition and use of such equipment by its employees and/or service providers, and shall also be responsible for training personnel in the use of first-aid equipment, evacuation systems, fire protection systems, etc.
- vii. The CONCESSIONAIRE shall submit, whenever requested, a copy of the Occupational Health Medical Control Program – PCMSO and the Risk Management Program – PGR, containing, at a minimum, the items set forth in Regulatory Standards NR-1, NR-7, and NR-9, respectively, of Ordinance No. 3,214, dated 06/08/78, of the Ministry of Labor and Social Security, as required by Federal Law No. 6,514, dated 12/22/77.
- viii. The CONCESSIONAIRE shall maintain records of pre-employment, periodic, termination, change-of-function (if necessary), supplementary examinations, and return-to-work examinations in cases of leave due to illness exceeding 15 (fifteen) days and/or when involving return after an accident, as provided for in NR 7, which forms part of Ordinance No. 3,214 of 06/08/78, as amended.
- ix. The CONCESSIONAIRE shall maintain occupational safety and health records, as provided for in NR 32 of the Ministry of Labor and Employment, which forms part of Ordinance No. 3,214 of 06/08/78, as amended.
- x. The CONCESSIONAIRE shall be responsible for establishing and implementing an “Emergency/Contingency Plan” for possible nonconformities, such as in energy



supply, gas, steam, equipment breakdown, strikes, and others, ensuring the continuity of the services. The Emergency and Contingency Plan shall include, among others:

- Fire Evacuation Plan, including evacuation drills and subsequent evaluation, which shall measure the adequacy of the team's level of training and knowledge of the measures to be taken;
 - Alternative work arrangements, with a view to ensuring the proper continuity of the services provided. The Emergency and Contingency Plan shall be updated annually, adapting to the obligations and guidelines imposed by the rules in force, new technologies, among others.
- xi. The CONCESSIONAIRE may be inspected by CAGECE at any time to ensure compliance with occupational safety and occupational medicine standards.
- xii. The CONCESSIONAIRE shall implement and maintain, by the end of the second year of the CONCESSION, an Occupational Health and Safety Management System, based on ABNT NBR ISO 45001 standards, with the purpose of promoting a culture of prevention of accidents and occupational diseases, as well as better working conditions. This program shall include training, awareness, and continuous improvement actions regarding working conditions, aimed at ensuring the health and well-being of all its employees.

The CONCESSIONAIRE shall consult the authorities of the MUNICIPALITIES, Police, Fire Department, Civil Defense, etc., for the definition of its strategies relating to environmental safety, especially with respect to the preparation of the Emergency and Contingency Plan.

9.7 LAND TENURE REGULARIZATION

The CONCESSIONAIRE shall, prior to the end of the SYSTEM ASSISTED OPERATION, survey with CAGECE the existing documentation relating to the properties associated with the provision of the services that are the subject matter of the CONTRACT.

Part of CAGECE's assets that shall be transferred to the management of the CONCESSIONAIRE does not have regular title documentation, and it shall be the obligation of the CONCESSIONAIRE to structure and organize the documentation necessary for such regularization, subject to the consent of the GRANTING AUTHORITY.

The CONCESSIONAIRE shall submit, within up to 6 months after the commencement of SYSTEM OPERATION, the Regularization Plan for review and approval



by the GRANTING AUTHORITY, indicating the areas and the estimated periods for the regularization of each of them, with the target of full regularization of all areas within 5 (five) years, counted from approval of the Regularization Plan.

In cases of infrastructure expansion, the areas to be acquired by the CONCESSIONAIRE shall be regularized as to title, and any expropriations, creation of easements, and any other administrative restrictions necessary for the expansion shall be borne at the sole cost and under the sole responsibility of the CONCESSIONAIRE.

9.8 TECHNOLOGICAL ADVANCEMENTS AND ENVIRONMENTAL SUSTAINABILITY

The CONCESSIONAIRE shall incorporate the applicable technological advancements in the basic sanitation segment, in order to ensure continuous improvement in the quality and efficiency of the services provision under its responsibility.

Likewise, and without prejudice to the Environmental Management System and the subprograms to be developed by the CONCESSIONAIRE, it shall implement an environmental sustainability program in its operations, including, but not limited to, the concepts of energy efficiency, renewable energy, energy transition, decarbonization, and reduction of environmental impacts.

Considering its duty to contribute to CAGECE's competitiveness and sustainability through Research, Development and Innovation (R&D+I), the CONTRACTED PARTY shall be obliged:

- i. Ensure controlled and secure access to the physical and technological facilities of the systems that are the subject matter hereof, in order to enable the proper execution of Research, Development and Innovation (R&D+I) projects, subject to prior scheduling and alignment between the parties involved, in compliance with the established safety and confidentiality standards;
- ii. Make available technical data, effluent samples, and operational by-products for purposes of CAGECE's Research, Development and Innovation (R&D+I), subject to prior request and alignment between the parties involved, in compliance with the established safety and confidentiality standards;
- iii. Any and all requests made by educational institutions, private companies, universities, or Science and Technology Institutions (STIs) shall mandatorily be submitted to CAGECE for review and approval.
- iv. CAGECE shall assess the need to formalize institutional partnerships through appropriate instruments, such as technical cooperation agreements, partnership agreements, confidentiality agreements, or other relevant legal



instruments, with a view to safeguarding intellectual property and establishing the responsibilities of the parties involved in relation to R&D+I.

- v. Ensure, whenever available, the physical space necessary for the installation of equipment or implementation of new technologies in the operational units, whenever requested by CAGECE for the development of research;
- vi. Ensure, at no cost, the controlled supply of effluents at different treatment stages, process sludge under the required conditions, biogas generated in the units, and other by-products, whenever requested by CAGECE for research purposes;
- vii. Acknowledge that the CONCESSIONAIRE shall not hold intellectual property rights, commercial use rights, or economic exploitation rights over the results of the research developed by CAGECE, except where its participation or financial contributions are provided for in terms, agreements, partnership agreements, or similar documents.
- viii. Ensure that, for the R&D+I projects under development by CAGECE, the maintenance and operating conditions of the systems shall be preserved for the continuity and completion of the research.

9.9 COMPLIANCE

All activities of the CONCESSIONAIRE shall comply with the legislation in force, with particular emphasis on compliance with environmental legislation and on observance of the anti-corruption laws: Federal Law No. 12,846/2013, Federal Decree No. 11,129/2022, State Decree No. 33,951/2021, and any subsequent amendments thereto.

Within up to 3 (three) months counted from the commencement of SYSTEM OPERATION, the CONCESSIONAIRE shall submit a structured and implemented Integrity Program (Compliance), in line with the updated legal and regulatory guidelines, based on the guidelines of the Office of the Comptroller General – CGU, the Brazilian Institute of Corporate Governance – IBGC, and the parameters of CAGECE's Integrity Program.

The existence of the CONCESSIONAIRE's Integrity Program shall be assessed by the Company's Compliance area.

The CONCESSIONAIRE's Integrity Program shall contain internal guidelines, procedures, and institutional actions aimed at the prevention, detection, punishment, and remediation of fraud and acts of corruption, observing the following criteria:

- Standards of conduct, Code of Ethics, and Integrity Policies;



- Performance Indicators demonstrating the CONCESSIONAIRE's commitment to the Code of Conduct and to CAGECE's Integrity Program;
- Specific procedures for preventing fraud and unlawful acts, such as tax payments or the obtaining of authorizations and certificates;
- Periodic training on the Integrity Program (Compliance) for all employees;
- Compliance Risk Matrix or Integrity Breach Risk Matrix;
- Accounting records that completely and accurately reflect the transactions carried out under this contract;
- Internal Controls ensuring the reliability of the reports and financial statements required for the business;
- Reporting Channels and information flow;
- Disciplinary measures in the event of violation of the Integrity Program;

The CONCESSIONAIRE shall provide, on a quarterly basis, a Compliance Report demonstrating:

- The structure of the Integrity Program, indicating the parameters implemented under item III for mitigation of the risk of occurrence of the harmful acts set forth in Article 5 of Federal Law No. 12,846/2013;
- The functioning of the Integrity Program, with a record of data and concrete cases;
- Description of Relevant Facts and Warning Signs (*Red Flags*);
- Risk Matrix containing the main risk factors, their respective probabilities, and impacts;
- Results of the Integrity Program Performance Indicators (KPIs);
- Statement regarding periodic training on Integrity Topics;
- Receipt of Reports during the period and the respective handling thereof;

The information mentioned above shall be clear, intelligible, and consistent and shall contain, in addition to the listed items, the identification of the person responsible for preparing the report and the respective contact details.

The CONCESSIONAIRE shall be familiar with and implement effective actions for full compliance with CAGECE's Code of Ethics.

CAGECE may hold meetings and/or carry out periodic visits to the CONCESSIONAIRE's facilities in order to assess, *in loco*, the actions of the program and its risk management, including, but not limited to:

- Gathering and analyzing information, such as procedures, regulations, workflows, audit reports, court decisions, news reports, etc.;
- Interviews with personnel, surveys, discussion groups, etc;

The CONCESSIONAIRE shall maintain procedures for investigating reports, structuring the treatment of the identified irregularities, and applying the appropriate penalties and required reporting;

The CONCESSIONAIRE shall report to CAGECE any case of integrity breach involving any related stakeholder, such as cases of corruption, nepotism, conflicts of interest, ethical dilemmas, etc.

The CONCESSIONAIRE shall provide CAGECE with all information necessary for the performance of due diligence, for the purpose of verifying compliance with the applicable and required rules and regulations. The CONCESSIONAIRE shall commit to prepare an action plan whenever requested by CAGECE, with the purpose of ensuring transparency, integrity, and risk mitigation.

9.10 STRATEGIC AND OPERATIONAL RISK MANAGEMENT

All activities of the CONCESSIONAIRE shall comply with the legislation in force, with particular emphasis on compliance with Federal Law No. 13,303/2016, Federal Law No. 14,133/2021, State Decree No. 33,805/2020, and any subsequent amendments thereto.

The CONCESSIONAIRE shall annually submit a Risk Management report at the strategic and operational levels, setting forth:

- Risk Management Policy, defining the organization's methodology and risk appetite
- Risk Matrix
- Value chain



- Identification of strategic risks (by macroprocess) and operational risks (by process)
- Identification of the possible causes and consequences upon materialization of each risk, as well as of the existing controls for their prevention or detection (strategic and operational levels)
- Assessment indicating the risk levels, which risks require treatment, and the prioritization for implementation thereof (strategic and operational levels)
- Definition of responses to risks, in accordance with the risk appetite established for the processes and macroprocesses
- Monitoring and critical analysis plan (KRIs)

The information mentioned above shall be clear, intelligible, and consistent and shall contain, in addition to the listed items, the identification of the person responsible for preparing the report and the respective contact details;

CAGECE may hold meetings and/or carry out periodic visits to the CONCESSIONAIRE's facilities in order to assess, *in loco*, the actions reported, including, but not limited to:

- Gathering and analyzing information, such as procedures, regulations, workflows, audit reports, court decisions, news reports, etc.;
- Interviews with personnel, surveys, discussion groups, etc.

10. SERVICE TO CAGECE

Service to CAGECE shall be guided by excellence in the relationship, transparency, and ease of access for routine demands.

It shall also include a permanent communication strategy regarding the CONCESSIONAIRE's activities throughout the CONTRACT, reporting on works in progress, progress in the performance indicators, quality control reports on treated wastewater, maintenance operations affecting the routine of the services, and other information of interest to CAGECE.

As from the assumption date of the SYSTEM OPERATION by the CONCESSIONAIRE, uninterrupted telephone service shall be implemented and made available 24 (twenty-four) hours a day, every day of the year. Outside business hours, transfer of the service to another unit operating under the required schedule shall be permitted.



USER requests and complaints shall be registered in CAGECE's Commercial System. The CONCESSIONAIRE shall update the status of all services arising from such requests in CAGECE's Commercial Management System.

A deadline for execution of the requested service or for the outcome of the complaint shall also be provided, and the deadlines for execution of the services and resolution of complaints shall be those defined in the service regulations or the deadline agreed with CAGECE and/or the Regulatory Agency.

USER demands (requests, complaints, reports, suggestions, and compliments) registered through the OMBUDSMAN channels shall be addressed in accordance with the deadlines previously established in the workflows for handling Ombudsman demands and set forth in the relevant instruments (laws, decrees, internal rules, among others).

Any and all impediments to the handling of a customer request shall be formally communicated to CAGECE by correspondence, telephone, or e-mail.

The CONCESSIONAIRE shall record the operational and/or institutional data, as defined by the company for service to external bodies, as well as ensure the possibility of audits of the information from the standpoint of reliability and accuracy, considering CAGECE's various needs.

The CONCESSIONAIRE shall comply with CAGECE's current Visual Identity Manual and any updates thereto.

The CONCESSIONAIRE shall follow CAGECE's current communication guidelines and any updates thereto for interactions with customers/users through the media and social media channels proposed by CAGECE.

Any intention to use CAGECE's trademark or any graphic elements belonging to CAGECE in graphic pieces, communication materials, advertising campaigns, digital media, printed media, or any other means shall be previously submitted for CAGECE's approval and shall fully comply with the guidelines set forth in CAGECE's Visual Identity Manual, including any updates thereto over time.

The approval referred to in the preceding paragraph may be revoked, withdrawn, or limited by CAGECE at any time, regardless of the reasons therefor, by means of notice to be sent to the CONCESSIONAIRE.

In any event, the CONCESSIONAIRE is strictly prohibited from making public statements, giving interviews, or disclosing information related to the object of the CONTRACT without CAGECE's prior and specific consent for such purpose.

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APPENDIX I - REFURBISHMENTS AND REPLACEMENTS TO BE CARRIED OUT IN THE FIRST 5 YEARS OF THE CONTRACT.

Municipality	Business Unit	Unit (trunk collector, force main, interceptor, outfall, pumping station, and WWTP)	Location (geographic location, address, or section)	Improvements (required with no allocated funding)	Data (length, power, and Q)
Acarape	UNBMO	Acarape WWTP	-	Need for general refurbishment of the plant (rehabilitation of slopes and curbs, removal of vegetation inside the pond and external vegetation, and construction of an outfall)	-
Acaraú	UNBAC	Santo Antônio Street trunk collector	Santo Antônio Street, section between Poetas Street and Col. Duca da Silveira Street (WPS-01)	Need to replace 500 meters of 300 mm piping	500m
Acaraú	UNBAC	WWTP	SDO Street (374879.00 m E / 9679865.00 m S)	Readjustment and relocation of the WWTP, as it is currently located in a Permanent Preservation Area (APP), in addition to not complying with the parameters required by COEMA 02/2017, since it does not have maturation ponds	-
Acopiara	UNBAJ	Wastewater Treatment Plant	6°06'39.3"S 39°27'22.7"W	Rehabilitation of the slopes of the facultative and maturation ponds; addition of an alternative treatment technology. Bathymetry and dredging of the ponds	-
Aracati	UNBBJ	Wastewater collection network (RCE)	José de Alencar Lane (arrival of WPS B)	Need to replace the section built with 600 mm concrete pipe	270m
Aracati	UNBBJ	Wastewater collection network (RCE)	Tabelião João Paulo Street (arrival of WPS D)	Need to replace the section built with 700 mm concrete pipe	127m
Aracati	UNBBJ	Wastewater collection network (RCE)	Duque de Caxias Street (arrival of WPS G)	Need to replace the section built with 700 mm concrete pipe	139m
Aracati	UNBBJ	Wastewater collection network (RCE)	Rui Barbosa / Capitão Miguel Street intersection	Need to replace the section built with 700 mm concrete pipe	40m

Municipality	Business Unit	Unit (trunk collector, force main, interceptor, outfall, pumping station, and WWTP)	Location (geographic location, address, or section)	Improvements (required with no allocated funding)	Data (length, power, and Q)
Aracati	UNBBJ	Wastewater collection network (RCE)	Paz Street, Paz Lane and José Freire do Nascimento Street	Wastewater collection network of the São Rafael WPS basin, received from the municipality	695m DN 100
Aracati	UN-BBJ	Outfall	-	Need to install the final outfall and prepare a project to define its length and routing	-
Aratuba	UNBMO	Aratuba WWTP	-	Need for refurbishment of the drying bed and contact tank, acquisition of a blower, maintenance of the stairs, and refurbishment of the fence	-
Barreira	UNBMO	Barreira WWTP	-	Need for general refurbishment of the plant (rehabilitation of slopes and curbs, removal of vegetation inside the pond and external vegetation, reconstruction of the grit chamber screening)	-
Barro	UNBSA	Wastewater Treatment Plant	7°09'27.28" S 38°47'00.21" W	Need for rehabilitation of the slabs and compaction of the slopes, especially in the facultative pond	-
Barroquinha	UNBSI	Bitupitá WWTP	CE 187	Compromised fence (rust), evapotranspiration basin with cracked structures, stabilization pond overtaken by mobile dune, WWTP without electric power and piped water	-
Beberibe	UNBML	Sítio Lucas WWTP	4°9'51.559"S 38°8'4.844"W	Need for general refurbishment of the plant (rehabilitation of slopes and curbs, removal of vegetation inside the pond and external vegetation, reconstruction of the entire fence around the pond, and construction of an outfall)	-
Campos Sales	UNBAJ	Wastewater Treatment Plant	7°03'42.8"S 40°22'14.8"W	Rehabilitation of the slopes of the facultative and maturation ponds, leakage in the distribution box. Addition of an alternative treatment technology. Bathymetry and dredging of the ponds	-

Municipality	Business Unit	Unit (trunk collector, force main, interceptor, outfall, pumping station, and WWTP)	Location (geographic location, address, or section)	Improvements (required with no allocated funding)	Data (length, power, and Q)
Catarina	UNBAJ	Wastewater Treatment Plant	6°08'03.9"S 39°53'24.2"W	Activation of the two facultative ponds, which requires their rehabilitation. Rehabilitation of the slopes of the active facultative pond and the maturation ponds. Bathymetry and dredging of the facultative pond. Change of the location of the final discharge point	-
Catarina	UNBAJ	Change of the final discharge point	6°09'07.5"S 39°51'57.0"W	The Unit is subject to an injunction issued in case No. 2008.0009.8870-3 ordering suspension of effluent discharge at the current point, which is located on the property of Ms. Antônia Lileide Nogueira. She blames the Company for discharging untreated wastewater near her residence, causing damage to her property, and discharge of effluent is prohibited until CAGECE provides a technical solution that does not harm the environment or the claimants. A penalty of R\$ 5,000 per day was established if the Treatment Plant discharges effluent at the current point	-
Crateús	UNBSC	Replacement and adjustment of the force main outfall	Section between WPS G1 and Revoltoso WWTP.	Need for replacement and resizing of the force main, replacement of more than 1,400 m of piping, inadequate material, and lack of air valves	1.400 m, 40 CV, e 85 L/s
Independência	UNBSC	Replacement and adjustment of the force main outfall	Section between WPS 01 and Independência WWTP.	Need for replacement and resizing of the force main, replacement of more than 4,000 m of piping, inadequate material, and lack of air valves	4000 m, 48,96 CV e 45,83 L/s
Iracema	UN-BBJ	WWTP	In the area of Iracema WWTP	Carry out intervention on the slopes of the ponds, as they present structural problems (infiltrations)	-
Itapipoca	UNBCL	WWTP-01	3°27'44.13"S 39°34'36.24"W	Desilting of the facultative pond	-

Municipality	Business Unit	Unit (trunk collector, force main, interceptor, outfall, pumping station, and WWTP)	Location (geographic location, address, or section)	Improvements (required with no allocated funding)	Data (length, power, and Q)
Itarema	UNBCL	WWTP-01	2°55'48.06"S 39°55'2.26"W	Desilting of the facultative pond	-
Jaguaribara	UN-BBJ	WWTP	In the area of Jaguaribara WWTP	Adjust infiltration trenches and construct an outfall	-
Jijoca de Jericoacoara	UNBAC	Wastewater collection network on Izauta Vasconcelos Street (100 mm)	Izauta Vasconcelos Street, section between Manoel Teixeira Street and Santa Luzia Street	Need to replace 70.00 meters of wastewater collection network from 100 mm diameter to 150 mm diameter in orange PVC	-
Jijoca de Jericoacoara	UNBAC	Wastewater collection network on Nazaré Vasconcelos Street (100 mm)	Nazaré Vasconcelos Street, section between Manoel Teixeira Street and Santa Luzia Street	Need to replace 70.00 meters of wastewater collection network from 100 mm diameter to 150 mm diameter in orange PVC	-
Massapê	UNBAC	Set of wastewater collection network sections received from the municipality that is non-compliant	Centro neighborhood of the municipality of Massapê (attached report contains the location information)	Need to deepen the network, install intermediate inspection manholes, and standardize the connections (approximately 790 connections)	5.000m 790 connections
Mauriti	UNBSA	Wastewater Treatment Plant	7°23'44.41" S 38°46'53.29" W	Need for total replacement of the WWTP, as approximately 90% of its slopes are compromised and it does not meet discharge standards	-
Mulungu	UNBMO	Mulungu WWTP	-	Need for new stairs for the UASB Reactor and FSA, maintenance of the equalization tower, refurbishment of the drying bed, reconstruction of the entrance fence, and acquisition of a blower and generator	-

Municipality	Business Unit	Unit (trunk collector, force main, interceptor, outfall, pumping station, and WWTP)	Location (geographic location, address, or section)	Improvements (required with no allocated funding)	Data (length, power, and Q)
Novo Oriente	UNBSC	Replacement and adjustment of the force main outfall	Section between WPS 01 and Novo Oriente WWTP.	Need for replacement and resizing of the force main, replacement of more than 3,000 m of piping, inadequate material, and lack of air valves, with a very long section and high elevation difference	3000 m, 88,4 CV, 60 MCA e 44,44 L/s
Ocara	UNBBA	Rehabilitation of the slopes of the stabilization ponds	Simão Lopes Avenue	Need for rehabilitation due to erosion of the ground	-
Palmácia	UNBMO	Palmácia WWTP	-	Need for new blowers and reactivation of the aerobic reactor, acquisition of 1 pump, and maintenance of the generator	-
Poranga	UNBSC	Replacement and adjustment of the force main outfall	Section between WPS 01 and Poranga WWTP.	Need for replacement and resizing of the force main, replacement of more than 800 m of piping, inadequate material, and lack of air valves	800 m, 30 CV e 23,6 L/s
Porteiras	UNBSA	WPS-01	7°32'04.48" S 39°06'52.57" W	The pumping station needs to be relocated, as it presents a risk of collapse	-
Quixadá	UNBBA	Transition box collector – Herval WWTP	João Nogueira Jucá Street	Need for replacement due to corrosion of the cast iron piping	DN 350 mm
Quixadá	UNBBA	Rehabilitation of Herval WWTP stabilization ponds	João Nogueira Jucá Street	The ponds currently operate as communicating vessels, and it is also believed that the seal may be compromised	-
Quixadá	UNBBA	Implement WPS in order to deactivate Campo Novo WWTP and interconnect it to Quixadá's new	São João Street – Campo Novo	Need to transfer wastewater treatment because Campo Novo WWTP does not comply with the environmental conditions	-

Municipality	Business Unit	Unit (trunk collector, force main, interceptor, outfall, pumping station, and WWTP)	Location (geographic location, address, or section)	Improvements (required with no allocated funding)	Data (length, power, and Q)
		WASTEWATER SYSTEM (Herval WWTP)			
Quixadá	UNBBA	Readjustment of Campo Novo wastewater collection network	Entire Campo Novo neighborhood	Networks with advanced age (more than 20 years), where many condominium networks still exist	-
Russas	UN-BBJ	WWTP	In the area of Russas WWTP	Need to carry out desilting of the ponds of the Russas WASTEWATER SYSTEM	-
Russas	UN-BBJ	Pumping Station	WPS 03	Adjust the area of WPS 03, carrying out landfill and raising the structures, and install the Generator Set	-
Russas	UN-BBJ	Pumping Station	WPS 06	Adjust the force main header of WPS 06, since the pumps currently do not operate independently	-
Russas	UN-BBJ	Wastewater collection network	In the Planalto Bela Vista neighborhood	Adjust the wastewater collection network, as in the Habitat Brasil development there are condominium networks at the back of lots	438m DN150
Russas	UN-BBJ	Wastewater collection network	Between Antônio Gonçalves Ferreira Street and WPS 01	In this section the network runs through private land and underneath properties	315m DN150
Saboeiro	UNBAJ	Wastewater Treatment Plant	6°32'37.6"S 39°54'22.9"W	A new treatment technology is required, as the current one, composed of decanter-digesters, is outdated and is not accepted by the environmental authorities and does not comply with current legislation	-

Municipality	Business Unit	Unit (trunk collector, force main, interceptor, outfall, pumping station, and WWTP)	Location (geographic location, address, or section)	Improvements (required with no allocated funding)	Data (length, power, and Q)
Salitre	UNBAJ	Wastewater Treatment Plant	7°16'41.1"S 40°27'26.3"W	Rehabilitation of the facultative and maturation ponds, which currently receive a small effluent contribution; the plant was sized to handle a flow rate above the current flow rate, and the ponds have never overflowed. It is therefore necessary to rehabilitate their seal. Addition of an alternative treatment technology. Rehabilitation of the grit chamber and the barbed-wire fence of the Treatment Plant area	-
São Benedito	UNBSI	São Benedito WWTP	Domingos Paiva Filho Street	Reactor 01 deactivated (structure gave way), facultative pond silted up, need to rehabilitate the access routes within the WWTP area	-
Tabuleiro do Norte	UN-BBJ	WWTP	Tabuleiro do Norte WWTP	The treatment of the Tabuleiro do Norte WASTEWATER SYSTEM is composed only of one facultative pond, undersized for current conditions, without a grit chamber and with serious structural problems	-
Tauá	UNBAJ	WPS-08	6°00'46.4"S 40°17'36.7"W	Adjustment of the pumping station structure for installation of new pumps: construction of a substation, improvement of the structure of the suction wells, the monorail, and the pumping station wall; replacement of the check valve. The current pumps do not meet demand, and it is necessary to install the standby pump and the generator	-
Tauá	UNBAJ	Wastewater Treatment Plant	6°01'38.5"S 40°17'42.1"W	Rehabilitation of the slopes of the facultative and maturation ponds; addition of an alternative treatment technology. Bathymetry and dredging of the ponds. Rehabilitation of the barbed-wire fence of the Treatment Plant area	-
Tianguá	UNBSI	Tianguá WWTP	Tianguá WWTP	Excess vegetation on the slopes and inside the maturation ponds; desilting of the pond is required	-
Viçosa do Ceará	UNBSI	Viçosa do Ceará WWTP	Sítio Gitó	Oversized blowers; replacement of the FSA carbon-steel mesh with perforated fiberglass plates	-

APPENDIX II - WORK EXECUTION STANDARD DEFINED BY CAGECE.

APPENDIX III – INFORMATION ON THE WASTEWATER COVERAGE INDEX AND THE PERCENTAGE OF PROPERTIES IN THE BASIC STANDARD

The table below sets forth the results of the wastewater coverage indexes in CAGECE's areas of operation, based on CAGECE's Commercial Records, for the Lots comprising the CONCESSION, for the February 2023 reporting period, in accordance with the methodology in force of the GRANTING AUTHORITY, in compliance with ANA Reference Standard No. 8/2024 and Resolution No. 12/2025 of the REGULATORY AGENCY.

Table – Results of CAGECE's Wastewater Coverage Indexes (%) in the Lots comprising the CONCESSION in February/2023.

DESCRIPTION OF THE INFORMATION	RESULTS (%)				
	LOT 1	LOT 2	LOT 3	LOT 4	LOT 5
WASTEWATER COVERAGE INDEX	22,58%	12,94%	26,19%	21,44%	31,43%

APPENDIX IV – MINIMUM MANDATORY ANNUAL QUANTITIES FOR THE EXECUTION OF INTRADOMICILIARY CONNECTIONS BY LOT.

Table – Minimum mandatory annual quantities for execution of intradomiciliary connections by the CONCESSIONAIRE per LOT, at no cost to the USERS.

LOT	2027	2028	2029	2030	2031	2032	2033	2034
1	1772	1727	2916	1508	1687	3518	7190	251
2	4316	1742	2805	1472	1609	2785	6224	190
3	3242	3060	5352	4465	1852	2259	9934	337
4	7183	5079	3722	4026	3646	4383	7973	371
5	2582	4332	4690	1991	1446	3854	5706	281

EXHIBIT V

GUIDELINES FOR THE PREPARATION OF THE INVESTMENT PLAN

1. PRESENTATION

This exhibit sets forth the guidelines, content, and minimum obligations that shall guide the preparation of the CONCESSIONAIRE'S INVESTMENT PLAN.

The purpose of the INVESTMENT PLAN is to present the planning of short-, medium-, and long-term investments during the period of execution of the expansion of the SYSTEM, and it shall set out in detail, for the 60 (sixty) months following the date of delivery of the INVESTMENT PLAN, the projects and works that will serve as the reference for the management of investments in the SYSTEM IMPROVEMENT WORKS.

The proposal for the first version of the INVESTMENT PLAN shall be submitted by the CONCESSIONAIRE within up to 120 (one hundred and twenty) days after the execution of the CONTRACT.

In preparing the first version of the INVESTMENT PLAN, the CONCESSIONAIRE shall detail and reconcile the investment planning for a period running from the execution of the CONTRACT until the end of the five-year term established for CAGECE'S STRATEGIC MANAGEMENT PLAN following the execution of the CONTRACT, even if such period exceeds 60 (sixty) months.

CAGECE shall have a maximum period of 30 (thirty) days to comment on the proposed INVESTMENT PLAN and provide its feedback to the CONCESSIONAIRE. Should CAGECE request amendments, the CONCESSIONAIRE shall resubmit it with the appropriate modifications within 15 (fifteen) days from CAGECE's request.

After the INVESTMENT PLAN is resubmitted, with any amendments and accompanied by the CONCESSIONAIRE's statement, CAGECE shall have a maximum period of 15 (fifteen) days for final approval of the INVESTMENT PLAN and, in the event of non-approval, shall notify the CONCESSIONAIRE, within such period, of the reasons that led to its decision.

Final approval of the first version of the INVESTMENT PLAN shall occur within a maximum period of up to 180 (one hundred and eighty) days, counted from the execution of the CONTRACT. If the INVESTMENT PLAN is not approved within the maximum period set forth in the CONTRACT, the ASSISTED OPERATION period shall be automatically extended for up to 90 (ninety) days, so that the definitive approval of the INVESTMENT PLAN may occur within the ASSISTED OPERATION extension period.

After approval of the first version of the INVESTMENT PLAN, it shall be periodically reviewed and updated throughout the execution of the CONTRACT. Such reviews and updates shall occur annually, and it shall be the CONCESSIONAIRE's responsibility to submit the new version of the INVESTMENT PLAN within a maximum period of 30 (thirty) calendar days, counted from the respective update to CAGECE's STRATEGIC MANAGEMENT PLAN carried out in the same year.

For procedural purposes, the first review of the INVESTMENT PLAN shall be submitted by the CONCESSIONAIRE within 30 (thirty) calendar days after the first review of CAGECE's STRATEGIC MANAGEMENT PLAN carried out after the lapse of 1 (one) year from the commencement of SYSTEM OPERATION.

If CAGECE's STRATEGIC MANAGEMENT PLAN is not updated after the lapse of 2 (two) years from the commencement of SYSTEM OPERATION, the CONCESSIONAIRE shall submit the first review of the INVESTMENT PLAN to the GRANTING AUTHORITY within 60 (sixty) calendar days, and the subsequent reviews shall be carried out on an annual basis, with such period always being counted from the date of submission of the last version of the document.

In any event, the reviews and updates shall detail the projects and works that will serve as the reference for the management of the investments planned for the 60 (sixty) months following the review, as well as include a comparative study between the results planned for the previous year and the results actually achieved, considering the previous version of the INVESTMENT PLAN.

In the procedures for review of the INVESTMENT PLAN, the PARTIES shall be granted successive periods of fifteen days for comments, requests for adjustments, and clarifications, always counted from receipt of the document, and the total period for approval of the review may not exceed 90 (ninety) days.

For purposes of transferring information for CAGECE's financial projections, when reviewing the INVESTMENT PLAN, the CONCESSIONAIRE shall submit the updated commercial and financial information resulting from the monitoring and progress of the investments, observing, at a minimum, the variables indicated in the "CAGECE FINANCIAL PLANNING INFORMATION SPREADSHEET" model and the variables contained in the BUSINESS PLAN. Such updating for the submission of information shall not give rise to any right to economic-financial rebalancing.

After approval of the INVESTMENT PLAN, including its reviews, any request for amendment shall be submitted to CAGECE for analysis and approval.

The CONCESSIONAIRE shall be solely and exclusively responsible for the preparation, implementation, and operationalization of the INVESTMENT PLAN.

2. INITIAL PROVISIONS

For the preparation of the INVESTMENT PLAN, the following documents shall be considered:

- I. Work Plan**
- II. CAGECE Investment Management Plan**
- III. CONCESSIONAIRE Investment Management Plan**
- IV. Execution Schedule**
- V. Universalization Schedule**

The WORK PLAN shall be submitted within 60 (sixty) days after execution of the CONTRACT.

The other documents shall be submitted concurrently with the INVESTMENT PLAN.

Even if the plans are approved, the conditions set forth in these documents may not prevail over the contractual conditions, nor may they be inconsistent with the conditions and indicators established in the CONTRACT.

All investments at any stage of the process, whether related to projects or implementation, shall fully comply with the legislation in force at the municipal, state, or federal levels, including ABNT standards, ANA reference standards, and the standards issued by the Regulatory Agency for Delegated Public Services of the State of Ceará – ARCE.

In its development, the INVESTMENT PLAN shall include an assessment of the existing documentation, including designs, environmental licenses, licenses and authorizations in general, as well as title to the areas to be used in the stages of implementation of the works.

3. MINIMUM CONTENT AND REQUIREMENTS

The INVESTMENT PLAN shall contemplate the EXECUTION SCHEDULE for the SYSTEM IMPROVEMENT WORKS ¹ and shall detail, at a minimum, the maintenance, refurbishment, improvement, and expansion actions for the infrastructure, notably with regard to deadlines and the quality of the products, for each of the MUNICIPALITIES of LOT [●], observing the provisions set forth in the CONTRACT.

At this stage, the activities to be carried out shall be indicated, and the deadlines for approval by the agencies involved shall be observed in the EXECUTION SCHEDULE.

In addition, the INVESTMENT PLAN shall contemplate the submission of information for CAGECE's financial projections, including, at a minimum, the variables indicated in the "CAGECE FINANCIAL PLANNING INFORMATION SPREADSHEET" and the variables contained in the BUSINESS PLAN:

- Information on CAPEX, quantities, and amounts;
- Information on commercial and financial quantities and amounts, projections of the population and of the variables of the coverage and service indexes, in accordance with the regulations of the National Water Agency (ANA) and of the subnational regulatory agency (including: total customer units, customer units covered, customer units served, wastewater service and coverage targets), indicators, quantities relating to COMMERCIAL MANAGEMENT services, etc., to be aligned with the proposed investments and the deadlines for their execution;
- List of Assets to be delivered to CAGECE, with quantities and amounts. With respect to the List of Assets to be delivered to CAGECE, the INVESTMENT PLAN shall observe the grouping proposed in the spreadsheet model. In addition, the information on the Assets shall contain the forecast date for commencement of operation, for purposes of projecting additions to the Regulatory Asset Base, write-offs, depreciation, and amortization.

¹ Execution, under the responsibility of the CONCESSIONAIRE, of works in facilities and construction of infrastructure for the proper provision of the SERVICES, in the wastewater systems.

It should be noted that, for purposes of sizing the resources and planning the investments provided for in this INVESTMENT PLAN, the expansion of wastewater coverage, connection, and service shall be taken into account at least in accordance with the EXECUTION SCHEDULE. It shall also include natural growth during the CONCESSION period for the municipalities located in the SERVICE PROVIDER'S COVERAGE AREA of LOT [●].

The INVESTMENT PLAN shall be guided by the guidelines set forth in EXHIBIT IV - CONCESSION SPECIFICATIONS, in EXHIBIT III - PERFORMANCE INDICATORS AND SERVICE TARGETS, by the instruments related to the CONTRACT, by the MUNICIPAL, REGIONAL, OR MICROREGIONAL WATER AND WASTEWATER PLANS, and by any other plans that may affect the design of the SYSTEM.

The CONCESSIONAIRE's obligations for the planning of all works under its responsibility are:

- i. The preparation of field surveys, the collection of the necessary data and information, studies and projects, including automation projects, with the technical solutions to be adopted, on the premise of the full functioning of the SYSTEM, in view of the targets and conditions established.
- ii. The field survey, data collection, and assessment of the status of the works and/or systems in operation under the direct responsibility of the municipal governments, including the detailing and diagnosis of the units already installed, under implementation, and planned for execution.
- iii. The consolidation in the INVESTMENT PLAN of the condition of such equipment, indicating the quantities and specifications of the equipment to be used, the interventions, and the deactivations that the CONCESSIONAIRE shall carry out in order to adapt such systems/works and render them functional and compliant with the provisions set forth in EXHIBIT III - PERFORMANCE INDICATORS AND SERVICE TARGETS and EXHIBIT IV - CONCESSION SPECIFICATIONS.
- iv. The projects aimed at meeting the targets set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS shall be prepared to cover the entire urban area and contiguous area of the municipalities served (seat, districts, and related localities) by the end of the CONCESSION period.

The projects may be prepared by the CONCESSIONAIRE's own technical staff or by specialized companies or consultants engaged for this purpose, with due proof to CAGECE that the technical professional in charge has experience in preparing basic and executive engineering projects for the implementation of wastewater systems with treatment unit capacities (average flow) and pumping capacities (maximum flow) above 25 L/s and 10 L/s, respectively, and with sewer networks equal to or greater than 30 km.

In the preparation of the projects, the ABNT NBR technical standards and international standards, CAGECE's internal standards, CAGECE's standardized projects, and CAGECE's Sanitation Specifications and Works Manual shall be observed, as well as the environmental laws in force, and the CONCESSIONAIRE shall be fully responsible for such projects.

It is essential that the projects take into account the selection of chemicals, materials, and equipment, as well as the ease of acquisition, replacement, and maintenance, considering the transportation logistics for each locality.

The CONCESSIONAIRE shall also prepare the studies and projects for the facilities to be implemented, considering, at a minimum, the detailing of civil, architectural, urban planning, landscaping, hydraulic, electromechanical assembly, automation, structural, geotechnical/foundation, earthworks, drainage, paving, electrical and water and sanitary installation, and firefighting projects, among others.

The CONCESSIONAIRE's proposals shall be in accordance with the OPERATIONAL PERFORMANCE INDICATOR – IDO and with the UNIVERSALIZATION INDICATOR – IDU, set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, especially the coverage, connection, and service indexes.

The SYSTEM IMPROVEMENT WORKS to be implemented shall contemplate technical solutions for collective service, and ALTERNATIVE SOLUTIONS shall be permitted provided that their implementation is justified based on a technical and economic-financial study and approved by CAGECE, and duly regulated or accepted by the responsible regulatory agency.

The BASIC PROJECTS shall be prepared and submitted for CAGECE's approval by the deadline year indicated for each MUNICIPALITY in APPENDIX I of this EXHIBIT, observing a minimum advance period of 90 (ninety) calendar days in relation to the end of the respective deadline year, as provided in the CONTRACT. The EXECUTIVE PROJECTS may be submitted in stages, provided that

they comply with the concept defined in the BASIC PROJECT and the intermediary and universalization targets. CAGECE shall have a period of 30 (thirty) calendar days to approve such projects and may request additions or corrections.

As provided in the CONTRACT, the works may only be commenced by the CONCESSIONAIRE after the final approval, by the GRANTING AUTHORITY, of the related projects.

The basic projects shall be prepared and approved by CAGECE within the periods indicated for each municipality, as established in APPENDIX I – DEADLINES (“DEADLINE YEARS”) BY MUNICIPALITY FOR APPROVAL OF THE BASIC ENGINEERING PROJECTS FOR UNIVERSALIZATION OF THE WASTEWATER SYSTEMS.

Approval of the BASIC and EXECUTIVE PROJECTS does not release the CONCESSIONAIRE from liability for correcting errors identified after approval. Accordingly, any future need for corrections shall be addressed by the CONCESSIONAIRE, at no additional cost to CAGECE.

The implementation of units may be carried out in phases until the final configuration of the plan is achieved, in view of the evolution of the wastewater contribution demand as a result of population growth. Under no circumstances shall the connection of households to the sewer network be allowed without the proper collection and treatment of the collected wastewater, in compliance with environmental requirements and conditions.

The CONCESSIONAIRE may decide to implement wastewater units so as to exceed the universalization targets defined in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS. The implementation of additional units shall not give rise to economic-financial rebalancing of the CONTRACT.

The CONCESSIONAIRE shall assess, based on technical and environmental criteria, the feasibility of using existing units, preparing the planning for refurbishments, maintenance, implementation, replacement, and building connections.

The INVESTMENT PLAN shall include, for CAGECE’s analysis and knowledge, the planning together with the EXECUTION SCHEDULE for the improvements to the existing units to be used and the indication of the existing units to be deactivated. The implementation of units may be carried out in phases until the final configuration of the plan is achieved, in view of the evolution of wastewater contribution as a result of population growth.

The CONCESSIONAIRE shall submit to CAGECE, within up to 12 (twelve) months after issuance of the SYSTEM TRANSFER TERM, the Deactivation Schedule for the Wastewater

Systems/Operational Units, and shall observe the requirements set forth in IV – CONCESSION SPECIFICATIONS, to the effect that the CONCESSIONAIRE shall be responsible for deactivating every isolated treatment system consisting of decanter-digesters and other types of treatment units that do not have technologies capable of meeting the current wastewater discharge standards, and shall interconnect them to integrated systems or adopt a technical wastewater solution in compliance with environmental legislation, within a maximum period of up to 3 (three) years for any localities.

The CONCESSIONAIRE shall be required to use specialized software for the planning, execution, and control of the project and works activities to be carried out, aligned with the use of resources, quality, costs, and work schedules.

The CONCESSIONAIRE shall indicate the typologies of the technologies to be used in Pumping Stations, Wastewater Treatment Plants, Connections, alternative solutions, etc. The CONCESSIONAIRE may present technological innovations, procedures, and the use of equipment and materials different from the standards adopted by CAGECE, and in such case shall indicate the adjustments and changes that, if approved, may be implemented in CAGECE's standard procedures and used by the CONCESSIONAIRE.

The wastewater solutions planned for each locality shall be indicated and detailed, including the CONCESSIONAIRE's forecast regarding the use of alternative solutions. It is hereby established that all municipal seats and the localities indicated in APPENDIX II – LIST OF LOCALITIES, DISTRICTS, AND MUNICIPALITIES FOR IMPLEMENTATION OF CONVENTIONAL COLLECTIVE SYSTEMS WITH WASTEWATER NETWORK AND TREATMENT. shall mandatorily be served by a conventional wastewater system based on a collective system with wastewater network and treatment.

Mechanisms and technologies for innovation and sustainability, as well as standards and indicators for Environmental, Social, and Governance (ESG) actions to be used by the CONCESSIONAIRE during the term of the contract, shall be presented, in compliance with CAGECE's Policies and Standards related to Sustainability, Environmental, Governance, and Social matters.

The CONCESSIONAIRE shall carry out, on an annual basis together with CAGECE, a survey of demands of relevant social or public interest from the MUNICIPALITIES, regulatory agencies, and inspecting bodies regarding the expansion of service and improvement of the quality of the provision of wastewater services. CAGECE reserves its right to request studies regarding schedule revisions and to require changes to the planning and implementation before the defined

periodicity whenever it identifies potential inconsistencies with the planning of its investments, or with those of other public agencies and related institutions.

Based on the demands conveyed by CAGECE, the CONCESSIONAIRE shall accommodate such demands in its planning, except in cases of proven technical infeasibility. In situations where expansions to be carried out are identified in areas located within a radius of up to 5 km from the intervention perimeter of the works planned and underway by the CONCESSIONAIRE, such demands shall be met within the completion period of the respective work/project.

The programs to be adopted by the CONCESSIONAIRE to encourage user adhesion to the wastewater systems shall be presented, including the planning for execution of the intradomiciliary connections in accordance with the criteria and obligations established in EXHIBIT IV – CONCESSION SPECIFICATIONS.

For the execution of the intradomiciliary connections, the GRANTING AUTHORITY shall define which units are to benefit, and the CONCESSIONAIRE, in turn, shall comply with the mandatory minimum annual amounts indicated in EXHIBIT IV –CONCESSION SPECIFICATIONS, and may define the monthly quantities and targets to be executed as from SYSTEM OPERATION.

For COMMERCIAL MANAGEMENT services, the planning and monthly execution schedule for such activities for the next 60 (sixty) months shall be presented.

With respect to the following commercial activities: water meter transfer and relocation services; and telemetry services for strategic customers; the CONCESSIONAIRE shall present in its planning the monthly targets, as from the commencement of SYSTEM OPERATION, for execution of the mandatory quantities and deadlines for implementation of such services, in accordance with the criteria defined in EXHIBIT IV – CONCESSION SPECIFICATIONS.

4. DETAILING OF THE DOCUMENTS

4.1 Work Plan

The WORK PLAN shall be prepared in a clear and justified manner, addressing the following basic points: Methodology, Deliverables, Flowchart, Human Resources, Material Resources, Logistics, Organizational Chart, and Schedule.

The WORK PLAN shall be approved by CAGECE by the issuance of the SYSTEM TRANSFER TERM.

CAGECE shall have up to 30 (thirty) days to comment on the WORK PLAN and inform the CONCESSIONAIRE accordingly. If CAGECE requests amendments, the CONCESSIONAIRE shall resubmit it with the appropriate modifications within 30 (thirty) days from CAGECE's request.

This deliverable shall cover both CAGECE's scope and the CONCESSIONAIRE's scope, in accordance with the elements to be presented in CAGECE's and the CONCESSIONAIRE's investment management plans.

4.2 CAGECE Investment Management Plan

This plan shall be submitted to CAGECE concurrently with the submission of the INVESTMENT PLAN and shall contain, at least, the following activities:

4.2.1 *Diagnosis of the wastewater systems*

For purposes of the diagnosis, all financial resources already obtained by CAGECE for execution of the projects and works shall be considered, in accordance with the information to be made available by CAGECE.

This diagnosis shall, at a minimum, verify the planned, completed, ongoing, and to-be-executed targets in terms of deadlines and quantities.

a) Diagnosis of the projects

This diagnosis shall encompass all projects already completed, ongoing, or to be prepared for purposes of execution of the works that comprise CAGECE's scope. To that end, all of their phases shall be verified:

- Engineering project: verify whether the projects have been completed and approved and whether they comprise the entire scope of the project;
- Environmental Licensing: verify the status of the Environmental Licensing for each project, including whether the approved projects comply with the conditions set forth in the licenses;
- Title to areas: verify whether all areas in which CAGECE's works are to be executed have already been acquired or are in the process of acquisition. In the case of crossings and/or interventions in third-party areas, the relevant approvals and authorizations shall be obtained. In the case of crossings over land owned by third parties, the land shall be regularized and title registration shall be issued in favor of the CONCESSIONAIRE;
- Tender procedure: carry out a survey of all works already tendered and of the forecast for new tender procedures.

b) Diagnosis of the works

Based on the survey of information on the targets for each financing resource, a diagnosis of the works shall be prepared along three pillars:

- Completed works: verify the works that have been completed, their operability, and present the correlation between the contracted scope and the executed scope, identifying the need to carry out remaining works;
- Works in progress: verify the status of the works in progress, whether they are being carried out within the scheduled period, and whether they present any difficulty that may affect their completion. In this survey, it shall also be identified whether the procurement of materials meets the demand of such works or whether new procurements shall be foreseen;
- Works not yet contracted: these shall be aligned with the diagnosis carried out in the phase of tender procedures related to the project stage. In this case as well, the existing inventories of materials and the need to procure new materials shall be verified.

4.2.2 *Planning*

Each WASTEWATER SYSTEM consists of a set of projects and works that shall be aligned with the subject matter to be executed, comprising all quantities contemplated in the targets to be achieved and identified in the diagnosis stage.

At the planning stage, the CONCESSIONAIRE shall identify this set of projects and works and establish an execution schedule for each phase, enabling compliance with the targets for execution of the works.

To this end, CAGECE will appoint an employee to act as a facilitator between the management team of the CONCESSIONAIRE and CAGECE.

During this stage, the management team shall have the following duties:

- a) Preparation of the project milestone schedule: a schedule shall be prepared containing the main events of the project, considering all WASTEWATER SYSTEMS within the SERVICE PROVIDER'S COVERAGE AREA under execution and/or to be executed by CAGECE;
- b) Preparation of the EXECUTION SCHEDULE for the WASTEWATER SYSTEMS: the execution schedule for the projects shall be prepared, considering all phases of the project, as well as execution of the works, obtaining the operating license, and delivery of the works for operation by the CONCESSIONAIRE;
- c) Risk Management Plan: intended to classify, qualify, and quantify threats and opportunities, as well as to establish procedures for mitigation, containment, acceptance, or transfer of the principal risks relating to the project;
- d) Assistance in defining the tender procedures, identifying the lots to be tendered, considering the execution of works, as well as the procurement of materials: jointly with CAGECE, define the best strategy for tendering the works lots and procuring the missing materials required to complete the object of each funding source, thereby composing the project;
- e) Monitoring of the preparation of the contracting procedure for the remaining works.

4.2.3 Monitoring and Control

The CONCESSIONAIRE shall monitor and control CAGECE's investments, carrying out the following activities:

- Support in the monitoring and overall supervision of the works, especially the physical-financial schedules, rescheduling the timetables due to identified deviations in order to maintain compliance with the targets, or issuing recommendations for action to correct such deviations without jeopardizing the schedule;
- Issuance and submission to CAGECE of monthly reports on the progress of the projects, containing the current status, the existence of and critical issues to be addressed, and the definition of an action plan for improvements or corrections in the processes, indicating the deadlines and the persons responsible for carrying out the activities.
- Monitoring of the schedule for purposes of compliance with the deadlines for initiating the procurement processes for materials and equipment.

4.3 CONCESSIONAIRE Investment Management Plan

This Plan shall be submitted to CAGECE concurrently with the submission of the INVESTMENT PLAN and shall contain at least the following activities:

4.3.1 Diagnosis

This diagnosis shall comprise all projects already completed, in progress, or to be prepared for purposes of execution of the works that comprise the CONCESSIONAIRE's scope, as well as the Municipal Water and Wastewater Plans and other demands that may interfere in the conception of the WASTEWATER SYSTEMS. To that end, all of their phases shall be verified:

- a) Engineering project: verify the portfolio of existing projects within the CONCESSIONAIRE's coverage area, their status, and the need for updating and/or preparation of new ones;

- b) Environmental Licensing: verify the status of the Environmental Licensing for each project, including whether the approved projects comply with the conditions set forth in the licenses;
- c) Title to areas: verify whether all areas in which the CONCESSIONAIRE's works are to be executed have already been acquired or are in the process of acquisition. In the case of crossings and/or interventions in third-party areas, the relevant approvals and authorizations shall be obtained.

4.3.2 Planning

Each WASTEWATER SYSTEM consists of a set of projects and works that shall be aligned with the coverage targets.

At the planning stage, the CONCESSIONAIRE shall identify such set of projects and works, as well as provide for an execution schedule for each phase.

During this stage, the management team shall have the following duties:

- a) Preparation of the project milestone schedule: a schedule shall be prepared containing the main events of the project, considering all WASTEWATER SYSTEMS within the SERVICE PROVIDER'S COVERAGE AREA to be executed by the CONCESSIONAIRE;
- b) Preparation of the EXECUTION SCHEDULE for the WASTEWATER SYSTEMS: the execution schedule for the projects shall be prepared, considering all phases of the project, as well as execution of the works, obtaining the operating license, and commencement of operation;
- c) Risk Management Plan: intended to classify, qualify, and quantify threats and opportunities, as well as to establish procedures for mitigation, containment, acceptance, or transfer of the principal risks relating to the project.

4.3.3 Preparation of Projects

At this stage, the activities to be carried out for the preparation of the BASIC PROJECTS and EXECUTIVE PROJECTS shall be indicated, and the annual deadlines set forth in the EXECUTION SCHEDULE, the deadlines for approval by the involved entities, and CAGECE's internal standards shall be strictly observed.

The EXPANSION PLAN shall include the BASIC PROJECTS and EXECUTIVE PROJECTS for the works to be carried out in the year, including the number of connections and wastewater units to be accounted for in the WASTEWATER COVERAGE, as well as the plans delimiting the areas and the scope.

It is emphasized that, for purposes of sizing the resources and planning the investments provided for in this INVESTMENT PLAN, the expansion of wastewater collection and treatment coverage shall be considered at least in accordance with the EXECUTION SCHEDULE, and shall also include natural growth during the ADMINISTRATIVE CONCESSION period for the municipalities located within the SERVICE PROVIDER'S COVERAGE AREA.

4.3.4 Execution of Workss

At this stage, the activities to be carried out for the execution of the works shall be indicated, and the annual deadlines set forth in the execution schedule shall be strictly observed.

4.3.5 Monitoring and Control

The CONCESSIONAIRE shall carry out monitoring and control activities in relation to the investments, performing the following activities:

- Issuance and submission to CAGECE of monthly reports on the progress of the projects, containing the current status, the existence of critical issues to be addressed, and the definition of an action plan for improvements or corrections in the processes, indicating the deadlines and the persons responsible for carrying out the activities;
- Participation in meetings and events related to the project activities.

4.4 Execution Schedule

The EXECUTION SCHEDULE is intended to detail, by locality, district, and municipality, the works and activities to be carried out and previously defined in the INVESTMENT PLAN.

The CONCESSIONAIRE shall comply with the deadlines set forth in the schedule for investments in the WASTEWATER SYSTEMS for wastewater collection and treatment.

Failure by the CONCESSIONAIRE to comply with the system EXECUTION SCHEDULE shall give rise to penalties, as provided in the CONTRACT.

In the case of the WASTEWATER SYSTEMS of certain Municipalities, there shall be investments in sewer network infrastructure being implemented by CAGECE, the MUNICIPALITY, the STATE, and the CONCESSIONAIRE.

The EXECUTION SCHEDULE shall include the respective deadlines for preparation of the projects, expropriation, and licensing by municipality. Such deadlines shall be compatible with the UNIVERSALIZATION SCHEDULE and may not jeopardize compliance with the wastewater system universalization targets and deadlines defined in EXHIBIT III - PERFORMANCE INDICATORS AND SERVICE TARGETS.

The EXECUTION SCHEDULE shall be updated together with the INVESTMENT PLAN, on an annual basis, allowing for adjustments to the projections and the possible revision of the UNIVERSALIZATION SCHEDULE.

The EXECUTION SCHEDULE shall contemplate each stage with indication of the expansion areas to be served and the presentation of the polygons (maps) of the intervention areas, duly georeferenced.

The information containing the monthly and/or annual targets and deadlines for the planning of the commercial activities under the CONCESSIONAIRE's responsibility shall be included in the EXECUTION SCHEDULE.

4.5 UNIVERSALIZATION SCHEDULE

The UNIVERSALIZATION SCHEDULE is intended to detail, by locality, district, and municipality, the annual wastewater coverage and service targets and deadlines, and shall comply with the minimum fulfillment of the intermediary and universalization targets for coverage, connection, and service with wastewater collection and treatment set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS

The CONCESSIONAIRE shall also indicate in the UNIVERSALIZATION SCHEDULE the concepts regarding the solutions and technologies of the units/equipment to be adopted for the universalization of the wastewater systems by locality, defining the technologies to be employed in the implementation of the equipment/units that comprise the SYSTEMS.

The UNIVERSALIZATION SCHEDULE shall be submitted as an exhibit to the INVESTMENT PLAN and shall be consistent with its updated content.

The UNIVERSALIZATION SCHEDULE shall present the target and variable projections for the universalization indicators in accordance with the provisions of the CONTRACT and with the rules of ANA and of the subnational regulatory agency.

The UNIVERSALIZATION SCHEDULE shall be updated jointly with the updates to the INVESTMENT PLAN, on an annual basis, and shall be compatible therewith. In addition, the revision of the UNIVERSALIZATION SCHEDULE shall be compatible with the revision of the EXECUTION SCHEDULE for the investments.

The methodology adopted by the CONCESSIONAIRE for population projections, and its revisions, shall be approved by CAGECE. Such approval does not represent a sharing of demand risk between the CONCESSIONAIRE and CAGECE, such that the variation between the projected population and the population actually verified shall not constitute grounds for economic-financial rebalancing.

APPENDIX I – DEADLINES (“DEADLINE YEARS”) BY MUNICIPALITY FOR APPROVAL OF THE BASIC ENGINEERING PROJECTS FOR UNIVERSALIZATION OF THE WASTEWATER SYSTEMS.

Table 1 – List of municipalities with the respective deadlines for submission by the CONCESSIONAIRE and approval by the GRANTING AUTHORITY of the Basic Projects for the Wastewater Systems.

Municipality	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Marco	X					
Abaíara						X
Acarape	X					
Acaraú	X					
Acopiara	X					
Alcântaras	X					
Altaneira	X					
Alto Santo						X
Antonina do Norte				X		
Apuiarés				X		
Aracati	X					
Aracoiaba	X					
Ararendá						X
Araripe			X			
Aratuba	X					
Arneiroz						X
Assaré	X					
Aurora	X					
Baixio						X
Barreira	X					
Barro	X					
Barroquinha	X					
Baturité	X					
Beberibe	X					
Bela Cruz	X					
Campos Sales	X					
Capistrano			X			
Caridade			X			
Cariré	X					
Carnaubal	X					
Catarina	X					
Catunda						X
Cedro	X					
Chaval					X	
Choró					X	
Coreaú	X					
Crateús	X					
Croatá	X					
Cruz				X		
Ereré						X
Forquilha	X					
Fortim			X			
Frecheirinha	X					
General Sampaio			X			
Graça	X					
Granjeiro	X					
Groáiras			X			

Municipality	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Guaraciaba do Norte	X					
Guaramiranga	X					
Hidrolândia		X				
Ibaretama						X
Ibiapina		X				
Ibicuitinga				X		
Independência	X					
Ipaumirim					X	
Iracema	X					
Irauçuba					X	
Itaíçaba		X				
Itapipoca	X					
Itapiúna					X	
Itarema	X					
Itatira					X	
Jaguetama	X					
Jaguaribara	X					
Jaguaruana		X				
Jati						X
Jijoca de Jericoacoara	X					
Lavras da Mangabeira		X				
Martinópolis					X	
Massapê	X					
Mauriti	X					
Meruoca						X
Milagres	X					
Miraíma					X	
Mombaça	X					
Monsenhor Tabosa			X			
Moraújo						X
Morrinhos				X		
Mucambo	X					
Mulungu	X					
Novo Oriente	X					
Ocara	X					
Orós		X				
Pacoti	X					
Pacujá						X
Palhano					X	
Palmácia	X					
Parambu	X					
Paramoti	X					
Penaforte					X	
Pentecoste		X				
Pereiro					X	
Piquet Carneiro		X				
Pires Ferreira						X
Poranga	X					
Porteiras	X					
Potengi					X	
Potiretama						X
Quiterianópolis					X	
Quixadá	X					

Municipality	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Quixeré		X				
Redenção	X					
Reriutaba				X		
Russas	X					
Saboeiro	X					
Salitre	X					
Santa Quitéria	X					
Santana do Acaraú		X				
São Benedito	X					
Senador Pompeu	X					
Senador Sá						X
Sobral	X					
Tabuleiro do Norte	X					
Tamboril		X				
Tarrafas	X					
Tauá	X					
Tejuçuoca				X		
Tianguá	X					
Tururu					X	
Ubajara	X					
Umari						X
Umirim			X			
Uruburetama	X					
Uruoca	X					
Varjota				X		
Várzea Alegre	X					
Viçosa do Ceará	X					
Total	70	11	8	8	14	16

APPENDIX II – LIST OF LOCALITIES, DISTRICTS, AND MUNICIPALITIES FOR IMPLEMENTATION OF CONVENTIONAL COLLECTIVE SYSTEMS WITH WASTEWATER NETWORK AND TREATMENT.

Table 2 – List of localities, districts, and municipalities for implementation of conventional collective systems with wastewater network and treatment.

Municipality	District	Locality
Abaiera	Abaiera	Abaiera
Acarape	Acarape	Acarape
Acaraú	Acaraú	Acaraú
Acopiara	Acopiara	Acopiara
Alcântaras	Alcântaras	Alcântaras
Altaneira	Altaneira	Altaneira
Alto Santo	Alto Santo	Alto Santo
Antonina do Norte	Antonina do Norte	Antonina do Norte
Apuiarés	Apuiarés	Apuiarés
Aracati	Aracati	Aracati
Aracati	Aracati	Canoa Quebrada
Aracati	Aracati	Majorlândia
Aracoiaba	Aracoiaba	Aracoiaba
Ararendá	Ararendá	Ararendá
Araripe	Araripe	Araripe
Aratuba	Aratuba	Aratuba
Arneiroz	Arneiroz	Arneiroz
Assaré	Assaré	Assaré
Aurora	Aurora	Aurora
Baixio	Baixio	Baixio
Barreira	Barreira	Barreira
Barroquinha	Bitupitá	Bitupitá
Barroquinha	Barroquinha	Barroquinha
Barro	Barro	Barro
Baturité	Baturité	Baturité
Beberibe	Beberibe	Choro
Beberibe	Beberibe	Beberibe
Beberibe	Parajuru	Parajuru
Bela Cruz	Bela Cruz	Bela Cruz
Campos Sales	Campos Sales	Campos Sales
Capistrano	Sede	Sede
Caridade	Campos Belos	Campos Belos
Caridade	Caridade	Caridade
Cariré	Cariré	Cariré
Carnaubal	Carnaubal	Carnaubal
Catarina	Catarina	Catarina
Catunda	Catunda	Catunda
Cedro	Cedro	Cedro
Chaval	Chaval	Chaval
Choró	Choró	Choró
Coreaú	Coreaú	Coreaú

Municipality	District	Locality
Crateús	Crateús	Crateús
Croatá	Croatá	Croatá
Cruz	Caçara	Preá
Cruz	Cruz	Cruz
Ereré	Ererê	Ererê
Forquilha	Forquilha	Forquilha
Fortim	Sede	Sede
Frecheirinha	Frecheirinha	Frecheirinha
General Sampaio	General Sampaio	General Sampaio
Granjeiro	Granjeiro	Granjeiro
Graça	Lapa	Lapa
Graça	Graça	Graça
Groaíras	Groaíras	Groaíras
Guaraciaba do Norte	Guaraciaba do Norte	Guaraciaba do Norte
Guaramiranga	Pernambuquinho	Forquilha
Guaramiranga	Sede	Sede
Hidrolândia	Hidrolândia	Hidrolândia
Ibaretama	Ibaretama	Ibaretama
Ibiapina	Sede	Sede
Ibicuitinga	Ibicuitinga	Ibicuitinga
Independência	Independência	Independência
Ipaumirim	Ipaumirim	Ipaumirim
Iracema	Iracema	Iracema
Irauçuba	Irauçuba	Irauçuba
Itaiçaba	Itaiçaba	Itaiçaba
Itapipoca	Deserto	Deserto
Itapipoca	Itapipoca	Itapipoca
Itapiúna	Itapiúna	Itapiúna
Itarema	Itarema	Itarema
Itatira	Lagoa do Mato	Lagoa do Mato
Itatira	Itatira	Itatira
Jaguaratama	Jaguaratama	Jaguaratama
Jaguaribara	Jaguaribara	Jaguaribara
Jaguaruana	Jaguaruana	Jaguaruana
Jati	Jati	Jati
Jijoca de Jericoacoara	Jijoca de Jericoacoara	Jericoacoara
Jijoca de Jericoacoara	Jijoca de Jericoacoara	Jijoca de Jericoacoara
Lavras da Mangabeira	Lavras da Mangabeira	Lavras da Mangabeira
Marco	Marco	Marco
Martinópolis	Martinópolis	Martinópolis
Massapê	Massapê	Massapê
Mauriti	Mauriti	Mauriti
Meruoca	Meruoca	Meruoca
Milagres	Milagres	Milagres
Miraíma	Miraíma	Miraíma

Municipality	District	Locality
Mombaça	Mombaça	Mombaça
Monsenhor Tabosa	Monsenhor Tabosa	Monsenhor Tabosa
Moraújo	Moraújo	Moraújo
Morrinhos	Morrinhos	Morrinhos
Mucambo	Mucambo	Mucambo
Mulungu	Mulungu	Mulungu
Novo Oriente	Novo Oriente	Novo Oriente
Ocara	Ocara	Ocara
Orós	Orós	Orós
Pacoti	Pacoti	Pacoti
Pacujá	Pacujá	Pacujá
Palhano	Palhano	Palhano
Palmácia	Palmácia	Palmácia
Parambu	Parambu	Parambu
Paramoti	Paramoti	Paramoti
Penaforte	Penaforte	Penaforte
Pentecoste	Pentecoste	Pentecoste
Pereiro	Pereiro	Pereiro
Piquet Carneiro	Piquet Carneiro	Piquet Carneiro
Pires Ferreira	Pires Ferreira	Pires Ferreira
Poranga	Poranga	Poranga
Porteiras	Porteiras	Porteiras
Potengi	Potengi	Potengi
Potiretama	Potiretama	Potiretama
Quiterianópolis	Quiterianópolis	Quiterianópolis
Quixadá	Quixadá	Quixadá
Quixeré	Quixeré	Quixeré
Redenção	Antônio Diogo	Antônio Diogo
Redenção	Redenção	Redenção
Reriutaba	Reriutaba	Reriutaba
Russas	Flores	Flores
Russas	Russas	Russas
Saboeiro	Saboeiro	Saboeiro
Salitre	Salitre	Salitre
Santa Quitéria	Santa Quitéria	Santa Quitéria
Santana do Acaraú	Santana do Acaraú	Santana do Acaraú
Senador Pompeu	Senador Pompeu	Senador Pompeu
Senador Sá	Senador Sá	Senador Sá
Sobral	Aprazível	Aprazível
São Benedito	Inhuçu	Inhuçu
São Benedito	São Benedito	São Benedito
Tabuleiro do Norte	Tabuleiro do Norte	Tabuleiro do Norte
Tamboril	Tamboril	Tamboril
Tarrafas	Tarrafas	Tarrafas
Tauá	Tauá	Tauá

Municipality	District	Locality
Tejuçuoca	Tejuçuoca	Tejuçuoca
Tianguá	Tianguá	Tianguá
Tururu	Tururu	Tururu
Ubajara	Ubajara	Ubajara
Umari	Umari	Umari
Umirim	Umirim	Umirim
Umirim	São Joaquim	São Joaquim
Uruburetama	Uruburetama	Uruburetama
Uruoca	Uruoca	Uruoca
Varjota	Varjota	Varjota
Viçosa do Ceará	Viçosa do Ceará	Viçosa do Ceará
Várzea Alegre	Várzea Alegre	Várzea Alegre

APPENDIX III – TOTAL LENGTH OF PROJECTED SEWER NETWORK REQUIRED FOR UNIVERSALIZATION.

LOT	NETWORK LENGTH FOR UNIVERSALIZATION (METERS)
1 - NORTH-COASTAL LOT	1,267,183
2 - CENTRAL-SOUTH LOT	1,361,820
3 - CENTRAL-EAST LOT	1,637,692
4 - TRÊS CLIMAS-MACIÇO LOT	1,224,905
5 - SERTÕES DE CRATEÚS-IBIAPABA LOT	1,949,253

EXHIBIT VI

PROVISIONS FOR CONTRACTING PERFORMANCE GUARANTEES

**A – PRESENTATION LETTER OF THE CONTRACT PERFORMANCE GUARANTEE IN THE
SURETY BOND MODALITY**

To

The Chair of the Tender Commission

Ref.: International Public Tender Notice No. [●]

Dear Sir,

In compliance with the TENDER NOTICE referenced above, the enterprise [●], headquartered at [●], in the city of [●], State of [●], enrolled with the CNPJ under No. [●], herein represented by [●], holder of ID Card No. [●] and enrolled with the CPF/MF under No. [●], pursuant to its organizational documents, hereby presents SURETY BOND, as a condition for execution of the CONCESSION CONTRACT of the TENDER, in accordance with the attached policy.

[PLACE], [DATE].

[SIGNATURE]

[corporate name]

By its legal representative, [full name]

ID Card No. [●]

CPF/MF No. [●]



MINIMUM TERMS AND CONDITIONS OF THE SURETY BOND

- 1. POLICYHOLDER:** CONCESSIONAIRE (“Policyholder”).
- 2. INSURED:** GRANTING AUTHORITY (“Insured”).
- 3. SUBJECT MATTER OF THE INSURANCE:** To ensure faithful compliance with all obligations contracted by the AWARDEE towards the GRANTING AUTHORITY, under the terms of the CONTRACT, with the insured party being compensated for the amounts set out in the CONTRACT, in particular in Clause 17, in cases of contractual default and the application of fines.
- 4. INSTRUMENT:** Surety bond policy issued by a duly organized insurance company, authorized to operate and registered with SUSEP, subject to the terms of SUSEP regulatory acts.
- 5. AMOUNT OF THE GUARANTEE:** The surety bond policy shall provide for the indemnity amounts for each period of the CONTRACT, pursuant to Clause 17 thereof, adjusted by the Extended National Consumer Price Index – IPCA, accumulated over the period between the month of the last adjustment and the month of the adjustment in question.
- 6. TERM:** The surety bond policy shall have a minimum term of 12 (twelve) months, counted from the date of execution of the CONTRACT, and the POLICYHOLDER shall renew its validity so that the policy remains in force until at least 180 (one hundred and eighty) calendar days after expiration of the contractual term or until all contractual obligations of the CONCESSIONAIRE have been fulfilled, whichever occurs later.
- 7. GENERAL PROVISIONS:** The surety bond policy shall contain the following additional provisions:
 - 7.1. Statement by the Insurer that it is aware of and accepts the terms and conditions of the CONTRACT;
 - 7.2. Prohibition on cancellation of the surety bond policy due to total or partial non-payment of the premium;
 - 7.3. In the event of confirmation of non-performance by the POLICYHOLDER of the obligations covered by the surety bond policy, the INSURED shall be entitled to demand from the Insurer the due indemnity, if the notice made to the POLICYHOLDER proves unsuccessful;
 - 7.4. In the event of declaration of forfeiture of the CONCESSION, the GRANTING AUTHORITY may execute the surety bond policy in order to recover any losses; and
 - 7.5. In the event of judicial disputes between the insurer and the INSURED, resolution of the dispute shall occur in the jurisdiction of the INSURED’s domicile.



Terms not expressly defined in this EXHIBIT shall have the meanings assigned to them in the CONTRACT.



B - PRESENTATION LETTER OF THE CONTRACT PERFORMANCE GUARANTEE IN THE BANK GUARANTEE MODALITY

To

The Chair of the Tender Commission

Ref.: International Public Tender Notice No. [●]

Dear Sir,

By this Bank Guarantee Letter ("Guarantee Letter"), the Bank [·] ("Guarantor bank"), headquartered at [·], enrolled with the CNPJ/MF under No. [·], directly, on behalf of itself and its possible successors, is obliged, towards the GRANTING AUTHORITY, as joint guarantor of [Concessionaire], ("Guaranteed Party"), expressly waiving the rights provided for in articles 366, 827, 835, 837, 838 and 839 of Federal Law No. 10,406, of January 10, 2002 (Brazilian Civil Code), and in article 794, paragraph 3, of Federal Law No. 13,105/2015 (Code of Civil Procedure), for the faithful performance of all obligations undertaken by the Guaranteed Party under the CONTRACT, arising from the TENDER, the terms, clauses and conditions of which the Guarantor Bank expressly declares to be aware of and accept.

As a result of this Guarantee Letter, the Guarantor Bank undertakes, in the event that the Guaranteed Party breaches any of its obligations arising from the applicable laws, regulatory rules or the CONTRACT, including the occurrence of the events set forth in Clause 34 of the CONTRACT, to pay the GRANTING AUTHORITY the amounts indicated in Clause 17, adjusted annually by the Extended National Consumer Price Index – IPCA, accumulated over the period between the month of the last adjustment and the month of the adjustment in question.

The Guarantor Bank further undertakes, within the scope of the amounts indicated above, to pay the GRANTING AUTHORITY for any losses caused by the Guaranteed Party, such as fines imposed by the GRANTING AUTHORITY and not voluntarily paid by the CONCESSIONAIRE, as well as other indemnities or pecuniary obligations owed by the Guaranteed Party to the GRANTING AUTHORITY, and the Guarantor Bank undertakes to make the respective payments to the GRANTING AUTHORITY whenever so required, within a maximum period of 48 (forty-eight) hours counted from receipt by the Guarantor Bank of the written notice sent by the GRANTING AUTHORITY.

The Guarantor Bank may not admit any objection or opposition by the Guaranteed Party, or invoked by it, for the purpose of excusing itself from performance of the obligation undertaken by it before the GRANTING AUTHORITY, under the terms of this Guarantee Letter.

The Guarantor Bank and the Guaranteed Party may not amend any of the terms of this Guarantee Letter without the prior express authorization of the GRANTING AUTHORITY.

Whenever the Guaranteed Party makes use of part of the amount subject to this Guarantee Letter, the Guarantor Bank is obliged to immediately notify the Guaranteed Party so that it may, within 10



(ten) business days from the date of such use, restore the full amount of this Guarantee Letter.

In the event that the GRANTING AUTHORITY files a lawsuit to seek performance of the obligation referred to in this Guarantee Letter, the Guarantor Bank shall be required to pay the corresponding judicial or extrajudicial expenses.

The Guarantee shall remain in force for a period of 12 (twelve) months counted from the date of execution of the CONTRACT, renewable for an equal period.

The Guarantor Bank further declares that:

- a) this Guarantee Letter is duly recorded in its books, in full compliance with the regulations of the Central Bank of Brazil currently in force, in addition to complying with the provisions of the applicable laws and regulations;
- b) the signatories of this Guarantee Letter are authorized to provide this guarantee in its name and under its responsibility; and
- c) the share capital is R\$ [•] ([•] reais), and it is authorized by the Central Bank of Brazil to issue Guarantee Letters, and the amount of this Guarantee Letter, in the amount of R\$ [•] ([•] reais), falls within the limits authorized for it by the Central Bank of Brazil.

Terms not expressly defined in this Guarantee Letter shall have the meanings assigned to them in the CONTRACT.

[PLACE], [DATE].

[SIGNATURE]

[corporate name of the CONCESSIONAIRE]

[name of the contact person, in the case of a legal entity]

Contact details: [•]



EXHIBIT VII

GUIDELINES FOR ENTERING INTO THE COLLECTION AND ACCOUNT MANAGEMENT CONTRACT

1. INTRODUCTION

This EXHIBIT sets forth the guidelines that shall govern the instrument formalizing the contract between the PARTIES and the financial institution, hereinafter referred to as the GUARANTEE AGENT, whose **contracting** and **remuneration** shall constitute obligations of the GRANTING AUTHORITY.

The GUARANTEE AGENT shall be a financial institution holding a very high or higher quality risk rating, such as those rated by Moody's (Aaa, Aa1, Aa2, Aa3), Fitch (AAA, AA+, AA, AA-) or Standard & Poor's (AAA, AA+, AA, AA-).

It should be noted that, pursuant to subclause 29.2 of the CONTRACT, the PUBLIC GUARANTEE shall be implemented during the SYSTEM ASSISTED OPERATION period and maintained until the final liquidation of all pecuniary obligations undertaken by the GRANTING AUTHORITY under the CONTRACT.

Lastly, the private instrument for contracting the GUARANTEE AGENT executed by the PARTIES shall replace this draft and shall be attached as EXHIBIT VII to the CONTRACT.

2. ACCOUNT MANAGEMENT AND DEPOSITARY OF THE GUARANTEES

The GUARANTEE AGENT, in its capacity as administrator and manager of the LINKED ACCOUNT and the RESERVE ACCOUNT, provided for in clause 29 of the CONTRACT, is appointed, pursuant to articles 627 et seq. of the Brazilian Civil Code, as depositary of the ASSIGNED REVENUE, and shall make payment of the MONTHLY FINANCIAL CONSIDERATION and of any other pecuniary obligations, fines and/or indemnities due by CAGECE, as well as maintain the MINIMUM AMOUNT OF THE RESERVE ACCOUNT, in the manner set forth in the CONTRACT.

3. TRANSACTIONS IN THE LINKED ACCOUNT AND THE RESERVE ACCOUNT

The GUARANTEE AGENT shall open the RESERVE ACCOUNT, maintaining and operating it throughout the term of the CONTRACT, and the GRANTING AUTHORITY shall deposit therein an amount equivalent to 1.3 (one point three) times the monthly public consideration by the end of the SYSTEM ASSISTED OPERATION, in accordance with the parameters defined in the CONTRACT.

The GUARANTEE AGENT shall open the LINKED ACCOUNT, maintaining and operating it throughout the term of the CONTRACT, and shall transfer through it the ASSIGNED REVENUE arising from the CENTRALIZED ACCOUNT and consisting of RECEIVABLES, in an amount equivalent to 1.0 (one) monthly public consideration, in accordance with the parameters defined in the CONTRACT.

The GUARANTEE AGENT shall transfer, on "D+0", the excess of the RECEIVABLES, corresponding to the difference between the total amount of the RECEIVABLES and the amount of the ASSIGNED REVENUE, to the GRANTING AUTHORITY's free-movement bank account, without passing through the LINKED ACCOUNT.

The GUARANTEE AGENT shall pay the MONTHLY FINANCIAL CONSIDERATION, through the LINKED ACCOUNT, on the same business day on which the GRANTING AUTHORITY forwards the approved invoices to it, or on the first business day thereafter, in the event of banking operational impossibility.

In the event of default, and if there are insufficient funds in the LINKED ACCOUNT for full payment of the MONTHLY FINANCIAL CONSIDERATION or the amount corresponding to the comply with any other pecuniary obligations, fines and/or indemnities owed by the GRANTING AUTHORITY, the GUARANTEE AGENT shall transfer the full amount of the MONTHLY FINANCIAL CONSIDERATION and any other amounts eventually due from the RESERVE ACCOUNT to the CONCESSIONAIRE's account.

As soon as it makes the transfer, the GUARANTEE AGENT shall replenish the minimum balance of the RESERVE ACCOUNT using the resources of the ASSIGNED REVENUE from the LINKED ACCOUNT. Once the situation has been normalized, the GUARANTEE AGENT shall transfer from the LINKED ACCOUNT to the GRANTING AUTHORITY's free-movement bank account, on "D+1", the excess RECEIVABLES not allocated to replenish the reference balance of the RESERVE ACCOUNT, including any financial earnings arising from the funds deposited in the RESERVE ACCOUNT.

If the RESERVE ACCOUNT does not have a sufficient balance to pay the pecuniary obligations due, the GUARANTEE AGENT shall notify the GRANTING AUTHORITY, with a copy to the CONCESSIONAIRE, so that it may transfer the necessary amounts within 7 (seven) business days.

In the event of replacement of the modality adopted for purposes of constituting the PUBLIC GUARANTEE by another legally permitted modality that is more advantageous to the GRANTING AUTHORITY, as authorized in clause 29 of the CONTRACT, the RESERVE ACCOUNT shall be closed

by the GUARANTEE AGENT within 30 (thirty) calendar days, and the amounts deposited therein shall be transferred to the GRANTING AUTHORITY's operating account.

4. RETURN OF SECURITIES AND OTHER ASSETS

In the event of waiver or dismissal, the GUARANTEE AGENT is obliged to transfer to the new financial institution contracted by CAGECE to execute the functions of GUARANTEE AGENT all amounts held in deposit or custody upon the effective termination of its functions, under the terms of this instrument.

5. OBLIGATIONS OF THE GUARANTEE AGENT

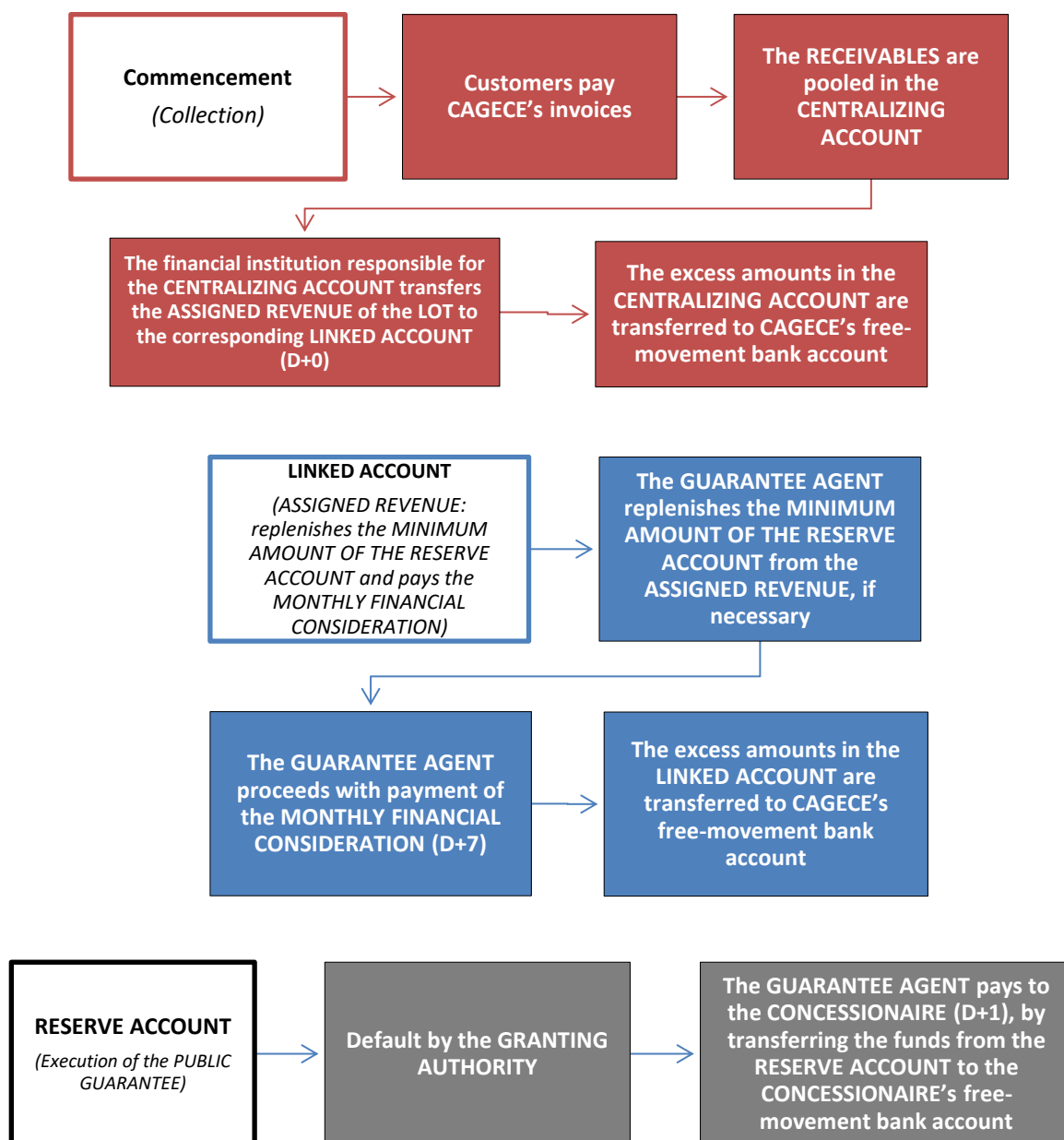
The **GUARANTEE AGENT** is obliged to:

- i. establish the LINKED ACCOUNT, held by CAGECE, not freely movable and to be operated exclusively by the GUARANTEE AGENT, through which the amount corresponding to the ASSIGNED REVENUE of the LOT shall pass;
- ii. establish the RESERVE ACCOUNT, held by CAGECE, not freely movable and to be operated exclusively by the GUARANTEE AGENT, in which the amount corresponding to the MINIMUM AMOUNT OF THE RESERVE ACCOUNT shall be deposited;
- iii. protect the rights and interests of the parties, applying, in the exercise of its functions, the care and diligence that every diligent and honest person usually employs in the management of his or her own affairs;
- iv. administer the RECEIVABLES, the ASSIGNED REVENUE and the MINIMUM AMOUNT OF THE RESERVE ACCOUNT for the constitution of the PUBLIC GUARANTEE, including receipt of amounts in legal tender arising from income or redemptions of financial investments of such resources;
- v. notify the parties of events related to the administration of the RECEIVABLES pledged as guarantee and of the movement of the funds arising therefrom;
- vi. inspect and control, whenever necessary, the MINIMUM AMOUNT OF THE RESERVE ACCOUNT;
- vii. process the financial transfers provided for in item 3 of this exhibit;

- viii. observe all provisions of Clause 29 of the CONTRACT;
- ix. prepare periodic reports on the movement of funds and provide any information requested from it;
- x. provide a password to CAGECE and to the CONCESSIONAIRE to allow them daily electronic consultation of the movement of funds in the LINKED ACCOUNT and in the RESERVE ACCOUNT;
- xi. close the RESERVE ACCOUNT in the event of replacement of the modality adopted for purposes of constituting the PUBLIC GUARANTEE, within the deadline stipulated in this instrument and without any additional charges to CAGECE.

6. GUARANTEES DIAGRAM

- (i) CAGECE's customers pay their invoices;
- (ii) The RECEIVABLES are pooled in the CENTRALIZING ACCOUNT;
- (iii) Based on the powers granted to it, the financial institution responsible for the CENTRALIZING ACCOUNT selects the ASSIGNED REVENUE of the LOT and transfers it to the LINKED ACCOUNT, on D+0, in the contractually defined amount;
- (iv) Through the ASSIGNED REVENUE, the GUARANTEE AGENT replenishes the MINIMUM AMOUNT OF THE RESERVE ACCOUNT, if necessary;
- (v) once the ASSIGNED REVENUE has passed to the LINKED ACCOUNT, the GUARANTEE AGENT transfers the excess amounts from the CENTRALIZING ACCOUNT to CAGECE's free-movement bank account, on D+0;
- (vi) the GUARANTEE AGENT makes payment of the MONTHLY FINANCIAL CONSIDERATION on D+7, counted from CAGECE's receipt of the invoice;
- (vii) the GUARANTEE AGENT transfers the excess amounts from the LINKED ACCOUNT to CAGECE's free-movement bank account on D+0;
- (viii) In the event of default by the GRANTING AUTHORITY, the PUBLIC GUARANTEE is enforced and the GUARANTEE AGENT makes payment to the CONCESSIONAIRE on D+1, through the funds deposited in the RESERVE ACCOUNT.



PPP WASTEWATER – CAGECE

EXHIBIT VIII

GRANTING AUTHORITY'S INVESTMENTS IN WASTEWATER SYSTEMS



1. PRESENTATION

Companhia de Água e Esgoto do Estado do Ceará (CAGECE) holds the delegation for the provision of public water supply and public wastewater services in 152 (one hundred and fifty-two) Municipalities in the State of Ceará and is responsible for structuring this Strategic Project, which aims at the universalization of wastewater services in 127 (one hundred and twenty-seven) Municipalities in which the Company operates, with the exception of the 24 (twenty-four) Municipalities located in the metropolitan regions of Fortaleza and Cariri, which already have an Administrative Concession of the Public Wastewater Services by means of Public-Private Partnerships (PPPs).

This EXHIBIT, entitled Granting Authority's Investments in Wastewater Systems, constitutes part of the ADMINISTRATIVE CONCESSION CONTRACT that will enable the modeling and structuring of the PPP projects aimed at the universalization of CAGECE's wastewater services.

This document describes the investments with secured resources for the municipalities covered by investments under CAGECE's responsibility.



2. INVESTMENTS OF THE GRANTING AUTHORITY

With a view to complying with the legal framework for basic sanitation (Federal Law No. 11,445, dated January 5, 2007), several expansion and maintenance works for the wastewater systems have secured resources and are at different stages of implementation in the municipalities covered by this new partnership project to be tendered by CAGECE. Accordingly, this document aims to record the investments that the GRANTING AUTHORITY is committed to carrying out, in accordance with the deadlines set forth in the tables below.

It should be noted that the investments presented herein have already been deducted from the CAPEX of the conceptual projects for the municipalities.

The investments were divided into two categories. The first group comprises those that are under CAGECE's control, and the second comprises the others. Normally, the investments that are not under CAGECE's control are the responsibility of the municipal governments.

2.1 Investments Under CAGECE's Control

The table below presents the investments with allocated resources that are under CAGECE's control.



Table 1 - Investments under CAGECE's control.

MUNICIPALITY	DESCRIPTION	QUANTITY						COSEXPECTED COMPLETION DATE
PROJECT		WC	LR	WPS	HOU. CON.	CUSTOMER UNITS COVERED	WWTP	
CRATEÚS - EXECUTION OF THE WASTEWATER SYSTEM FOR THE CIDADE 2000 AND PATRIARCA NEIGHBORHOODS IN THE SEAT OF THE MUNICIPALITY OF CRATEÚS	THE PROJECT PROVIDES FOR: - EXPANSION OF THE WASTEWATER COLLETION SYSTEM - HOUSEHOLD CONNECTIONS (BUILDING CONNECTIONS) - PUMPING STATION (WPS-01) - PUMPING STATION (WPS-02) - FORCE MAIN (LR-01) IN FOFO - FORCE MAIN (LR-02) IN PVC DEFOFO, INCLUDING CROSSINGS	150mm: 7,167.97m 200mm: 788.60m 250mm: 12.90m 300mm: 212.70m	LR-1: 273.37m, DN200mm; LR-2: 977.48m, DN200mm;	WPS-1 Q 22.92L/s, POT=15CV; WPS-2 Q 26.49L/s, POT=20CV	951	977	-	June/2024
CRATEÚS - EXPANSION OF THE WASTEWATER SYSTEM FOR THE FÁTIMA I, PLANALTO, CAMPO VELHO, CONJUNTO SÃO JOSÉ, AND SANTA LUZIA NEIGHBORHOODS IN THE SEAT OF THE MUNICIPALITY OF CRATEÚS	THE PROJECT SHALL COVER THE PLANALTINA, FÁTIMA I, ZECA ARAÚJO, PLANALTO, ARENINHA, CAMPO VELHO, CONJUNTO SÃO JOSÉ, SANTA LUZIA, AND MARATOAN NEIGHBORHOODS, WASTEWATER COLLETION NETWORKM, HOUSEHOLD CONNECTIONS, WASTEWATER PUMPING STATIONS, AND FORCE MAINS TO ENABLE INTERCONNECTION WITH THE SYSTEM ALREADY EXISTING IN THE MUNICIPALITY OF CRATEÚS	150 mm: 15,296.99m 200mm: 221.17m	LR PLANALTINA DN 100mm; 818.43m LR FÁTIMA I DN 100mm; 628.22m LR ZECA ARAUJO DN 150mm; 1,835.68m LR CONJUNTO SÃO JOSÉ DN 100mm; 795.20m LR SANTA LUZIA DN 100mm; 202.48m	WPS1-Planaltina, Q = 6.66 L/s, POT = 6.4 CV WPS2-Fátima I, Q = 4.92 L/s, POT =7.5 CV WPS3-Zeca Araújo, Q =11.5 L/s, POT =7.5 CV WPS4-São José, Q =5.57 L/s, POT = 3 CV WPS5-Santa Luzia, Q =4.85 L/s, POT = 3 CV	1,623	1,954	-	Mars/2025



MUNICIPALITY	DESCRIPTION	QUANTITY						COSEXPECTED COMPLETION DATE
PROJECT		WC	LR	WPS	HOU. CON.	CUSTOMER UNITS COVERED	WWTP	
CRATEÚS - Morada dos Ventos III	THE PROJECT PROVIDES FOR: - EXPANSION OF THE WASTEWATER COLLETION SYSTEM - HOUSEHOLD CONNECTIONS (BUILDING CONNECTIONS) - PUMPING STATION (WPS-01) - PUMPING STATION (WPS-02) - FORCE MAIN (LR-01) - FORCE MAIN (LR-02)	150mm: 8,065,76m	LR-1 DN 150mm; 543.05 m LR-2 DN 150mm; 1,130.00 m	WPS1: 9.69L/s, POT=5CV WPS2: 13.20L/s, POT=7CV	1,118	1,118	-	2024
CRATEÚS - EXPANSION/IMPROVEMENTS OF THE WASTEWATER SYSTEM IN THE SEAT OF THE MUNICIPALITY OF CRATEÚS - VENÂNCIOS NEIGHBORHOOD	THE PROJECT PROVIDES FOR: - INSTALLATION OF THE WASTEWATER COLLETION SYSTEM - BUILDING CONNECTIONS - PUMPING STATION (WPS VENANCIOS 01) - PUMPING STATION (WPS VENANCIOS 02) - PUMPING STATION (WPS VENANCIOS 03) FORCE MAINS (LR VENÂNCIOS 01) FORCE MAINS (LR VENÂNCIOS 02) INCLUDING CROSSING FORCE MAINS (LR VENÂNCIOS 03)	150mm: 17,973.58m 200mm: 278.72m 250mm: 343.99m 500mm: 10.10m	LR-01 150mm: 274.53m LR-02 300mm: 4,118.16m LR-03 100mm: 525.55m	WPS Venâncios 01: 12.40L/s, 5.5CV WPS Venâncios 02: 73.12L/s, 44CV WPS Venâncios 03: 6.60L/s, 10CV	2,560 house connections, of which 320 are intradomiciliary connections	-	-	2028



MUNICIPALITY	DESCRIPTION	QUANTITY						COSEXPECTED COMPLETION DATE
PROJECT		WC	LR	WPS	HOU. CON.	CUSTOMER UNITS COVERED	WWTP	
CRUZ – IMPLANTAÇÃO DO INSTALLATION OF THE WASTEWATER SYSTEM OF PREÁ IN THE MUNICIPALITY OF CRUZ - CE	THE PROJECT PROVIDES FOR: - BUILDING AND INTRADOMICILIARY CONNECTIONS - WASTEWATER COLLETION SYSTEM - HOUSEHOLD CONNECTIONS (BUILDING AND INTRADOMICILIARY) - PUMPING STATION (WPS-01) - PUMPING STATION (WPS-02) - FORCE MAIN (WPS-01) - WASTEWATER TREATMENT PLANT – UASB/FSA/DL/TC/DRYING BED/INTERCONNECTIONS/URBANIZATION - POLISHING TREATMENT PLANT - OUTFALL	58,874m	LR-1: 3,437m; DN 300mm LR-2: 20m; DN 300mm	WPS1: 50.16L/s, 39CV, WPS2: 66.26L/s, 17CV	1,723 building connections, of which 861 are intradomiciliary connections	1,723	ETE-01: 66.26L/s (UASB/FSA/DL/TC /DRYING BED/INTERCONNE CTIONS/URBANIZA TION)	2026



MUNICIPALITY	DESCRIPTION	QUANTITY						COSEXPECTED COMPLETION DATE
PROJECT		WC	LR	WPS	HOU. CON.	CUSTOMER UNITS COVERED	WWTP	
JIOCA DE JERICOCOARA - EXPANSION AND IMPROVEMENT WORKS OF THE WASTEWATER AND WATER SUPPLY SYSTEMS OF VILA DE JERICOCOARA	THE PROJECT PROVIDES FOR: EXPANSION OF THE WASTEWATER COLLECTION SYSTEM AND BUILDING CONNECTIONS; · IMPROVEMENTS TO AND EXPANSION OF PUMPING STATION 1, · INSTALLATION OF 1 (ONE) ADDITIONAL FORCE MAIN PARALLEL TO THE EXISTING ONE. · ADDITION OF PROTECTION FOR THE EXISTING AND DESIGNED FORCE MAIN; · IMPROVEMENTS TO THE MODULE OF THE EXISTING WASTEWATER TREATMENT PLANT- EXISTING WWTP; · EXPANSION OF THE WWTP. · MODIFICATION OF THE DISCHARGE OF THE TREATED EFFLUENT TO A SUBMARINE OUTFALL.	1,750.22m (Expansion) + 1.732,62m (Improvement) = 3,482.84m (Total)	FORCE MAIN- WPS-1 (PROJECTED) 1,712.00 meters LINHA DE RECALQUE - WPST 1,560.00 meters	WASTEWATER PUMPING STATIONETE (IMPROVEMENTS) WASTEWATER PUMPING STATION-1 (PROJECTED)	180	97	33.54L/s Anaerobic Reactor, Submerged Aerated Filter, Lamella Clarifier, Disinfection Tank + Submarine Outfall	April/2025
GUARAMIRANGA - EXPANSION OF THE WASTEWATER SYSTEM OF GUARAMIRANGA-CE	THE PROJECT PROVIDES FOR: - PREPARATION OF THE EXECUTIVE PROJECT; - PREPARATION OF THE AS-BUILT PROJECT; - EXECUTION OF THE WORKS; - ASSISTED OPERATION.	1,774,80m; DN 150MM	FORCE MAIN- WPS01 20 meters, DN150 mm	WPS-01 3CV, 9.85L/s	241	255	9.8L/s UASB Reactor plus one Submerged Aerated Filter, Lamella Clarifier, Contact Tank, Drying Bed, One support unit with Generator/Blower House and Operations House	June/2024



MUNICIPALITY	DESCRIPTION	QUANTITY						COSEXPECTED COMPLETION DATE
PROJECT		WC	LR	WPS	HOU. CON.	CUSTOMER UNITS COVERED	WWTP	
REDENÇÃO - EXECUTION OF THE WASTEWATER SYSTEM OF THE CITY OF REDENÇÃO - CE	THE PROJECT PROVIDES FOR: - WASTEWATER COLLETION SYSTEM – 18.9KM; - FORCE MAIN – 4.7KM; - WASTEWATER PUMPING STATION – 5 UNITS; - HOUSEHOLD CONNECTION – 3,397 UNIDADES; - INTRADOMICILIARY CONNECTION – 1,698 UNITS; - WASTEWATER TREATMENT PLANT (Q=34.4L/S) – 1 UNIT; - FINAL OUTFALL – 50 METERS.	18,876.18 meters DN150mm; DN200mm; DN250mm; DN300mm	4,681 m LR1 DN100mm; LR2 DN150mm; LR3 DN150mm; LR4 DN150mm; LR5 DN100mm;	WPS1: Q= 5.40l/s; WPS2- Q=14.60l/s; WPS3-Q= 37.00l/s; WPS4-Q= 15.60l/s; WPS5-Q=5.60l/s	3,397 building connections, of which 1,698 are intradomiciliary connections	2,801	Q Med = 21.24 L/s QMax = 34.4 L/s (UASB reactors; drying bed; polishing ponds with baffles)	April/2026
PORANGA – EXPANSION OF THE WASTEWATER SYSTEM OF PORANGA-CE – 1st STAGE (AEROPORTO AND COHAB NEIGHBORHOODS)	THE PROJECT PROVIDES FOR: - WASTEWATER COLLETION SYSTEM – 5 KM; - HOUSEHOLD CONNECTIONS – 400 UNITS; - INTRADOMICILIARY CONNECTIONS – 200 UNITS; - ASPHALT RECOMPOSITION – 380,56 M².	5,004.00 m (PVC OCRE DN 150mm)	-	-	400 building connections, of which 200 are intradomiciliary connections	364	-	November/2024



MUNICIPALITY	DESCRIPTION	QUANTITY						COSEXPECTED COMPLETION DATE
PROJECT		WC	LR	WPS	HOU. CON.	CUSTOMER UNITS COVERED	WWTP	
TAUÁ - EXECUTION OF THE WASTEWATER SYSTEM OF TAUÁ-CE	THE PROJECT PROVIDES FOR: - WASTEWATER PUMPING STATION (7 PUMPING STATIONS); - WASTEWATER COLLETION SYSTEM (20.8 KM); - HOUSEHOLD CONNECTIONS (1,544 UNITS); - FORCE MAINS (1.9 KM); - GRAVITY OUTFALL (1.1 KM).	39.755,63m (DN150mm; 200mm; 250mm; 300mm)	7.587,06m (DN100mm; DN150mm) Gravity outfall 1.310,14m	WPS 01 - Q=5.8 l/s WPS 3.1 - Q=50.4l /s WPS 3.2 - Q=6.3 l/s WPS 4 - Q=6.4 l/s WPS 5.1 - Q=5.0l/s WPS 5.2 - Q=17.5 l/s WPS 9 - Q=7.6 l/s	3,310	7,606	-	November/2024
PORTEIRAS EXECUTION OF THE WASTEWATER SYSTEM OF PORTEIRAS- CE (SOL NASCENTE NEIGHBORHOOD)	THE PROJECT PROVIDES FOR: - WASTEWATER COLLETION SYSTEM (2.07 KM); - HOUSEHOLD CONNECTIONS (403 UNITS).	2.073,00 m (PVC OCRE DN 150mm)	-	-	403	403	-	July/2025



MUNICIPALITY	DESCRIPTION	QUANTITY						COSEXPECTED COMPLETION DATE
PROJECT		WC	LR	WPS	HOU. CON.	CUSTOMER UNITS COVERED	WWTP	
QUIXADÁ EXPANSION AND IMPROVEMENT WORKS OF THE WASTEWATER SYSTEM OF QUIXADÁ – BASINS 11 AND 14	THE PROJECT PROVIDES FOR: - INSTALLATION OF THE WASTEWATER COLLECTION SYSTEM - BUILDING CONNECTIONS - WASTEWATER PUMPING STATION 11.3 - WASTEWATER PUMPING STATION 11.4 WASTEWATER PUMPING STATION 14.1 FORCE MAINS BUILDING CONNECTIONS	150mm: 7,191.94m 200mm: 212.01m 250mm: 9.44m 300mm: 57.59m	LR-01 150mm: 700.00m LR-02 100mm: 461.55m LR-03 100mm: 727.00m	WPS 11.3: 15.48L/s 7,5CV WPS 11.4: 5.03L/s, 2.5CV WPS 14.1: 8.28L/s, 7.5CV	3,303 building connections, of which 2,046 are intradomiciliary connections	1,233	-	2029



2.2 Investments Outside CAGECE's Control

The table below presents the investments with allocated resources that are outside CAGECE's control. The investments presented are those of the municipal governments.



Table 2 - Investments outside CAGECE's control.

MUNICIPALITY	DESCRIPTION	QUANTITY						EXPECTED COMPLETION DATE
PROJECT		SN	LR	WPS	HOU. CON.	CUSTOMER UNITS COVERED	WWTP	
Expansion of the SES Croatá	THE PROJECT PROVIDES FOR: - WASTEWATER COLLETION SYSTEM (7,7 KM); - HOUSEHOLD CONNECTIONS (833 UNITS);	7.742,80 m (DN150mm)	-	-	1.099	1.099	-	July/2024
GENERAL SAMPAIO EXECUTION OF THE WASTEWATER SYSTEM OF GENERAL SAMPAIO-CE	THE PROJECT PROVIDES FOR: - WASTEWATER PUMPING STATION (3 PUMPING STATIONS); - WASTEWATER COLLETION NETWORK(15,3 KM); - HOUSEHOLD CONNECTIONS; 1823 - FORCE MAINS (1,63 KM); - FINAL OUTFALL (200m).	13.361m	LR-WPS-01 LR-WPS-02 LR-WPS-03	WPS-01: 11,36 L/s 3 CV, WPS-02: 7,35L/s 6CV, WPS-03: 0,81L/s 3CV	1,823 house connections, of which 770 are intradomiciliary connections	1823	Q Med = 6,90L/s (UASB reactors; FSA; DL; and TC)	2030



EXHIBIT IX
PERSONAL DATA PROCESSING AGREEMENT – ATDP/CAGECE

By this instrument, forming an integral part of Contract No./2026-Proju-Cagece, on the one hand **Companhia de Água e Esgoto do Ceará – Cagece**, enrolled with the CNPJ under No. 07.040.108/0001-57, located at Rua Dr. Lauro Vieira Chaves, No. 1030 – Vila União, in Fortaleza/CE, hereinafter referred to as “**CAGECE**” or “**CONTROLLER**”; and, on the other hand, [designation of the Concessionaire], enrolled with the CNPJ under No., headquartered at rua, No., [neighbourhood], city/State of, hereinafter referred to as “**CONCESSIONAIRE**” or “**OPERATOR**”, by its undersigned representative(s), hereby resolve to enter into a **PERSONAL DATA PROCESSING AGREEMENT**, under the following terms:

1. DEFINITIONS

1.1. **NATIONAL DATA PROTECTION AUTHORITY (ANPD)**: public administration body responsible for safeguarding, implementing, regulating and inspecting compliance with the LGPD throughout the national territory.

1.2. **ANONYMIZATION**: use of reasonable technical means available at the time of processing, through which data loses the possibility of direct or indirect association with an individual.

1.3. **PERSONAL DATA or DATA**: information related to an identified or identifiable natural person.

1.4. **CONTRACT**: refers to Contract No./2026-Proju-Cagece, to which this instrument is attached.

1.5. **CONTROLLER**: natural or legal person, governed by public or private law, responsible for the main decisions regarding the processing of personal data, in this case, CAGECE.

1.6. **DPO**: Data Protection Officer. Referred to by the LGPD as the Person in Charge, it is the person appointed by the Controller and the Operator to act as a communication channel between the Controller, the data subjects and the National Data Protection Authority (ANPD).

1.7. **INCIDENT**: any event involving a violation of the LGPD, in any of its requirements, such as, for example: denial of rights to data subjects, failure to comply with LGPD principles, leaks, hacker attacks, malware actions, improper use (access, sharing, transfer), loss or alteration. Any event on the part of regulatory or judicial/judiciary bodies in relation to violations involving the processing of personal data, such as notices, requests, summonses or procedural acts. Any extrajudicial notice in relation to violations involving the processing of personal data.

1.8. **LGPD**: refers to Federal Law No. 13,709, of August 14, 2018, entitled the General Personal Data Protection Law, as amended.

1.9. **OPERATOR**: natural or legal person, governed by public or private law, that processes personal data on behalf of the CONTROLLER and in accordance with the purpose defined by it.

1.10. **PRIVACY**: condition of what is private; personal or intimate; private life.



1.11. **PSEUDONYMIZATION:** processing by means of which data loses the possibility of direct or indirect association with an individual, except through the use of additional information maintained separately by the CONTROLLER in a controlled and secure environment.

1.12. **RECORD OF PERSONAL DATA PROCESSING OPERATIONS:** records made by a processing agent containing information such as, but not limited to: name of the personal data processing operation, personal data involved therein, names of the products for its systems and databases, data retention period, number of persons with access to the personal data, and participating third parties.

1.13. **SUBOPERATOR:** natural or legal person affiliated with or distinct from the CONCESSIONAIRE, whether or not belonging to the same economic group or conglomerate as the CONCESSIONAIRE, designated by it and to whom it outsources, even if partially or minimally, the processing of personal data.

1.14. **SUBPROCESSING:** processing of personal data outsourced by the OPERATOR to a suboperator.

1.15. **DATA SUBJECT:** natural person to whom the personal data subject to processing relates.

1.16. **PERSONAL DATA PROCESSING:** any and all operations carried out with personal data, such as: collection, production, receipt, classification, use, access, reproduction, transmission, distribution, processing, filing, storage, deletion, evaluation or control of the information, modification, communication, transfer, dissemination or extraction.

2. ATTRIBUTIONS OF THE PARTIES

2.1. The PARTIES acknowledge that the CONCESSIONAIRE shall carry out the processing of personal data in the context of the object of Contract No./2026-Proju-Cagece, with the CONCESSIONAIRE acting as the OPERATOR and CAGECE as the CONTROLLER, pursuant to article 5, items VI and VII, of Federal Law No. 13,709/2018 (General Data Protection Law – LGPD).

2.2. The PARTIES acknowledge that strict compliance with the rules on personal data protection is a prerequisite for the contracting to which this instrument is linked.

2.3. The CONCESSIONAIRE is committed to acting in compliance with the personal data protection laws in force, namely Federal Law No. 13,709/2018, and is obliged to execute the necessary contractual addenda in the event of legislative amendments or innovations, or guidance issued by the National Data Protection Authority (ANPD).

2.4. Without prejudice to the determinations set forth in its data governance and privacy policies, the OPERATOR, when processing personal data, shall observe good faith and the principles of the LGPD, especially the following:

- a) Adequacy: compatibility of the processing with the purposes informed to the data subject, according to the context of the processing.
- b) Purpose: carrying out the processing for legitimate, specific, explicit purposes informed to the data subject, without the possibility of subsequent processing in a manner incompatible with such purposes.
- c) Necessity: limitation of the processing to the minimum necessary for achieving its purposes, encompassing data that is pertinent, proportional and not excessive in relation to the purposes of the



data processing.

d) Prevention: adoption of measures to prevent the occurrence of damage as a result of the processing of personal data.

e) Accountability and rendering of accounts: demonstration, by the agent, of the adoption of effective measures capable of proving compliance with and fulfillment of the rules on personal data protection, including the effectiveness of such measures.

f) Security: use of technical and administrative measures capable of protecting personal data from unauthorized access and from accidental or illicit situations of destruction, loss, alteration, communication or dissemination.

g) Transparency: assurance of clear, precise and easily accessible information on the carrying out of the processing and the respective processing agents, subject to commercial and industrial secrecy.

2.1. The PARTIES shall each identify their respective DPO (Data Protection Officer – Person in Charge of Personal Data Protection) in accordance with the definitions set forth in the LGPD, making their identification and contact information available in a clear and objective manner, preferably on their respective websites or by sharing such information between their DPOs.

2.2. Whenever there is a regulatory change affecting the processing of personal data and the terms of this agreement, especially in the region, state or jurisdiction where the CONCESSIONAIRE operates, the latter is obliged to notify CAGECE's DPO of such changes, which may give rise to a review of the terms of this instrument.

3. DATA OWNERSHIP

3.1. This instrument does not transfer to the CONCESSIONAIRE ownership or control of the DATA transmitted to it or of any elements derived therefrom.

3.2. Whenever DATA or its records are requested by CAGECE from the CONCESSIONAIRE, the latter shall make them available within up to 48 (forty-eight) hours or within a shorter period, whenever so established by laws and regulations, orders from public authorities, or due to the emergency nature of the case as evidenced.

3.3. If the CONCESSIONAIRE is notified by a public authority to provide any DATA, it shall notify CAGECE of such fact before providing them.

3.4. The CONCESSIONAIRE is not authorized to make copies of the DATA or to exploit them commercially, and shall return them within a maximum period of 30 (thirty) days counted from: (i) receipt of the formal request made by CAGECE; or (ii) the date of termination of the CONTRACT.

3.5. If it is not possible to return the DATA to CAGECE, the CONCESSIONAIRE shall discard them at its own expense, certifying to CAGECE that it has complied with this obligation. The discard shall be carried out in an irreversible manner, so as not to allow restoration of the DATA in question.

3.6. As an exception to the rule set forth in the previous item, if CAGECE expressly consents to the storage of the DATA by the CONCESSIONAIRE, the latter shall anonymize them, keeping formal evidence thereof. In such case, the CONCESSIONAIRE shall be solely responsible for the processing of the DATA in question.



4. SCOPE OF PERSONAL DATA PROCESSING

4.1. The CONCESSIONAIRE is authorized to process the DATA solely in accordance with the provisions of this instrument, the CONTRACT and its exhibits, the applicable laws or, further, the instructions delivered to it in writing by CAGECE, without prejudice to the processing necessary for compliance with a legal or regulatory obligation to which it is subject in Brazil or for the exercise of rights in judicial, administrative or arbitral proceedings.

4.2. The CONCESSIONAIRE may not process the DATA for purposes other than those mentioned in the previous item, even if submitted to anonymization, pseudonymization or other similar techniques.

4.3. The CONCESSIONAIRE shall comply with the guidance provided and the requirements formulated by CAGECE regarding the processing of the DATA, which it shall do within the period assigned to it, presenting, whenever required, the respective evidence of its compliance.

5. CONFIDENTIALITY OF PERSONAL DATA

5.1. The CONCESSIONAIRE is obliged to treat as confidential all PERSONAL DATA received from CAGECE or of which it may become aware, undertaking not to transfer, commercialize or disclose them to third parties, legal entities of the same economic group or conglomerate, partners and/or affiliates, and shall use such information solely and exclusively for the specific purpose for which it is intended, exercising due diligence and adopting all necessary care and precautions to prevent improper use of the PERSONAL DATA by any person who, for any reason, has access thereto.

5.2. The CONCESSIONAIRE shall grant access to the DATA only to employees involved in the tasks associated with performance of the CONTRACT.

5.3. The CONCESSIONAIRE shall impose personal data protection obligations on all its employees, whether its own or third parties, involved in any processing of personal data for CAGECE, by means of formal secrecy and confidentiality undertakings to that effect.

6. SUBCONTRACTING OF DATA PROCESSING OPERATIONS

6.1. The CONTRACTED PARTY may only subcontract activities related to the processing of DATA when they are accessory and provided that it obtains the prior consent of CAGECE, which, for this purpose, may require prior clarification regarding the subcontracting, as well as establish minimum criteria to be observed by the subcontractor.

6.2. In any event, the CONCESSIONAIRE shall: (i) ensure that the subcontractor will provide the same level of DATA security defined in this instrument, producing and keeping evidence thereof, and providing CAGECE with the respective reports whenever requested; (ii) describe the subcontracted services, as well as the technical, organizational and information security measures that the subcontractor shall implement.

6.3. In the event of subcontracting, the CONCESSIONAIRE shall remain subject to all obligations and liabilities defined in this instrument, and shall extend them to the subcontractor, causing it to sign an adherence instrument to this Personal Data Processing Agreement.



6.4. In the event of subcontracting, the CONCESSIONAIRE and the SUBCONTRACTOR shall be jointly and severally liable for any damages caused to CAGECE, to the DATA SUBJECTS and to third parties, by virtue of any act or omission inherent to the processing of the DATA.

6.5. Any activity of the CONCESSIONAIRE involving processing of the DATA on an international level may only be carried out in the events provided for by the applicable laws and provided that there is prior written authorization from CAGECE.

7. GOOD GOVERNANCE PRACTICES

7.1. The CONCESSIONAIRE shall adopt good governance practices in relation to the processing of the DATA, compatible with the structure, scale and volume of its operations, as well as with the sensitivity of the data processed, and shall produce and keep evidence thereof, providing CAGECE with the respective reports whenever requested.

7.2. The CONCESSIONAIRE shall only store DATA when such measure proves necessary, in which case the storage shall take place for the period defined by law or regulation, or, further, the period necessary for the performance of its obligations. In such case, the DATA shall be organized in a structured database, and the CONCESSIONAIRE shall maintain a data dictionary enabling CAGECE to understand its structure.

7.3. The CONCESSIONAIRE shall maintain complete and accurate records and information to demonstrate its compliance with the provisions addressed in this agreement, as well as to allow traceability of operations and audits.

7.4. The CONCESSIONAIRE shall provide CAGECE with the information formally requested from it, so as to enable verification of its compliance with the provisions of this instrument.

7.5. The CONCESSIONAIRE shall notify CAGECE, within up to 24 (twenty-four) hours, of any: (i) suspected or actual non-compliance with legal provisions relating to the protection of PERSONAL DATA; (ii) suspected or actual non-compliance with contractual obligations relating to the processing of PERSONAL DATA; (iii) suspected or actual security breach of the DATA, within its organization or that of its subcontractors; and (iv) order issued by a public authority.

8. DATA SECURITY

8.1. The CONCESSIONAIRE shall adopt the technical and administrative measures necessary to protect personal data from unauthorized access and from accidental or illicit situations of destruction, loss, alteration, communication or any form of improper or illicit processing.

8.2. The CONCESSIONAIRE states that the systems it uses to process the DATA are structured and shall be maintained in such a way as to fulfill the security requirements, the standards of good practices and governance established in the legislation in force, in addition to the principles inherent to privacy, ensuring their adequate protection, as well as the inviolability of the privacy, honor and image of their DATA SUBJECTS.

8.3. The CONCESSIONAIRE shall maintain DATA security procedures that ensure their confidentiality, integrity and availability and that meet the minimum standards suggested by CAGECE, provided for in technical standards, such as ISO and ABNT, and defined by the National Data Protection Authority (ANPD).



8.4. The CONCESSIONAIRE shall maintain reports indicating, at a minimum: (i) the systems in which the DATA are processed; (ii) the security measures such systems offer; (iii) the recorded time of eventual inactivity of the technical security measures; (iv) the conformity/non-conformity of the system with respect to the data security and governance measures specified in this instrument; (v) eventual threats or actual data breaches and/or security incidents; and (vi) the recommended, required and implemented countermeasures or safeguards.

8.5. The CONCESSIONAIRE shall be responsible for carrying out periodic simulations and training for its employees regarding the CONCESSIONAIRE's information security, personal data protection and privacy policies, and the respective market best practices.

8.6. The CONCESSIONAIRE shall also apply encryption and/or anonymization techniques in the storage of sensitive personal data.

8.7. CAGECE is ensured the right to inspect and audit the CONCESSIONAIRE's compliance with its personal data protection obligations, whether in person or remotely.

9. SECURITY INCIDENTS

9.1. 9.1. The CONCESSIONAIRE shall notify CAGECE within 24 (twenty-four) hours of becoming aware of any incidents related to DATA security or processing activities carried out by itself or by subcontractors, understood as any adverse event, confirmed or suspected, that may affect the confidentiality, integrity, and availability of such data.

9.2. The notice to CAGECE shall contain: (i) date and time of the incident; (ii) date and time on which the responsible person became aware of it; (iii) description of the affected personal data; (iv) number of affected DATA SUBJECTS; (v) list of the DATA SUBJECTS involved; (vi) risks related to the incident; (vii) indication of the technical and security measures used to protect the DATA; (viii) reasons for the delay, if the communication was not immediate; (ix) measures that were or will be adopted to reverse or mitigate the effects of the damage; and (x) the contact details of the Data Protection Officer or of another person from whom it is possible to obtain further information about what occurred.

9.3. In the event of incidents related to DATA security, the PARTIES shall act in a cooperative manner so as to: (i) define and implement the measures necessary to put cease the incident and minimize its impacts; (ii) provide the information necessary to investigate what occurred in the shortest possible time; and (iii) define the standard of responses to be provided to the DATA SUBJECTS, third parties, the National Data Protection Authority and other competent authorities.

9.4. The CONCESSIONAIRE may not take any actions to publicize or communicate the incident to third parties without CAGECE's consent.

9.5. The CONCESSIONAIRE shall use its best efforts to ascertain the causes of incidents and the respective liabilities, in addition to implementing actions regarding such causes so as to minimize or even avoid future incidents.

9.6. The CONCESSIONAIRE shall immediately notify CAGECE in writing of any event involving regulatory or judicial/judiciary bodies in relation to the processing of personal data, such as notices, requests, service of process or events arising from procedural acts, as well as any extrajudicial event of the same nature, covered by this agreement.



9.7. The CONCESSIONAIRE acknowledges that CAGECE may share information regarding any security incidents with the DATA SUBJECTS, judicial authorities, the National Data Protection Authority and other inspecting bodies.

10. RESPONSE TO DATA SUBJECT REQUESTS

10.1. The CONCESSIONAIRE shall immediately notify CAGECE of any requests made by DATA SUBJECTS, and it is prohibited from taking any measures to address them, except when so determined by judicial authorities, the National Data Protection Authority or other inspecting bodies.

10.2. The PARTIES shall cooperate with each other to respond to requests made by DATA SUBJECTS, judicial authorities, the National Data Protection Authority or other inspecting bodies.

11. TERMINATION OF DATA PROCESSING

11.1. Upon termination of this agreement or of the purpose justifying the data processing, the CONCESSIONAIRE is obliged to return or delete, at CAGECE's discretion, the personal data in its possession, within 30 (thirty) calendar days.

11.2. If the option is to return the data, CAGECE shall confirm receipt of the DATA in writing. From that moment on, the CONCESSIONAIRE shall permanently delete them, within up to 30 days, from its files, databases and systems, whether in physical or digital form, certifying execution of this procedure to CAGECE in writing.

11.3. If it is not possible to return the DATA to CAGECE, the CONCESSIONAIRE shall discard them at its own expense, certifying to CAGECE that it has complied with this obligation. The discard shall be carried out in an irreversible manner, within 30 (thirty) calendar days, so as not to allow restoration of the DATA in question.

11.4. The obligations set forth in this agreement shall also extend to the CONCESSIONAIRE's suboperators, and the CONCESSIONAIRE shall be fully responsible for ensuring compliance therewith by them.

11.5. The CONCESSIONAIRE shall notify CAGECE in advance of mergers or acquisitions that may result in termination of the CONTRACT or review of the terms of this agreement. If mergers or acquisitions involving the CONCESSIONAIRE do not result in termination of the CONTRACT with CAGECE, this agreement shall automatically survive such merger or acquisition processes, applying to the organizational arrangements and legal entities that become PARTIES to the contract with CAGECE.

11.6. The periods established in the items of this topic may be adjusted between the parties, provided that they are expressly justified.

12. PENALTIES AND LIABILITIES

12.1. The CONCESSIONAIRE acknowledges that it is compliant with the terms of this agreement, violations of which entitle CAGECE to apply to the CONCESSIONAIRE the penalties provided for in the CONTRACT, in addition to those imposed by law.



12.2. Prior to applying the penalties referred to in the previous item, CAGECE shall notify the CONCESSIONAIRE of the alleged violations, at which time it shall grant the CONCESSIONAIRE the opportunity to submit its arguments thereon.

12.3. The CONCESSIONAIRE shall be responsible, without prejudice to the application of the respective penalties, for the adjustments and corrections necessary to remedy the identified violations, in accordance with a remediation plan agreed between the PARTIES to be submitted by the CONCESSIONAIRE within up to 15 (fifteen) calendar days from receipt of CAGECE's notice.

12.4. If CAGECE is ordered, individually or jointly and severally, to compensate DATA SUBJECTS for damages caused by an act or omission attributable to the CONCESSIONAIRE, the latter shall be required to fully reimburse CAGECE.

13. FINAL PROVISIONS

13.1. In all matters in which this agreement is silent or inconclusive, the provisions of Federal Law No. 13,709/2018 shall apply.

14. TERM

14.1 This agreement shall enter into force as from the date of its signing and shall thereafter constitute an EXHIBIT to the CONTRACT described in item "i" of the initial recitals.

Fortaleza, ____ of ____, 2026.

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Representative of the CONCESSIONAIRE

CPF:



EXHIBIT X – RISK MATRIX

The purpose of this EXHIBIT is to identify the main risks to which the CONCESSIONAIRE and the GRANTING AUTHORITY shall be exposed throughout the performance of the CONTRACT, as well as to establish an objective allocation of the responsibilities corresponding to their materialization, considering the administrative concession regime. To facilitate visualization of the risks, the project's Risk Matrix has been subdivided into four distinct groups, identified below:

- **Table I – Legal and Institutional Risks**
- **Table II – Technical and Management Risks**
- **Table III – Construction and Project Risks**
- **Table IV – Economic and Financial Risks**

In addition, the tables indicate the period of greatest exposure to risk and the possible consequences associated with its materialization. Such indications are merely illustrative and do not affect the core of the Risk Matrix, consisting of the allocation of risks to each of the PARTIES.

Lastly, for purposes of understanding the Risk Matrix, it should be borne in mind that the allocation of a risk to a PARTY means that such PARTY shall absorb the financial-economic effect resulting from its materialization, whether *positive* or *negative*. In this sense, since the CONCESSIONAIRE is the provider of the SERVICES, whenever risks are allocated to it, their occurrence shall not give rise to financial-economic rebalancing procedures, since any gains or losses it may experience as a result of the occurrence of the risk shall be absorbed by it; on the other hand, when a risk allocated to the GRANTING AUTHORITY materializes, rebalancing may be necessary so that the CONCESSIONAIRE does not absorb a positive or negative financial-economic effect that does not belong to it.



Table I – Legal and Institutional Risks

Item	Clause	Risks	Materialization	Risk Allocation	Does it give rise to rebalancing?
1	34.4, ii	Resumption of the SERVICES by the HOLDER during the term of this CONTRACT, including as a result of the termination or reduction of the term of the PROGRAM CONTRACTS.	Early termination of the CONTRACT.	GRANTING AUTHORITY	Yes
2	34.4, iii	Issuance of rules applicable to the CONCESSION, or other determinations by the REGULATORY AGENCY or ANA, that result in changes to the PERFORMANCE INDICATORS set forth in EXHIBIT III – PERFORMANCE INDICATORS AND SERVICE TARGETS, or to other conditions for the SERVICES provision.	Change in costs; change in projects and schedule; contractual amendment.	GRANTING AUTHORITY	Yes
3	34.4, iv	FACTUM PRINCIPIS or ACT OF THE ADMINISTRATION that demonstrably results in variations in the CONCESSIONAIRE's costs or revenues, including rules, determinations and conditions imposed by environmental authorities or agencies that do not arise from the CONCESSIONAIRE's non-compliance with the applicable environmental rules.	Change in costs; contractual amendment.	GRANTING AUTHORITY	Yes
4	34.4, v	Except for taxes on income, the creation, amendment or extinction of taxes or legal charges, or the enactment of new provisions, that affect the CONCESSIONAIRE's costs or revenues, either positively or negatively, in	Change in costs; contractual amendment.	GRANTING AUTHORITY	Yes



		accordance with paragraph 3 of Article 9 of Federal Law No. 8,987/1995.			
5	34.2, xviii	Risks associated with tax or credit benefits arising from incentive programs.	Change in costs.	CONCESSIONAIRE	No
6	34.4, vi	Specific legislative change that directly impacts the CONCESSIONAIRE's revenues, such as those granting tax or tariff exemption, reduction, discount or any other tax or tariff privilege, as well as changes in consumer protection legislation that result in impacts on customer service costs.	Change in costs.	GRANTING AUTHORITY	Yes
7	34.4, x	Judicial and administrative orders to satisfy obligations originally attributable to the GRANTING AUTHORITY, including entities and agencies within its administrative sphere, or to the MUNICIPALITIES, including labor claims filed by employees or third parties linked to the GRANTING AUTHORITY or to other companies contracted by the GRANTING AUTHORITY.	Additional costs; indemnities; contractual amendment.	GRANTING AUTHORITY	Yes
8	34.4, xv	Delays in or suspensions of the execution of the CONTRACT due to judicial or administrative decisions, including those issued by inspecting bodies, for reasons not attributable to the CONCESSIONAIRE.	Change in costs; resumption or interruption of the services; change in schedule; Economic infeasibility of the concession;	GRANTING AUTHORITY	Yes



			contractual amendment.		
9	41	Takeover for reasons of public interest or administrative convenience.	Termination of the contract and commencement of proceedings to determine the indemnities due to the Concessionaire.	GRANTING AUTHORITY	Yes
10	43	Judicial termination due to fault of the GRANTING AUTHORITY.	Termination of the contract and commencement of proceedings to determine the indemnities due to the Concessionaire.	GRANTING AUTHORITY	Yes
11	44.4	Annulment of the TENDER, if it does not arise from a fact attributable to the CONCESSIONAIRE, or to its current or former shareholders.	Termination of the contract and commencement of proceedings to determine the indemnities due to the Concessionaire.	GRANTING AUTHORITY	Yes
12	34.2, xxi	Delays, suspensions, or other obstacles to the execution of the CONTRACT arising from judicial or administrative decisions, including	Change in costs; resumption or interruption of the	CONCESSIONAIRE	No



		by inspecting bodies, due to facts attributable to the CONCESSIONAIRE.	services; delay in the schedule; economic infeasibility of the concession; contractual amendment.		
13	44	Bankruptcy or dissolution of the CONCESSIONAIRE.	Default by the Concessionaire with its lenders; unenforceability of the contract; termination of the concession.	CONCESSIONAIRE	No
14	34.4, vii	Occurrence of a FORTUITOUS EVENTS or FORCE MAJEURE that are not covered by the insurance required under this CONTRACT.	Change in costs; change in projects and schedule; filing of lawsuits; contractual amendment.	GRANTING AUTHORITY	Yes
15	34.2, xxvii	Occurrence of events considered as cases of FORTUITOUS EVENT OR FORCE MAJEURE that are covered by the insurance policies required under this CONTRACT.	Change in costs; change in projects and schedule; filing of lawsuits; contractual amendment.	CONCESSIONAIRE	No
16	11.21	Change in the manner of the works' execution or in the CONCESSIONAIRE's investment schedule, due to amendments to	Change in costs; change in schedule;	GRANTING AUTHORITY	Yes



		the Municipal and/or Microregional Water and Wastewater Plans, affecting the obligations undertaken by the Concessionaire, subject to the provisions of article 25, paragraph 8, of Federal Decree No. 7,217, of June 21, 2010.	contractual amendment.		
17	42	Declaration of forfeiture of the ADMINISTRATIVE CONCESSION.	Early termination of the contract.	CONCESSIONAIRE	No
18	34.9	New investments or services requested by the GRANTING AUTHORITY, not provided for in the CONTRACT.	Change in costs; new investments; change in schedule.	GRANTING AUTHORITY	Yes

Table II – Technical and Management Risks

Item	Clause	Risks	Materialization	Risk Allocation	Does it give rise to rebalancing?
1	34.4, xii	Unavailability of electric power, resulting from acts or omissions not attributable to the CONCESSIONAIRE, which affect the execution of the CONTRACT and last for more than 48 (forty-eight) consecutive hours.	Interruption of the services; delay in the schedule; impact on the performance indicators; complaints by users; filing	GRANTING AUTHORITY	Yes



			of judicial and administrative actions.		
2	34.2, xl	Issues, delays, inconsistencies, interruption, or intermittency in the supply of public utilities required for the execution of the CONTRACT, except for the risks of unavailability of electric power set forth in subclause 34.4, item "xii".	Interruption of the services; delay in the schedule; impact on the performance indicators; complaints by users; filing of judicial and administrative actions.	CONCESSIONAIRE	No
3	34.4, xvi	Damages or losses caused to the CONCESSIONAIRE arising from compliance with a determination by the GRANTING AUTHORITY or the REGULATORY AGENCY that mandatorily and subsequently imposes the use of technology or technique in the SERVICES or in the assets used for the SERVICES provision that is not provided for in this CONTRACT or in the INVESTMENT PLAN, provided that such changes result in additional costs to the CONCESSIONAIRE and do not arise from contractual obligations assumed by it, including those associated with the principle of currentness, the continuous improvement of the SERVICES, or the natural technological evolution throughout the contractual term.	Change in costs; change in projects and schedule; contractual amendment.	GRANTING AUTHORITY	Yes



4	34.4, xxiii	Change in the technical solution for making the SERVICES available in the municipal seats, districts and localities indicated in EXHIBIT V – GUIDELINES FOR PREPARATION OF THE INVESTMENT PLAN, due to the technical infeasibility of installing public wastewater networks in compliance with the provisions set forth in EXHIBIT IV – CONCESSION SPECIFICATIONS.	Change in costs; change in the projects; change in schedule.	GRANTING AUTHORITY	Yes
5	34.4, xxv	Eventual works executed directly by the GRANTING AUTHORITY, HOLDERS or the STATE, which may be incorporated into the SYSTEM and qualify as SYSTEM IMPROVEMENT WORKS, or that demonstrably reduce the investment costs under the CONCESSIONAIRE'S responsibility.	Change in costs; change in the investment plan; change in the projects; change in the schedules; contractual amendment.	GRANTING AUTHORITY	Yes
6	34.2, xv	Perishing, destruction, robbery, theft, loss, or any other types of damage caused to the REVERSIBLE ASSETS while they are allocated to the SERVICES or which, once deallocated, have not yet been formally returned to the GRANTING AUTHORITY.	Triggering of the contracted insurance policies; additional costs; acquisition of new assets.	CONCESSIONAIRE	No
7	34.2, xli	Non-redhibitory defects, that is, those identifiable through technical inspection, in the REVERSIBLE ASSETS, even if already existing or originating on	Change in costs; acquisition of new assets; change in schedule.	CONCESSIONAIRE	No



		a date prior to the execution of the handover instrument of the respective asset.			
8	34.2, viii	Risks associated with the safety and health of the workers engaged in the execution of the SYSTEM IMPROVEMENT WORKS and in the execution of the CONTRACT, who are subordinated to the CONCESSIONAIRE or to its subcontractors and third-party service providers, including with respect to safety at the site of such works.	Indemnities; filing of judicial and administrative actions; paralysis or interruption of the works; delay in the schedule; additional costs.	CONCESSIONAIRE	No
9	34.2, xi	Impacts, including additional costs and timelines, arising from delays in, or failure to obtain, the licenses, permits, and authorizations required for the execution of the subject matter of this CONTRACT, due to factors attributable to the CONCESSIONAIRE, except for the cases set forth in subclause 34.4.	Indemnities; administrative measures; filing of judicial and administrative actions; interference with other public services; change in costs; delay in the schedule.	CONCESSIONAIRE	No
10	34.2, xxvi	Impacts, including additional time periods, investments, costs, and expenses, required for documentary or real-estate regularization that may be required in licensing or authorization processes related to the execution of the CONTRACT, except with respect to REVERSIBLE ASSETS existing prior to SYSTEM OPERATION.	Changes in costs; changes in the schedule.	CONCESSIONAIRE	No



11	34.2, xxix	Losses caused to third parties, including the USERS of the SERVICES, by the CONCESSIONAIRE or its officers, employees, agents, or service providers, or any other individual or entity affiliated with it, in the course of activities necessary for the execution of the CONTRACT.	Indemnities; filing of judicial and administrative actions; triggering of the contracted insurance policies; increase in costs; delay in the schedule; reputational damage.	CONCESSIONAIRE	No
12	34.2, x	Excess costs related to the provision of the SERVICES, as well as losses arising from their inefficient management or from increases in the cost of supplies and raw materials.	Change in costs; change in schedule.	CONCESSIONAIRE	No
13	34.2, xiv	Risks related to the state-of-the-art of the technology employed in the execution of the CONTRACT.	Additional investments for technological upgrading; change in costs; change in the schedule.	CONCESSIONAIRE	No
14	21	Risks associated with expropriations, removals, and the establishment of administrative easements, administrative limitations, and temporary occupations of real property necessary for the execution of the CONTRACT, under the CONCESSIONAIRE's responsibility, in compliance with the applicable laws and regulations and the provisions set forth in the CONTRACT and its exhibits.	Indemnities; administrative measures; filing of judicial and administrative actions; interference with other public services; change in costs; delay in the schedule.	CONCESSIONAIRE	No



15	34.2, xii	Implications, including additional costs and timelines, arising from compliance with the conditions imposed in the environmental licensing procedures required for the execution of the CONTRACT.	Indemnities; administrative measures; filing of judicial and administrative actions; interference with other public services; change in costs; delay in the schedule.	CONCESSIONAIRE	No
16	34.4, viii	Delay in the works and activities resulting from delays in obtaining environmental licenses or authorizations from public authorities under the CONCESSIONAIRE's responsibility, whenever the analysis periods of the authority responsible for issuing the licenses or authorizations exceed those set forth in the applicable rules or those informed by the public authority, except where arising from a fact attributable to the CONCESSIONAIRE, pursuant to the CONTRACT.	Change in costs; delay in the schedule.	GRANTING AUTHORITY	Yes
17	34.4, i	Change in the SERVICE PROVIDER'S COVERAGE AREA due to the conversion of rural areas into urban areas or vice versa, the inclusion of expansion areas, or the inclusion of a Municipality listed in Table 3 of EXHIBIT D.	Change in costs; change in investments; change in the schedule; contractual amendment.	GRANTING AUTHORITY	Yes



18	34.4, ix	Events resulting from acts or facts that occurred before the SYSTEM transfer date and that are not under the CONCESSIONAIRE's responsibility, including PRE-EXISTING LIABILITIES, provided that they are identified and notified to the GRANTING AUTHORITY by the end of the SYSTEM ASSISTED OPERATION, whenever such events affect the execution of the CONTRACT, give rise to an increase in costs, expenses or investments for the CONCESSIONAIRE, or, alternatively, result in a reduction of its revenue, except, in any event, for the risks allocated to the CONCESSIONAIRE, as well as the liabilities relating to the technical, operational and investment conditions of the SYSTEM, knowledge and measurement of which were incumbent upon the CONCESSIONAIRE within the scope of the TENDER.	Change in costs; filing of judicial and administrative actions; indemnities.	GRANTING AUTHORITY	Yes
19	34.2, xiii	Risks related to the remediation of environmental liabilities or environmental irregularities caused after the issuance of the SYSTEM TRANSFER TERM.	Change in costs; filing of judicial and administrative actions; indemnities.	CONCESSIONAIRE	No



20	34.4, xiii	Interferences caused by social movements not associated with deficient provision of the SERVICES.	Interruption of the services; change in costs; change in the schedule.	GRANTING AUTHORITY	Yes
21	34.4, xxii	Hidden defects in the REVERSIBLE ASSETS, already existing or originating on a date prior to the execution of the term of delivery of the respective asset by the GRANTING AUTHORITY to the CONCESSIONAIRE, identified within up to 12 (twelve) months after the effective transfer of responsibility.	Change in costs; acquisition of new assets; delay in the schedule.	GRANTING AUTHORITY	Yes
22	34.2, xxxii	Expenditures resulting from latent defects in the REVERSIBLE ASSETS, except in the cases addressed in the CONTRACT.	Additional costs for the corrective and preventive maintenance of the assets, keeping them in compliance with the quality levels set forth in the contract; Acquisition of new assets; delay in the schedule.	CONCESSIONAIRE	No
23	34.2, vi	The occurrence of strikes, work stoppages, or manifestations by the CONCESSIONAIRE'S workers or subcontractors that affect the execution of the CONTRACT, where such events are motivated by demands directed to the CONCESSIONAIRE or to the subcontractors, except for	Indemnities; interruption of the services; filing of judicial and administrative actions; change in the schedule.	CONCESSIONAIRE	No



		those deemed unlawful by the Judiciary.			
24	34.2, xxxiv	losses arising from interruptions or issues, delays, failures, or inconsistencies in the supply of materials, supplies, labor, and services required for the execution of the CONTRACT, including as regards subcontracted companies, except where they are directly and demonstrably attributable to the GRANTING AUTHORITY.	Change in costs; change in the schedule; interruption of the services.	CONCESSIONAIRE	No
25	34.4, xiv	Interferences with the provision of the SERVICES caused by social manifestations, including strikes by public agents, except for internal strikes by the CONCESSIONAIRE's own employees or those of its subcontractors.	Indemnities; interruption of the services; filing of judicial and administrative actions.	GRANTING AUTHORITY	Yes
26	34.2, xxxiii	Cost variations or losses arising from labor collective bargaining, agreements or collective labor instruments, as well as social security, tax, and commercial matters resulting from the execution of the CONTRACT, including those related to subcontracted companies;	Indemnities; interruption of the services; filing of judicial and administrative actions.	CONCESSIONAIRE	No
27	34.2, xxxv	Impacts due to eventual delays in the procedures for expropriations, the	Indemnities; administrative measures; filing of judicial	CONCESSIONAIRE	No



		establishment of administrative easements, and the imposition of administrative restrictions or provisional occupations of immovable assets necessary for the execution of the CONTRACT, including the risk of delay in the issuance of the judicial decisions required for provisional possession of the respective immovable assets, subject to the exceptions provided for in the CONTRACT.	and administrative actions; interference with other public services; change in costs; delay in the schedule.		
28	34.2, xxxi	Investments, payments, costs, and expenses arising from expropriations, the establishment of administrative easements, and the imposition of administrative restrictions or the provisional occupation of immovable assets necessary for the execution of the CONTRACT.	Indemnities; administrative measures; filing of judicial and administrative actions; interference with other public services; change in costs; delay in the schedule.	CONCESSIONAIRE	No
29	34.4, xi	Archaeological risks, including the eventual discovery of historical and archaeological sites that affect the execution of the CONTRACT.	Interruption of the works; change in the schedule; change in the project.	GRANTING AUTHORITY	Yes
30	34.2, xxv	Costs and time periods for the removal of occupants from immovable assets irregularly occupied, after the CONCESSIONAIRE assumes SYSTEM OPERATION.	Indemnities; change in costs; change in the schedule.	CONCESSIONAIRE	No



31	34.2, xxviii	Civil, administrative, environmental, and criminal liability for any damages arising from the execution of the CONTRACT, the SYSTEM IMPROVEMENT WORKS, the operation and maintenance of the REVERSIBLE ASSETS, and the provision of SERVICES, that have been caused by the CONCESSIONAIRE or by its managers, employees, agents, subcontractors, or any other individual or legal entity affiliated with the CONCESSIONAIRE.	Reputational damage; increase in costs; interruption of the works.	CONCESSIONAIRE	No
32	34.2, v	Any issues arising from the relationship between the CONCESSIONAIRE and its contractors, of any nature.	Change in costs; revenue shortfalls or financing; defaults; indemnities; change in the schedule.	CONCESSIONAIRE	No
33	34.2, xxxviii e 12.1.2	Revenue shortfalls arising from the impossibility, for reasons of public order, of providing the SERVICES in the CONSOLIDATED INFORMAL URBAN SETTLEMENTS and in the REMOTE AREAS.	Change in costs.	CONCESSIONAIRE	No

Table III – Construction and Project Risks



Item	Clause	Risks	Materialization	Risk Allocation	Does it give rise to rebalancing?
1	34.2, ix	Impacts on the execution of the subject matter of the CONTRACT arising from adverse geological and climatic conditions, resulting in additional costs or delays to the schedule set forth in the INVESTMENT PLAN.	Change in costs; change in the schedule; indemnities; triggering of the contracted insurance policies; redoing of the works.	CONCESSIONAIRE	No
2	34.2, xxxix	The level of coverage of the sanitary wastewater system in the LOT that effectively exists being lower than the level informed in APPENDIX III of EXHIBIT IV – CONCESSION SPECIFICATIONS for purposes of preparation of the COMMERCIAL PROPOSAL, applying the same methodology, except for the risk allocated to the GRANTING AUTHORITY under subclause 34.4, item xx.	Change in costs; change in the schedule; change in the projects.	CONCESSIONAIRE	No
3	34.4, xx	the actually existing level of coverage of the wastewater system in the LOT lower than the level informed in APPENDIX III of EXHIBIT IV – CONCESSION SPECIFICATIONS for purposes of preparing the COMMERCIAL PROPOSAL, provided that such negative variation is verified by the 12th (twelfth) month after the end of the SYSTEM ASSISTED	Change in costs; change in the schedule; change in the projects.	GRANTING AUTHORITY	Yes



		OPERATION and exceeds 10% (ten percent) of the informed level, observing the same methodology.			
4	34.4, xxi	The actually existing level of coverage of the wastewater system higher than that informed in APPENDIX III of EXHIBIT IV – CONCESSION SPECIFICATIONS for purposes of preparing the COMMERCIAL PROPOSAL, including due to the existence of systems in operation under the direct responsibility of the MUNICIPALITIES, provided that such positive variation exceeds 10% (ten percent) of the informed level, observing the same methodology.	Change in costs; change in the schedule; change in the projects.	GRANTING AUTHORITY	Yes
5	34.4, xxiv	The variation exceeding 10% (ten percent), either positively or negatively, between the network extension implemented for achievement of the coverage targets upon universalization and the network extension projected for the lot as indicated in EXHIBIT IV – CONCESSION SPECIFICATIONS, with respect to the list of municipal seats, districts and localities indicated for service through a conventional collective solution EXHIBIT V – GUIDELINES FOR PREPARATION OF THE INVESTMENT PLAN.	Change in costs; change in the schedule; change in the projects.	GRANTING AUTHORITY	Yes



6	34.4, xvii	Losses arising from a delay of more than 12 (twelve) months in the completion of the GRANTING AUTHORITY INVESTMENTS, according to the schedule set forth in EXHIBIT VIII, or from the existence of construction and design defects, including hidden defects, provided that they are indicated by the CONCESSIONAIRE within 12 (twelve) months after issuance of the ACCEPTANCE AND TRANSFER TERM, pursuant to subclause 14 of the CONTRACT.	Change in costs; change in the schedule; change in the projects.	GRANTING AUTHORITY	Yes
7	34.2., xlii	Possible revenue shortfalls arising from a delay of up to 12 (twelve) months in completion of the investments under the responsibility of the GRANTING AUTHORITY, pursuant to the schedule set forth in EXHIBIT VIII – GRANTING AUTHORITY INVESTMENTS.	Revenue shortfalls.	CONCESSIONAIRE	No
8	34.4, xviii	Assumption by the CONCESSIONAIRE of the remaining works relating to the GRANTING AUTHORITY INVESTMENTS, as set forth in this CONTRACT.	Change in costs; change in the schedule; change in the projects.	GRANTING AUTHORITY	Yes
9	34.2, xxii	Failures, errors, omissions, or changes: (i) in any engineering projects elaborated by the CONCESSIONAIRE, required for the CONTRACT execution or the	Change in costs; change in the schedule; change in the projects; redoing of the works or projects.	CONCESSIONAIRE	No



		SERVICES provision, regardless of their approval or no-objection by the GRANTING AUTHORITY; or (ii) in the SYSTEM IMPROVEMENT WORKS or in any other works executed by the CONCESSIONAIRE, required to comply with the CONTRACT, regardless of their approval or no-objection by the GRANTING AUTHORITY.			
10	11.17	Delay in the execution of the works due to the need for adjustments to the projects and studies, when resulting from a gross technical error or a clear failure to comply with the provisions of the TENDER NOTICE, safety standards, good engineering practice, the CONTRACT and its exhibits.	Change in costs; change in the schedule; change in the projects; redoing of the works or projects.	CONCESSIONAIRE	No
11	34.2, xxiii	Obstacles to the SYSTEM IMPROVEMENT WORKS, as well as additional costs and time periods resulting from the need for rework or changes to such works, due to the CONCESSIONAIRE's failure to comply with the provisions of this CONTRACT and the applicable legal and regulatory provisions.	Delay in the schedule; Paralysis/ interruption of the works; additional costs; redoing of the works.	CONCESSIONAIRE	No



Table IV – Economic and Financial Risks

Item	Clause	Risks	Materialization	Risk Allocation	Does it give rise to rebalancing?
1	34.2, iii	Variation or error in estimating the investments required for the execution of the CONTRACT and the costs of operation, maintenance, and preservation of the SYSTEM, including the failure to obtain the economic return expected by the CONCESSIONAIRE, provided that such variation does not result, directly and demonstrably, from conduct of the GRANTING AUTHORITY or from the materialization of another contractual risk allocated to the GRANTING AUTHORITY.	Change in costs.	CONCESSIONAIRE	No



2	34.2, xx	Costs related to contracting the insurance policies required under this CONTRACT.	Change in costs.	CONCESSIONAIRE	No
3	34.2, xxxvii	Variations, inaccurate estimates, or failure to estimate the investments and reinvestments required for the CONTRACT execution, as well as additional costs or expenses necessary to comply with the PERFORMANCE INDICATORS as a result of its performance.	Change in costs.	CONCESSIONAIRE	No
4	34.2, xvi	Variation or error in estimating the investments required for the execution of the CONTRACT and the costs of operation, maintenance, and preservation of the SYSTEM, including the failure to obtain the economic return expected by the CONCESSIONAIRE, provided that such variation does not result, directly and demonstrably, from conduct of the GRANTING AUTHORITY or from the materialization of another contractual risk allocated to the GRANTING AUTHORITY.	Change in costs.	CONCESSIONAIRE	No
5	34.2, xvii	Fluctuations in exchange rates.	Change in costs.	CONCESSIONAIRE	No
6	34.2, xix	Changes in the CONCESSIONAIRE's business, financial, economic,	Change in costs.	CONCESSIONAIRE	No



		accounting, and tax planning that affect the execution of the CONTRACT, except for changes resulting from the materialization of risks allocated to the GRANTING AUTHORITY.			
7	34.2, xxx	Losses arising from risks inherent to business activity.	Change in costs.	CONCESSIONAIRE	No
8	34.2, xxxvi	Cost and expense variations related to the acquisition and installation of equipment required for the SERVICES, including customs-related costs, between the date of submission of the COMMERCIAL PROPOSAL and its effective acquisition.	Change in costs.	CONCESSIONAIRE	No
9	34.2, xliii	Variation in the base interest rate that affects the execution of the CONTRACT.	Change in costs.	CONCESSIONAIRE	No
10	34.2, i	Variation in the demand for the SERVICES and the SERVICES COMPLEMENTARES, including, without limitation, as a result of population densification differing from that forecast; the existence of irregular connections or failure to connect to the network; changes in the housing profile, consumption pattern, or composition of USERS;	Change in costs.	CONCESSIONAIRE	No



		changes in USERS' behavior or consumption arising from tax policies and provisions applicable to the sector, including those related to Constitutional Amendment No. 132/2023; and other factors that affect the demand for the SERVICES.			
11	34.2, iv	Variation in the cost of labor and supplies affecting the execution of the CONTRACT, including the provision of the SERVICES, provision of the SERVICES COMPLEMENTARES, and the execution of the SYSTEM IMPROVEMENT WORKS and of the other investments provided for in this CONTRACT, except for any works executed by the GRANTING AUTHORITY or by a federated Entity.	Change in costs.	CONCESSIONAIRE	No
12	34.2, vii	Risks associated with any investments, costs, or expenses related to activities that generate ADDITIONAL REVENUES, as well as with the failure to realize such revenues.	Change in costs; revenue shortfalls.	CONCESSIONAIRE	No
13	34.2, ii	Identification of errors or omissions in the WINNING PROPOSAL or in	Delay in the schedule;	CONCESSIONAIRE	No



		any other projection or assumption of the CONCESSIONAIRE, including in the surveys carried out prior to the preparation of the WINNING PROPOSAL.	change in costs; change in investments.		



INTERNATIONAL PUBLIC TENDER NOTICE N.º 20260001CAGECE/CCC

ADMINISTRATIVE CONCESSION OF THE SERVICES REQUIRED TO ACHIEVE UNIVERSALIZATION OF WASTEWATER SERVICE IN 127 COUNTRYSIDE MUNICIPALITIES OF THE STATE OF CEARÁ SERVED BY CAGECE, COMPRISING LOTS 1 TO 5, AS IDENTIFIED IN ANNEX D – SERVICE PROVIDER’S COVERAGE AREA.

INFORMATION ABOUT THE EXHIBITS

The projects and technical studies that preceded the preparation of the TENDER NOTICE, as well as the complementary documents and related legal instruments, including the COOPERATION AGREEMENTS and the PROGRAM CONTRACTS, will be made available to interested parties on CAGECE’s website, at the following link <https://www.cagece.com.br/ppp-esgoto/>:

1. Maps of Coverage Areas by Municipality of EXHIBIT D – SERVICE PROVIDER’S COVERAGE AREA;
2. Engineering Conceptual Studies and Projects and Annexes by Municipality;
3. Economic and Financial Report and Annex;
4. Appendix II - Work Execution Standard Defined by Cagece of Exhibit IV - Concession Specifications;
5. Exhibit C.1 - Commercial Proposal Template:
 - Exhibit C.1 - Commercial Proposal Template__ Lot 1 or North-Coastal Lot (Norte-Litorâneo)
 - Exhibit C.1 - Commercial Proposal Template__ Lot 2 or Central-South Lot (Centro-Sul)
 - Exhibit C.1 - Commercial Proposal Template__ Lot 3 or Central-East Lot (Centro-Leste)
 - Exhibit C.1 - Commercial Proposal Template__ Lot 4 or Três Climats-Maciço Lot (Três Climats-Maciço)
 - Exhibit C.1 - Commercial Proposal Template__ Lot 5 or Sertões De Crateús-Ibiapaba Lot (Sertões De Crateús-Ibiapaba)
6. Annex V.1 – Sample Information Spreadsheet for Cagece's Financial Planning of Exhibit V Guidelines for the Preparation of the Investment Plan;
7. Others complementary documents.

