

EXHIBIT I
TENDER NOTICE No. 20260002

Procedure No. 1193.000024/2026-05 NUP 43012.001191/2026-48

**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 NUP 43012.001191/2026-48;
- 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. 20260002.

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

1.1.6. 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;

1.1.7. 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: 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., May 31, 2026, 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 20260002), 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 and service 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'S 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. 20260002, 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'S 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 agreement with the GRANTING AUTHORITY that qualifies it as a business opportunity partner, pursuant to Article 28, paragraph 4, of Federal 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. Under no circumstances shall the GRANTING AUTHORITY's ordinary administrative contracts be deemed equivalent to business opportunities, and the respective contractors shall not qualify as PREFERRED PARTIES;

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

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 2.7; (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 REVERSIBLE 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.



Investment 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'S INVESTMENT MANAGEMENT PLAN;
- iii. CONCESSIONAIRE'S 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 **Erro! Fonte de referência não encontrada..**



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 **Erro! Fonte de referência não encontrada..**

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% (one percent) 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's wastewater system 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 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, 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 [●] 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\$ 100,000,000.00 (one hundred million reais) for the CENTRAL-SOUTH LOT;

ii. R\$ 100,000,000.00 (one hundred million reais) for CENTRAL-EAST LOT;

iii. R\$ 90,000,000.00 (ninety million reais) for TRÊS CLIMAS-MACIÇO LOT; and

iv. R\$ 120,000,000.00 (one hundred and twenty million reais) for SERTÕES DE CRATEÚS-IBIAPABA LOT.

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 **Erro! Fonte de referência não encontrada..**

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 EXHIBIT VI – PROVISIONS FOR CONTRACTING PERFORMANCE GUARANTEE.

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.

19.11.4. The notice for the exercise of the PREEMPTIVE RIGHT shall not obligate the CONCESSIONAIRE to complete the contracting, and, in the event of abandonment, postponement or substantial change to its subject matter, no payment or indemnity shall be due to the PREFERRED PARTY, without prejudice to the requirement for a new notice if a new contracting process is subsequently initiated.

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. The inclusion of a new PREFERRED PARTY shall be subject, cumulatively, to:

- I. the corporate or contractual relationship having been formally approved and characterized by the GRANTING AUTHORITY as a defined and specific business opportunity, pursuant to Article 28, paragraph 3, item II, and paragraph 4, of Federal Law No. 13,303/2016; and



II. the respective PREEMPTIVE SUBJECT MATTER being described with sufficient precision.

19.12.3. 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 corporate changes involving the CONCESSIONAIRE, including spin-off or merger, as well as in the event of succession or transfer of CONTROL or of the CONCESSION, also encompassing cases where such transfer is effected in favor of its lenders (step-in rights) or by virtue of a judicial or arbitral decision.

19.12.4. 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; or
- 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, pursuant to Article 5, item IX, of Federal Law No. 11,079/2004, 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 and demonstrably (i) from the provision of additional private guarantees by the CONCESSIONAIRE or by its shareholders, or (ii) improvements in the CONCESSIONAIRE'S efficiency.

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 sign, as intervening consenting party, the financing instruments entered into by the CONCESSIONAIRE, whenever so requested by the CONCESSIONAIRE and the financing agents;
- xvii. to sign, 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 annual quantities of intradomiciliary connections referred to in item ix are set forth in Appendix IV of EXHIBIT IV – CONCESSION SPECIFICATIONS and constitute minimum parameters of mandatory performance by the CONCESSIONAIRE, at its own expense and at no cost to the USERS, and no economic-financial rebalancing shall be applicable for their performance up to



the limit set forth therein;

- b) For purposes of risk allocation, the total number of intradomiciliary connections set forth in Appendix IV of EXHIBIT IV – CONCESSION SPECIFICATIONS constitutes the limit of the obligation assigned to the CONCESSIONAIRE without entitlement to rebalancing. The execution of intradomiciliary connections of residential real estate assets in a quantity exceeding such limit, when expressly determined by the GRANTING AUTHORITY, may give rise to economic-financial rebalancing in favor of the CONCESSIONAIRE, exclusively with respect to the additional costs arising from the excess connections.
 - 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 publicize the GRANTING AUTHORITY's social tariff policy and permanently update the eligible USERS registration database, with the support of the GRANTING AUTHORITY;
- xii. to carry out inspection activities at real estate assets where the public wastewater



network is available but no effective connection has been made, aimed at identifying irregularities, fraud, illegal discharges and adopting the measures required for the regularization and activation of the connections;

- xiii. to conduct door-to-door household visits before, during and after the execution of the works, for the purpose of providing technical guidance and raising public awareness of the sanitary, environmental and socioeconomic benefits arising from connection to the public wastewater system, including improvements in public health and increased property values of the real estate assets served;
- xiv. to implement an intradomiciliary connection program aimed at directly carrying out the necessary internal adaptations in the real estate assets, ensuring adequate conditions for effective connection to the public wastewater system;
- xv. to promote educational and institutional campaigns aimed at raising public awareness of the negative impacts arising from the lack of connection to the public wastewater network, particularly with respect to environmental pollution, public health risks and decreased property values;
- xvi. to enter into an agreement or technical cooperation instrument with health surveillance agencies and/or Municipal Departments of the Environment, with the support of the GRANTING AUTHORITY, in order to enable the CONCESSIONAIRE to carry out technical field surveys to identify unconnected real estate assets, subsequently submitting a technical report and a detailed expert report to the competent authorities for the adoption of the applicable administrative and legal measures;
- xvii. to foster institutional actions, in partnership with the GRANTING AUTHORITY, aimed at encouraging and regularizing connections to the SYSTEM, with the possibility of participation and intermediation by the REGULATORY AGENCY and the Public Prosecutor's Office, with a view to strengthening inspection, awareness-raising and social mediation actions and achieving the universalization targets for the SERVICES;
- xviii. 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;



- xix. 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;
- xx. to prepare and submit annually to the GRANTING AUTHORITY a useful life report for the REVERSIBLE ASSETS, in accordance with CPC 27 guidelines;
- xxi. 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;
- xxii. 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;
- xxiii. 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;
- xxiv. 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;
- xxv. 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;
- xxvi. 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;

- xxvii. 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;
- xxviii. 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;
- xxix. 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;
- xxx. 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;
- xxxi. to notify the GRANTING AUTHORITY of any irregularities committed by the USERS that come to its awareness;
- xxxii. 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;
- xxxiii. 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;

- xxxiv. 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;
- xxxv. to request and obtain from the USERS ratings regarding the quality of the SERVICES, in the manner provided for by the GRANTING AUTHORITY;
- xxxvi. 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;
- xxxvii. to be responsible for any tests and commissioning required for the execution of the CONTRACT;
- xxxviii. to prepare, and be responsible for, the environmental impact studies and the socio-environmental management plan required for the execution of this CONTRACT;
- xxxix. 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;
- xl. 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;
- xli. to ensure unrestricted access, by the persons indicated by the GRANTING AUTHORITY, upon prior notice, to the facilities relevant to the maintenance and direct operation of the SYSTEM;
- xlii. to provide the information and documents requested by the GRANTING AUTHORITY within the timeframe determined by it;



- xl.iii. 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;
- xl.iv. 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;
- xl.v. 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;
- xl.vi. 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.vii. 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;
- xl.viii. to observe corporate governance standards and adopt standardized accounting systems and financial statements;
- xl.ix. 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;
- I. 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;

- li. 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;
- lii. 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;
- liii. 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;
- liv. 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;
- lv. be liable for the costs arising from interruption of the CONTRACT due to a bankruptcy decree;
- lvi. 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;
- lvii. 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;
- lviii. 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.
 - lix. 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;
 - lx. 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;
 - lxi. 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;
 - lxii. to comply with the applicable environmental legislation;
 - lxiii. 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;



- lxiv. 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;
- lxv. 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;
- lxvi. 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 actually enjoyed, 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;
- lxvii. 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;
- lxviii. to comply with the PERFORMANCE INDICATORS, including the targets set forth in the applicable legislation and in this CONTRACT and its respective EXHIBITS;
- lxix. 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;
- lxx. 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;
- lxxi. 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;

- lxxii. 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;
- lxxiii. 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;
- lxxiv. 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
- lxxv. 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:

Central-South Lot:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
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	(1 st measurement)							
-	0.2390	0.3189	0.4328	0.6130	0.9893	0.9917	0.9939	0.9957
Year 10	Year 11	Year 12	Year 13	Year 14 – Year 28				
0.9972	0.9984	0.9992	0.9997	1.0000				

Central-East Lot:

Year 1	Year 2 (1 st measurement)	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
-	0.2304	0.3695	0.5296	0.6994	0.9889	0.9915	0.9937	0.9956
Year 10	Year 11	Year 12	Year 13	Year 14 – Year 28				
0.9971	0.9984	0.9992	0.9998	1.0000				

Três Climax-Maciço Lot:

Year 1	Year 2 (1 st measurement)	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
-	0.3099	0.4635	0.5987	0.8209	0.9772	0.9822	0.9865	0.9903
Year 10	Year 11	Year 12	Year 13	Year 14 – Year 28				
0.9935	0.9963	0.9987	0.9997	1.0000				

Sertões de Crateús-Ibiapaba Lot:

Year 1	Year 2 (1 st measurement)	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
-	0.3524	0.4190	0.5057	0.6779	0.9852	0.9886	0.9916	0.9941
Year 10	Year 11	Year 12	Year 13	Year 14 – Year 28				
0.9962	0.9977	0.9989	0.9997	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 micromasured 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 through:

- I. offsetting against IBS and CBS tax liabilities, pursuant to Articles 27, item I, and 53 of Complementary Law No. 214/2025; or
- II. reimbursement effectively paid to the CONCESSIONAIRE, pursuant to Article 39 of Complementary Law No. 214/2025.

25.6.1. For purposes of the CONTRACT, credits shall be deemed effectively utilized when:

- I. in the case of offsetting, they have been effectively used to extinguish tax liabilities or reduce the financial disbursement that, in the absence of such credits, would otherwise have been payable by the CONCESSIONAIRE;
- II. in the case of reimbursement, the respective funds have been credited to an account held by the CONCESSIONAIRE and are available for its unrestricted use.

25.6.2. The mere appropriation, recording or accounting recognition of the credits, as well as the filing of a reimbursement request that has not yet been paid, shall not constitute effective utilization thereof for purposes of this subclause.

25.6.3. The amount resulting from the deduction provided for in this subclause shall correspond to the net MONTHLY FINANCIAL CONSIDERATION of IBS and CBS levied on the



payment transaction of the MONTHLY FINANCIAL CONSIDERATION.

25.6.3.1. The IBS and CBS levied on the payment transaction of the MONTHLY FINANCIAL CONSIDERATION shall be calculated on the net MONTHLY FINANCIAL CONSIDERATION and separately stated in the respective tax document, and the GRANTING AUTHORITY shall, in the exercise of the prerogative provided for in item II of paragraph 5 of Article 156-A of the Federal Constitution and related legislation, arrange for their payment directly or through segregation upon financial settlement of the transaction (*split payment*).

25.6.4. The CONCESSIONAIRE shall monthly inform the GRANTING AUTHORITY of the amount of credits effectively utilized in the previous month and the applicable form of financial realization, whether by setoff or reimbursement, along with the respective supporting documentation.

25.6.5. The total deduction applied to the MONTHLY FINANCIAL CONSIDERATION, comprising the credits realized in the previous month and the deferred balances from preceding months, shall be limited, in each month, to the amount of the VARIABLE COMPONENT of the MONTHLY FINANCIAL CONSIDERATION calculated for the respective month.

25.6.6. The amount of financially realized credits that cannot be fully deducted due to the limit provided for in this subclause shall constitute a deferred credit balance and shall be automatically added to the amounts eligible for deduction in subsequent months, adjusted in accordance with the provisions of this CONTRACT applicable to the MONTHLY FINANCIAL CONSIDERATION and subject to the deduction limit provided for in this subclause.

25.6.7. 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 taxes paid by the GRANTING AUTHORITY, pursuant to the item of paragraph 5 of Article 156-A of the Federal Constitution and related legislation, as IBS and CBS, 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.



25.6.7.1. If, within 30 (thirty) calendar days counted from the payment of the MONTHLY FINANCIAL CONSIDERATION, the CONCESSIONAIRE demonstrates that the omission occurred without willful misconduct or fault and provides documentary evidence of the amount of tax credits effectively utilized, any difference shall be offset against the subsequent payment of the MONTHLY FINANCIAL CONSIDERATION.

25.6.8. Any deferred credit balance existing upon termination of the CONTRACT shall be considered in the final settlement of accounts and may be offset against any amounts due to the CONCESSIONAIRE, irrespective of the limit provided for in this subclause.

25.6.9. The mechanism provided for in this subclause is limited to the treatment of IBS and CBS credits financially realized by the CONCESSIONAIRE and does not preclude the application of the mechanisms for restoring the economic-financial balance with respect to other impacts arising from the implementation of Constitutional Amendment No. 132, dated December 20, 2023, or its regulations, that have not been neutralized by the provisions of this instrument, subject to the other requirements set forth in the CONTRACT and the prohibition against duplicate compensation.

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 first adjustment, to be carried out in the month in which the SYSTEM OPERATION begins, 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:

$$PU_b = PU_{b0} * (1 + IPCA)^e$$

$$PU_{S1b} = PU_{S1b0} * (1 + IPCA)$$

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;

PUS1b: UNIT PRICE per unit for the services of cleaning, transportation, and final disposal in wastewater systems served by an ALTERNATIVE SOLUTION to be calculated;

PUS1b0: 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:

$$\text{FIXED AMOUNT}_b = \text{FIXED AMOUNT}_{b0} * (1 + \text{IPCA})$$

$$\text{FIXED AMOUNT}_{\text{Hid}b} = \text{FIXED AMOUNT}_{\text{Hid}b0} * (1 + \text{IPCA})$$

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;
- viii. redefine the percentage of sharing with the GRANTING AUTHORITY of the CONCESSIONAIRE's effective economic gains arising from the reduction in credit risk in refinancing, as referred to in subclause 20.9;
- ix. redefine the percentage of reversion to the GRANTING AUTHORITY of tax incentives or benefits made available by the Union, the STATE or the MUNICIPALITIES and effectively enjoyed by the CONCESSIONAIRE, as provided for in subclause 34.4, item xix;
- x. assess, in the event that the REGULATORY AGENCY establishes an availability tariff for the public wastewater service, the revision of the structure of the VARIABLE COMPONENT, so as to account for any impacts on the VEC corresponding to costumer units for which the SYSTEM is available and technically capable of providing service, but which remain unconnected exclusively due to the respective USER's failure to adhere, even after the CONCESSIONAIRE has duly and fully performed the applicable activities and obligations provided for in subclause 23.2, items x to xvii.

30.2.1. The last ORDINARY REVIEW scheduled to take place before December 31, 2033 shall necessarily make the required adjustments to the investment schedules and service targets, so as to ensure that, in each MUNICIPALITY, by December 31, 2033, the Coverage with Connection of Customer Units to Wastewater Collection Network and Treatment



Index – CCE and Wastewater Service Indicator – IAE are equal to or higher than 90% (ninety percent), observing the need to preserve the ECONOMIC-FINANCIAL BALANCE of the CONTRACT.

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; 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 climatic conditions, resulting in additional costs or delays to the schedule set forth in the INVESTMENT PLAN;
- x. impacts on the execution of the subject matter of the CONTRACT arising from geological, geotechnical, hydrogeological or subsurface conditions, including impacts arising from geological conditions commonly encountered in works for the implementation, expansion or improvement of wastewater systems, as well as impacts arising from errors, omissions or insufficiencies in the surveys and designs prepared by the CONCESSIONAIRE, except solely for the portion of impacts arising from an extraordinary geological condition expressly allocated to the GRANTING AUTHORITY pursuant to subclause 34.4.1;



- xi. excess costs related to the SERVICES provision, as well as losses arising from inefficient management of the SERVICES or from increases in the cost of supplies and raw materials;
- xii. 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;
- xiii. 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;
- xiv. remediation of environmental liabilities or environmental irregularities caused after the issuance of the SYSTEM TRANSFER TERM;
- xv. 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;
- xvi. 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;
- xvii. 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;
- xviii. fluctuations in exchange rates;
- xix. risks associated with tax or credit benefits arising from incentive programs;



- xx. 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;
- xxi. costs related to contracting the insurance policies required under this CONTRACT;
- xxii. 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;
- xxiii. 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;
- xxiv. 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;
- xxv. 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;
- xxvi. costs and time periods for the removal of occupants from real estate assets irregularly occupied, after the CONCESSIONAIRE assumes SYSTEM OPERATION;
- xxvii. 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;



- xxviii. the occurrence of events considered as cases of FORTUITOUS EVENT OR FORCE MAJEURE that are covered by the insurance policies required under this CONTRACT;
- xxix. 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;
- xxx. 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;
- xxxi. losses arising from risks inherent to business activity;
- xxxii. 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;
- xxxiii. expenditures resulting from latent defects in the REVERSIBLE ASSETS, except in the cases addressed in subclause 34.4;
- xxxiv. 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;
- xxxv. 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;



- xxxvi. 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.
- xxxvii. 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;
- xxxviii. variation in, inaccurate estimates of, 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;
- xxxix. 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;
- xl. 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”;
- xli. 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”;
- xlii. 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;



- xliii. 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;
- xliv. 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 change 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.
 - a. Only the economic-financial effects effectively enjoyed by the CONCESSIONAIRE shall be shared with the GRANTING AUTHORITY, understood as benefits the ones that have resulted, in favor of the CONCESSIONAIRE, in a proven reduction of any tax, charge, price or cost that would otherwise have been effectively borne by it, receipt of funds, availability of a liquid, certain and unconditional tax credit that



- may legally be utilized by the CONCESSIONAIRE, or definitive conversion of a suspension or deferral into an exemption, zero tax rate or other form of tax relief; mere qualification, formal granting, expectation, recording or accounting recognition, suspension still subject to conditions, or any impediment preventing its effective utilization shall not constitute effective enjoyment;
- b. If tax benefits are granted retroactively, allowing for the refund of taxes already paid by the CONCESSIONAIRE, such amounts shall also be subject to sharing, in accordance with the parameters set forth in this CONTRACT;
 - c. Any losses, refunds or revisions of the benefit granted to the CONCESSIONAIRE shall be considered in the calculation of the economic-financial rebalancing, unless the loss, refund or revision of the benefit results from the CONCESSIONAIRE's failure to comply with the obligations associated with obtaining the tax benefit.
- 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. 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.
- xxvi. extraordinary geological conditions, understood as the need for excavations in third-category soil in a proportion exceeding 15% (fifteen percent) of the total excavations required, considering all works within the LOT, subject to the rule set forth in subclause 34.4.1;
- xxvii. economic-financial effects on the FIXED COMPONENT of the MONTHLY FINANCIAL CONSIDERATION arising from the USERS’ failure to connect to the SYSTEM, provided that all activities and obligations assigned to the CONCESSIONAIRE with respect to encouraging connection have been duly performed, as provided for in subclause 23.2, items x to xvii.

34.4.1. The CONCESSIONAIRE shall be entitled to economic-financial rebalancing in respect of the incremental costs demonstrably arising from the portion of excavations in third-category soil exceeding 15% (fifteen percent) of the total area of required excavations, pursuant to subclause 34.4, item xxvi, and the request for rebalancing shall be supported by a comprehensive geological-geotechnical study covering all MUNICIPALITIES comprising the LOT, prepared in accordance with the applicable technical standards and containing, at a minimum: (i) the geological and geotechnical characterization of the excavation areas; (ii) a demonstration of the methodology used to



classify the excavated materials; (iii) evidence that excavations in third-category soil exceed 15% (fifteen percent) of the total excavation area of the LOT; (iv) the calculation chart and quantification of the incremental costs effectively incurred due to the extraordinary geological condition; and (v) a demonstration of the impacts on the ECONOMIC-FINANCIAL BALANCE of the CONTRACT.

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;



FCPNO_t (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 *FCPNR_t* 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:



$$Spread = \frac{TIR}{NTNB_0}$$

Where:

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.

34.15. In the event of materialization of the risk provided for in subclause 34.4, item xxvii, its economic-financial effects on the FIXED COMPONENT of the MONTHLY FINANCIAL CONSIDERATION shall be neutralized and the economic-financial balance preserved by excluding, from the total number of customer units considered as the denominator for purposes of assessing the SERVICE TARGETS and calculating the Wastewater Service Indicator – IAE, the customer units located in real estate assets where the SYSTEM is available and technically capable of providing service but which remain unconnected exclusively due to the respective USER's failure to adhere, even after the CONCESSIONAIRE has duly and fully performed the applicable activities and obligations provided for in subclause 23.2, items x to xvii.



34.15.1. The customer units whose exclusion is recognized pursuant to the following subclauses shall not be counted as unserved customer units in the respective assessment and, therefore, may not result in a reduction of the IAE or the application of penalties to the CONCESSIONAIRE.

34.15.2. The CONCESSIONAIRE shall submit to the GRANTING AUTHORITY, with a copy to the INDEPENDENT VERIFIER, on a monthly basis, a report containing information regarding the customer units with feasible connections existing within the LOT, the performance of the activities and obligations provided for in subclause 23.2, items x to xvii, and the customer units that it considers should be excluded pursuant to this subclause.

34.15.2.1. Only information submitted at least 30 (thirty) business days prior to the end of the contractually established deadline for the INDEPENDENT VERIFIER to submit the report containing the respective assessment shall be considered in the calculation of the IAE. Information submitted after such deadline shall be considered in the subsequent calculation of the IAE, unless the GRANTING AUTHORITY, by means of a reasoned decision, recognizes that it may be timely analyzed without prejudice to the ongoing assessment procedure.

34.15.3. The report shall indicate the number of and individually identify the customer units for which exclusion is sought, grouped by MUNICIPALITY and locality, and shall be accompanied by an organized, traceable and auditable documentary database containing, at a minimum:

- i. the registration status of the customer unit and, if any, its respective registration code, as well as the address and geographic reference of the real estate asset, the MUNICIPALITY and locality, and the date as of which the SYSTEM became available and technically capable of providing the connection;
- ii. evidence of the availability and technical capability of the SYSTEM to provide the connection, as well as the absence of any technical, operational or registration-related impediment attributable to the CONCESSIONAIRE;



- iii. a table detailing compliance with the activities and obligations provided for in subclause 23.2, items x to xvii, indicating the actions carried out, the respective dates, their territorial and temporal scope, the supporting documents and the results obtained;
- iv. records of visits, communications and other actions individually directed to the USERS, when applicable;
- v. evidence of requests for consent, support or participation submitted to the GRANTING AUTHORITY, the REGULATORY AGENCY, the MUNICIPALITIES, the Public Prosecutor's Office and other bodies or entities involved, when necessary for the performance of the activities provided for in subclause 23.2, items x to xvii; and
- vi. a calculation chart containing the total number of customer units for which exclusion is sought and an estimate of their effects on the IAE and on the FIXED COMPONENT of the MONTHLY FINANCIAL CONSIDERATION.

34.15.4. The sufficiency of the evidence shall be assessed according to the nature of each activity or obligation, subject to the following:

- i. actions of an individual nature shall be evidenced in relation to each customer unit;
- ii. actions of a collective or territorial nature may be evidenced by coverage area and period of performance, provided that their connection with the customer units included in the request is demonstrated;
- iii. actions of an institutional nature may be evidenced collectively, without the need to repeat the same documentation for each customer unit;
- iv. obligations contingent upon the occurrence of a specific event shall become enforceable only when it is demonstrated that the prerequisite for such event has occurred; and



- v. activities dependent upon the consent, support or action of third parties shall be deemed duly performed by the CONCESSIONAIRE upon evidence that it has timely and adequately taken all measures within its sphere of competence;

34.15.5. The GRANTING AUTHORITY and the INDEPENDENT VERIFIER may request clarifications or additional documents, specifically indicating the information considered missing or insufficient.

34.15.6. The INDEPENDENT VERIFIER shall analyze the documentation submitted, cross-check the information against the registration, commercial and operational databases, conduct verification procedures, inspections or sample-based checks, when necessary, and issue a reasoned technical report indicating the customer units that meet and those that do not meet the requirements of this subclause, either individually or by classifying them into duly identified homogeneous groups.

34.15.6.1. The PARTIES shall ensure that the INDEPENDENT VERIFIER has access to the databases, systems and documents required for the analysis, subject to the contractual and legal provisions relating to personal data protection.

34.15.7. The GRANTING AUTHORITY shall issue a reasoned decision on the customer units to be excluded before the deadline for the issuance of the IAE assessment report.

34.15.7.1. The decision shall precisely identify the customer units whose exclusion has been recognized and shall be immediately forwarded to the CONCESSIONAIRE and the INDEPENDENT VERIFIER so that it may be considered in the assessment of the IAE.

34.15.7.2. The CONCESSIONAIRE shall immediately communicate any request for or completion of a connection occurring after submission of the request and up to the base date of the IAE assessment. Customer units that cease to meet the requirements of subclause 34.15 shall be removed from the approved list and counted according to their actual status.

34.15.8. If a timely and formally complete request is not decided within the period provided for in subclause 34.15.7, for reasons not attributable to the CONCESSIONAIRE,



the pending request shall not suspend the assessment of the IAE or the payment of the MONTHLY FINANCIAL CONSIDERATION, which shall be carried out without the exclusions of customer units that have not yet been recognized.

34.15.8.1. If the request is subsequently granted, in whole or in part, the decision shall have retroactive effect with respect to the IAE assessment to which it referred, and the CONCESSIONAIRE shall be entitled to full recovery of the differences in the FIXED COMPONENT that it failed to receive exclusively as a result of the delay in completing the analysis, as well as to the review of any penalties applied.

34.15.8.2. In the event provided for in subclause 34.15.8.1, the INDEPENDENT VERIFIER shall recalculate the IAE and the FIXED COMPONENT, and the differences shall be offset against subsequent MONTHLY FINANCIAL CONSIDERATIONS and adjusted in accordance with subclause 26.11.

34.15.9. Recognition of the exclusion shall produce effects only with respect to the IAE assessment covered by the request. If the customer unit remains unconnected in subsequent periods, the CONCESSIONAIRE shall renew the exclusion request and may incorporate by reference the documents previously submitted, provided that it demonstrates the continuation of the applicable activities and updates the status of the customer unit.

34.15.10. The exclusion provided for in this subclause shall produce effects exclusively on the contractual assessment of the IAE and the FIXED COMPONENT and shall not constitute recognition that the customer unit is effectively served by or connected to the SYSTEM for regulatory, legal, registration or operational purposes, nor shall it release the CONCESSIONAIRE from its obligation to continue carrying out activities aimed at encouraging connection.

34.15.11. The application of the mechanism provided for in this subclause prevents the same event from being used as grounds for a request for economic-financial rebalancing of the CONTRACT in respect of the same economic-financial effects on the FIXED COMPONENT.



34.15.12. The GRANTING AUTHORITY and the INDEPENDENT VERIFIER may, at any time, audit the information on which the exclusion was based. If any material inaccuracy, omission or falsehood is identified, the IAE and the FIXED COMPONENT shall be recalculated, with due observance of the right to adversarial proceedings and full defense, and any amounts unduly received shall be refunded or offset, adjusted in accordance with subclause 26.11, without prejudice to the applicable contractual penalties.

34.15.13. Additional deadlines and procedures, as well as the report templates required for implementation of the rules provided for in this subclause, shall be established by a formal act of the GRANTING AUTHORITY, after consultation with the CONCESSIONAIRE.

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 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, and preceded by a specific authorizing law.

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 subclause 37.16.

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.

