



*Draft of the Sub-Concession Contract of the International Notice of Auction no. 02/2018*

**SUB-CONCESSION CONTRACT  
INTERNATIONAL NOTICE OF AUCTION NO. 02/2018**

**Sub-Concession for the provision of public rail freight service  
associated with the infrastructure management of railway  
between Porto Nacional/TO – Estrela d'Oeste/SP, pursuant to Act  
no. 10.233, of June 5, 2001**



*Draft of the Sub-Concession Contract of the International Notice of Auction no. 02/2018*

## **TABLE OF CONTENTS**

1	Initial Provisions .....	4
2	Object and Term of the Contract .....	9
3	Sub-Concession Assets.....	10
4	Government Authorizations and Investment Plan .....	11
5	Expropriations, Evictions, Third Party Facilities in the Right-of-Way .....	13
6	Delay in Editing the Public Utility Declaration.....	14
7	Additional Investments.....	14
8	Railway Accidents.....	14
9	Sharing of Railway Infrastructure and Operational Resources .....	14
10	Financing .....	15
11	Performance Bond.....	16
12	Rights and Duties .....	18
13	Information Provision .....	23
14	Technological Development Resource.....	23
15	Resources for Preserving Railway Memory .....	24
16	Grade Crossings Resources .....	24
17	Contracting .....	24
18	Supervision by ANTT .....	24
19	Supervision Fee .....	26
20	Sub-Concession Fee and Remuneration .....	26
21	Accessory Operations.....	27
22	Associated Projects .....	27
23	Readjustments and Reviews.....	27



*Draft of the Sub-Concession Contract of the International Notice of Auction no. 02/2018*

24	Minimum Technical Specifications .....	28
25	Penalties .....	29
26	Preventive Measure .....	31
27	Risk Allocation .....	32
28	Liability .....	35
29	Legal Structure of the Sub-Concessionaire .....	35
30	Share Capital .....	35
31	Partnership Control .....	36
32	Control Assumption by Funders .....	36
33	Intervention .....	37
34	Extinction Hypotheses .....	37
35	Contractual Term Advent .....	38
36	Takeover .....	39
37	Termination .....	39
38	Withdrawal .....	40
39	Nullity .....	41
40	Bankruptcy or Extinction of Sub-Concessionaire .....	41
41	Unforeseeable Incident or Force Majeure .....	41
42	Intellectual Property .....	41
43	Insurances .....	42
44	Reversibility of Assets .....	42
45	Arbitration .....	42
46	Final Provisions .....	43



*Draft of the Sub-Concession Contract of the International Notice of Auction no. 02/2018*

On month/day/2018, by this instrument, on the one hand, as the Contracting Party:

- (1) The UNION, through the National Agency of Land Transportation, a special federal agency that is part of the indirect Public Administration, established by Act no. 10.233, of June 5, 2001, based in Brasília, Distrito Federal, Setor de Clubes Esportivos Sul - SCES, lote 10, trecho 03, Projeto Orla Polo 8, CEP 70200-003, hereby represented by its Director General, Mr. [●], [qualification], appointed by Decree [●], published in the Official Gazette of [●], and its Director [●], appointed by Decree [●], published in the Official Gazette of [●], hereinafter referred to as “**ANTT**”; and
- (2) VALEC – Engineering, Buildings and Railways, a Federal public company based in Brasília, Distrito Federal, SEP Sul 713/913, bloco E, Asa Sul, CEP 70390-135, Edifício CNC Trade, public service **Concessionaire** of the railway between Porto Nacional/TO and Estrela d’Oeste/SP, according to Act no. 11,772, dated September 17, 2008, hereinafter referred to as “**Subcontracting Interventient**”.

On the other hand, as “**Sub-Concessionaire**”:

- (3) [●], with its registered office at [●], State of [●], at [address], registered in the National Registry of Legal Entities of the Ministry of Treasury, under no. [●], herein represented in the form of its Bylaws, by Messrs. [●], [qualification];

**ANTT, Subcontracting Interventient and Sub-Concessionaire** hereinafter referred to collectively as “**Parties**” and individually as “**Party**”;

Resolve to execute this **Sub-Concession Contract** (“**Contract**”), in accordance with the following clauses and conditions:

## **1 Initial Provisions**

### **1.1 Definitions**

- (i) For the purposes of this **Contract**, the following definitions apply to the respective expressions, without prejudice to others set forth herein:
  - (a) **Accessory Operations**: those complementary to the rail freight transportation, paid by the **User**, and which may result in revenues, according to **ANTT** specific regulations.
  - (b) **Accounting Manual**: accounting manual for the public service of rail transportation of cargo and passengers, established by **ANTT** Resolution No. 1.773, of December 20, 2006, and its revisions, including Revision No. 3, established by Resolution **ANTT** No. 5.402, of August 09, 2017, or future revisions.
  - (c) **Additional Investments**: interventions, constructions, activities and services not established in the **Specifications Book**, but considered in the future necessary for the suitable service provision, upon request or authorization from **ANTT**.
  - (d) **Annex(es)**: each of the documents annexed to the **Contract**.
  - (e) **Assumption Date**: date of the **Sub-Concession Contract** signature.

*Draft of the Sub-Concession Contract of the International Notice of Auction no. 02/2018*

- (f) **Auction:** public and isonomic procedure conducted by **ANTT** to select the **Sub-Concessionaire**, within the presented proposals, based on the **Notice of Auction's** criteria, for the accomplishment of the **Sub-Concession** object.
- (g) **Awardee:** company declared winner of the **Auction** by **ANTT**, to whom the object of the **Sub-Concession** was awarded.
- (h) **CCO:** The **Sub-Concessionaire's** Operational Control Center.
- (i) **Complementary Obligations:** complementary determinations considered essential for suitable provision of the rail transport service, in accordance with the **Specifications Book**.
- (j) **Concession:** grant legally granted to the Concessionaire VALEC through Act no. 11.772, of September 17, 2008.
- (k) **Concessionaire:** the federal public company VALEC – Engineering, Buildings and Railways.
- (l) **Control:** the power, held by a person or group of persons bound by a voting agreement or under common control, directly or indirectly, individually or jointly to: (a) exercise, permanently, rights that assure a majority of the votes in the resolutions and elect the majority of the **Sub-Concessionaire's** administrators or managers; and (b) effectively lead the social activities and guide the operation of the **Sub-Concessionaire's** bodies.
- (m) **CVM:** Securities Commission, a federal agency established by Act no. 6.385, of December 7, 1976.
- (n) **Definitive Receipt Term:** document signed by **ANTT**, **Subcontracting Intervient** and **Sub-Concessionaire**, issued upon the deadline for the claim indicated in sub-clause 3.1 (iii) (a), which contains the **Sub-Concessionaire's** express and definitive acceptance regarding to the state of conservation, operation and technical specifications of the assets indicated in the **Interim Receipt Term**.
- (o) **Demand-driven Investments:** interventions that must be carried out by the **Sub-Concessionaire** to meet the transportation demand, due to operational capacity limitations, according to the **Specifications Book**.
- (p) **DNIT:** National Department of Transport Infrastructure.
- (q) **DOU:** Official Gazette.
- (r) **Expropriations:** set of actions and processes of expropriation of real estate to be adopted for the fulfillment of the **Sub-Concession Contract**.
- (s) **Financial Institutions:** financial institutions with which the **Sub-Concessionaire** has signed financing contracts related to the performance of this **Contract**.
- (t) **Fixed Term Investments:** interventions that must be initiated by the **Sub-Concessionaire** from the **Assumption Date**, and which must be completed within the terms and conditions established in the **Specifications Book**.

- (u) **Freight Trains:** those consisting of freight wagons and intended for the transport of goods.
- (v) **Grant Fee Addition:** value that will be increased to the **Grant Value**, in order to maintain the economic-financial balance of the **Sub-Concession Contract**, due to delay, alteration of deadlines, or suppression of obligations established in the **Investment Plan**, and the non-use of the **Technological Development Resource, Preservation of Railway Memory Resources and Grade Crossings Resources**, determined in accordance with Annex 6.
- (w) **Grantor:** the **Union**, herein represented by **ANTT**.
- (x) **Haulage Right Tariff:** the amount paid to the **Sub-Concessionaire** by a company with railway grant, to use the tracks, signaling system and operational resources, in accordance with **ANTT** specific regulation.
- (y) **Incremental Cash Flow:** methodology for calculating the impact on the economic and financial balance of the **Contract**, according to Annex 3, as a result of an extraordinary review, in accordance with the specific regulations of **ANTT**.
- (z) **Interim Receipt Term:** document signed by **ANTT**, **Subcontracting Intervent** and **Sub-Concessionaire**, with the inventory made by the **Subcontracting Intervent** containing the assets linked to the **Sub-Concession** that will be transferred, with the state of conservation, operation and technical specifications, that formalizes the permission of use and access of the **Sub-Concession** assets, facilities and equipment.
- (aa) **Investment Plan: Fixed Term Investments and Demand-driven Investments** that must be carried out by the **Sub-Concessionaire**, according to the **Specifications Book**.
- (bb) **IPCA:** National Consumer Price Index, published by the Brazilian Institute of Geography and Statistics (IBGE), used in the composition of **IRT**, which must be replaced by another one created in its place in case of extinction.
- (cc) **IPCAi:** the IPCA index number corresponding to two months prior to the readjustment date of the **Tariff Table**.
- (dd) **IPCAo:** the IPCA index number for October 2017.
- (ee) **IRT:** readjustment index for restatement of the **Tariff Table** and other variables defined in this **Contract**, calculated based on the **IPCA** variation between October 2017 and two months prior to the readjustment date of the **Tariff Table**, according to the following formula:  $IRT = IPCAi/IPC Ao$ .
- (ff) **Minimum Technical Specifications:** minimum technical parameters and indicators required for the operation of railway infrastructure and provision of rail freight services, in accordance with the **Specifications Book**.
- (gg) **Notice of Auction:** the **Sub-Concession Notice of Auction** No. 02/2018, and its **Annexes**.

- (hh) **Parent Company:** any legal entity that exercises Control over another entity.
- (ii) **Passenger Trains:** those consisting of passenger railway vehicles and intended for the transport of persons and their luggage.
- (jj) **Performance Bond:** a bond that the **Sub-Concessionaire** must maintain in favor of **ANTT** to ensure the fulfillment of the contractual obligations, in the amount and in the terms defined in Clause 11.
- (kk) **Price:** the amount paid to the **Sub-Concessionaire** for the provision of **Accessory Operations** or **Associated Projects**.
- (ll) **Project(s):** set of necessary and sufficient elements, with suitable level of accuracy, that allows the evaluation of the costs, and definition of methods and deadlines for constructions and services covered by this **Sub-Concession Contract**.
- (mm) **Railway Segment:** extension of railway line between two consecutive stations.
- (nn) **Railway:** all installations, special constructions, infrastructures, superstructures, sidings, signaling systems, buildings and other assets that are necessary to make the extension between Porto Nacional/TO and Estrela d'Oeste/SP available to the rail transportation, according to the terms and conditions of this **Contract** and its respective **Annexes**, and **ANTT** regulations.
- (oo) **Reference Tariff:** the maximum limit of the **Transport Tariff** and **Trackage Right Tariff** that may be required by the **Sub-Concessionaire**, measured in R\$/unit of cargo, according to the formulas in Annex 7.
- (pp) **Relief or Service Trains:** those consisting of wagons, cars and equipment and intended to attend accidents or emergency services in the **Railway**.
- (qq) **Reversible Assets:** **Sub-Concession Assets** indispensable for the continuity of the provision of services related to the **Sub-Concession**, under the specific regulations of **ANTT**, which will be reverted to the Union upon termination of this **Contract**.
- (rr) **Rolling Stock:** railway vehicle, whether or not self-propelled, for the provision of public rail freight services, maintenance of the **Railway** and operational support.
- (ss) **SPE:** special-purpose entity constituted by the **Awardee** in the form of a joint stock company, which will sign the **Sub-Concession Contract** with **ANTT** and **Subcontracting Intervient**.
- (tt) **Specifications Book:** set of obligations presented in the **Annex 1** of this **Contract**, which cover the **Investment Plan**, the **Minimum Technical Specifications**, the **Annual Monitoring Report** and the **Complementary Obligations**, related to the operation of railway infrastructure and the provision of rail transport services, and which must be fulfilled by the **Sub-**

- Concessionaire**, as well as the construction work under the responsibility of the **Subcontracting Interventient**.
- (uu) **Sub-Concession Assets**: the assets necessary for the provision of the railway transport service associated with the operation of infrastructure of the sub-conceded railway network, whose possession, custody, maintenance, conservation and surveillance are responsibility of the **Sub-Concessionaire**.
- (vv) **Sub-Concession Contract** or **Contract**: the present legal instrument granting the **Sub-Concession** signed between **ANTT** and the **Sub-Concessionaire**, with the consent of the **Subcontracting Interventient**, for the provision of rail transportation service associated with the operation of the railway infrastructure located between Porto Nacional/TO and Estrela d'Oeste/SP, in the segments: (i) Porto Nacional/TO to Anápolis/GO; and (ii) Ouro Verde/GO to Estrela d'Oeste/SP, under the terms and conditions established in this **Contract** and its **Annexes**, and in Act no.10.233, of June 5, 2001, as well as the applicable legislation and regulations.
- (ww) **Sub-Concession Fee**: monetary value paid quarterly by the **Sub-Concessionaire** to **ANTT** for the term of the **Sub-Concession**, calculated from the winning bid of the **Sub-Concession Notice of Auction** No. 02/2018, payable due to the right to operate the public transport service associated with the infrastructure management between Porto Nacional/TO and Estrela d'Oeste/SP, under the terms of the **Contract**.
- (xx) **Sub-Concession**: sub-concession of public rail freight service associated with the operation of the railway infrastructure, within the terms and conditions established in this **Contract** and its **Annexes**, as well as in the applicable legislation and regulations.
- (yy) **Sub-Concessionaire**: the **SPE** qualified in the preamble of this **Contract**.
- (zz) **Subcontracting Interventient**: the federal public company VALEC – Engineering, Buildings and Railways.
- (aaa) **Tariff Dispersion Limit**: maximum and minimum values of the **Transport Tariff** that may be charged to the Users by the **Sub-Concessionaire**, determined in accordance with Annex 4, without prejudice to the maximum value established by the **Reference Tariff**.
- (bbb) **Tariff Table**: the list of goods, mileage ranges and values in Annex 7, which allows the calculation on the **Reference Tariff** for a given transport flow.
- (ccc) **Trackage Right Tariff**: the amount paid to the **Sub-Concessionaire** by a company with railway grant, to use the tracks and signaling system, in accordance with **ANTT** specific regulation.
- (ddd) **Transport Tariff**: the amount paid by the User to the **Sub-Concessionaire** for a specific transport flow, measured in R\$/unit of cargo, not included the Price paid for the **Accessory Operations**, in accordance with **ANTT** specific regulation.

(eee) **URS**: reference unit of sanction, corresponding to 500 (five hundred) times the highest value of the fixed portion, expressed in R\$/t, of the **Tariff Table**.

(fff) **User**: any person, whether legal or individual, who uses the **Railway**.

## 1.2 Interpretation Rules

- (i) Except where the context does not allow this interpretation:
  - (a) The definitions of the **Contract** shall also be applied in their singular and plural forms;
  - (b) References to the **Contract** or any other document shall include amendments and additions that may be signed between the **Parties**; and
  - (c) References to legal instruments shall be interpreted according to this documents, as amended.
- (ii) The titles of the chapters and clauses of the **Contract** and the **Annexes** must not be used as a criterion of interpretation or application.
- (iii) In case of divergence between the **Notice of Auction** (including its **Annexes**) and the **Contract**, the provisions of the **Notice of Auction** must prevail.
- (iv) In case of divergence between the **Contract** and its **Annexes**, the provisions of this **Contract** must prevail.
- (v) In case of divergence between the **Annexes**, those issued by **ANTT** must prevail.
- (vi) In case of divergence between the **Annexes** issued by **ANTT**, the most recent must prevail.

## 1.3 Annexes

- (i) The following **Annexes** are included in the **Contract** for all legal and contractual purposes:
  - Annex 1: Specifications Book**
  - Annex 2: Performance Bond** submitted by the **Sub-Concessionaire**;
  - Annex 3: Incremental Cash Flow**;
  - Annex 4: Tariff Dispersion Limit**;
  - Annex 5: Procedure for claiming latent defects identified during the Interim Receipt Term**;
  - Annex 6: Grant Fee Addition**;
  - Annex 7: Tariff Table**; and
  - Annex 8: Notice of Auction**.

## 2 Object and Term of the Contract

- 2.1 The object of the **Contract** is the **Sub-Concession** by the **Subcontracting Interventor** for the provision of public rail freight service associated with infrastructure management of the railway between Porto Nacional/TO and Estrela d'Oeste/SP, in the segments: (i) Porto

*Draft of the Sub-Concession Contract of the International Notice of Auction no. 02/2018*

National/TO to Anápolis/GO and; (ii) Ouro Verde/GO to Estrela d'Oeste/SP, according to the terms and conditions established in this **Contract** and its **Annexes**, and in Act no. 10.233, of June 5, 2001, as well as by legislation and regulations.

- (i) The provision of rail freight services associated with the infrastructure management is exclusive, as well as the services of fuel supply and train licensing.
- (ii) The provision of rail freight services not associated with the infrastructure management are not exclusive.

**2.2** The **Sub-Concession** term is thirty (30) years, counted from the **Assumption Date**, and it is non-extendable.

### **3 Sub-Concession Assets**

#### **3.1 Composition**

- (i) The assets necessary for the provision of railway transport service associated with infrastructure management compose the **Sub-Concession (Sub-Concession Assets)**, whose possession, custody, maintenance, conservation and surveillance are **Sub-Concessionaire**'s responsibility.
- (ii) The **Sub-Concession** assets comprise:
  - (a) All assets owned by the **Sub-Concessionaire**, acquired and constructed for the contract performance;
  - (b) All assets of the **Railway** whose ownership was transferred by the **Subcontracting Interventient** to the **Sub-Concessionaire**;
  - (c) All assets acquired and leased from third parties by the **Sub-Concessionaire** for the contract performance; and
  - (d) All assets resulting from investments of **Users** on the **Railway**, to perform the **Sub-Concession** object.
- (iii) On the signature date of the **Contract**, the **Sub-Concessionaire** will also sign the **Interim Receipt Term**.
  - (a) From the **Assumption Date**, a three hundred and sixty-five (365) day period will start within which the **Sub-Concessionaire** can formally claim to **ANTT** about latent defects that affect the **Railway** assets whose possession was transferred by the **Subcontracting Interventient**, in accordance with **Annex 5**.
  - (b) After hearing the **Parties**, **ANTT** must issue a decision about the claim, within the period established in **Annex 5**, guaranteeing the economic-financial balance of the **Contract**.
  - (c) The term established in sub-clause 3.1 (iii) (a) is non-extendable, and **ANTT** must reject any untimely claim.
  - (d) The **Sub-Concessionaire** will not be entitled to **Contract** economic-financial rebalancing regarding to technical nonconformities and latent defects claimed after the term stipulated in sub-clause 3.1 (iii) (a).

*Draft of the Sub-Concession Contract of the International Notice of Auction no. 02/2018*

- (iv) After the expiration of the three hundred and sixty-five (365) days, the **Sub-Concessionaire** must sign the **Definitive Receipt Term** of the assets linked to the **Sub-Concession**.
- (v) If the **Sub-Concessionaire** makes use of the right presented in sub-clause 3.1 (iii) (a), the **Definitive Receipt Term** must be signed by the Parties after **ANTT's** final decision on the claim.
- (vi) The **Sub-Concessionaire** must keep the **Sub-Concession Assets** in a proper state of operation, preservation and security during the **Sub-Concession Contract** term, at its own expense, making the necessary repairs, renovations and adaptations, including adopting the measures for their expropriation if and when invaded by third parties.
- (vii) The **Sub-Concessionaire** must carry out the inventory of **Sub-Concession Assets** within three hundred and sixty-five (365) days, counted from the **Assumption Date**, and keep it up to date, annually, providing permanent and uninterrupted access to **ANTT**.
- (viii) The **Sub-Concession Assets** inventory presented in sub-clause 3.1 (vii) must indicate third party invasions on **Sub-Concession Assets** prior to or after the **Assumption Date**.
- (ix) Environmental or construction liabilities and invasions in the right-of-way prior to or after the **Assumption Date** and thus identified will not result in **Contract** economic-financial rebalancing.

### **3.2 Divestiture and Acquisition Restrictions**

- (i) The **Sub-Concessionaire** must only divestiture, encumber or transfer the possession of the assets mentioned in sub-clause 3.1 (ii), (b), with prior and express authorization from **ANTT**.
  - (a) The **Sub-Concessionaire** must only divestiture, encumber or transfer the **Rolling Stock** upon prior notification to **ANTT**.
- (ii) From the third to last year of the **Sub-Concession Contract**, the **Sub-Concessionaire** must not divestiture, encumber or transfer the **Sub-Concession Assets** without the prior and express authorization of **ANTT**.
- (iii) All **Sub-Concession Assets** or investments made in them must be fully depreciated and amortized by the **Sub-Concessionaire** within the **Sub-Concession** term, in accordance with the legislation terms.
  - (a) The provisions of sub-clause 3.2 (iii) apply to all investment obligations established in the **Specifications Book**, their additions and adaptations, regardless of when they are made or have been requested by **ANTT**.

## **4 Government Authorizations and Investment Plan**

### **4.1 The Sub-Concessionaire** must, at its own expenses:

- (i) Obtain and maintain all licenses, permissions, authorizations, manifestations and grants necessary for the full exercise of the **Sub-Concession** object;

*Draft of the Sub-Concession Contract of the International Notice of Auction no. 02/2018*

- (ii) Adopt all the measures required by the competent bodies, in accordance with the legislation, to obtain the licenses, permissions, authorizations, manifestations and grants necessary for the full exercise of the **Sub-Concession** object, bearing the corresponding expenses and costs;
  - (iii) Comply with the environmental conditions already existing or that may be required by environmental agencies, and bear the corresponding costs, even if the license is obtained or has been requested by third parties.
- 4.2 The segment from Porto Nacional/TO to Anápolis/GO has an Operational License (IBAMA Operational License No. 1.240/2014), and the **Sub-Concessionaire** must meet and maintain compliance with all the imposed conditions, according to the report that must be delivered by the **Subcontracting Interventient** on the date of signature of the **Contract**.
- 4.3 The segment from Ouro Verde de Goiás/GO to Estrela d'Oeste/SP has an Installation License (IBAMA Installation License No. 1.152/2014), and the **Sub-Concessionaire** must meet and maintain compliance with all the imposed conditions, according to the report that must be delivered by the **Subcontracting Interventient** on the date of signature of the **Contract**, as well as obtaining and maintaining the respective Operational License.
- 4.4 The actions of environmental compensation and compensatory planting related to the sections mentioned in sub-clauses 4.2 and 4.3 will remain as responsibility of the **Subcontracting Interventient**.
- 4.5 The **Sub-Concessionaire** must prepare and submit for **ANTT's** appraisal all the **Projects** necessary to perform the **Investment Plan** presented in the **Specifications Book**.
  - (i) The **Sub-Concessionaire** will have ninety (90) days, counted from the **Assumption Date**, to request **ANTT** to modify the **Projects** prepared by the **Subcontracting Interventient** for the conclusion of the **South Extension** construction.
  - (ii) The possible modification presented in sub-clause 4.5(i) does not change the **Sub-Concessionaire** obligation of starting the **railway** operation of the **South Extension**, within two (2) years, counted from the **Assumption Date**.
- 4.6 **ANTT** will have a period of forty-five (45) days, from the date of receipt, provided that all the required documentation is presented, to appreciate the **Projects** submitted by the **Sub-Concessionaire**, as well as any modification according to sub-clause 4.5 (i), and give judgment on them:
  - (i) **Projects** may be authorized without or with reservations;
  - (ii) **Projects** not authorized by **ANTT** will be returned to the **Sub-Concessionaire**, in order to carry out the necessary changes or additions.
- 4.7 The authorization of the **Projects** by **ANTT** does not exclude the need for eventual adjustments in order to meet the **Contract** requirements, the legislation and the sector regulation.
- 4.8 The authorization of the **Projects** by **ANTT**, the answer of **Sub-Concessionaire's** consultations and the clarification or modifications requested by the **ANTT** to the **Sub-Concessionaire** will not change the allocation of risks set forth in the **Contract**.

- 4.9** After completing the interventions present in the **Projects**, the **Sub-Concessionaire** must notify **ANTT** to:
- (i) Conduct on-site inspection to evaluate the interventions performed by the **Sub-Concessionaire**;
  - (ii) Issue a conclusive report, assessing whether the **Sub-Concessionaire** has complied with the requirements established in the respective **Project**.

**4.10** **ANTT** will have forty-five (45) days, counted from notification mentioned in sub-clause 4.9, to issue a conclusive report.

**4.11** The failure to obtain licenses, permissions, authorizations, statements or grants related to the **Sub-Concession** object will not imply the liability of the **Sub-Concessionaire**, provided that they had not been issued by the competent body due to facts beyond their control or that cannot be exclusively attributed to it, without prejudice to the application of the **Grant Fee Addition**.

## **5 Expropriations, Evictions, Third Party Facilities in the Right-of-Way**

### **5.1 Expropriations**

- (i) **ANTT** must edit the declaration of public utility acts needed for expropriations and administrative easements related to the **Sub-Concession**.
- (ii) The **Sub-Concessionaire** must, as delegated authority of the **Grantor**:
  - (a) Submit in advance to **ANTT** the needed information and documents for the declaration of public utility;
  - (b) Perform topographic and documentary records, discriminating the properties according to their land situation, and specifying the extension by property;
  - (c) Obtain updated certificates from the competent real estate registry with information about ownership of the properties, when applicable;
  - (d) Pay the indemnities due for the **Expropriations**;
  - (e) Make investments, payments, bear the costs and expenses due to the execution of the acts mentioned in the previous items, either by consensus or through legal proceedings; and
  - (f) Create and maintain a database updated for the duration of the **Expropriations**, containing the information used to define the value of the properties, in compliance with the rules of NBR 14.563.
- (iii) The **Sub-Concessionaire** must make efforts with the owners of areas destined to facilities needed to carry out the **Sub-Concession** services, in order to release the areas consensually.
- (iv) The payment by the **Sub-Concessionaire** to the third party expropriated or on whose property was established administrative easement or was provisionally occupied for the **Contract** purposes, when performed by private means and consensually, must be based on an appraisal report signed by a specialist, to be submitted to **ANTT** upon request.

- (v) The areas and real estate situated over the **Railway** extension or in the right-of-way with irregular land situation on the **Assumption Date** are excluded from the **Sub-Concessionaire** obligations established in this Clause, as well as those areas and real estate with judicial expropriation proceedings in progress, which are responsibility of the **Subcontracting Intervient**.

## 5.2 Right-of-Way Evictions

- (i) The **Sub-Concessionaire** is responsible for maintain the integrity of the **Railway's** right-of-way, adopting the appropriate measures for its eviction if and when invaded by third parties.
- (ii) The **Sub-Concessionaire** must promote the necessary measures, including those of judicial nature, aiming at the protection of the **Sub-Concession Assets**.
- (iii) The occupations in the right-of-way prior to the **Assumption Date** are responsibility of the **Subcontracting Intervient**, which must adopt the necessary measures aiming at the protection of the **Sub-Concession Assets**, including those of judicial nature.

## 5.3 Third Party Installation in the Right-of-Way

- (i) The **Sub-Concessionaire** must, whenever necessary, allow the crossing of the **Railway** by any public service installations or networks, and the corresponding services must be performed causing the least possible disturbance in the circulation and provision of services.
- (ii) The form and means of realization and retention of the installations referred to in sub-clause 5.3 (i) must be established in contracts signed between the **Sub-Concessionaire** and the entities in charge of the public service installations or networks, which must bear the costs with such activities and other compensations eventually due for their conservation.
- (iii) The **Sub-Concessionaire** obligations related to the right-of-way are those defined in this **Contract** and in the specific regulations of **ANTT**.

## 6 Delay in Editing the Public Utility Declaration

- 6.1 The failure to obtain a declaration of public utility within one hundred and eighty (180) days counted from the request formulated to **ANTT** will not lead to the liability of the **Sub-Concessionaire**, provided that such declaration has not been issued due to facts unrelated to the **Sub-Concessionaire** will or facts that cannot be exclusively attributed to the **Sub-Concessionaire**, without prejudice to the **Grant Fee Addition** application.

## 7 Additional Investments

- 7.1 **ANTT** may unilaterally determine the execution of **Additional Investments**, whose conditions and limitations must be established in specific acts.
- 7.2 The **Sub-Concessionaire** cannot oppose to the realization of **Additional Investments** and should be entitled to the economic-financial balance of the **Contract**.

## 8 Railway Accidents

- 8.1 The **Sub-Concessionaire** must adopt measures for railway accidents prevention.

- 8.2** The **Sub-Concessionaire** must attend the railway emergencies and provide assistance to enable the adequate attendance of the victims.
- 8.3** In case of a railway accident, the **Sub-Concessionaire** will be responsible for its investigation and also for the integrity of the **Sub-Concession Assets**, making the necessary repairs.
- 8.4** Rail accidents must be reported by the **Sub-Concessionaire** to **ANTT**, in accordance with the specific regulations, as well as, depending on the type of occurrence, to public safety, public health and environmental agencies.

## **9 Sharing of Railway Infrastructure and Operational Resources**

- 9.1** The **Sub-Concessionaire** must guarantee the third party, who has a grant that allows the provision of rail transport service, access to the railway infrastructure and operational resources of the **Railway**, in the following terms:

- (i) Sharing of railway infrastructure and operational resources must be carried out by trackage right and haulage right, in accordance with **ANTT's** specific regulations;
- (ii) The conditions for sharing the railway infrastructure and operational resources must be established between the **Sub-Concessionaire** and the third parties, being prohibited to establish more restrictive requirements than those regulated by **ANTT**.

- 9.2** The Specific Operational Contracts – COE between the **Sub-Concessionaire** and the third parties shall be freely negotiated.

- 9.3** The following criteria should be observed for trackage right operations:

- (i) The **Sub-Concessionaire** must provide equipment compatible with its signaling and communication systems to the locomotives of the third party, at the expense of the third party;
- (ii) The **Sub-Concessionaire** must provide the necessary equipment and systems, at prices compatible with those acquired by itself;
- (iii) The **Sub-Concessionaire** must provide technical qualification for the drivers of the third party, through remuneration paid by the third party, for operations in shared rail sections.

- 9.4** Providing access to the railway infrastructure and operational resources, the **Sub-Concessionaire** must ensure that the licensing is done according to the following order of priority:

- (i) Relief or service trains;
- (ii) Passenger trains;
- (iii) Freight trains.

- 9.5** The priority given to passenger trains must be maintained, even if they are delayed.

- 9.6** The dispatch order of the trains must comply with the arrival order, so that the first one arriving is also the first to leave.

## **10 Financing**

- 10.1** The **Sub-Concessionaire** is the sole and exclusive party responsible for obtaining the necessary financing to comply fully and timely with all the obligations assumed in this **Contract**, being able to choose, in its own discretion and according to its own evaluation, the modalities and types of financing available in the market, in national or foreign currency.
- 10.2** The **Sub-Concessionaire** must submit to **ANTT** certified copies of the signed financing contracts and documents representing the securities issued to obtain funds for the **Sub-Concession** performance, in which the rights arising from the **Sub-Concession** were given as warranty, as well as any changes to these instruments, within thirty (30) days from the date signature or emission, as the case may be.
- 10.3** The **Sub-Concessionaire** may not invoke any provision, clause or condition of the financing contracts, or any delay in the disbursement of resources, in order to be totally or partially exempt from the obligations assumed in this **Contract**, except in case of any delay in the disbursement of financial resources by the **Financing Institution(s)** due to facts not attributable to the **Sub-Concessionaire**.
- 10.4** Subject to prior and express authorization from **ANTT**, and under the terms of the specific regulations, the **Sub-Concessionaire** may provide as grant or guarantee the rights arising from the **Sub-Concession** in credit operations related to the fulfillment of the **Contract** obligations.
- (i) The rights arising from the **Sub-Concession** include, but are not limited to, revenues arising from the payment of **Transportation Fee, Accessory Operations**, associated projects, indemnities due as a result of the **Contract**, representative actions of its **Control**, provided that it does not compromise the operationalization and continuity of the **Sub-Concession** performance.
  - (ii) The rights arising from the **Sub-Concession** may be pledged, fiduciary transferred, linked, recorded or otherwise transferred directly to the financier, subject to the limits and applicable legal requirements.
  - (iii) If the **Sub-Concessionaire** has yielded to **Financial Institution(s)** its credit rights related to the **Transportation Fee, Trackage Right Tariff** or **Haulage Right Tariff**, the **User(s)** may make the respective payments directly to the **Financial Institution(s)** or whoever it indicates, observing the same terms and conditions regarding the payments made to the **Sub-Concessionaire**.
- 10.5** It is forbidden for the **Sub-Concessionaire** to:
- (i) Provide guarantees or obtain borrowings, financing and other debts whose resources are not applied in the **Sub-Concession**;
  - (ii) Grant loans, financing, mutual and other forms of transference of funds to its shareholders or to companies in which they hold equity interest, except in case of distribution of dividends, payment of interest on equity or stock bonus, and payment for construction and services on fair market conditions.
- 10.6** Subject to prior and express authorization from **ANTT**, and in accordance with specific regulations, the **Sub-Concessionaire** may issue securities convertible into shares that may influence in the **Control** composition.

**10.7** The **Sub-concessionaire** may provide guarantees, to ensure financial obligations assumed by its **Parent Company(ies)** or its affiliate(s) that does not have a concession for the provision of rail transport service associated with infrastructure management, provided that all the financial resources are immediately allocated to the **Sub-Concessionaire**, for the adequate performance of the **Sub-Concession** object.

## **11 Performance Bond**

**11.1** The **Performance Bond** must be maintained throughout the term of the **Contract**, and until the document that formalizes the devolution of the **Railway** is signed, as a guarantee of the faithful compliance by the **Sub-Concessionaire** with its contractual obligations, in the amount indicated in the table below:

<b>Contract Stage</b>	<b>Performance Bond's Value</b>
Until the conclusion of the <b>Fixed Term Investments</b>	one hundred, thirty-six million and two hundred thousand reais (R\$136.200.000,00)
From the conclusion of the <b>Fixed Term Investments</b> until the signature of the document that formalizes the devolution of the <b>Railway</b>	forty million and nine hundred thousand reais (R\$ 40.900.000,00)

(i) The **Performance Bond** will be annually adjusted, with the same index and on the same date of the **Tariff Table** adjustment, according to the formula **Performance Bond x IRT**.

**11.2** The **Sub-Concessionaire** will remain responsible for the fulfillment of the contractual obligations, including the payment of any fines and indemnities, regardless of the use of the **Performance Bond**.

**11.3** The **Performance Bond**, at the discretion of the **Sub-Concessionaire**, may be provided in one of the following ways:

- (i) Deposit, in cash or government debt securities;
- (ii) Bank guarantee; or
- (iii) Guarantee insurance.

**11.4** In case of deposit in government debt securities, only the debt securities issued in book-entry form, by means of a registration in a centralized system of liquidation and custody authorized by the Central Bank of Brazil, will be accepted and evaluated for their economic values, as defined by the Ministry of Finance.

**11.5** In case of guarantee insurance, a certificate of insurance policy issued by an insurer or reinsurer will be accepted, for a maximum period of sixty (60) days, counted from the expiration date of the guarantee insurance previously provided.

**11.6** It is responsibility of the **Sub-Concessionaire** to keep the surety letters and the guarantee insurance policies in full force and in an uninterrupted manner throughout the term of the **Sub-Concession**, and must perform the needed renewals and updates.

*Draft of the Sub-Concession Contract of the International Notice of Auction no. 02/2018*

- (i) The guarantee insurance policies and bank guarantees should be contracted with insurers, reinsurers and financial institutions whose risk classification, on a national scale, falls within the category “degree of investment” in at least one of the following agencies: Fitch, Standard & Poor’s or Moody’s.
  - (ii) Any change in the contents of the surety letter or insurance guarantee policy must be previously submitted to **ANTT**’s approval.
- 11.7** Without prejudice to the other hypotheses presented in the **Contract** and in the regulations, the **Performance Bond** may be used in the following cases, provided that it results in fact attributable to the **Sub-Concessionaire**:
- (i) When the **Sub-Concessionaire** fails to pay the fines imposed on it, according to the **Contract** and the legislation, such as, but not limited to, the fines presented in Clause 25;
  - (ii) For the return of the **Sub-Concession Assets** in disagreement with the **Contract** requirements;
  - (iii) When the **Sub-Concessionaire** fails to pay the inspection fee and the **Concession Fee** on time, as well as any other indemnities or pecuniary obligations of its responsibility;
  - (iv) For the non-payment of the capital stock required in Clause 30.1; and
  - (v) For the non-maintenance of minimum net equity, pursuant to sub-clause 30.4.
- 11.8** The **Performance Bond** may only be executed, cumulatively:
- (i) Upon verification of non-compliance with a legal, contractual or regulatory obligation, in a final administrative decision, with the proper notification of the **Sub-Concessionaire**; and
  - (ii) Upon ANTT notification to the **Sub-Concessionaire** about its intention to execute the **Performance Bond**, at least ten (10) days in advance.
- 11.9** The execution of the **Performance Bond** will not relieve the **Sub-Concessionaire** of its contractual responsibilities.
- 11.10** Whenever **ANTT** uses the **Performance Bond**, the **Sub-Concessionaire** must replace its full amount, within a period of thirty (30) days, counted from the date of its use, during which time the **Sub-Concessionaire** will not be exempt from its contractual responsibilities.

## **12 Rights and Duties**

### **12.1 ANTT’s Rights and Duties**

- (i) Without prejudice to other provisions set forth by law, the **Contract** and its **Annexes**, **ANTT**’s rights are:
  - (a) To require the **Sub-Concessionaire** to comply with the **Investment Plan**, **Minimum Technical Specifications**, and **Complementary Obligations**, in accordance with the **Specifications Book**;
  - (b) To terminate unilaterally the **Sub-Concession Contract**, or propose its extinction, in accordance with the applicable legislation; and

*Draft of the Sub-Concession Contract of the International Notice of Auction no. 02/2018*

- (c) To amend the obligations of the **Contract** and its **Annexes**, respecting the right of the **Sub-Concessionaire** to the economic-financial balance of the **Contract**.
- (ii) Without prejudice to other provisions set forth by law, the **Contract** and its **Annexes**, **ANTT's** duties are:
  - (a) To supervise the execution of the **Sub-Concession Contract**;
  - (b) To carry out inspection related to rail accidents; in accordance with **ANTT's** specific regulations;
  - (c) To intervene to ensure the provision of an appropriate service;
  - (d) To maintain the economic-financial balance of the **Contract**;
  - (e) To ensure the rights of the **Users**, the **Sub-Concessionaire** and society;
  - (f) To respond to requests and complaints made by **Users** and **Sub-Concessionaire**;
  - (g) To apply appropriate administrative sanctions;
  - (h) To act in disputes that arise during the **Sub-Concession** term between the **Sub-Concessionaire** and **Users**;
  - (i) To analyze and approve timely the submitted **Projects**; and
  - (j) To sign, pursuant to Clause 3, **Definitive Receipt Term** with the **Sub-Concessionaire**.

## **12.2 Subcontracting Interventient's Rights and Duties**

- (i) Without prejudice to other provisions set forth by law, the **Contract** and its **Annexes**, the **Subcontracting Interventient's** rights are:
  - (a) To propose to **ANTT** the application of regulatory and contractual penalties;
  - (b) To request the **Sub-Concession** Intervention, in the cases presented in the **Contract**, to guarantee the provision of an adequate service;
  - (c) To request the **Sub-Concession's** Extinction in the cases presented in the **Contract**;
  - (d) Participate as a litigant in repossession proceedings involving the **Sub-Concession Assets**.
- (ii) Without prejudice to other provisions set forth by law, the **Contract** and its **Annexes**, the **Subcontracting Interventient's** duties are:
  - (a) To comply with and to enforce the regulatory provisions of the service and the provisions of the **Contract**;
  - (b) To promote the adequate quality of the service, as well as receive, investigate and forward to **ANTT** users' complaints;
  - (c) To require compliance with the rules and regulations on rail transport;
  - (d) To transfer to the **Sub-Concessionaire**, on the **Contract** signature date, through the **Interim Receipt Term**, the ownership and operation of the railway

infrastructure between Porto Nacional/TO and Anápolis/GO, which is fit for the contractual object provision, including the Operational License (IBAMA Operation License no. 1.240/2014) and authorization to open the traffic issued by **ANTT** (Resolution No. 4.363/2014 and Resolution No. 4.596/2015, both of **ANTT**);

- (e) Transfer to the **Sub-Concessionaire**, on the **Contract** signature date, through the **Interim Receipt Contract**, the ownership of the railway infrastructure between Ouro Verde de Goiás/GO and Estrela d'Oeste/SP, including the Installation License (IBAMA Installation License No. 1.152/2014);
- (f) To be responsible for the environmental charges related to the **Contract Object**, whose generating event is prior to the **Assumption Date**;
- (g) To carry out the environmental compensation and compensatory planting mentioned in sub-clause 4.4;
- (h) To be responsible for environmental liabilities and occupations in the right-of-way, whose generating event is prior to the **Assumption Date**;
- (i) Civil, administrative and criminal liability for environmental and constructive liabilities and for right-of-way invasions prior to the **Assumption Date**;
- (j) To complete the constructions under its responsibility until June 30, 2019, in accordance with **Appendix E** of the **Specifications Book**; and
- (k) Sign, pursuant to Clause 3, an **Interim Receipt Term** with the **Sub-Concessionaire**.

### 12.3 Sub-Concessionaire's Rights and Duties

- (i) Without prejudice to other provisions set forth by law, the **Contract** and its **Annexes**, the **Sub-Concessionaire's** rights are:
  - (a) To receive the **Transport Tariff** from the **Users**, as well as the **Trackage Right Tariff** and **Haulage Right Tariff** for the sharing of railway infrastructure and operational resources;
  - (b) To explore the **Associated Projects**, in accordance with **ANTT's** specific regulations;
  - (c) To explore and receive for the **Accessory Operations**, in accordance with the specific regulations of **ANTT**;
  - (d) To obtain the economic-financial rebalance of the **Contract**, in the cases admitted in the **Contract** and in the applicable legislation;
  - (e) To receive compensation for damages caused to the **Sub-Concessionaire**;
  - (f) To make any disbursements related to the economic-financial rebalance only after the conclusion of a specific administrative process;
  - (g) To request and obtain the economic-financial rebalance of the **Contract**, in the cases contractually admitted; and
  - (h) To construct the necessary railway terminals for the provision of the granted service.

- (ii) Without prejudice to other provisions set forth by law, the **Contract** and its **Annexes**, the **Sub-Concessionaire's** duties are:
- (a) To execute the **Investment Plan** in accordance with the applicable technical and engineering standards, and with the provisions of this **Contract** and the **Specifications Book**;
  - (b) To make the necessary investments in order to conclude the **South Extension** constructions, within a period of two (2) years, counted from the **Assumption Date**;
  - (c) To carry out the investments in order to implement a licensing system and track signaling, throughout the **Railway**, within a period of three (3) years, counted from the **Assumption Date**, except in the cases presented in subclause 4.6 (ii);
  - (d) To carry out the investment for the installation of derailment detectors, throughout the **Railway**, within a period of three (3) years, counted from the **Assumption Date**, except in the cases presented in subclause 4.6 (ii);
  - (e) To obtain the traffic opening license to be issued by **ANTT**, in parallel with the conclusion of the **South Extension** constructions;
  - (f) To comply with the **Minimum Technical Specifications**, in accordance with the **Specifications Book**;
  - (g) To comply with the **Complementary Obligations**, in accordance with the **Specifications Book**;
  - (h) Have Rolling Stock for the provision of rail transport service, and perform the locomotive fleet and cars' indicators of availability and average age, according to the **Specifications Book**, and acquire at least seventy-five percent (75%) of the entire fleet in its own name;
  - (i) To build the support facilities necessary for the provision of the rail transport service;
  - (j) To observe and enforce the legal instruments signed with the **Users** and third parties;
  - (k) To respect the maximum values and limits of dispersion established for the tariffs;
  - (l) To license the trains in accordance with the priority order established in sub-clauses 9.4 and 9.6;
  - (m) To be liable for all damages and losses caused to the **Union**, **ANTT**, **Subcontracting Intervient**, **DNIT** or third parties, arising from the use and operation of the assets linked to the **Sub-Concession**;
  - (n) To return, replace or reimburse railway assets linked to the **Sub-Concession** that present irreparable damage of any origin, communicating the fact to **ANTT**;
  - (o) To promote the necessary measures, including judicial, to protect the **Sub-Concession Assets** against acts of threat, trespass or disseisin, informing **ANTT**;

*Draft of the Sub-Concession Contract of the International Notice of Auction no. 02/2018*

- (p) To manifest itself, administratively or judicially, regarding questions raised by owners of properties in the right-of-way borders, which aim at documentary regularization of these properties;
- (q) To carry out and keep updated, annually, the inventory of **Sub-Concession Assets**;
- (r) To ensure the maintenance, topicality and integrity of assets and equipment linked to the **Sub-Concession**, observing the economic-financial balance of the **Contract**, if and when applicable;
- (s) To comply with the competent bodies requirements, in accordance with the laws applicable to the **Sub-Concession**, in order to obtain the licenses, permissions and authorizations under its responsibility and related to the **Sub-Concession** object;
- (t) To be responsible for the environmental charges related to **Sub-Concession Contract** whose generating event is subsequent to the **Assumption Date** including but not limited to the following:
  - (a) Prevention, correction, remediation and management of the environmental and construction liability, and invasions in the right-of-way;
  - (b) Civil, administrative and criminal liability for environmental damage arising from works and services related to events that occurred after the **Sub-Concession Contract** signature;
- (u) To maintain programs of staff training and quality in the provision of adequate an service;
- (v) To adopt the appropriate measures for rail accidents' prevention;
- (w) To carry out railway accidents' investigation, in accordance with **ANTT's** specific regulations;
- (x) To provide **ANTT** with the necessary support for those responsible for inspection and access to the **Sub-Concession Assets**, in particular the assets related to the **Railway** operation, including the **CCO**, as well as data of operational nature, digital or printed;
- (y) To pay the inspection fee and the **Granting Fee** due to **ANTT**, as established in sub-clause 19.1 and sub-clause 20.1(i);
- (z) To adopt the **Accounting Manual** of **ANTT** and other specific agreements applicable to bookkeeping and preparation of the standardized financial statements;
- (aa) To maintain, throughout the **Sub-Concession** duration, in its organizational structure, an area to take care of relations with the **Users** and the community along the **Railway**;
- (bb) To report the occurrence of a railway accident to **ANTT** and **Users**, as well as public safety, public health and environmental agencies, the last two depending on the type of occurrence, and in accordance with **ANTT's** specific regulations;

- (cc) To be registered as a public company in CVM, within three (3) years of the **Assumption Date**, maintaining such condition throughout the **Sub-Concession** duration.
- (dd) To keep a rail track star suitable for **Railway** inspection, throughout the **Sub-Concession** duration, and certified by a competent entity;
- (ee) To notify **ANTT**, as soon as possible, about the existence of environmental or construction liabilities and invasions in the right-of-way identified after the **Assumption Date**,
- (ff) To be responsible for the correction of environmental or construction liabilities and invasions in the right-of-way identified before or after the **Assumption Date**, as well as for the related onus and expenses; and
- (gg) To repair any defects related to construction works received from the **Subcontracting Intervient**, which make them unfit for their intended use or diminish their value, with the exception of latent defects; and
- (hh) To construct a storage, loading and unloading terminal, in a location to be defined by the **Sub-Concessionaire**, according to the terms determined in the **Specifications Book**.

### 13 Information Provision

13.1 Within the term of the **Sub-Concession**, the **Sub-Concessionaire** must provide the information established in the **Contract**, in the **Specifications Book** and in the applicable legislation.

(i) Notwithstanding sub-clause 13.1, the **Sub-Concessionaire** must:

- (a) Immediately notify **ANTT** of all facts that materially alter the usual development of the **Sub-Concession**, submitting, in writing and within a maximum period of 15 (fifteen) days from the occurrence, a detailed report about the fact, including, when appropriate, technical report with the measures taken to solve the problem; and
- (b) Submit to **ANTT**, within the period established by it, additional or complementary information requested.

13.2 The form of information provision may be modified unilaterally by **ANTT**, by means of a formal act, duly motivated, aiming at the use of technologically more efficient means of communication.

13.3 **ANTT** may forward information obtained from the **Sub-Concessionaire** to any public body or entity, preserving the confidentiality of confidential information.

13.4 The **Sub-Concessionaire** must grant **ANTT** access to all information of its **CCO** systems necessary for the supervision of its operations and of the rail traffic in the granted infrastructure, in accordance with **ANTT**'s specific regulations.

### 14 Technological Development Resources

14.1 Throughout the **Sub-Concession** period, from the **Assumption Date**, the **Sub-Concessionaire** must annually assign two million and six hundred thousand reais

(R\$2.600.000,00) to projects and studies aimed at technological development, under the terms of **ANTT's** specific regulations.

**14.2** The technological development resources will be adjusted annually with the same index and date of the **Tariff Table** adjustment.

**14.3** The resources referred to in sub-clause 14.1, when not used for their purposes, must be added to the **Granting Fee** at the same time as the **Ordinary Review**.

**14.4** The products and studies resulting from the application of technological development resources will be of **ANTT's** property.

## **15 Resources for Preserving Railway Memory**

**15.1** Throughout the **Sub-Concession** period, from the **Assumption Date**, the **Sub-Concessionaire** must annually assign one million and three hundred thousand reais (R\$ 1.300.000,00) to projects aimed at the preservation of railway memory.

**15.2** The preservation of railway memory resources will be adjusted annually with the same index and date of the **Tariff Table** adjustment.

**15.3** The resources referred to in sub-clause 15.1, when not used for their purposes, must be added to the **Granting Fee** at the time as the **Ordinary Review**.

**15.4** The products resulting from the application to preserve the railway memory will be of **ANTT's** property.

## **16 Grade Crossing Resources**

**16.1** The Sub-Concessionaire must allocate twenty-three million, eight hundred and ninety-five thousand, three hundred and sixty-three reais and thirty-four cents (R\$ 23.895.363,34) to projects aimed at the implementation of grade crossings, which will be spent in two (2) years counted from the **Assumption Date**.

(i) The **Sub-Concessionaire** must submit to **ANTT** approval the proposal of grade crossings, within ninety (90) days, counted from the **Assumption Date**.

(ii) The **Sub-Concessionaire** must observe the technical standards for the grade crossings, in accordance with the railway service indicators that must be achieved.

**16.2** The grade crossing resources, when not used, will be adjusted annually with the same index and date of the **Tariff Table** adjustment.

**16.3** The grade crossing resources, when not used within the established period in sub-clause 16.1, must be added to the **Granting Fee** at the time as the **Ordinary Review**.

## **17 Contracting**

### **17.1 Contracting with Third Parties**

(i) Without prejudice to its responsibilities, the **Sub-Concessionaire** may, at its discretion, execute the **Sub-Concession** constructions and services, either by itself or through third parties, at its own risk.

(ii) The **Sub-Concessionaire** is directly liable towards **ANTT** for any problems or losses due to the lack of financial health, as well as the competence and technical ability of contracted third parties.

- (iii) Contracts signed between the **Sub-Concessionaire** and third parties will be governed by the private rules, and no relationship of any kind will be established between third parties and **ANTT**.

## **18 Supervision by ANTT**

**18.1** The powers to supervise the **Contract** performance will be exercised by **ANTT**, directly or with the assistance of third parties contracted by it, and must be assured, in the exercise of its duties, free access at any time to data relating to the administration, accounting, technical, economic and financial resources, and to the facilities, especially to the **Sub-Concessionaire's Operational Control Center (CCO)**, as well as **Sub-Concession Assets**.

- (i) The supervision carried out by **ANTT** must not obstruct or prejudice the proper **Sub-Concession** performance by the **Sub-Concessionaire** in addition to what is necessary for the strict fulfillment of its supervisory duties.
- (ii) For the purposes of this sub-clause, **ANTT** will have in relation to the **Railway**:
  - (a) Right of access to facilities;
  - (b) Right of access to documents; and
  - (c) Right of free interpellation and confirmation of personnel qualified to respond on the **Sub-Concessionaire's** behalf.

**18.2** **ANTT's** supervision and control bodies are responsible for supervising, inspecting and auditing the **Contract**, as well as for evaluate the **Sub-Concessionaire's** performance, which may be carried out at any time.

- (i) The Inspection of the Railway made with rail track star should be in charge of the **Sub-Concessionaire**, under **ANTT's** supervision.

**18.3** The determinations that may be issued within the planned supervisions will be immediately applicable and must bind the **Sub-Concessionaire**, without prejudice to any appeal presented.

- (i) In the event that the **Sub-Concessionaire** does not comply with **ANTT's** determinations in the scope of the inspection, established by a final decision in specific administrative proceedings, it will assist the latter in correcting the situation, directly or through a third party, on behalf of the **Sub-Concessionaire**.

**18.4** **ANTT**, in its sole discretion, may adopt a mechanism to regularize the faults or defects verified, considering the pertinence and severity of each occurrence, according to the specific regulations of **ANTT**.

**18.5** **ANTT** will carry out, within two (2) years prior to the **Sub-Concession** end, a detailed supervision for:

- (i) Assessing the Sub-Concession Assets condition; and
- (ii) Assessing the conditions of the facilities, infrastructure, superstructure, signaling system, courtyards and other **Railway** assets.

**18.6** Notwithstanding the provisions of sub-clause 18.5, the **Sub-Concessionaire** must maintain an up-to-date record, with a maximum delay of 24 (twenty-four) months, of the conditions of the **Sub-Concession Assets** and their facilities, infrastructure, superstructure, signaling

system, stations and other assets of the **Railway**, in accordance with **ANTT** specific regulations.

**18.7 ANTT** may require the **Sub-Concessionaire** to submit an emergency plan to repair, correct, remove, rebuild or replace any construction, property or service performed in a defective or incorrect way relative to the **Sub-Concession**, within the period to be defined by **ANTT**.

**18.8** The investigation of infractions and the application of penalties will be conducted by **ANTT**, under the terms of this **Contract** and the specific regulations.

## **19 Supervision Fee**

**19.1** The **Sub-Concessionaire** must gather to **ANTT** the supervision fee, throughout the **Contract** duration, which will be used to cover expenses with the **Sub-Concession** supervision.

**19.2** The **Sub-Concessionaire** must pay, as supervision fee, thirty (30) installments of six million and two hundred thousand reais (R\$ 6.200.000,00), which must be deposited in the **ANTT** account until the fifth (5<sup>th</sup>) day, starting from the month after the **Assumption Date**.

**19.3** The supervision fee will be adjusted annually, with the same index and date of the **Tariff Table** adjustment.

**19.4** Throughout the **Contract** term, it is prohibited to use the supervision fee for any type of compensation in readjustments or revisions of the **Contract**.

## **20 Sub-Concession Fee and Remuneration**

### **20.1 Sub-Concession Fee**

(i) The **Sub-Concessionaire** must pay, as **Sub-Concession Fee**, one hundred and twenty (120) quarterly installments, which must be collected into the **ANTT** account by the fifth (5<sup>th</sup>) day of each month, starting from the month after the **Assumption Date**.

(ii) The first installment of the **Sub-Concession Fee** will be calculated by applying the following formula:

$$P = \left[ 0,95 * L * \left( \frac{IP_i}{IP_o} \right) \right] * \left( \frac{1,0265^{119} * 0,0265}{1,0265^{120} - 1} \right) \quad (1)$$

Where:

P = value of the first installment of the **Grant Fee** to be paid by the **Sub-Concessionaire**;

L = value of the winning bid of the **Sub-Concession Notice of Auction** no. 02/2018, offered on the base date of December, 2017.

IP<sub>i</sub> = **IPCA** index number of two months prior to the **Assumption Date**; and

IP<sub>o</sub> = **IPCA** index number of October, 2017].

(iii) The **Sub-Concession Fee** will be adjusted annually, with the same index and date of the **Tariff Table** adjustment, considered the **Grant Fee Addition**, calculated in accordance with **Annex 6**.

### **20.2 Remuneration**

- (i) The **Sub-Concessionaire** remuneration will come from the **Transport Tariff, the Haulage Right Tariff, the Trackage Right Tariff**, and from revenues of associated projects and **Accessory Operations**, among other forms of remuneration allowed under **ANTT** regulations.
- (ii) The **Reference Tariffs** will be obtained based on the calculation formula presented in the **Tariff Table**, in **Annex 7**.
- (iii) The **Sub-Concessionaire** must make available on its electronic website, in a clear and accessible way, a **Tariff Simulator** that allows calculating the **Reference Tariffs** per transport flow.
- (iv) The **Sub-Concessionaire** may practice different **Transport Tariffs** and **Trackage Right Tariffs** between **Users**, observing the **Reference Tariff** and **Tariff Dispersion Limit**, and based on objective and isonomic criteria, such as duration, volume, seasonality, and payment conditions.

## **21 Accessory Operations**

**21.1** The **Sub-Concessionaire** may develop **Accessory Operations**, in its sole discretion, according to this **Contract** and **ANTT** regulations.

**21.2** The Price charged for the **Accessory Operations** must be defined in a private negotiation with the **User**, ensuring isonomic and non-discriminatory treatment.

## **22 Associated Projects**

**22.1** The **Sub-Concessionaire** may explore associated projects, in its sole discretion, considering **ANTT** specific regulations.

**22.2** The values perceived from the associated projects or the costs incurred during its execution will not lead to economic-financial rebalancing.

## **23 Readjustments and Reviews**

### **23.1 Readjustment**

- (i) The application of the **Tariff Table** of **Annex 7** will start as of the **Assumption Date**.
  - (a) The **Sub-Concessionaire** must make available on its website, in a clear and accessible manner, the current **Tariff Table**.
- (ii) The **Tariff Table** will have its first readjustment twelve (12) months counting from the **Assumption Date**, without the need of a request or verification of the **Sub-Concessionaire** regularity.
- (iii) The base date for the following adjustments of the **Tariff Table** must be the first adjustment date, and the subsequent adjustments must be made on the same day and month in which the first adjustment was made.

### **23.2 Ordinary Review**

- (i) It is the revision of the **Sub-Concession Fee**, calculated annually through the application of the **Grant Fee Addition**.

### **23.3 Extraordinary Review**

- (i) It is the economic and financial rebalancing of the **Sub-Concession**, in case of risk whose responsibility was attributed to the **Grantor**, under the terms of sub-clause 27.2,
- (ii) An extraordinary review must be made through the elaboration of **Incremental Cash Flow**, in accordance with **Annex 3**.

#### **23.4 Review Effect**

- (i) The effect of the revisions will be applied on the same base date as the **Tariff Table** adjustment and will take effect from the publication of an **ANTT** specific act.

#### **23.5 Rebalancing Function**

- (i) Whenever the conditions of the **Contract** are met and the risk allocation established is respected, the **Contract** is considered economic-financial balanced.
- (ii) **ANTT** may carry out the economic-financial rebalancing, when applicable, in accordance with the law and in the cases admitted in this **Contract**.

#### **23.6 Procedure for the Application**

- (i) If economic and financial imbalance is verified, it will be incumbent upon **ANTT** the initiation of an administrative proceeding with the purpose of promoting the economic and financial rebalancing of the **Contract**.

#### **23.7 Means for Rebalancing**

- (i) At the end of the procedure indicated in sub-clause 23.6, if the rebalancing has been judged appropriate, **ANTT** must adopt, in its sole discretion, one or more means for rebalancing, as it deems appropriate, among the following:
  - (a) review of the **Sub-Concession Fee**;
  - (b) direct payment between **Sub-Concessionaire** and **Union**; and
  - (c) addition or deletion of contractual obligations.
- (ii) The forms listed in sub-clause 23.7 (i) above may be combined to obtain the appropriate economic and financial rebalancing of the **Contract**.
- (iii) In the hypothesis of sub-clause 23.7 (i) (b), the amounts will be updated until the effective payment date according to the **IPCA** variation.

### **24 Minimum Technical Specifications**

**24.1** The **Sub-Concessionaire** is bound to meet or exceed the minimum values of the **Minimum Technical Specifications** established in the **Specifications Book**, throughout the term of the **Sub-Concession**.

**24.2** The **Minimum Technical Specifications** may be reviewed every five (5) years and may be maintained or renegotiated by common agreement between the **Parties**, in order to meet the demand confirmed by the **Users**, the conditions and operational characteristics of the railway, improvement of quality and quantity of the **Sub-Concession** services.

- (i) In the event of an extraordinary administrative or economic process that affects the **Sub-Concession**, the **Minimum Technical Specifications** may be reviewed extraordinarily.
- (ii) In case the **Parties** cannot agree on the renegotiation of the **Minimum Technical Specifications**, **ANTT** may fix them unilaterally, ensuring the economic and financial rebalancing of the **Contract**.

**24.3** The **Minimum Technical Specifications** that require carrying out **Additional Investments** will only become enforceable after their conclusion, ensuring the economic and financial rebalancing of the **Contract**.

## **25 Penalties**

**25.1** The failure to comply with the obligations set forth in this **Contract**, its **Annexes** and **ANTT's** regulations constitutes an infraction and will lead to the application of the following penalties, ensuring the right to the adversarial principle and full defense:

- (i) Warning;
- (ii) Fine; and
- (iii) Termination.

**25.2** For infractions of mild severity and without recurrence, the warning penalty may be applied, which must refer to the measures necessary to correct the noncompliance.

**25.3** The penalties of fine for noncompliance with contractual obligations will be applied taking into consideration the **URS**, according to its severity, and observing the aspects listed in sub-clause 25.13 of the **Contract**.

**25.4** The following **Sub-Concessionaire** proceedings brought in this **Contract** and in its **Annexes** constitute infractions subject to the imposition of a fine, in the corresponding amount of up to fifty (50) **URS**:

- (i) Failing to ensure the third party, who has a grant that allows the provision of the rail transport service, access to the **Railway** infrastructure and operational resources.
- (ii) Making loans, financing and other debts whose resources are not applied to the **Sub-Concession**.
- (iii) Not respecting the maximum values and dispersion limits established for tariffs.
- (iv) Not carrying out the investigations of railway accidents in accordance with **ANTT's** specific regulations.
- (v) Not collecting from **ANTT**, throughout the term of the **Contract**, the inspection fee that will be used to cover expenses with the supervision of the **Sub-Concession**.
- (vi) Not adopting the **Accounting Manual** of **ANTT** and other specific agreements applicable to bookkeeping and preparation of the standardized financial statements;
- (vii) Not reporting, in the shortest possible time, the occurrence of a railway accident to **ANTT** and to the **Users**, by means of publication in an electronic or other appropriate mean, as well as to public safety, public health and environmental agencies, in terms of **ANTT's** specific regulations.

*Draft of the Sub-Concession Contract of the International Notice of Auction no. 02/2018*

- (viii) Not communicating **ANTT**, within a period of up to 7 (seven) working days, counted from the occurrence of the event, the cases of alteration in the shareholding composition of the **Sub-Concessionaire**, in accordance with **ANTT's** specific regulations.
  - (ix) Not reinstating the full amount of the **Performance Bond**, within thirty (30) days, counted from the date of its use by **ANTT**;
  - (x) Not providing adequate service to the **Users'** full attendance, practicing discrimination of any nature, incurring in abuse of economic power, or failing to comply with regularity, continuity, efficiency, safety, topicality, generality, courtesy in its performance and fair tariffs.
  - (xi) Not complying with and not enforcing the treaties, agreements and other international acts in effect regarding to rail transport.
  - (xii) Not promoting interventions related to the **Investment Plan**, in accordance with the **Specifications Book**.
  - (xiii) Not promoting the interventions and investments necessary to expand the capacity of the **Railway**, in order to reduce its saturation level to less than ninety percent (90%), under the **Specifications Book** terms.
  - (xiv) Not maintaining, during the term of the **Contract**, the **Performance Bond** in favor of **ANTT**.
  - (xv) Transferring the Direct Corporate Control of the **Sub-Concessionaire** without prior and express authorization of **ANTT**.
  - (xvi) Not providing **ANTT** with the **Railway** and all **Sub-Concession Assets** immediately after a declaration of intervention.
  - (xvii) Not delivering the **Reversible Assets** to **ANTT**.
  - (xviii) Not contracting and maintaining in effect the applicable insurance policies, in accordance with **ANTT's** specific regulations.
  - (xix) Manipulating or otherwise defrauding the inspection performed by the rail track star on the **Railway**.
  - (xx) Not paying the installments to be paid as **Sub-Concession Fee**, pursuant to sub-clause 20.1 (i).
- 25.5** The failure to comply with the other obligations provided for in this **Contract** and its **Annexes**, by the **Sub-Concessionaire** or **Subcontracting Intervenant**, are subject to the imposition of a warning or a fine, corresponding to up to ten (10) **URS**.
- 25.6** In the event of a recurrence of failure to comply with the obligations provided by sub-clause 25.4, the amount of fifty (50) **URS** will be added; in the event of non-compliance with the obligations provided for in Sub-Clause 25.5, the amount of ten (10) **URS** will be increased, except as provided in sub-clause 25.13 (v),
- 25.7** **ANTT** may initiate an administrative proceeding with the purpose of declaring the termination of the **Sub-Concession** in the event of total or partial non-performance of the **Contract**, pursuant to sub-clause 37.1.

- 25.8** The application of penalties of warning or fine does not prevent declaring the termination of the **Contract**, subjected to due procedures.
- 25.9** The penalties provided for in sub-clause 25.1 follow a gradual sequence, with a warning being the mildest and termination the most severe, depending on the severity of the misconduct.
- 25.10** In cases where the conduct corresponds to more than one infraction, the most severe sanction must be applied.
- 25.11** Upon completion of the administrative proceeding that entails the imposition of a pecuniary fine, and in the event that the **Sub-Concessionaire** does not pay the amount owed within the stipulated period, **ANTT** must execute the **Performance Bond**.
- 25.12** The debit originated from an administrative proceeding for the imposition of a pecuniary fine, which is final and unappealable that remains unpaid by the **Sub-Concessionaire**, and which was not covered by the execution of the **Performance Bond**, must be registered in the Information Register of credits unpaid from the Federal Public Sector (Cadin), until its payment, and will be subject to judicial execution.
- 25.13** In setting the penalty and quantifying its value, **ANTT** must observe the following circumstances, among others that it deems pertinent:
- (i) The proportionality between the severity of the noncompliance and the intensity of the sanction;
  - (ii) Damages resulting from non-compliance for the execution of the constructions, for the provision of services and for **Users**;
  - (iii) The advantage received by the **Sub-Concessionaire** as a result of the default;
  - (iv) The **Sub-Concessionaire's** background;
  - (v) A specific recurrence, which is the repetition of an infraction of the same nature, applied in the last two (2) years, due to an unappealable administrative decision; and
  - (vi) The general circumstances aggravating or mitigating the situation, according to the applicable legislation and regulations.
- 25.14** In determining the infractions practiced by the **Sub-Concessionaire**, where there is trace that its administrators or controllers acted with intent or guilty, **ANTT** must determine the establishment of a specific administrative proceeding to investigate its responsibilities.
- 25.15** The penalties set forth in this **Contract** do not exclude or replace others provided for in specific legislation.
- 25.16** The notice, application of penalty or its compliance does not relieve the **Sub-Concessionaire** of correcting the corresponding fault.
- 25.17** The administrative process established to investigate any breach of contract must comply with the provisions of the applicable legislation and the provisions of **ANTT's** specific regulations.
- 26 Preventive Measure**
- 26.1** At any stage of the administrative proceedings instituted to investigate any contractual breach, **ANTT** may, on its own initiative or through provocation, adopt a preventive measure,

whenever there is any indication or reasoned concern that the **Sub-Concessionaire**, directly or indirectly, causes or can cause to **Users** or to the collective irreparable or difficult to repair harm, or render ineffective the final result of the process, under the terms established in **ANTT** regulations.

- (i) For the continuity of acts or situations that constitute an infraction due to contractual noncompliance, after **ANTT** determines its cessation, as well as for noncompliance with imposed obligations, or for failure to comply with a preventive measure, the **Sub-Concessionaire** will be subject to daily fine.
- (ii) In the preventive measure, the immediate cessation of the practice will be determined and the reversion to the previous situation will be ordered, when it is materially possible, setting a daily fine corresponding to one (1) **URS**, which may be increased by up to five (05) times, if it so recommends the seriousness of the infraction.

## **27 Risk Allocation**

**27.1** Except for the risks expressly assigned to the **Granting Authority** in sub-clause 27.2, the **Sub-Concessionaire** is fully and exclusively responsible for all risks related to the **Sub-Concession**, including, but not limited to, the following:

- (i) Volume of freight transported in disagreement with its projections;
- (ii) **Users'** default in relation to the **Transport Tariff, Trackage Right Tariff, Haulage Right Traffic** and any revenues arising from the perception of the **Accessory Operations** and the exploration of **Associated Projects**;
- (iii) Vices in assets transferred to it by virtue of the **Sub-Concession** and which have not been the subject of a complaint before the **Granting Authority**, pursuant to sub-clause 3.1 (iii).
- (iv) Obtaining licenses, permissions, authorizations, manifestations and grants related to the **Sub-Concession**, except as provided in sub-clause 4.4;
- (v) Value of investments, payments, costs and expenses arising from **Expropriations**, establishment of administrative easements, imposition of administrative limitations, provisional occupation of real estate, costs and charges arising from the environmental operation licensing process and vacancies of the right-of-way, subject to the provisions of sub-clause 5.1;
- (vi) Except as provided in sub-clause 27.2, surplus costs, as well as delay or non-compliance with the **Specifications Book**, or other deadlines established between the **Parties** over the term of the **Contract**, such as but not limited to:
  - (a) addition in investments, costs or expenses arising from cost increase of purchase or maintenance of equipment;
  - (b) accidents involving employees or third parties during the construction, operation or maintenance of the **Railway**;
  - (c) bankruptcy, performance failure, and delays in the delivery of subcontractors and suppliers;
  - (d) shortage of skilled labor for installation, expansion, modification of facilities and operation of the **Sub-Concession**;

*Draft of the Sub-Concession Contract of the International Notice of Auction no. 02/2018*

- (e) suspension of environmental license for non-compliance with environmental conditions;
- (f) strike by the employees of the **Sub-Concessionaire** or its subcontractors.
- (vii) Technology used in the **Railway** and **Rolling Stock**;
- (viii) Perishing, destruction, theft, loss or any other types of damage caused to the **Sub-Concession Assets**, a liability that is not reduced or excluded by virtue of **ANTT's** inspection;
- (ix) Social and public events that affect in any way the provision of services, compliance with the **Specifications Book** and other obligations related to the **Contract**;
- (x) Increase in the cost of capital, including those resulting from increases in interest rates;
- (xi) Exchange rate variation;
- (xii) Changes in the legislation of income taxes;
- (xiii) Reparation, prevention, remediation and management of the environmental or construction liabilities and invasions in the right-of-way related to the **Railway**, whose generating event is subsequent or posterior to the **Assumption Date**;
- (xiv) The possibility of inflation in a given period being higher or lower than the rate used to readjust the **Sub-Concession Fee**, the **Tariff Table**, or other amounts provided for in the Contract for the same period;
- (xv) Civil, administrative and criminal liability for environmental damages arising from the provision of the service and execution of the **Contract**, and caused by the **Sub-Concessionaire**;
- (xvi) Damages caused to third parties, by the **Sub-Concessionaire** or its administrators, employees, agents or service providers or any other person or entity related to it, in the exercise of the activities covered by the **Sub-Concession**;
- (xvii) Liability for accidents and damages caused by the **Sub-Concessionaire** to third parties and **Users**;
- (xviii) Latent defects in the **Sub-Concession Assets** acquired or leased by it, as well as in the supplies and equipment used in assets leased in the maintenance procedures, without prejudice to the right of return against suppliers;
- (xix) Climatic events not considered as **Force Majeure**;
- (xx) The discovery of electrical, telecommunications, water and sanitation networks, or other unidentified obstacles, in cases where the **Sub-Concessionaire** has failed to diligently identify them;
  - (a) it is presumed as technically possible the access to registers and information on maps or other registers existing in public agencies and concessionaires, that are liable or have facilities in the **Railway** right-of-way;
- (xxi) Operational and patrimonial safety of the **Railway**;

*Draft of the Sub-Concession Contract of the International Notice of Auction no. 02/2018*

- (xxii) Changes in the submitted **Projects**, and in the schedule of the **Investment Plan** arising from **Sub-Concessionaire's** initiative;
- (xxiii) Geological characteristics of areas intended for the **Railway**;
- (xxiv) Technological changes implemented by the **Sub-Concessionaire** and that have not been requested by **ANTT**;
- (xxv) Technical failures in development of projects, resulting in accidents, inefficiency in implementation or low performance during the operation with regard to the track and **CCO**;
- (xxvi) Obtaining financing for the **Contract** performance;
- (xxvii) Environmental risks, pollution and inconvenience to third parties related to the **Sub-Concessionaire's Railway** activity;
- (xxviii) Implementation of new routes or alternative routes for freight transportation through the railway modal that impacts the transportation volumes of the **Sub-Concessionaire**, as long as they do not compose the National Transport System – SNV on the **Contract** signature date;
- (xxix) For the payment of monetary amounts provided for in the **Sub-Concession Contract**, and
- (xxx) Associated risks with the maintenance or correction of segments with ballast gravel in lots 4S, 5S and 5SA, of the **South Extension**.

**27.2** The **Sub-Concessionaire** is not responsible for the following risks related to the **Sub-Concession**, whose responsibility is of the **Granting Authority**:

- (i) An arbitral, judicial or administrative decision or any action that prevents or makes it impossible for the **Sub-Concessionaire** to charge the **Transport Tariff**, or to readjust the **Tariff Table**, in accordance with the **Contract**, except in cases where the **Sub-Concessionaire** has caused the decision;
- (ii) Failure by **ANTT** to comply with its contractual or regulatory obligations, including, but not limited to, non-compliance with applicable **ANTT** deadlines set forth in this **Contract** and applicable legislation;
- (iii) **Fortuitous Event** or **Force Majeure**;
- (iv) Changes in legislation and regulations, including the creation, change or extinction of taxes or charges, which alter the economic-financial balance of the **Sub-Concession**, except for the legislation of income taxes;
- (v) Changes in the **Specifications Book** or any obligation or charge established in the **Contract** or in its **Annexes** due to **ANTT** initiative;
- (vi) Change in the **Minimum Technical Specifications** as a result of new requirements of safety or operation procedures by request of **ANTT** or arising from new Brazilian public legislation or regulations;
- (vii) Value of investments, payments, costs and expenses arising from **Expropriations**, subject to Sub-Clause 5.1 (v);

- (viii) The execution of environmental compensation and compensatory planting actions related to the sections mentioned in sub-clauses 4.2 and 4.3; and
- (ix) Realization of **Additional Investments** upon request or determination of **ANTT**.

**27.3** The **Sub-Concessionaire** hereby declares:

- (i) To be fully aware of the nature and extent of the risks assumed by it in the **Contract**; and
- (ii) To have taken such risks into consideration in the making of its business plan.

**27.4** The **Sub-Concessionaire** will not be entitled to the economic-financial rebalancing, in the hypotheses of sub-clause 27.1.

## **28 Liability**

**28.1** The Sub-Concessionaire will be liable, under the applicable legislation, for any damages caused to **Users**, **ANTT**, **Subcontracting Intervenant** and third parties, by itself or its administrators, employees, agents or service providers or any other natural or legal person to it in the exercise of the activities covered by the **Sub-Concession**.

**28.2** The **Sub-Concessionaire** will be liable for damages caused to the **Sub-Concession Assets**, which will not be reduced or excluded by virtue of **ANTT**'s inspection.

**28.3** If there is an imminent risk of discontinuity in the execution of this **Contract**, the **Sub-Concessionaire** will be responsible for the implementation of actions to be established by **ANTT**, in order to guarantee the service provision continuity.

**28.4** The **Sub-Concessionaire** is responsible for the labor charges, social security, commercial and civil charges of its employees resulting from the **Contract** performance.

**28.5** The **Sub-Concessionaire** will not be liable for the charges mentioned in sub-clause 28.4 above in cases in which its occurrence arises from an act attributable to the **Subcontracting Intervenant**.

## **29 Legal Structure of the Sub-Concessionaire**

**29.1** The **Sub-Concessionaire** must remain, throughout the term of the **Contract**, as a Specific Purpose Entity (SPE), constituted in accordance with Brazilian law, in the form of a corporation, with the exclusive purpose of performing the **Sub-Concession** object.

**29.2** The **Sub-Concessionaire** will always be bound by the provisions of this **Contract**, the instruments convening the bidding process, the documentation presented and the respective contractual documents, as well as the applicable legislation and regulations.

## **30 Share Capital**

**30.1** Within a period of one (1) year from the **Assumption Date**, the **Sub-Concessionaire** must proceed the capital contribution of ninety million reais (R\$ 90.000.000,00) as share capital, in cash.

**30.2** The share capital must be adjusted with the same index and on the same date as the adjustment of the **Tariff Table**, according to the formula: share capital x **IRT**.

- 30.3** The **Sub-Concessionaire** must not, within the term of the **Sub-Concession**, reduce its share capital without prior and express authorization from **ANTT**.
- 30.4** The **Sub-Concessionaire** is obliged to maintain, during the **Sub-Concession** term, a minimum net equity equivalent to at least one-third of its share capital in the previous fiscal year.
- 30.5** The partial or total non-performance of the **Investment Plan** does not relieve or diminish the responsibility of the **Sub-Concessionaire** to carry out the maintain the share capital within the terms and conditions established in this **Contract**.

### **31 Partnership Control**

- 31.1** In any case, the change of the **Sub-Concessionaire's** Partnership **Control** is conditioned to a prior approval of **ANTT**, under penalty of termination of the **Sub-Concession**, as provided for in Act no. 8.987, of February 13, 1995, and Act no. 10.233, of June 5, 2001.
- 31.2** The following transactions, in addition to others, insofar as they conform to the hypothesis set forth in sub-clause 31.1, are characterized as change of **Partnership Control**:
- (i) Any change, direct or indirect, in the **Control** or **Control** Group that may imply change of the people frame who exercise the effective management of the **Sub-Concessionaire's** business;
  - (ii) When the **Parent Company** ceases to hold, directly or indirectly, a majority of the voting capital of the **Sub-Concessionaire**;
  - (iii) When the **Parent Company**, by agreement, contract or any other instrument, transfers, totally or partially, directly or indirectly, to third parties, powers to effectively conduct the social activities or operations of the **Sub-Concessionaire**; and
  - (iv) When the **Parent Company** withdraws, directly or indirectly, from the **Corporate Control** of the **Sub-Concessionaire**.
- 31.3** Subject to the provisions in the sub-clause 31.2, the **Sub-Concessionaire** may freely negotiate its stocks, provided that there is no change of **Control** and **ANTT** is duly communicated.

### **32 Control Assumption by Funders**

- 32.1** The financing contracts of the **Sub-Concessionaire** may grant to the **Financial Institutions**, in accordance with the applicable private law rules, the right to take over **Control** of the **Sub-Concessionaire** in case of a contractual default by the **Sub-Concessionaire** of the financing contracts or this **Contract**.
- (i) The assumption may occur in the event of default by the **Sub-Concessionaire** of obligations of the **Contract**, in cases in which the default renders the **Sub-Concession** unviable or at risk.
- 32.2** It is incumbent upon **ANTT** to give prior approval to the assumption of **Sub-Concessionaire's** **Control** by the **Financial Institutions** in order to promote the financial restructuring of the **Sub-Concessionaire** and to ensure the continued operation of the **Sub-Concession**.
- 32.3** The authorization will be granted upon proof by the **Financial Institutions** that they meet the legal qualification and tax regularity requirements set forth in the **Notice of Auction**.

- (i) The **Financial Institutions** will be exempt from presenting financial suitability as long as they are duly authorized to act as a Financial Institution in Brazil.
- (ii) The request for the authorization of the assumption of **Control** must be submitted to **ANTT**, in writing, by the **Sub-Concessionaire** and by the **Financial Institution**, containing the justification for such, as well as elements that may subsidize the analysis of the request, such as:
  - (a) copies of meeting minutes of shareholders of the **Sub-Concessionaire**;
  - (b) Letters;
  - (c) Audit reports;
  - (d) Financial statements; and
  - (e) Other relevant documents.

**32.4** The assumption of **Control** of the **Sub-Concessionaire** pursuant to this Clause will not alter its obligations and of its partners or controlling shareholders before **ANTT**.

- (i) The **Financial Institutions** will not be responsible for the obligations that are direct responsibility of the former partners or controlling shareholders of the **Sub-Concessionaire** until the **Control** assumption date.

### **33 Intervention**

**33.1** **ANTT** may intervene in the **Sub-Concession**, in order to ensure the adequacy of the service provision, as well as the faithful compliance with relevant contractual, regulatory and legal standards.

**33.2** The intervention will be performed by **ANTT** act, which will contain the designation of the intervener, the intervention term and the objectives and limits of the measure.

**33.3** Once the intervention is ordered, **ANTT** must, within thirty (30) days, initiate an administrative process that must be completed within a maximum period of one hundred and eighty (180) days, to prove the determining causes of the intervention and establish the respective responsibilities, ensured to the **Sub-Concessionaire** the right to a full defense and to appeal.

**33.4** Revenue earned during the intervention period must be used to cover the investments, costs and expenses necessary to restore the normal operation of the **Railway**.

**33.5** Once the intervention is over, if the **Sub-Concession** is not to be terminated, the services object of the **Contract** will return to the **Sub-Concessionaire**, and the intervener must render account of its actions.

**33.6** The **Sub-Concessionaire** is bound to make available to **ANTT** the **Railway** and all **Sub-Concession Assets** immediately after the execution of the intervention.

**33.7** If the revenues obtained during the intervention period are not sufficient to cover the amount of the financing, investments, costs and expenses arising from the **Sub-Concession** incurred by **ANTT**, the **Performance Bond** may be used to:

- (i) cover them, in whole or in part; or

- (ii) deduct, from the eventual future remuneration to be received by the **Sub-Concessionaire**, the value of the investments, costs and expenses in which it incurred.

**33.8** Any remaining outcome of the operation, at the end of the intervention, must be delivered to the **Sub-Concessionaire**, unless the **Sub-Concession** is terminated, in which case the specific provisions will apply.

#### **34 Extinction Hypotheses**

**34.1** The **Sub-Concession** will be extinct by:

- (i) Advent of contractual term;
- (ii) Takeover;
- (iii) Termination;
- (iv) Withdrawal;
- (v) Cancellation;
- (vi) Bankruptcy or extinction of the **Sub-Concessionaire**.

**34.2** Upon extinction of the **Sub-Concession**, all **Sub-Concession Assets** must be reimbursed to the **Subcontracting Interventient**, free and clear of any financial burden or charges, and all rights arising from the **Contract** will cease to the **Sub-Concessionaire**.

- (i) In case of leased or rented assets by the **Sub-Concessionaire**, which are necessary for the operation and maintenance of the **Railway**, the **Subcontracting Interventient** may, in its own discretion, succeed the **Sub-Concessionaire** in the respective rent or lease contracts of such assets.

**34.3** Upon extinction of the **Sub-Concession**, constructions and services related to the **Concession** will be immediately assumed by the **Subcontracting Interventient** or new grantor, who will be authorized to occupy the premises and use all **Reversible Assets**, in compliance with the contractual clauses about indemnification and reversal of assets.

**34.4** In accordance with the terms and conditions to be established by **ANTT**, third parties will be authorized to carry out field surveys when the **Sub-Concession** term is near, in order to carry out studies to promote new auction procedures or to carry out new constructions.

**34.5** Third parties will not have access to documents and systems of the **Sub-Concessionaire**, and in their field surveys, must not obstruct or impair the proper **Sub-Concession** performance by the **Sub-Concessionaire**.

**34.6** In cases where the **Union** replaces the **Sub-Concessionaire** in the obligations arising from the financing contracts, the debit balance of the respective financing will be deducted from the amount of the indemnification calculated.

#### **35 Contractual Term Advent**

**35.1** Upon the expiration of the **Sub-Concession** period, the **Sub-Concessionaire** will be responsible for closing any contracts inherent to the **Sub-Concession** signed with third parties, assuming all the charges, liabilities and burdens resulting therefrom.

*Draft of the Sub-Concession Contract of the International Notice of Auction no. 02/2018*

- (i) At the discretion of the **Granting Authority**, the contracts celebrated between **Sub-Concessionaire** and third parties may be subrogated in their rights and obligations by the **Granting Authority** or by the new grant holder that assumes the service provision.
- (ii) Before proceeding the contractual termination mentioned in sub-clause 35.1, the **Sub-Concessionaire** must question **ANTT** about its interest in subrogating the contracts celebrated with third parties or in authorizing the subrogation by a new grant holder and transmit all the necessary information for the decision-making process.
- (iii) The value of the charges and burdens arising from the contracts subrogated to **ANTT** will be deducted from any indemnification due to the **Sub-Concessionaire** by the **Granting Authority**.

**35.2** The **Sub-Concessionaire** must take all reasonable steps and fully cooperate with **ANTT** so that the services objects of the **Sub-Concession** continue to be provided in accordance with the **Annexes** of this **Contract** until the advent of the contractual term, without interruption, as well as preventing and mitigating any inconvenience or risk to the health or safety of **Users**.

### **36 Takeover**

**36.1** The **Union** may, at any time, by means of a specific authorizing law and after prior payment of indemnity to be calculated in accordance with sub-clause 36.2, takeover the **Sub-Concession**, on grounds of public interest.

**36.2** The indemnification due to the **Sub-Concessionaire** in case of expropriation must cover:

- (i) the installments of the investments related to the **Reversible Assets** and not yet amortized or depreciated, which have been made to comply with this **Contract**;
- (ii) the exemption of the **Sub-Concessionaire's** obligations arising from financing contracts assumed by it for the fulfillment of the **Contract**, minus the remaining financial charges, by means of, as the case may be:
  - (a) prior assumption, before the **Financial Institutions**, of the contractual obligations of the **Sub-Concessionaire**, especially when its revenue appears as guarantee of the financing; or
  - (b) prior indemnification to the **Sub-Concessionaire** of all remaining debts to the **Financial Institutions**.
- (iii) all charges and burdens arising from fines, rescissions and indemnities due to suppliers, contractors and third parties in general, including attorney's fees, as a result of the consequent breach of the respective contractual links; and
- (iv) the remuneration of the own capital contributions made by the **Sub-Concessionaire** from the date of its payment up to the date on which the takeover is declared, discounting any amounts received by its shareholders as remuneration, such as dividends, interest on own capital, bonuses and the sale of subscription rights of shares, among others, as well as reductions in the share capital of the **Sub-Concessionaire**.

- 36.3** For the purposes of the calculation indicated in sub-clause 36.2, the amounts received by the **Sub-Concessionaire** will be deducted as insurance coverage related to the events or circumstances that led to the takeover.
- 36.4** The calculation of the indemnity's value of assets not amortized will be made based on the book value included in the **Sub-Concessionaire's** financial statements, determined in accordance with the applicable legislation and the relevant accounting rules, regardless of the effects of eventual revaluation of assets, unless it has been made with express authorization and with no reservations in this sense by **ANTT**.
- 36.5** The amount of fines and credits of **ANTT** may be deducted from the amount of indemnity due in case of takeover, as long as they are definitively constituted in the administrative or judicial spheres.

### **37 Termination**

- 37.1** The Union may, upon proposal of **ANTT**, and in accordance with the law and regulations, decree the termination of the **Sub-Concession**, in the event of total or partial non-performance of the **Contract**, with noncompliance with the following obligations for 3 consecutive years, or three (3) occurrences in five (5) years, and especially when the **Sub-Concessionaire**:

- (i) Fail to comply with the schedule contained in the **Investment Plan** of the **Specifications Book**.
- (ii) Does not constitute, in favor of **ANTT**, **Performance Bond**, within sixty (60) days, counted from the **Assumption Date**.
- (iii) Fails to pay in a timely manner, as a **Sub-Concession Fee**, the annual amount of [●] reais (R\$ [●]).

#### **37.2 Indemnity in Termination**

- (i) The indemnification due to the **Sub-Concessionaire** in case of termination will be restricted to the value of investments linked to **Reversible Assets** not yet amortized.
- (ii) From the amount set forth in sub-clause 37.2 (i) above will be discounted:
  - (a) the contractual fines imposed on the **Sub-Concessionaire** by final administrative decision, which have not been paid;
  - (b) any amounts received by the **Sub-Concessionaire** as insurance coverage related to the events or circumstances giving rise to the decree of termination; and
  - (c) the portion corresponding to the debit balance of the financing effectively applied in investments.
- (iii) The decree of termination must also imply:
  - (a) execution of the **Performance Bond**, to compensate for any damages caused to the **Union**; and
  - (b) the retention of any credits arising from the **Contract**, up to the limit of the damages caused to the **Union**.

**37.3** The indemnity due to the unamortized assets' will be calculated based on the values of the **Sub-Concessionaire's** financial statements, determined according to the applicable legislation and the relevant accounting rules, regardless of the effects of eventual revaluation of assets, except when it has been made with **ANTT's** express and unreserved authorization.

**37.4** The part of the indemnity due to the **Sub-Concessionaire** corresponding to the debit balance of the financing effectively applied in investments may be paid directly to the **Financial Institutions**, at the discretion of **ANTT**, and the remainder will be paid directly to the **Sub-Concessionaire**.

### **38 Withdrawal**

**38.1** The **Sub-Concessionaire** must notify **ANTT** of its intention to terminate the **Contract** in the event of breach of contract by the **Granting Authority**.

**38.2** The **Sub-Concessionaire** must notify **ANTT** of its intention to terminate the **Contract** by means of a legal action brought for that purpose, in accordance with the provisions of the relevant legislation and regulations.

**38.3** The works and services rendered by the **Sub-Concessionaire** may only be interrupted or paralyzed after final judicial sentence that decrees the withdrawal of the **Contract**.

### **38.4 Indemnification on withdrawal**

(i) The indemnification due to the **Sub-Concessionaire** in the event of withdrawal will be calculated in accordance with Clause 36.

### **39 Nullity**

**39.1** **ANTT** must declare the nullity of the **Contract**, preventing the legal effects it should ordinarily produce, and deconstructing those already produced, if possible, if there is an insurmountable vice that justifies it.

### **39.2 Indemnification on nullity**

(i) In the case described in sub-clause 39.1, if the unlawfulness is attributable only to **ANTT**, the **Sub-Concessionaire** will be indemnified under the terms of Clause 36.

### **40 Bankruptcy or Extinction of Sub-Concessionaire**

**40.1** In the event of bankruptcy or extinction of the **Sub-Concessionaire**, **ANTT** will unilaterally end the **Sub-Concession Contract**.

### **40.2 Indemnity in Case of Bankruptcy or Extinction of the Sub-Concessionaire.**

(i) In the case described in sub-clause 40.1, the indemnity will be calculated in accordance with Clause 37.

### **41 Fortuitous Incident or Force Majeure**

**41.1** In addition to the hypotheses provided for in Clause 34, the **Contract** may end due to fortuitous circumstances or force majeure occurring after the date of its signature, which is duly proven, whose effects last for more than one (1) year and prevent its regular execution by the **Sub-Concessionaire**.

**41.2** In the case described in sub-clause 41.1, the **Sub-Concessionaire** will be indemnified for what it has executed until the date on which the **Contract** is extinguished and for other regularly proven losses, discounted any amounts received by the **Sub-Concessionaire** as insurance coverage related to the events of fortuitous incident or force majeure.

## **42 Intellectual Property**

**42.1** The **Sub-Concessionaire** assigns to **ANTT**, free of charge, all **Projects**, plans, plants, documents, systems and computer programs and other materials of any nature that have been acquired or elaborated in the development of the activities object of the **Sub-Concession**, either directly by the **Sub-Concessionaire**, or contracted by third parties.

**42.2** Intellectual property rights in the studies and **Projects** elaborated for the specific purposes of the activities included in the **Sub-Concession**, as well as **Projects**, plans, documents and other material referred to in sub-clause 42.1, will be transmitted free of charge and on an exclusive basis to **ANTT** at the end of the Sub-Concession, it being **Sub-Concessionaire's** responsibility to take all the necessary measures to this end.

## **43 Insurances**

**43.1** During the term of the **Sub-Concession**, the **Sub-Concessionaire** must contract and maintain the applicable insurance policies in accordance with **ANTT** specific regulations.

- (i) The **Sub-Concessionaire** must send to **ANTT** a copy of the insurance policies required to execute the **Contract** within thirty (30) days, counted from the **Assumption Date**.
- (ii) In order to comply with the term of sub-clause 43.1 (i), an insurance certificate issued by an insurer or reinsurer may be issued, and the **Sub-Concessionaire** must send **ANTT** the insurance policy within sixty (60) days as of the date of the certificate of insurance.

## **44 Reversibility of Assets**

**44.1** Upon the end of the **Contract**, the **Sub-Concession Assets** declared as reversible, as well as rights and privileges necessary for the **Railway** infrastructure management associated with the provision of the rail transport service transferred to the **Sub-Concessionaire**, or implanted by it under the **Sub-Concession**, must be returned to the **Subcontracting Interventient** in accordance with the specific regulations of **ANTT**.

**44.2** The reversion will be automatic, with the assets in usual condition of operation, use and maintenance, admitted their natural wear, and free of any liens or charges.

- (i) If the reversal of the assets does not occur under the conditions set forth in sub-clause 44.2, the **Sub-Concessionaire** will indemnify the **Granting Authority**, who may execute the **Performance Bond**.

**44.3** The **Sub-Concessionaire** bonds to maintain an annually up-to-date inventory of all the reversible assets of the **Sub-Concession**, containing information on its conservation status, and make it available, at any time, for eventual consultations and inspections by the **Granting Authority**.

**44.4** Upon the end of the **Sub-Concession**, no payment may be made to the shareholders, dissolution or sharing of the **Sub-Concessionaire's** assets, before **ANTT** certifies that the

**Reversible Assets** are in a reversible situation, or without the payment of the amounts due to **ANTT**, by way of indemnification or any other title.

## **45 Arbitration**

**45.1** Disputes arising from the **Sub-Concession Contract** and any contracts, documents, annexes or agreements relating thereto that are not settled amicably between the **Parties** may be settled by arbitration, pursuant to Act no. 9.307, of September 23, 1996, or other that replaces it, including those directly related to:

- (i) The calculation of indemnities resulting from the extinction or transfer of the **Contract**;
- (ii) Liability for rail accidents; and
- (iii) Other matters related to the patrimonial rights available, according to **ANTT** regulations.

**45.2** Act of the Executive Power will regulate the accreditation of arbitration chambers.

**45.3** The arbitration will be held in Brasilia/DF, Brazil, using the Portuguese language as the official language for the practice of any and all acts.

**45.4** The **Party** requesting the arbitration must bear all the necessary expenses for the installation and development, such as costs and postponement of arbitration and expert fees, and the **Party** that succumbs must recover such amounts in the event of a final conviction.

- (i) The reimbursement of expenses necessary for the installation and development of the arbitration to the succumbing **Party** may be carried out by the mechanisms of economic and financial rebalancing of the **Contract**.

## **46 Final Provisions**

### **46.1 ANTT Regulations**

- (i) The **Sub-Concessionaire** and the **Subcontracting Interventient** must observe and respect all the **ANTT** regulation and other rules, observing the peculiarities and specificities inherent in notes and regulations applicable to the concessions and respecting the terms of this **Contract**.

### **46.2 Partial Invalidity**

- (i) If any provision of the **Contract** is found to be invalid or unenforceable in any respect, the validity and enforceability of the other provisions contained in the **Contract** will not in any way be affected or restricted thereto.
- (ii) The **Parties** must negotiate in good faith, replacing invalid or unenforceable provisions with valid and enforceable provisions whose economic effect is as close as possible to the economic effect of provisions considered to be invalid or unenforceable.
- (iii) Each statement and guarantee made by the **Parties** in the **Contract** must be treated as an independent declaration and guarantee and the liability for any failure will be solely by the party who performed it and must not be modified by its knowledge by either **Party**.

### **46.3 Irrevocability**

*Draft of the Sub-Concession Contract of the International Notice of Auction no. 02/2018*

- (i) The **Contract** is irrevocable and irreversible, for all legal purposes, unless otherwise expressly provided by applicable law.

**46.4 Copies**

- (i) The **Contract** is signed in four (4) copies of equal content and form, each considered original.

**46.5 Applicable Law**

- (i) The **Contract** will be governed by and interpreted in accordance with the laws of the Federative Republic of Brazil.
- (ii) During the term of the **Contract**, the following must be observed:
  - (a) the Federal Constitution, Act no. 8.987, of February 13, 1995, Act no. 9.074, of July 7, 1995, Act no. 9.784, of January 29, 1999, Act no. 10.233, of June 5, 2001, the other related rules, the rules of the **Notice of Auction**, the provisions of this **Contract** and the regulatory standards and regulation issued by **ANTT**; and
  - (b) the Brazilian Anti-Corruption Law (Act no. 12.846/2013, or other that replaces it) and other applicable regulations in the Federative Republic of Brazil.

**46.6 Communications**

- (i) Communications and notifications between the **Parties** must be made in writing and sent: (i) by hand, if proven by protocol; (ii) by registered mail, with acknowledgment of receipt; or (iii) by electronic means, which ensures the speed and agility of the communication, and ensures the security, reliability and confidentiality of the data.

**46.7 Count of Deadlines**

- (i) In the periods established in days in the **Contract**, the start date and the expiration date will be excluded, counting in consecutive days, unless reference is expressly made to working days.
- (ii) The deadlines initiate and expire only in **ANTT** working days.

**46.8 Language**

- (i) All documents related to the **Contract** and to the **Sub-Concession** must be written in Portuguese or translated to it in case of foreign documents.
  - (a) In case of any conflict or inconsistency, the Portuguese language version will prevail.

**46.9 Term**

- (i) The **Sub-Concession Contract** will take effect on the **Assumption Date**.

**46.10 Forum**

- (i) The **Parties** must elect by common accord, with the exclusion of any other, however privileged, Brasília's forum, in Federal District, to hear and settle disputes that may arise from the performance of the **Contract**.



*Draft of the Sub-Concession Contract of the International Notice of Auction no. 02/2018*

**BRASÍLIA, CAPITAL OF THE FEDERATIVE REPUBLIC OF BRAZIL**

**[Date] 2018**

---

**ANTT – AGÊNCIA NACIONAL DE TRANSPORTES TERRESTRES**

---

**[SUB-CONCESSIONAIRE]**

With the consent of:

---

**VALEC ENGENHARIA, CONSTRUÇÕES E FERROVIAS S.A.**