

INTERNATIONAL COMPETITION N° 01/SEME/2018

CONCESSION OF THE MODERNIZATION, MANAGEMENT, OPERATION AND MAINTENANCE
SERVICES OF THE PACAEMBU COMPLEX

DRAFT CONTRACT

ANNEX IV – PAYMENT MECHANISM OF THE GRANT

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- **GRANT**

- The CONCESSIONAIRE shall pay to the GRANTING AUTHORITY, as a result of the exploitation of the OBJECT OF THE CONCESSION, the FIXED GRANT INSTALLMENT and the VARIABLE GRANT INSTALLMENTS, the latter consisting of the VARIABLE GRANT INSTALLMENT 1 and the VARIABLE GRANT INSTALLMENT 2, whose values, calculation metrics and other conditions are indicated in this ANNEX.

- The FIXED GRANT INSTALLMENT 1 shall be paid as a condition precedent to the signing of the contract, resulting from the value defined by the CONCESSIONAIRE in its COMMERCIAL PROPOSAL.
- The payment of the FIXED GRANT INSTALLMENT and of the VARIABLE GRANT INSTALLMENT shall be given in accordance with this ANNEX.
- The CONCESSIONAIRE shall present, through its full quarterly financial statements and its annual financial statements, the presentation of which is required under the CONTRACT, the gross revenue on which the percentages determined in this ANNEX shall apply.
- The financial and accounting information of the CONCESSIONAIRE shall be open to the auditing of the GRANTING AUTHORITY at any time by means of a computerized system that allows the audit at any time.

- **PAYMENT OF THE VARIABLE GRANT**

- The FIXED GRANT INSTALLMENT 1 will be paid immediately prior to the signing of the CONTRACT, as a condition precedent to such act.
- The FIXED GRANT INSTALLMENT 2 will be paid in ten (10) equal annual fixed installments as of the fourth (4th) year counted from the DATE OF THE STARTING ORDER, thus being granted to the CONCESSIONAIRE a waiting period of three (3) years for the payment of the FIXED GRANT INSTALLMENT 2.
- The graphic representation of the payment of FIXED GRANT INSTALLMENT 2 is as follows:

Year of Concession	Payment of FIXED GRANT INSTALLMENT 2*
1	-
2	-
3	-
4	R\$ 3.481.300,00
5	R\$ 3.481.300,00
6	R\$ 3.481.300,00
7	R\$ 3.481.300,00
8	R\$ 3.481.300,00
9	R\$ 3.481.300,00
10	R\$ 3.481.300,00
11	R\$ 3.481.300,00
12	R\$ 3.481.300,00
13	R\$ 3.481.300,00
14 and following	-

*The installments will be adjusted according to the variation of the CPI or index that will replace it.

- The FIXED GRANT INSTALLMENT will be adjusted according to the variation of the CPI or index that will replace it.
- The FIXED GRANT INSTALLMENT 2 has as reference the DATE OF THE STARTING ORDER and must be updated by the variation of the CPI index of two (2) months before the respective payment date.
- The FIXED GRANT INSTALLMENT 2 must be paid within ten (10) business days of each anniversary of the CONCESSION.
- **PAYMENT OF THE VARIABLE GRANT INSTALLMENT 1**
- The VARIABLE GRANT INSTALLMENT 1 is the annual amount resulting from the application of an aliquot on the total gross revenue of the CONCESSIONAIRE.
- The value of VARIABLE GRANT INSTALLMENT 1 shall be equivalent to one percent (1%) of the gross annual revenue of the CONCESSIONAIRE, regardless of any variations resulting from the incidence VARIABLE GRANT INSTALLMENT 2.

- The VARIABLE GRANT INSTALLMENT 1 shall be paid by the 20th day of May of each year, and shall be charged on the gross revenue of the CONCESSIONAIRE calculated in the fiscal year from January to December of the preceding year.
- The VARIABLE GRANT INSTALLMENT 1 shall be charged, for the first time, apply from the first month of January or July, whichever comes first, subsequent to DATE OF THE STARTING ORDER.
- The calculation for the payment of the value of VARIABLE GRANT INSTALLMENT 2 will observe the following formula:

In which:

= VARIABLE GRANT 1

= Gross revenue from January to December of the year prior to the payment date

- **PAYMENT OF THE VARIABLE GRANT INSTALLMENT 2**
- The VARIABLE GRANT INSTALLMENT 2 is the quarterly amount resulting from the application of a rate on the total gross revenue of the Concessionaire, considered the result of the PERFORMANCE FACTOR, in accordance with the terms of the ANNEX V - PERFORMANCE MEASUREMENT SYSTEM.
- The value of VARIABLE GRANT INSTALLMENT 2 shall be limited to one percent (1%) of the gross annual revenue of the CONCESSIONAIRE, regardless of the incidence of the VARIABLE GRANT INSTALLMENT 1.
- The VARIABLE GRANT INSTALLMENT 2 shall be charged, for the first time, begin from the first month of January or July, whichever comes first, after the expiration of the TRANSITION PERIOD OF THE CONCESSION.

- The VARIABLE GRANT INSTALLMENT 2 shall be paid within fifty (50) days of the end of the quarter evaluated in accordance with the ANNEX V - PERFORMANCE MEASUREMENT SYSTEM, except in the last calendar quarter of each year, in which case it shall be paid in up to one hundred (100) days at the end of the quarter.
- The calculation for the payment of the value of VARIABLE GRANT 2 will follow the following formula:

In which:

= VARIABLE GRANT 2

PF = PERFORMANCE FACTOR

= Gross revenue for the quarter of the PF

- The calculation of the PERFORMANCE FACTOR shall follow the parameters stipulated in ANNEX V - PERFORMANCE MEASUREMENT SYSTEM.

- **ANNUAL ADJUSTMENT INSTALLMENT**

- Once the annual financial statements are closed, which must occur within ninety (90) days as of the closing of the fiscal year, the CONCESSIONAIRE shall make an annual adjustment of the VARIABLE GRANT INSTALLMENT 2 paid in the previous year, which will serve to equate any discrepancies between the amounts paid as VARIABLE GRANT by the CONCESSIONAIRE based on the data of the quarterly financial statements, and what is actually due, as indicated in the audited annual financial statements.
- The annual adjustment installment shall be paid by the CONCESSIONAIRE until the 10th day of the month following the publication of the annual financial statements.

- In the case of an overpayment, the difference will be offset by the VARIABLE GRANT INSTALLMENT 1 to be paid in the following May until the total compensation.

- **GENERAL PROVISIONS OF PAYMENT**

- The calculations of the amounts must be made by the CONCESSIONAIRE and the payments must be made in checking account and financial institution formally indicated by the GRANTING AUTHORITY.

- In the event of delays in the payment of the payments mentioned in this CONTRACT, provided that the GRANTING AUTHORITY has not proven to cause the delay, in addition to the principal monetarily corrected, interest at the rate of one percent (1%) per month, calculated by the compound interest methodology, and a fine equivalent to ten percent (10%), shall be applied at the default value, without prejudice to the application of other penalties in the CONTRACT, including the expiration and execution of the GUARANTEE OF EXECUTION OF THE CONTRACT.

- As the case may be, the value of the VARIABLE GRANT INSTALLMENT 1 shall be increased by the following values:

- payment of contractual fines due to the GRANTING AUTHORITY and that have not yet been paid by the CONCESSIONAIRE;

- indemnification in favor of the GRANTING AUTHORITY owed by the CONCESSIONAIRE;

- insurance premiums in favor of the GRANTING AUTHORITY not paid by the CONCESSIONAIRE; and

- other pecuniary legal or contractual obligations existing in favor of the GRANTING AUTHORITY and defaulted by the CONCESSIONAIRE.