ATTACHMENT 7
PAYMENT MECHANISM

ÍNDICE

1. INTRODUCTION

1.1. The amounts to be actually paid to the CONCESSIONAIRE are:

$$CONCESSIONAIRE'S\ REVENUE = CME_m + CEm + BCE_m$$

Where:

CME_m = EFFECTIVE MONTHLY AVAILABILITY PAYMENT in CONTRACT AGREEMENTUAL MONTH;

CEm = CAPEX EXPANSION PAYMENT owed in CONTRACT AGREEMENTUAL MONTH; and

BCE_m = Real monetary value pertaining to the BONUS ON THE ELECTRICITY BILL in the CONTRACT AGREEMENTUAL MONTH.

1.1.1. EFFECTIVE MONTHLY AVAILABILITY PAYMENT relating to:

1.1.1.1. EFFECTIVE MONTHLY AVAILABILITY PAYMENT 1 (CME1), relating to the provision of STREET LIGHTING POINTS ON OTHER ROADS, according to CONCESSION MILESTONE I defined in the SERVICES AND INVESTMENTS SPECIFICATIONS;

1.1.1.2. EFFECTIVE MONTHLY AVAILABILITY PAYMENT 2 (CME2), relating to the provision of STREET LIGHTING POINTS ON MAIN ROADS, according to CONCESSION MILESTONE II defined in the SERVICES AND INVESTMENTS SPECIFICATIONS;

1.1.1.3. EFFECTIVE MONTHLY AVAILABILITY PAYMENT 3 (CME3), relating to the provision of STREET LIGHTING POINTS ON CROSSWALKS and BIKE LANES, according to CONCESSION MILESTONE III defined in the SERVICES AND INVESTMENTS SPECIFICATIONS;

1.1.1.4. EFFECTIVE MONTHLY AVAILABILITY PAYMENT 4 (CME4), relating to the availability of the SPECIAL LIGHTING PROJECTS, according to CONCESSION MILESTONE IV defined in the SERVICES AND INVESTMENTS SPECIFICATIONS; and

1.1.1.5. EFFECTIVE MONTHLY AVAILABILITY PAYMENT 5 (CME5), relating to the provision of services associated with the CONCESSION MILESTONES, OPERATION AND MAINTENANCE OF ADDITIONAL STREET LIGHTING POINTS.

1.1.2. CAPEX EXPANSION PAYMENT, relating to the INSTALLATION OF ADDITIONAL STREET LIGHTING POINTS, relating to:

1.1.2.1. Sum of the CAPEX EXPANSION PAYMENT 1 installments, relating to the EXCLUSIVE ADDITIONAL STREET LIGHTING POINTS ON OTHER ROADS;

1.1.2.2. Sum of the CAPEX EXPANSION PAYMENT 2 installments, relating to the EXCLUSIVE ADDITIONAL STREET LIGHTING POINTS ON MAIN ROADS;

1.1.2.3. Sum of the CAPEX EXPANSION PAYMENT 3 installments, relating to the NON-EXCLUSIVE ADDITIONAL STREET LIGHTING POINTS ON OTHER ROADS;

1.1.2.4. Sum of the CAPEX EXPANSION PAYMENT 4 installments, relating to the NON-EXCLUSIVE ADDITIONAL STREET LIGHTING POINTS ON MAIN ROADS;

1.1.2.5. Sum of the CAPEX EXPANSION PAYMENT 5 installments, relating to the EXCLUSIVE ADDITIONAL STREET LIGHTING POINTS ON CROSSWALKS;

1.1.2.6. Sum of the CAPEX EXPANSION PAYMENT 6 installments, relating to the EXCLUSIVE ADDITIONAL STREET LIGHTING POINTS ON BIKE LANES;

1.1.2.7. Sum of the EXPANSION QUOTA 7 installments, relating to the REPLACEMENTS OF LUMINAIRE IN ADDITIONAL STREET LIGHTING POINTS INSTALLED BY DEVELOPERS IN OTHER ROADS;

1.1.2.8. Sum of the EXPANSION QUOTA 8 installments, relating to the REPLACEMENTS OF LUMINAIRE IN ADDITIONAL STREET LIGHTING POINTS INSTALLED BY DEVELOPERS IN MAIN ROADS;

1.1.3. BONUS ON THE ELECTRICITY BILL (BCE), relating to the possible achievement of energy efficiency as detailed in item 5.

2. EFFECTIVE MONTHLY AVAILABILITY PAYMENT (CME)

2.1. OFFERED MONTHLY CONSIDERATION (CMO) shall be calculated according to the following equation:

$$CMO = CMO1 + CMO2 + CMO3 + CMO4 + CMO5$$

Where:

CMO = OFFERED MONTHLY CONSIDERATION in THE COMMERCIAL PROPOSAL;

$CMO1$ = OFFERED MONTHLY CONSIDERATION - INSTALLMENT 1;

$CMO2$ = OFFERED MONTHLY CONSIDERATION - INSTALLMENT 2;

$CMO3$ = OFFERED MONTHLY CONSIDERATION - INSTALLMENT 3;

$CMO4$ = OFFERED MONTHLY CONSIDERATION - INSTALLMENT 4; and

$CMO5$ = OFFERED MONTHLY CONSIDERATION - INSTALLMENT 5.

2.2. EFFECTIVE MONTHLY AVAILABILITY PAYMENT shall be calculated according to the following equation:

$$CME_m = [(CME1_m + CME2_m + CME3_m + CME4_m) \times FD_m + CME5_m] \times FR_A$$

Where:

CME_m= EFFECTIVE MONTHLY AVAILABILITY PAYMENT in CONTRACT AGREEMENTUAL MONTH;

$CME1_m$ = EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 1;

$CME2_m$ = EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 2;

$CME3_m$ = EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 3;

$CME4_m$ = EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 4;

$CME5_m$= EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 5;

m = CONTRACT AGREEMENTUAL MONTH;

FD_m= PERFORMANCE FACTOR, factor for adjusting the consideration to the performance presented by the CONCESSIONAIRE, determined as provided for in item 3 of this ATTACHMENT and in the KEY PERFORMANCE STANDARDS, calculated for the CONTRACT AGREEMENTUAL MONTH;

FR_A= ADJUSTMENT FACTOR in the CONTRACT AGREEMENTUAL YEAR, set out in item 6.1.

A= CONTRACT AGREEMENTUAL YEAR.

2.2.1. EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 1 (CME1) owed in the CONTRACT AGREEMENTUAL MONTH shall be calculated according to the following equation:

$$CME1_m = CMO1 \times \frac{(NO1 - NO1LED_m)}{NP1} \times FA_1 + CMR1$$

Where:

$CME1_m$= EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 1;

$CMO1$ = OFFERED MONTHLY CONSIDERATION - INSTALLMENT 1, owed from the first month following the issuance of the ACCEPTANCE TERM by the INDEPENDENT CERTIFIER regarding fulfillment of CONCESSION MILESTONE I, until the 156th (one hundred and fifty-sixth) month of the CONCESSION, counted from the ASSUMPTION DATE, regardless of any contract agreementual extension, unless for the exceptions in items 8.2.1.2 and 8.1.2.2;

$NP1$ = ESTIMATED NUMBER OF STREET LIGHTING POINTS ON OTHER ROADS;

$NO1$ = OBSERVED NUMBER OF STREET LIGHTING POINTS ON OTHER ROADS entered on BASE REGISTRY;

$NO1LED_m$= STREET LIGHTING POINT ON OTHER ROADS that make up the INITIAL MUNICIPAL STREET LIGHTING NETWORK that already has LED technology at the time of carrying out the BASE REGISTRY not yet replaced by the CONCESSIONAIRE until the CONTRACT AGREEMENTUAL MONTH;

m = CONTRACT AGREEMENTUAL MONTH;

FA_1= Delay Factor applicable to CONCESSION MILESTONE I, pursuant to item 8.2.1.3; and

$CMR1$= sum of the monthly installments resulting from procedures for Economic-Financial Balance Recovery relating to STREET LIGHTING POINTS ON OTHER ROADS;

2.2.2. EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 2 (CME2) owed in the CONTRACT AGREEMENTUAL MONTH shall be calculated according to the following equation:

$$CME2_m = CMO2 \times \frac{(NO2 - NO2LED_m)}{NP2} \times FA_2 + CMR2$$

Where:

$CME2_m$ = EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 2;

$CMO2$ = OFFERED MONTHLY CONSIDERATION - INSTALLMENT 2, owed from the first month following the issuance of the ACCEPTANCE TERM by the INDEPENDENT CERTIFIER regarding fulfillment of CONCESSION MILESTONE II, until the 156th (one hundred and fifty-sixth) month of the CONCESSION, counted from the ASSUMPTION DATE, regardless of any contract agreementual extension, unless for the exceptions in items 8.2.1.2 and 8.1.2.2;$NP2$ = ESTIMATED NUMBER OF STREET LIGHTING POINTS ON MAIN ROADS;

$NO2$ = OBSERVED NUMBER OF STREET LIGHTING POINTS ON MAIN ROADS entered on BASE REGISTRY;

$NO2LED_m$= STREET LIGHTING POINT ON MAIN ROADS that make up the INITIAL MUNICIPAL STREET LIGHTING NETWORK that already has LED technology at the time of carrying out the BASE REGISTRY not yet replaced by the CONCESSIONAIRE until the CONTRACT AGREEMENTUAL MONTH;

FA_2 = Delay Factor applicable to CONCESSION MILESTONE II, pursuant to item 8.2.1.3; and

$CMR2$ = sum of the monthly installments resulting from procedures for Economic-Financial Balance Recovery relating to STREET LIGHTING POINTS ON MAIN ROADS;

2.2.3. EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 3 (CME3) owed in the CONTRACT AGREEMENTUAL MONTH shall be calculated according to the following equation:

$$CME3_m = CMO3 \times FA_3 + CMR3$$

Where:

$CME3_m$ = EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 3;

$CMO3$ = OFFERED MONTHLY CONSIDERATION - INSTALLMENT 3, owed from the first month following the issuance of the ACCEPTANCE TERM by the INDEPENDENT CERTIFIER regarding fulfillment of CONCESSION MILESTONE III, until the 156th (one hundred and fifty-sixth) month of the CONCESSION, counted from the ASSUMPTION DATE, regardless of any contract agreementual extension, unless for the exceptions in items 8.2.1.2 and 8.1.2.2;FA_3 = Delay Factor applicable to CONCESSION MILESTONE III, pursuant to item 8.2.1.3;

$CMR3$ = sum of the monthly installments arising from procedures for Economic-Financial Balance Recovery pertaining to CROSSWALKS and BIKE LANES;

2.2.4. EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 4 (CME4) owed in the CONTRACT AGREEMENTUAL MONTH shall be calculated according to the following equation:

$$CME4_m = CMO4 \times FA_4 + CMR4$$

Where:

$CME4_m$ = EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 4;

$CMO4$ = OFFERED MONTHLY CONSIDERATION - INSTALLMENT 4, owed from the first month following the issuance of the ACCEPTANCE TERM by the INDEPENDENT

CERTIFIER regarding fulfillment of CONCESSION MILESTONE IV, until the 156th (one hundred and fifty-sixth) month of the CONCESSION, counted from the ASSUMPTION DATE, regardless of any contract agreementual extension, unless for the exceptions in items 8.2.1.2 and 8.1.2.2;FA_4 = Delay Factor applicable to CONCESSION MILESTONE IV, pursuant to item 8.2.1.3;

$CMR4$ = sum of the monthly installments resulting from procedures for Economic-Financial Balance Recovery relating to SPECIAL LIGHTING;

2.2.5. EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 5 (CME5) owed in the CONTRACT AGREEMENTUAL MONTH shall be calculated according to the following equation:

$$CME5_m = \left[CMO5 \times \frac{(NO1 + NO2 + NFP + PIPAm)}{(NP1 + NP2)}\right] + CMR5$$

Where:

$CME5_m$ = EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 5;

$CMO5$ = OFFERED MONTHLY CONSIDERATION - INSTALLMENT 5, owed from the beginning of PHASE I, until the end of the CONCESSION TERM;

$NP1$ = ESTIMATED NUMBER OF STREET LIGHTING POINTS ON OTHER ROADS;

$NO1$ = OBSERVED NUMBER OF STREET LIGHTING POINTS ON OTHER ROADS entered on BASE REGISTRY;

$NP2$ = ESTIMATED NUMBER OF STREET LIGHTING POINTS ON MAIN ROADS;

$NO2$ = OBSERVED NUMBER OF STREET LIGHTING POINTS ON MAIN ROADS entered on BASE REGISTRY;

NFP = NUMBER OF STREET LIGHTING POINTS IN CROSSWALKS AND BIKE LANES installed by the CONCESSIONAIRE, whose ACCEPTANCE TERM of CONCESSION MILESTONE III has already been issued;

m = CONTRACT AGREEMENTUAL MONTH;

$PIPAm$ = total ADDITIONAL STREET LIGHTING POINTS whose ACCEPTANCE TERM have already been issued by the INDEPENDENT CERTIFIER until the CONTRACT AGREEMENTUAL MONTH; and

$CMR5$= sum of the monthly installments resulting from procedures for Economic-Financial Balance Recovery relating to the operation and maintenance of MUNICIPAL STREET LIGHTING NETWORK;

3. PERFORMANCE FACTOR (FD)

3.1. FD will be ascertained quarterly based on the match with the GENERAL PERFORMANCE INDEX (IDG) according to the methodology described in the KEY PERFORMANCE STANDARDS, calculated in the previous quarter.

3.2. FD will assume a dimensionless amount between 0.40 (forty hundredths) and 1 (one) corresponding to IDG for the reference period.

3.3. The check of the IDG starts from PHASE I.

3.3.1. Only for the first QUARTERLY KPI REPORT the IDG will be considered equal to 1 (one).

3.3.2. Until the quarter of issuance of the ACCEPTANCE TERM for the CONCESSION MILESTONE I, the sum of the differences between 1 (one) and the IDG calculated for each quarter will be accumulated and discounted from the calculated IDG.

3.4. From the quarter following the issuance of the ACCEPTANCE TERM for the CONCESSION MILESTONE I and until the 120th (one hundred and twentieth) month of the CONCESSION, counted from the ASSUMPTION DATE, FD will be ascertained based on the result of IDG calculated in the immediately previous quarter, as follows:

3.4.1. If the calculated IDG amount is greater than or equal to 0.40 (forty hundredths), FD will assume an amount equal to the calculated IDG;

3.4.2. If the calculated IDG amount is less than 0.40 (forty hundredths), FD amount will be equal to 0.40 (forty hundredths);

3.4.3. If the calculated IDG amount is less than 0.40 (forty hundredths), the difference between the calculated IDG amount and the aforementioned limit will be deducted from IDG of the subsequent quarter;

3.4.4. If the difference resulting from item 3.4.3 is not fully deducted in the subsequent quarter, it shall be accumulated for the following quarters;

3.4.5. The calculated value of the IDG in the quarter should include any differences to be offset from previous quarters, according to items 3.3.2, 3.4.3 and 3.4.4;

3.4.6. Upon contract agreement termination, if there is a remaining amount of deductions not yet compensated, the CONCESSIONAIRE shall indemnify the GRANTING AUTHORITY with said amount.

3.5. From the beginning of the 121st (one hundred and twenty-first) month of the CONCESSION, counted from the ASSUMPTION DATE, FD will assume an amount equal to the calculated IDG.

3.5.1. Upon contract agreementual termination, if the amount of deductions in the last three months of the CONCESSION has not yet been offset, the CONCESSIONAIRE shall indemnify the GRANTING AUTHORITY with the said amount.

4. COTA EXPANSÃO

4.1. THE INSTALLATION OF ADDITIONAL STREET LIGHTING POINTS will be remunerated through payments of the CAPEX EXPANSION PAYMENT.

4.2. ADDITIONAL STREET LIGHTING POINTS shall be measured quarterly by the INDEPENDENT CERTIFIER, according to the following equation:

$$CEm = \left(\frac{CMO}{CMM}\right) \times (SCE1m + SCE2m + SCE3m + SCE4m + SCE5m + SCE6m + SCE7m + SCE8m) \times FR_A$$

Where:

CEm = CAPEX EXPANSION PAYMENT owed in CONTRACT AGREEMENTUAL MONTH;

CMO = OFFERED MONTHLY CONSIDERATION;

CMM = MAXIMUM MONTHLY CONSIDERATION;

$SCE1m$ = Sum of Installments of CAPEX EXPANSION PAYMENT 1 (SAP1), owed in CONTRACT AGREEMENTUAL MONTH;

$SCE2m$ = Sum of Installments of CAPEX EXPANSION PAYMENT 2 (SAP2), owed in CONTRACT AGREEMENTUAL MONTH;

$SCE3m$ = Sum of Installments of CAPEX EXPANSION PAYMENT 3 (SAP3), owed in CONTRACT AGREEMENTUAL MONTH;

$SCE4m$ = Sum of Installments of CAPEX EXPANSION PAYMENT 4 (SAP4), owed in CONTRACT AGREEMENTUAL MONTH;

$SCE5m$ = Sum of Installments of CAPEX EXPANSION PAYMENT 5 (SAP5), owed in CONTRACT AGREEMENTUAL MONTH;

$SCE6m$ = Sum of Installments of CAPEX EXPANSION PAYMENT 6 (SAP6), owed in

CONTRACT AGREEMENTUAL MONTH;

$SCE7m$ = Sum of Installments of CAPEX EXPANSION PAYMENT 7 (SAP7), owed in CONTRACT AGREEMENTUAL MONTH;

$SCE8m$ = Sum of Installments of CAPEX EXPANSION PAYMENT 8 (SAP8), owed in CONTRACT AGREEMENTUAL MONTH;;

m = CONTRACT AGREEMENTUAL MONTH;

FR_A = ADJUSTMENT FACTOR in the CONTRACT AGREEMENTUAL YEAR, set out in item 6.1; and

A = CONTRACT AGREEMENTUAL YEAR;

4.2.1. The Sum of Installments of CAPEX EXPANSION PAYMENT 1 owed in the CONTRACT AGREEMENTUAL MONTH shall be calculated according to the following equation:

$$SCE1m = (CE1 \times NCE1m)$$

Where:

$SCE1m$ = Sum of Installments of CAPEX EXPANSION PAYMENT 1, owed in CONTRACT AGREEMENTUAL MONTH;

$CE1$= CAPEX EXPANSION PAYMENT 1;

$NCE1m$ = Total EXCLUSIVE ADDITIONAL STREET LIGHTING POINTS ON OTHER ROADS installed in the third month prior to the CONTRACT AGREEMENTUAL MONTH and that already have the respective ACCEPTANCE TERM issued; and

m = CONTRACT AGREEMENTUAL MONTH;

4.2.2. The Sum of Installments of CAPEX EXPANSION PAYMENT 2 owed in the CONTRACT AGREEMENTUAL MONTH shall be calculated according to the following equation:

$$SCE2m = (CE2 \times NCE2m)$$

Where:

$SCE2m$ = Sum of Installments of CAPEX EXPANSION PAYMENT 2, owed in CONTRACT AGREEMENTUAL MONTH;

$CE2$= CAPEX EXPANSION PAYMENT 2;

$NCE2m$ = Total EXCLUSIVE ADDITIONAL STREET LIGHTING POINTS ON MAIN ROADS installed in the third month prior to the CONTRACT AGREEMENTUAL MONTH and that already have the respective ACCEPTANCE TERM issued; and

m = CONTRACT AGREEMENTUAL MONTH;

4.2.3. The Sum of Installments of CAPEX EXPANSION PAYMENT 3 owed in the CONTRACT AGREEMENTUAL MONTH shall be calculated according to the following equation:

$$SCE3m = (CE3 \times NCE3m)$$

Where:

$SCE3m$ = Sum of Installments of CAPEX EXPANSION PAYMENT 3, owed in CONTRACT AGREEMENTUAL MONTH;

$CE3$= CAPEX EXPANSION PAYMENT 3;

$NCE3m$ = Total NON-EXCLUSIVE ADDITIONAL STREET LIGHTING POINTS ON OTHER ROADS installed in the third month prior to the CONTRACT AGREEMENTUAL MONTH and that already have the respective ACCEPTANCE TERM issued; and

m = CONTRACT AGREEMENTUAL MONTH;

4.2.4. The Sum of Installments of CAPEX EXPANSION PAYMENT 4 owed in the CONTRACT AGREEMENTUAL MONTH shall be calculated according to the following equation:

$$SCE4m = (CE4 \times NCE4m)$$

Where:

$SCE4m$ = SUM OF INSTALLMENTS OF CAPEX EXPANSION PAYMENT 4, owed in CONTRACT AGREEMENTUAL MONTH;

$CE4$ = CAPEX EXPANSION PAYMENT 4;

$NCE4m$ = Total NON-EXCLUSIVE ADDITIONAL STREET LIGHTING POINTS ON MAIN ROADS installed in the third month prior to the CONTRACT AGREEMENTUAL MONTH and that already have the respective ACCEPTANCE TERM issued; and

m = CONTRACT AGREEMENTUAL MONTH;

4.2.5. The Sum of Installments of CAPEX EXPANSION PAYMENT 5 owed in the CONTRACT AGREEMENTUAL MONTH shall be calculated according to the following equation:

$$SCE5m = (CE5 \times NCE5m)$$

Where:

$SCE5m$ = SUM OF INSTALLMENTS OF CAPEX EXPANSION PAYMENT 5, owed in CONTRACT AGREEMENTUAL MONTH;

$CE5$ = CAPEX EXPANSION PAYMENT 5;

$NCE5m$ = Total EXCLUSIVE ADDITIONAL STREET LIGHTING POINTS ON CROSSWALKS installed in the third month prior to the CONTRACT AGREEMENTUAL MONTH and that already have the respective ACCEPTANCE TERM issued; and

m = CONTRACT AGREEMENTUAL MONTH;

4.2.6. The Sum of Installments of CAPEX EXPANSION PAYMENT 6 owed in the CONTRACT AGREEMENTUAL MONTH shall be calculated according to the following equation:

$$SCE6m = (CE6 \times NCE6m)$$

Where:

$SCE6m$ = Sum of Installments of CAPEX EXPANSION PAYMENT 6 (SAP6), owed in CONTRACT AGREEMENTUAL MONTH;

$CE6$ = CAPEX EXPANSION PAYMENT 6;

$NCE6m$ = Total EXCLUSIVE ADDITIONAL STREET LIGHTING POINTS ON BIKE LANES installed in the third month prior to the CONTRACT AGREEMENTUAL MONTH and that already have the respective ACCEPTANCE TERM issued; and

m = CONTRACT AGREEMENTUAL MONTH;

4.2.7. The Sum of Installments of CAPEX EXPANSION PAYMENT 7 owed in the CONTRACT AGREEMENTUAL MONTH shall be calculated according to the following equation:

$$SCE7m = (CE7 \times NCE7m)$$

Where:

$SCE7m$ = Sum of Installments of CAPEX EXPANSION PAYMENT 7 (SAP7), owed in CONTRACT AGREEMENTUAL MONTH;

$CE7$ = CAPEX EXPANSION PAYMENT 7;

$NCE7m$ = Total EXCLUSIVE ADDITIONAL STREET LIGHTING POINTS ON BIKE LANES installed in the third month prior to the CONTRACT AGREEMENTUAL MONTH and that already have the respective ACCEPTANCE TERM issued; and

m = CONTRACT AGREEMENTUAL MONTH;

4.2.8. The Sum of Installments of CAPEX EXPANSION PAYMENT 8 owed in the CONTRACT AGREEMENTUAL MONTH shall be calculated according to the following equation:

$$SCE8m = (CE8 \times NCE8m)$$

Where:

$SCE8m$ = Sum of Installments of CAPEX EXPANSION PAYMENT 8 (SAP8), owed in CONTRACT AGREEMENTUAL MONTH;

$CE7$ = CAPEX EXPANSION PAYMENT 8;

$NCE8m$ = Total EXCLUSIVE ADDITIONAL STREET LIGHTING POINTS ON BIKE LANES installed in the third month prior to the CONTRACT AGREEMENTUAL MONTH and that already have the respective ACCEPTANCE TERM issued; and

m = CONTRACT AGREEMENTUAL MONTH;

4.3. The Sum of CAPEX EXPANSION PAYMENT installments owed in the CONTRACT AGREEMENTUAL MONTH cannot exceed the MONTHLY CAPEX EXPANSION PAYMENT LIMIT.

4.3.1. The GRANTING AUTHORITY may, without the need for a contract agreementual amendment, unilaterally increase the MONTHLY CAPEX EXPANSION PAYMENT LIMIT by up to 25% (twenty-five percent).

4.4. If the amount relating to the total CAPEX EXPANSION PAYMENT to be paid in the subsequent month is not included in the EXPANSION ACCOUNT in the CONTRACT AGREEMENTUAL MONTH, the CONCESSIONAIRE may suspend the start of new activities for EXPANSION OF THE MUNICIPAL STREET LIGHTING NETWORK, until the balance of the EXPANSION ACCOUNT is restored.

4.5. Upon contract agreementual termination, if there are installments of CAPEX EXPANSION PAYMENT owed to the CONCESSIONAIRE and not yet paid by the GRANTING AUTHORITY, the amounts should be considered in the calculation of the indemnity.

5. BONUS ON THE ELECTRICITY BILL (BCE)

5.1. BCE may be granted from the quarter subsequent to the issuance, cumulatively, of the ACCEPTANCE TERM of CONCESSION MILESTONE I and II and will be paid monthly, pursuant to the rules described in this ATTACHMENT.

5.2. From the issuance, cumulatively, of the ACCEPTANCE TERM of CONCESSION MILESTONE I and II, the GRANTING AUTHORITY shall forward to the CONCESSIONAIRE and the INDEPENDENT CERTIFIER all electricity bills issued by the ENERGY DISTRIBUTION COMPANY for the previous quarter.

5.3. BCE will be obtained for each period using the following equation:

$$BCE_m = 90\% \times (CET_{m-3} - CER_{m-3})$$

Where:
$BCE_m =$ Real monetary value relative to ECB in the CONTRACT AGREEMENTUAL MONTH;
m: CONTRACT AGREEMENTUAL MONTH;
$CER_{m-3} =$ Real monetary value of the electricity bill for STREET LIGHTING paid by the GRANTING AUTHORITY in the third month before the CONTRACT AGREEMENTUAL MONTH;
$\boldsymbol{CET_{m-3}} =$ Theoretical value of the electricity bill for STREET LIGHTING of the GRANTING AUTHORITY in the third month before the CONTRACT AGREEMENTUAL MONTH calculated according to the following equation:

$$\boldsymbol{CET_{m-3}} = \Big(CMmaximum_{vp} \times QPIP_{vp_{m-3}} + CMmaximum_{ov} \times QPIP_{ov_{m-3}} + CMmaximum_{fp} \times QPIP_{fp_{m-3}} + CMmaximum_{ci} \times QPIP_{ci_{m-3}} + CMmaximum_{ie} \times QPIP_{ie_{m-3}}\Big) \times Efficiency_{BCE} \times \#days_{m-3} \times T_{m-3} \times Tarifa_{m-3}$$

Where:
$\boldsymbol{CMmaximum_{vp\,=}}$ = MAXIMUM INSTALLED LOAD OF STREET LIGHTING POINTS ON MAIN ROADS;
$\boldsymbol{CMmaximum_{ov}}$ **=** MAXIMUM INSTALLED LOAD OF STREET LIGHTING POINTS ON OTHER ROADS;
$\boldsymbol{CMmaximum_{fp}} =$ = MAXIMUM INSTALLED LOAD OF STREET LIGHTING POINTS ON CROSSWALKS;
$\boldsymbol{CMmaximum_{ci}} =$ = MAXIMUM INSTALLED LOAD OF STREET LIGHTING POINTS ON BIKE LANES;
$\boldsymbol{CMmaximum_{ie}} =$ MAXIMUM INSTALLED LOAD OF STREET LIGHTING POINTS SPECIAL LIGHTING PROJECTS;
$\boldsymbol{QPIP_{vp_{m-3}}} =$ Number of STREET LIGHTING POINTS ON MAIN ROADS listed in

the REGISTRY in the third month before the CONTRACT AGREEMENTUAL MONTH;

$QPIP_{ov_{m-3}}$ Number of STREET LIGHTING POINTS ON OTHER ROADS listed in the REGISTRY in the third month before the CONTRACT AGREEMENTUAL MONTH;

$QPIP_{fp_{m-3}}$ = Number of STREET LIGHTING POINTS on CROSSWALKS listed in the REGISTRY in the third month before the CONTRACT AGREEMENTUAL MONTH;

$QPIP_{ci_{m-3}}$ = Number of STREET LIGHTING POINTS on BIKE LANES listed in the REGISTRY in the third month before the CONTRACT AGREEMENTUAL MONTH;

$QPIP_{ie_{m-3}}$ = Number of STREET LIGHTING POINTS on SPECIAL LIGHTING PROJECTS listed in the REGISTRY in the third month before the CONTRACT AGREEMENTUAL MONTH;

$Efficiency_{BCE}$ = 90% (ninety percent), corresponding to the additional efficiency applied to calculate the ECB;

$\#days_{m-3}$ = Number of days of the third month prior to the CONTRACT AGREEMENTUAL MONTH;

T_{m-3} = Time in hours (h) used by the ENERGY DISTRIBUTION COMPANY for the purpose of calculating the electricity bill in the third month before the CONTRACT AGREEMENTUAL MONTH;

$Tarifa_{m-3}$ = B4a energy tariff in (BRL/kWh) used by the ENERGY DISTRIBUTION COMPANY for the purpose of calculating the electricity bill in force in the third month before the CONTRACT AGREEMENTUAL MONTH, including taxes and any additional flags, according to the billing calculation of CE_{m-3}.

5.3.1. BCE calculation should only include the consumption of electricity for STREET LIGHTING in the CONCESSION AREA and should not include any type of credit or reconciliation of accounts for activities not related to the provision of the STREET LIGHTING service by the CONCESSIONAIRE.

5.3.2. The CER_{m-3} should consider the amount actually paid by the GRANTING AUTHORITY for the consumption of electricity for STREET LIGHTING in the CONCESSION AREA, based on the B4a energy tariff in (BRL/kWh) used by the ENERGY DISTRIBUTION COMPANY for the purposes of calculating the electricity bill, including taxes and possible surcharges from flags.

5.3.3. In the event that the BCE's value is negative for the calculated month, the CONCESSIONAIRE will not receive any amount as BONUS ON THE ENERGY BILL in the month, as well will not have a discount on its revenue.

6. ADJUSTMENT FACTOR

6.1. The ADJUSTMENT FACTOR (FR) should be calculated every 12 (twelve) months, counting from the DATA BASE, according to the following equation:

$$FR_t = \left(\frac{IPCA_t}{IPCA_0}\right)$$

Where:
FR_t = ADJUSTMENT FACTOR;
t = period of 12 (twelve) months from the date of the last adjustment;
$IPCA_t$ = is the index number[1] of IPCA of the second month prior to the adjustment date;
$IPCA_0$ = is the index number[1] of IPCA on DATA BASE;

6.1.1. If IPCA is extinguished or is no longer used, another index will be adopted in its place, in accordance with the applicable laws. In the absence of a legal provision regarding the substitute index, the PARTIES shall choose a new official index, to adjust the remaining amount.

7. CONCESSIONAIRE's calculation and payment process

7.1. The process of calculating and paying the EFFECTIVE MONTHLY AVAILABILITY PAYMENT in the CONTRACT AGREEMENTUAL MONTH will occur as follows:

7.1.1. By the 5th (fifth) day of the CONTRACT AGREEMENTUAL MONTH, the INDEPENDENT CERTIFIER will submit to the GRANTING AUTHORITY, the CONCESSIONAIRE and the TRUSTEE BANK the QUARTERLY KPI REPORT, stating the amount of the EFFECTIVE MONTHLY AVAILABILITY PAYMENT for the CONTRACT AGREEMENTUAL MONTH;

7.1.1.1. If the process for calculating the EFFECTIVE MONTHLY AVAILABILITY PAYMENT is not completed before the scheduled payment date, for reasons not

[1] December 1993 = 100

attributable to the CONCESSIONAIRE, the PERFORMANCE FACTOR equal to 1 (one) will be considered for payment purposes, with any amounts paid in excess or lower in relation to the amount actually owed will be incorporated into the payment of the EFFECTIVE MONTHLY AVAILABILITY PAYMENT for the second quarter following the expired quarter, considering such occasional adjustments and inflation adjustment increases calculated by the *pro rata die* variation of IPCA.

7.1.1.2. If the process of calculating and ascertaining the EFFECTIVE MONTHLY AVAILABILITY PAYMENT is not completed before the scheduled payment date, for reasons attributable to the CONCESSIONAIRE, the PERFORMANCE FACTOR will be equivalent to 0.40 (forty hundredths) until the end of the ascertainment process and determination of the EFFECTIVE MONTHLY AVAILABILITY PAYMENT, and without prejudice to the application of the contract agreementual penalties provided for in this case, any amounts paid in excess or less than the amount effectively due will be incorporated into the payment of the EFFECTIVE MONTHLY AVAILABILITY PAYMENT for the second quarter following the expired quarter, considering any adjustments and the inflation adjustment increases calculated by the *pro rata die* variation of IPCA.

7.1.2. Once the owed EFFECTIVE MONTHLY AVAILABILITY PAYMENT has been checked in the CONTRACT AGREEMENTUAL MONTH, the CONCESSIONAIRE shall submit to the GRANTING AUTHORITY, the INDEPENDENT CERTIFIER and the TRUSTEE BANK, by the 20th (twentieth) day of each month, the invoice with the EFFECTIVE MONTHLY AVAILABILITY PAYMENT amount stated in the QUARTERLY KPI REPORT, referring to the month in arrears.

7.1.3. Payment shall be made within two (2) business days after the date of receipt of notification from CONCESSIONAIRE by the TRUSTEE BANK.

7.1.4. If the start of the SERVICES or the issue dates of the ACCEPTANCE TERM of the MODERNIZATION PLAN do not coincide with the beginning of the month, the calculation of the EFFECTIVE MONTHLY AVAILABILITY PAYMENT will be performed *pro rata die* depending on the days elapsed between the start of the SERVICES and the last day of the respective month. The amount due after each quarterly calculation will remain in force until a new quarterly calculation is carried out.

7.2. The process of calculating and paying the CAPEX EXPANSION PAYMENT in the CONTRACT AGREEMENTUAL MONTH will occur as follows:

7.2.1. By the 5th (fifth) day of the CONTRACT AGREEMENTUAL MONTH, the INDEPENDENT CERTIFIER will submit to the GRANTING AUTHORITY, the CONCESSIONAIRE and the TRUSTEE BANK the QUARTERLY KPI REPORT, stating the amount of the CAPEX EXPANSION PAYMENT in the CONTRACT AGREEMENTUAL MONTH;

7.2.1.1. In the event that the INDEPENDENT CERTIFIER does not send the QUARTERLY KPI REPORT within the set deadlines, for reasons not attributable to the CONCESSIONAIRE, the CONCESSIONAIRE shall state the amount CAPEX EXPANSION PAYMENT , and any amounts paid in excess or less than the amount effectively owed will be incorporated into the payment of the CAPEX EXPANSION PAYMENT for the second quarter following the expired quarter, considering such adjustments and the inflation adjustment increases calculated by the variation of IPCA *pro rata die.*

7.2.1.2. In the event that the INDEPENDENT CERTIFIER does not send the QUARTERLY KPI REPORT within the set deadlines, for reasons attributable to the CONCESSIONAIRE, the CONCESSIONAIRE shall not be entitled to receive CAPEX EXPANSION PAYMENT this quarter, and without prejudice to the imposition of contract agreementual penalties provided for this event, any amounts paid in excess or less than the amount effectively owed will be incorporated into the payment of the CAPEX EXPANSION PAYMENT for the second quarter following the expired quarter, considering such adjustments and the inflation adjustment increases calculated by the variation of IPCA *pro rata die*.

7.2.2. Once the CAPEX EXPANSION PAYMENT has been performed in the CONTRACT AGREEMENTUAL MONTH, the CONCESSIONAIRE shall submit to the GRANTING AUTHORITY, the INDEPENDENT CERTIFIER and the TRUSTEE BANK, by the 20th (twentieth) day of each month, the invoice with the CAPEX EXPANSION PAYMENT amount stated in the QUARTERLY KPI REPORT, referring to the month in arrears.

7.2.3. Payment shall be made within two (2) business days after the date of receipt of notification from CONCESSIONAIRE by the TRUSTEE BANK.

7.3. The process of calculating and paying the BONUS ON THE ELECTRICITY BILL in the CONTRACT AGREEMENTUAL MONTH will occur as follows:

7.3.1. By the 5th (fifth) day of the CONTRACT AGREEMENTUAL MONTH, the INDEPENDENT CERTIFIER will submit to the GRANTING AUTHORITY, the

CONCESSIONAIRE and the TRUSTEE BANK the QUARTERLY KPI REPORT, stating the amount of the BONUS ON THE ELECTRICITY BILL in the CONTRACT AGREEMENTUAL MONTH;

7.3.1.1. In the event that the INDEPENDENT CERTIFIER does not send the QUARTERLY KPI REPORT within the set deadlines, for reasons not attributable to the CONCESSIONAIRE, the CONCESSIONAIRE shall be entitled to the same amount of BONUS ON THE ELECTRICITY BILL received in the prior quarter, and any amounts paid in excess or less than the amount effectively owed will be incorporated into the payment of the BONUS ON THE ELECTRICITY BILL for the second quarter following the expired quarter, considering such adjustments and the inflation adjustment increases calculated by the variation of IPCA *pro rata die*.

7.3.1.2. In the event that the INDEPENDENT CERTIFIER does not send the QUARTERLY KPI REPORT within the set deadlines, for reasons attributable to the CONCESSIONAIRE, the CONCESSIONAIRE shall not be entitled to receive BONUS ON THE ELECTRICITY BILL this quarter, and without prejudice to the imposition of contract agreementual penalties provided for this event, any amounts paid in excess or less than the amount effectively owed will be incorporated into the payment of the BONUS ON THE ELECTRICITY BILL for the second quarter following the expired quarter, considering such adjustments and the inflation adjustment increases calculated by the variation of IPCA *pro rata die*.

7.3.2. Once the BONUS ON THE ELECTRICITY BILL has been performed in the CONTRACT AGREEMENTUAL MONTH, the CONCESSIONAIRE shall submit to the GRANTING AUTHORITY, the INDEPENDENT CERTIFIER and the TRUSTEE BANK, by the 20th (twentieth) day of each month, the invoice with the BONUS ON THE ELECTRICITY BILL amount stated in the QUARTERLY KPI REPORT, referring to the month in arrears.

7.3.3. Payment shall be made within two (2) business days after the date of receipt of notification from CONCESSIONAIRE by the TRUSTEE BANK.

7.3.4. The BONUS ON THE ELECTRICITY BILL relative to the last 3 (three) months of the CONTRACT AGREEMENT will be subject to indemnity owed by the GRANTING AUTHORITY in favor of the CONCESSIONAIRE upon termination of the CONTRACT AGREEMENT, if there is a balance of the BONUS ON THE ELECTRICITY BILL due and not yet paid to the CONCESSIONAIRE, as per the compensation of other existing debts and credits of each of the PARTIES.

7.4. In the event of disagreements as to the amount of the EFFECTIVE MONTHLY AVAILABILITY PAYMENT, CAPEX EXPANSION PAYMENT and/or BONUS ON THE ELECTRICITY BILL, any of the PARTIES may convene the DISPUTE RESOLUTION COMMITTEE, within 15 (fifteen) days of the manifestation of the INDEPENDENT CERTIFIER mentioned in this CONTRACT AGREEMENT.

7.4.1. In the event of any divergences from the report of the INDEPENDENT CERTIFIER, the amounts contained therein shall be regularly paid;

7.4.2. Any adjustments of the value of the EFFECTIVE MONTHLY AVAILABILITY PAYMENT, CAPEX EXPANSION PAYMENT and/or BONUS ON THE ELECTRICITY BILL, more or less, resulting from the analysis of the divergences pointed out, will focus on the EFFECTIVE MONTHLY AVAILABILITY PAYMENT, CAPEX EXPANSION PAYMENT and/or BONUS ON THE ELECTRICITY BILL immediately following the respective decision, considering any adjustments and additions of the application of the REAL ANNUAL DISCOUNT RATE pro rata die, from the date of payment that disregarded the adjustment until the payment of the adjustment;

7.4.3. In any case, any PARTIES shall be assured of the use of dispute resolution mechanisms under the terms of this CONTRACT AGREEMENT.

7.4.3.1. The control bodies of the MUNICIPAL Public Administration, within the scope of their competencies, may verify the accuracy of the assessment process, as well as the complete fulfillment of the obligations of the INDEPENDENT CERTIFIER according to the terms of their contract.

7.5. In the event of default by the GRANTING AUTHORITY, the debt will be increased by: (i) single fine corresponding to 2% (two percent) of the arrears; plus (ii) calculated interest, pro rata die, from the date the payment becomes due until the actual payment date, considering the REAL ANNUAL DISCOUNT RATE; and (iii) monetary correction by the IPCA.

8. ECONOMIC-FINANCIAL BALANCE RECOVERY OF THE CONTRACT AGREEMENT

8.1. **Delay or anticipation of the start of PHASE I**. Any delays or anticipation of the conditions precedent for the start of PHASE I should follow the provisions below:

8.1.1. The CONCESSIONAIRE may anticipate the delivery of the conditions precedent for the beginning of PHASE I, being entitled to receive CME5, provided that the procedures for approval and issuance of the TRANSFER OF ASSETS AND SERVICES DELIVERY TERM are met.

8.1.1.1. Considering the event mentioned in item 8.1.1, if the flow of sums from CIP is not sufficient for the payment of the EFFECTIVE MONTHLY AVAILABILITY PAYMENT and composition of the MINIMUM BALANCE OF THE RESERVE ACCOUNT, owing to the anticipation of the delivery of the conditions precedent of PHASE I, the GRANTING AUTHORITY will not be required to restore the MINIMUM BALANCE OF THE RESERVE ACCOUNT, until the deadline initially foreseen for the conclusion of PHASE II.

8.1.2. If the CONCESSIONAIRE fails to comply with the deadlines relating to the conditions precedent for the beginning of PHASE I, for reasons arising from risks allocated to the GRANTING AUTHORITY, under the terms of the CONTRACT AGREEMENT, the procedure below should be followed:

8.1.2.1. The CONCESSION TERM will be automatically extended by the number of days elapsed between (i) the date on which PHASE I should have started if there had not been the delay mentioned in item 8.1.2 and (ii) the date on which PHASE I started.

8.1.2.2. Payments of CMO1, CMO2, CMO3 and CMO4 installments, indicated in item 2 through the 156th (one hundred and fifty-sixth) month of the CONCESSION, shall be extended for the period equivalent to the extension of the CONCESSION TERM, according to item 8.1.2.1.

8.1.2.3. In the event of item 8.1.2, the duration of PHASES I and II will be maintained as initially established.

8.1.3. If the CONCESSIONAIRE fails to comply with the deadlines referring to the conditions precedent for the beginning of PHASE I, for reasons arising from risks allocated to the CONCESSIONAIRE, under the terms of the CONTRACT AGREEMENT, the penalties provided for in the CONTRACT AGREEMENT will be applied, maintaining the CONCESSION TERM and the duration of the PHASES I and II, initially established.

8.2. **Delay or anticipation of the start of PHASE II**. Any delays or anticipation of the conditions precedent for the start of PHASE II should follow the provisions below:

8.2.1. The CONCESSIONAIRE may anticipate the delivery of the conditions precedent for the beginning of PHASE II, for reasons arising from risks allocated to the GRANTING

AUTHORITY, pursuant to the CONTRACT AGREEMENT, the procedure below shall be followed:

8.2.1.1. The CONCESSION TERM will be automatically extended by the number of days elapsed between (i) the date on which PHASE II should have started if there had not been the delay mentioned in item 8.2.1 and (ii) the date on which PHASE II started.

8.2.1.2. Payments of the CMO1, CMO2, CMO3 and CMO4 installments, indicated in item 2 through the 156th (one hundred and fifty-sixth) month of the CONCESSION, shall be extended for the period equivalent to the extension of the CONCESSION TERM, according to item 8.2.1.1.

8.2.1.3. In the event of item 8.2.1, the duration of PHASE II will be maintained as initially established.

8.2.2. If the CONCESSIONAIRE fails to comply with the deadlines referring to the conditions precedent for the beginning of PHASE II, for reasons arising from risks allocated to the CONCESSIONAIRE, under the terms of the CONTRACT AGREEMENT, the penalties provided for in the CONTRACT AGREEMENT will be applied, maintaining the CONCESSION TERM and the duration of the PHASES II, initially established.

8.3. **Delays or anticipations of the CONCESSION MILESTONES**. Once PHASE II has started, any delays or anticipations of the CONCESSION MILESTONES should impact, exclusively, the CME1, CME2, CME3 and CM4 installments, as below:

8.3.1. The CONCESSIONAIRE may anticipate the delivery of the CONCESSION MILESTONES, living up to the receipt of the equivalent EFFECTIVE MONTHLY AVAILABILITY PAYMENT, after the procedures for approval and issuance of the respective ACCEPTANCE TERMS are observed.

8.3.1.1. Considering the hypothesis mentioned in item 8.2.1 above, if the flow of amounts from CIP is not sufficient for the payment of the EFFECTIVE MONTHLY AVAILABILITY PAYMENT and composition of the MINIMUM BALANCE OF THE RESERVE ACCOUNT, due to the anticipation of the delivery of the CONCESSION MILESTONES, the GRANTING AUTHORITY will not be obliged to re-compel the MINIMUM BALANCE OF THE RESERVE ACCOUNT, deadline originally set for the completion of PHASE II.

8.3.2. If the CONCESSIONAIRE ceases to meet the deadline for the CONCESSION

MILESTONES, for reasons arising from risks allocated to the GRANTING AUTHORITY, pursuant to the CONTRACT AGREEMENT, the Delay Factor (FA) shall be applied below on the portion of the EFFECTIVE MONTHLY AVAILABILITY PAYMENT corresponding to the respective CONCESSION MILESTONES:

$$FA_{\#} = \frac{[(1+td)^{T} \times td] \times [(1+td)^{t} - 1]}{[(1+td)^{t} \times td] \times [(1+td)^{T} - 1]}$$

Where:

$FA_{\#}$= Delay Factor of CONCESSION MILESTONE #;

= CONCESSION MILESTONE (I, II, III or IV) whose term has not been met for reasons attributable to the GRANTING AUTHORITY, under the terms of the CONTRACT AGREEMENT;

td = REAL MONTHLY DISCOUNT RATE;

T = number of outstanding monthly consideration installments, considering the delay mentioned in the item 8.3.2;

t = number initially expected of outstanding monthly consideration installments, if there was no delay as mentioned in item 8.3.2;

8.3.3. If the CONCESSIONAIRE fails to meet the deadline for the CONCESSION MILESTONES, for reasons arising from risks allocated to the CONCESSIONAIRE, under the terms of the CONTRACT AGREEMENT, the Delay Factor (FA) above should not be applied to the installment of the EFFECTIVE MONTHLY AVAILABILITY PAYMENT relating to the respective CONCESSION MILESTONE.

8.4. **Use of the review of the EFFECTIVE MONTHLY AVAILABILITY PAYMENT as a means for Economic-Financial Balance Recovery of the CONTRACT AGREEMENT.** If the review of the EFFECTIVE MONTHLY AVAILABILITY PAYMENT is used as a means of Economic-Financial Balance Recovery of the CONTRACT AGREEMENT, the procedure below should be followed:

8.4.1. The MARGINAL CASH FLOW shall be singled out for IMBALANCE EVENTS relating to:

i. STREET LIGHTING POINTS ON OTHER ROADS;

ii. STREET LIGHTING POINTS ON MAIN ROADS;

iii. STREET LIGHTING POINTS on CROSSWALKS and BIKE LANES;

iv. SPECIAL LIGHTING PROJECTS; and

v. Operation and Maintenance of the MUNICIPAL STREET LIGHTING NETWORK;

vi. Other events not correlated to item options i to v.

8.4.2. The amounts of the EFFECTIVE MONTHLY AVAILABILITY PAYMENT shall be updated according to the results of the MARGINAL CASH FLOWS of each of the events:

i. The amounts resulting from the MARGINAL CASH FLOW of the STREET LIGHTING POINTS ON OTHER ROADS shall be incorporated into CMR1, pursuant to item 2.2.1;

ii. The amounts resulting from the MARGINAL CASH FLOW of the STREET LIGHTING POINTS ON MAIN ROADS shall be incorporated into CMR2, pursuant to item 2.2.2;

iii. The amounts resulting from the MARGINAL CASH FLOW of the STREET LIGHTING POINTS on CROSSWALKS and BIKE LANES shall be incorporated into CMR3, pursuant to item 2.2.3;

iv. The amounts resulting from the MARGINAL CASH FLOW of the SPECIAL LIGHTING PROJECTS shall be incorporated into CMR4, pursuant to item 2.2.4;

v. The amounts resulting from the MARGINAL CASH FLOW of the Operation and Maintenance of the MUNICIPAL STREET LIGHTING NETWORK shall be incorporated into CMR5, pursuant to item 2.2.5;

vi. The amounts resulting from MARGINAL CASH FLOWS from other events (item vi) shall be incorporated into the EFFECTIVE MONTHLY AVAILABILITY PAYMENT, accordingly.

8.4.3. When calculating the Economic-Financial Balance Recovery of the CONTRACT AGREEMENT, all amounts of the MARGINAL CASH FLOW shall be on the DATA BASE, so that all amounts of the EFFECTIVE MONTHLY AVAILABILITY PAYMENT formula are on the same DATA BASE.

8.4.4. If the PARTIES are in mutual agreement, the calculation of the monthly consideration resulting from the Economic-Financial Balance Recovery procedure may be calculated as follows:

8.4.4.1. If the CONCESSIONAIRE's taxation regime is Presumptive, the CMR1, CMR2, CMR3 and CMR4 installments may be calculated according to the following equation:

$$\text{CMR} = |CAPEX\ | \times \left[\frac{(1+td)^n \times td}{(1+td)^n - 1}\right] \times \frac{1}{(1 - TD - TI)}$$

Where:

CMR = amount of CMR1, CMR2, CMR3 or CMR4 resulting from the Economic-Financial Balance Recovery procedure;

$CAPEX$ = Module of the total amount of Investments in STREET LIGHTING POINTS ON OTHER ROADS, STREET LIGHTING POINTS ON MAIN ROADS, STREET LIGHTING POINTS on CROSSWALKS and BIKE LANES or SPECIAL LIGHTING PROJECTS;

td = REAL MONTHLY DISCOUNT RATE;

n = number of months remaining for the expiration of the CONCESSION TERM after completion of the Investments;

TD = Sum of applicable PIS, COFINS and ISS rates for the presumptive regime and for this business activity;

$TI =$ Sum of IRPJ and CSLL rates, multiplied by the percentage of presumption of profit applicable to the presumptive regime and for this business activity.

8.4.4.2. If the CONCESSIONAIRE's taxation regime is Presumptive, the CMR5 installments may be calculated according to the following equation:

$$CMR = (|OPEX|)\ \div (1 - TD - TI)$$

Where:

CMR = amount of CMR5 resulting from the Economic-Financial Balance Recovery procedure

$OPEX$ = Module of the average monthly amount of Costs and Expenses relating to the event that gave rise to the Economic-Financial Balance Recovery

TD = Sum of applicable PIS, COFINS and ISS rates for the presumptive regime and for this business activity;

TI = Sum of IRPJ and CSLL rates, multiplied by the percentage of presumption of profit applicable to the presumptive regime and for this business activity.

8.4.4.3. If the CONCESSIONAIRE's taxation regime is Taxable, the CMR1, CMR2, CMR3 and CMR4 installments may be calculated according to the following equation:

$$CMR = |CAPEX| \times \left[\frac{(1+td)^n \times td}{(1+td)^n - 1} - \frac{td}{n}\right] \times \left[\frac{1}{(1 - TD - TI + TD \times TI)}\right]$$

Where:

CMR = amount of CMR1, CMR2, CMR3 or CMR4 resulting from the Economic-Financial Balance Recovery procedure

$CAPEX$ = Module of the total amount of Investments in STREET LIGHTING POINTS ON OTHER ROADS, STREET LIGHTING POINTS ON MAIN ROADS, STREET LIGHTING POINTS on CROSSWALKS and BIKE LANES or SPECIAL LIGHTING PROJECTS

td = REAL MONTHLY DISCOUNT RATE;

n = number of months remaining for the expiration of the CONCESSION TERM after completion of the Investments

TD = Sum of applicable PIS, COFINS and ISS rates applicable for the taxable regime and for this business activity;

TI = Sum of applicable IR and CSLL rates for the taxable regime.

8.4.4.4. If the CONCESSIONAIRE's taxation regime is Taxable, the CMR5 installments may be calculated according to the following equation:

$$CMR = (|OPEX|) \div (1 - TD)$$

Where:

CMR = amount of CMR5 resulting from the Economic-Financial Balance Recovery procedure

$OPEX$ = Module of the average monthly amount of Costs and Expenses relating to the event that gave rise to the Economic-Financial Balance Recovery;

TD = Sum of applicable PIS, COFINS and ISS rates for the taxable regime and for this business activity.

8.5. **Increase of MONTHLY CAPEX EXPANSION PAYMENT LIMIT**. The request for ADDITIONAL STREET LIGHTING POINTS in a proportion greater than 25% (twenty-five percent) of the MONTHLY CAPEX EXPANSION PAYMENT LIMIT should be preceded by a motivation from the GRANTING AUTHORITY that demonstrates the indispensability of the request to meet the demand

and for the universalization of SERVICES , and should also take into account the CONCESSIONAIRE's operational and financial capacity and the conditions and limits of financeability of the scope increase, especially those arising from the FINANCIAL CONTRACT AGREEMENTS signed by the CONCESSIONAIRE. In this case, the complementation of the CONCESSIONAIRE's remuneration amount should reflect the methodology defined in item 4.2.

9. DISCOUNT RATE

9.1. The REAL ANNUAL DISCOUNT RATE corresponds to the discount rate, in real terms, on an annual basis, corresponding to the percentage resulting from the multiplication of the REFERENCE RATE by the MULTIPLICATION FACTOR, calculated as follows:

$$TD = FM \times TR$$

Where:

TD = REAL ANNUAL DISCOUNT RATE;

FM = MULTIPLICATION FACTOR, pursuant to the DEFINITIONS OF THE RFP AND CONTRACT AGREEMENT;

TR = REFERENCE RATE, pursuant to the DEFINITIONS OF THE RFP AND CONTRACT AGREEMENT;

9.2. The REAL MONTHLY DISCOUNT RATE shall be calculated as follows:

$$td = (1 + td)^{\left(\frac{1}{12}\right)} - 1$$

Where:

td = REAL MONTHLY DISCOUNT RATE;

TD = REAL ANNUAL DISCOUNT RATE;

10. INDEMNITY FORMULA FOR EARLY TERMINATION EVENTS SET FORTH IN THE CONTRACT AGREEMENT

10.1. INDEMNITY 1 shall follow the formula below:

$$IND_1 = \left[\sum_{i=1}^{n} \frac{(CME1 + CME2 + CME3 + CME4)}{(1 + td)^i}\right] \times FR_A$$

Where:

IND_1= Amount of INDEMNITY 1;

n = number of months remaining to complete the entire CONCESSION TERM, counted from the date where payments were suspended, because of early termination;

$CME1$ = EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 1;

$CME2$ = EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 2;

$CME3$ = EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 3;

$CME4$ = EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 4;

td = REAL MONTHLY DISCOUNT RATE, calculated on the date of submission of the COMMERCIAL PROPOSAL; and

FR_A= ADJUSTMENT FACTOR in the CONTRACT AGREEMENTUAL YEAR of early termination, set out in item 6.1.

10.1.1. The formula provided above should consider only the installments of the EFFECTIVE MONTHLY AVAILABILITY PAYMENT that have CONCESSION MILESTONES with the relevant ACCEPTANCE TERM already issued.

10.1.1.1. If the early termination of the CONTRACT AGREEMENT occurs while the implementation of a certain CONCESSION MILESTONE is in progress, the INDEPENDENT CERTIFIER shall check on-site the percentage of compliance with the respective CONCESSION MILESTONE, considering a sample of minimum size as established in ABNT NBR 5426 Standard: 1985, general inspection level 2 (two) and normal simple sampling plan. This percentage shall be applied to the respective installment of the EFFECTIVE MONTHLY AVAILABILITY PAYMENT considered in the formula of Clause 10.1.

10.1.2. Should early termination of the CONTRACT AGREEMENT occur between the execution of the CONTRACT AGREEMENT and the end of PHASE I, the indemnity owed to the CONCESSIONAIRE shall match the REIMBURSEMENT VALUES.

10.1.3. The CONCESSIONAIRE will not be entitled to any additional amount of indemnification, since it recognizes that the amount resulting from the calculation provided for formula provided for in item 10.1 consists of sufficient amount for indemnification of the installments of investments linked to reversible assets, not yet amortized or depreciated, also contemplating any other possible indemnification claims of the CONCESSIONAIRE, in any respect, resulting from the early termination of the CONTRACT AGREEMENT, such as lost profits, termination of contract with third parties, among others.

10.1.4. With the exception of the case of Termination of Convenience, the indemnity provided for in item 10.1 may be paid in monthly installments, by agreement between the PARTIES, according to the following equation:

$$Monthly\ INDEMNITY\ 1 = INDEMNITY\ 1 \times \left[\frac{(1+td)^n \times td}{(1+td)^n - 1}\right] \times \left(\frac{FR_A}{FR_{At}}\right)$$

Where:

$Monthly\ INDEMNITY\ 1$ = amount of INDEMNITY 1, calculated on the date of early termination of the CONTRACT AGREEMENT, pursuant to item 10.1.4;

n = number of months remaining to complete the entire CONCESSION TERM, counted from the date where payments were suspended, because of early termination;

FR_A = ADJUSTMENT FACTOR in the CONTRACT AGREEMENTUAL YEAR, set out in item 6.1.

FR_{At} = ADJUSTMENT FACTOR calculated on the date of early termination of the CONTRACT AGREEMENT, set out in item 6.1.

10.1.4.1. The PARTIES, by mutual agreement, may define a payment flow different from that provided for in item 10.1.4, provided that (i) such payment flow results in the same present amount of the projected flow as per item 10.1.4, discounted at the REAL MONTHLY DISCOUNT RATE; and (ii) the payment of the last installment does not exceed the CONCESSION TERM.

10.1.4.2. The payment mentioned in item 10.1.4.1 may be used, among others, by the balance of the RESERVE ACCOUNT, the EXPANSION ACCOUNT, the balance of the CIP flow, as well as the binding of other receivables.

10.2. INDEMNITY 2 shall follow the formula below:

$$IND_2 = \left\{\sum_{i=1}^{T} \frac{(CME1 + CME2 + CME3 + CME4)}{(1+td)^i} \times \left[1 - \frac{(t-1)}{(T-1)}\right]\right\} x\ IAL\ x\ IDL\ x\ \left(\frac{FR_A}{FR_{A-1}}\right)$$

Where:

IND_2 = Amount of INDEMNITY 2;

t = month of the date where payments were suspended, because of early termination;

T = CONCESSION TERM in months;

$CMO1$ = EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 1;

$CMO2$ = EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 2;

$CMO3$ = EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 3;

$CMO4$ = EFFECTIVE MONTHLY AVAILABILITY PAYMENT - INSTALLMENT 4;

td = REAL MONTHLY DISCOUNT RATE, calculated on the date of submission of the COMMERCIAL PROPOSAL;

IAL = Lighting Adequacy Index, under the terms of the KEY PERFORMANCE STANDARDS, based on a new calculation according to the sample of item 10.2.1;

IDL = Light Availability Index, pursuant to the KEY PERFORMANCE STANDARDS, based on a new calculation according to the item's sample 10.2.2;

FR_A = ADJUSTMENT FACTOR in the CONTRACT AGREEMENTUAL YEAR, set out in item 6.1; and

FR_{A-1}= ADJUSTMENT FACTOR in the year prior to CONTRACT AGREEMENTUAL YEAR, set out in item 6.1.

10.2.1. The calculation of the Lighting Adequacy Index applied in the formula of item 10.2 shall consider a sample of minimum size as established in ABNT NBR 5426:1985 Standard, general inspection level 3 (three), and normal simple sampling plan.

10.2.2. The calculation of the Light Availability Index applied in the formula of item 10.2 shall consider a minimum sample size as established in ABNT NBR 5426:1985, general inspection level 3 (three), and normal simple sampling plan.

10.2.3. The formula provided above should consider only the installments of the EFFECTIVE MONTHLY AVAILABILITY PAYMENT that have CONCESSION MILESTONES with the relevant ACCEPTANCE TERM already issued.

10.2.3.1. If the early termination of the CONTRACT AGREEMENT occurs while the implementation of a certain CONCESSION MILESTONE is in progress, the INDEPENDENT CERTIFIER shall check on-site the percentage of compliance with the respective CONCESSION MILESTONE, considering a sample of minimum size as established in ABNT NBR 5426 Standard: 1985, general inspection level 2 (two) and normal simple sampling plan. This percentage shall be applied to the respective installment of the EFFECTIVE MONTHLY AVAILABILITY PAYMENT considered in the formula of Clause 10.2.

10.2.4. Should early termination of the CONTRACT AGREEMENT occur between the execution of the CONTRACT AGREEMENT and the end of PHASE I, the indemnity owed to the CONCESSIONAIRE shall match the REIMBURSEMENT VALUES.

10.2.5. The CONCESSIONAIRE will not be entitled to any additional amount of indemnification, since it recognizes that the amount resulting from the calculation provided for formula provided for in item 10.2 consists of sufficient amount for indemnification of the installments of investments linked to reversible assets, not yet amortized or depreciated, also contemplating any other any indemnification claims of the CONCESSIONAIRE, in any respect, resulting from the early termination of the CONTRACT AGREEMENT, such as termination of contract with third parties, among others.

10.2.6. The indemnity provided for in item 10.2 may be paid in monthly installments, by agreement between the PARTIES, according to the following equation:

$$Monthly\ INDEMNITY\ 2 = INDEMNITY\ 2 \times \left[\frac{(1+ts)^n \times ts}{(1+ts)^n - 1}\right] \times \left(\frac{FR_A}{FR_{At}}\right)$$

Where:

$Monthly\ INDEMNITY\ 2$ = amount of INDEMNITY 2, calculated on the date of expiry of the CONTRACT AGREEMENT;

ts = monthly fee, in real terms, effective 30 days before payment of the $Monthly\ INDEMNITY\ 2$, from the Special System of Settlement and Custody (Selic), obtained from the website of the Central Bank of Brazil;

n = number of months remaining to complete the entire CONCESSION TERM, counted from the date where payments were suspended, because of early termination;

FR_A = ADJUSTMENT FACTOR in the CONTRACT AGREEMENTUAL YEAR, set out in item 6.1.

FR_{At} = ADJUSTMENT FACTOR calculated on the date of early termination of the CONTRACT AGREEMENT, set out in item 6.1.

10.2.6.1. The PARTIES, by mutual agreement, may define a payment flow different from that provided for in item 10.2.6, provided that (i) such payment flow results in the same present amount of the projected flow as per item 10.2.6, discounted by the monthly rate, in real terms, effective 30 days before the payment of $Monthly\ INDEMNITY\ 2$, from the Special System for Settlement and Custody (Selic), obtained from the website of the Central Bank of Brazil; and (ii) the payment of the last installment does not exceed the CONCESSION TERM.

10.2.6.2. The payment mentioned in item 10.2.6.1 may be used, among others, by the balance of the RESERVE ACCOUNT, the EXPANSION ACCOUNT, the balance of the CIP flow, as well as the binding of other receivables.