

INTERNATIONAL COMPETITION N° 001/SVMA/2018

CONCESSION FOR THE PROVISION OF THE MANAGEMENT, OPERATION AND MAINTENANCE SERVICES OF THE PARKS *IBIRAPUERA, JACINTHO ALBERTO, EUCALIPTOS, TENENTE BRIGADEIRO FARIA LIMA, LAJEADO* AND *JARDIM FELICIDADE*, AS WELL AS THE EXECUTION OF WORKS AND ENGINEERING SERVICES.

DRAFT CONTRACT

ANNEX IV - PAYMENT MECHANISM OF THE GRANT



**PREFEITURA DE
SÃO PAULO**
VERDE E MEIO AMBIENTE

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1 GRANT

1. 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, composed of the VARIABLE GRANTING INSTALLMENT 1 and the VARIABLE GRANT INSTALLMENT 2, whose values, percentages, calculation and other conditions are indicated in this ANNEX.

1.1. The FIXED GRANT INSTALLMENT shall be paid as a condition precedent to the signing of the agreement, in the amount defined by the CONCESSIONAIRE in its COMMERCIAL PROPOSAL.

1.1.2. The payment of the VARIABLE GRANT INSTALLMENTS will be given under the terms of this ANNEX.

1.2. The CONCESSIONAIRE must present, through its full quarterly financial statements and its annual financial statements, the presentation of which is required under the terms of item 21.3 of the CONTRACT, the gross revenue on which the percentages determined in this ANNEX.

1.3. The financial and accounting information of the CONCESSIONAIRE must be open to the auditing of the GRANTING AUTHORITY by means of a computerized system that allows the audit at any time.

2. PAYMENT OF THE VARIABLE GRANT INSTALLMENT 1

2.1. THE VARIABLE GRANT INSTALLMENT 1 is the quarterly amount resulting from the application of a tax rate on the total gross revenue of the CONCESSIONAIRE.

2.2. The value of the VARIABLE GRANT INSTALLMENT 1 will be equivalent to one point twelve percent (1.12%) of the quarterly gross revenue of the CONCESSIONAIRE, regardless of any variations due to the incidence VARIABLE GRANT INSTALLMENT 2.

2.2.1. The VARIABLE GRANT INSTALLMENT 1 shall be paid within fifty (50) days of the end of the quarter, except in the last calendar quarter of each year, in which case it shall be paid within one hundred (100) days of quarter end.

2.3. THE VARIABLE GRANT INSTALLMENT 1 shall apply, for the first time, from the first month of January or July, whichever comes first, subsequent to the DATE OF THE STARTING ORDER.

2.4. The calculation for the payment of the value of VARIABLE GRANT INSTALLMENT 1 shall be followed by the following formula:

$$POV1 = (RB_{t-1}) \times 1,12\%$$

On what:

$POV1$ = VARIABLE GRANT INSTALLMENT 1

RB_t = Gross Revenue for the quarter

2.5. Any revenues earned by the CONCESSIONAIRE associated with low-carbon economy instruments (carbon credit and the like) and resulting from the exploitation of the CONCESSION will integrate the total gross revenue for purposes of this clause.

3. PAYMENT OF THE VARIABLE GRANT INSTALLMENT 2

3.1. 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 ANNEX V - PERFORMANCE MEASUREMENT SYSTEM.

3.2. The value of the VARIABLE GRANT INSTALLMENT 2 will be limited to one percent (1%) of the quarterly gross revenue of the CONCESSIONAIRE, regardless of any variations resulting from the incidence of VARIABLE GRANT INSTALLMENT 1.

3.3. The VARIABLE GRANT INSTALLMENT 2 shall, for the first time, apply from the first month of January or July, whichever comes first, after the expiration of the PERIOD OF TRANSITION OF THE CONCESSION.

3.4. The VARIABLE GRANT INSTALLMENT 2 shall be paid within fifty (50) days at 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 of quarter end.

3.5. The calculation for the payment of the value of the VARIABLE GRANT INSTALLMENT 2 shall be followed by the following formula:

$$POV2 = (1 - FDE) \times 1\% \times RB_{t_{FDE}}$$

On what:

$POV2$ = VARIABLE GRANT INSTALLMENT 2

FDE = (Portuguese acronym for PERFORMANCE FACTOR=PF)

$RB_{t_{FDE}}$ = Gross revenue for the quarter of the PF measurement

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

4. ANNUAL ADJUSTMENT INSTALLMENT

4.1. Once the annual financial statements have been 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 INSTALLMENTS 1 and 2 paid in the previous year, which will serve to equate eventual differences between the amounts paid as VARIABLE GRANT INSTALLMENT 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.

4.2. 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.

4.3. In the case of an overpayment, the difference will be offset by the VARIABLE GRANT INSTALLMENT 1 to be paid in the subsequent quarter (s) until the total compensation.

5. GENERAL PROVISIONS OF PAYMENT

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

5.2. 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 of one per cent (1%) per month, calculated by the compound interest methodology, and a fine equivalent to ten percent (10%), without prejudice to the application of other penalties provided for in the CONTRACT, including the expiration and execution of the GUARANTEE FOR THE EXECUTION OF THE CONTRACT.

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

- a) Collection of contractual fines due to the GRANTING AUTHORITY and that have not yet been paid by the CONCESSIONAIRE;
- b) Indemnification in favor of the GRANTING AUTHORITY owed by the CONCESSIONAIRE;
- c) Insurance premiums in favor of the GRANTING AUTHORITY not paid by the CONCESSIONAIRE; and
- d) Other pecuniary legal or contractual obligations existing in favor of the GRANTING AUTHORITY and defaulted by the CONCESSIONAIRE.