

MUNICIPALITY OF SÃO PAULO

SMDP Auction Notice No. xx/2018

**Sale of shares owned by the
Municipality representing the
capital stock of São Paulo**

Turismo S.A.

2018

The Municipality of São Paulo, through the Secretary's Office for Privatization and Partnerships, in compliance with Federal Law No. 8.666, of June 21, 1993 ("Law 8.666/93"), and with the Municipal Laws Nos. 13.278, of January 7, 2002; 16.703, of October 4, 2017 ("Law 16.703/17"), 16.766, of December 20, 2017 ("Law 16.766/17"), 16.886, of May 4, 2018, and the São Paulo City Charter, makes public the terms and conditions for the privatization of São Paulo Turismo S.A. ("SPTURIS").

The procedures for the sale of the SHARES are governed by this AUCTION NOTICE, or NOTICE, and EXHIBITS hereto, the INSTRUCTIONS MANUAL, the AUDIT PROCEDURES MANUAL, the resolutions of the MUNICIPAL BOARD OF PRIVATIZATION AND PARTNERSHIPS, the acts issued by the MUNICIPALITY, and the applicable law.

Chapter 1 – Preliminary Clarifications

1.1 Definitions

For the purposes and effects of this NOTICE, the words numbered below shall have the meanings ascribed to them below, whether in the singular or in the plural form:

- 1.1.1. ACCESS: access to information relating to SPTURIS by those interested in participating in the AUCTION, including, without limitation, the information available in the DATA ROOM and to be obtained during the meetings at or visits to the Company.
- 1.1.2. SHARES: the single and indivisible lot of the shares issued by SPTURIS held by SELLER, corresponding to Seven Million, Two Hundred and Forty-Three Thousand, Eight Hundred and Seventy-Nine (7,243,879) shares, to wit: Seven Million, Two Hundred and Nineteen Thousand, Five Hundred and Forty-Four (7,219,544) common shares, and Twenty-Four Thousand, Three Hundred and Thirty-Five (24,335) preferred shares.

- 1.1.3. SELLER: the Municipality of São Paulo.
- 1.1.4. EXHIBIT: each of the documents attached to this NOTICE, numbered sequentially, and that are part of this NOTICE.
- 1.1.5. APPRAISER: means Companhia Paulista de Obras e Serviços – CPOS, a company hired by the MUNICIPAL OFFICE through SMDP Proceeding No. 6071.2018/0000389-0 to appraise SPTURIS.
- 1.1.6. B3: is B3 S.A. – Brasil, Bolsa, Balcão, a joint-stock company with its principal place of business in the City of São Paulo, State of São Paulo, at Praça Antônio Prado, 48, enrolled with the National Corporate Taxpayers Register of the Ministry of Finance (CNPJ/MF) under number 09.346.601/0001-25.
- 1.1.7. CADE: The Administrative Council for Economic Defense, an antitrust federal agency government affiliated to the Department of Justice, according to Federal Law No. 12.529, of November 30, 2011.
- 1.1.8. BIDDING COMMISSION: special commission created by the MUNICIPAL OFFICE and in charge to receive, examine and evaluate all documents and conduct the procedures related to this AUCTION.
- 1.1.9. COMPANY: São Paulo Turismo S.A.
- 1.1.10. MUNICIPAL BOARD OF PRIVATIZATION AND PARTNERSHIPS: a board responsible for supervising the Municipal Privatization Plan, created by Municipal Law No. 16.651, of May 16, 2017, and regulated by Decree No. 57.693, of May 16, 2017.
- 1.1.11. CONSORTIUM: consortium consisting of two or more BIDDERS, with joint and several liability of its members, pursuant to the terms and for the purposes of section 3.2.1 of this NOTICE.
- 1.1.12. ADVISORS: means the BPSF consortium, hired by the MUNICIPAL

OFFICE through public bidding process (Electronic Auction No. 009/SMDP/2017), resulting in Agreement No. 007/SMDP/2018, for services of appraisal, structuring and performance of the PROCESS.

- 1.1.13. SHARE PURCHASE AGREEMENT: is the agreement to be executed by and between SELLER and the NEW HOLDING COMPANY for the purchase and sale of the SHARES, a draft of which is in EXHIBIT I to this NOTICE.
- 1.1.14. ACCREDITED BROKER: a brokerage company accredited by the Central Bank of Brazil and by the Brazilian Securities Commission (CVM), duly authorized to operate in B3 and hired by the BIDDER(S) to represent them in all acts relating to the AUCTION in B3.
- 1.1.15. ACCREDITATION: procedure to enroll the legal representatives of the BIDDERS, pursuant to section 3.3 of this NOTICE.
- 1.1.16. SCHEDULE: is the schedule of the main events of the PROCESS, set forth in EXHIBIT XIV to this NOTICE.
- 1.1.17. CVM: is the Brazilian Securities Commission (CVM), a federal agency affiliated to the Department of Treasury, governed by Federal Law No. 6.385, of December 7, 1976, and subsequent amendments thereto.
- 1.1.18. SESSION DIRECTOR: The representative of B3 who will conduct the AUCTION PUBLIC SESSION on behalf of the BIDDING COMMISSION, according to the provisions of this NOTICE.
- 1.1.19. NOTICE: is this SMDP Notice xxx/2018 for the sale of the SHARES, including the EXHIBITS hereto.
- 1.1.20. BID BONDS: bonds to be pledged by BIDDERS to participate in the AUCTION, pursuant to the provisions of this NOTICE.
- 1.1.21. PERFORMANCE BOND: is the bond to be pledged by the **NEW**

HOLDING COMPANY as guarantee of compliance with the obligations assumed under the SHARE PURCHASE AGREEMENT.

- 1.1.22. **QUALIFICATION**: is the process of qualification of those interested in participating in the AUCTION, according to the documents listed in section 3.6 of this NOTICE, and participation of any BIDDER in the AUCTION is conditional upon their qualification.
- 1.1.23. **DEPOSITARY INSTITUTION**: is Itaú Corretora de Valores S.A., a depositary financial institution of the shares issued by SPTURIS, with its principal place of business in the City and State of São Paulo, at Avenida Brigadeiro Faria Lima, No. 3.400, 10th floor, or any other PERSON that may succeed or substitute it.
- 1.1.24. **AUCTION**: is the bidding, under the auction modality, with general rules provided for in Law No. 8.666, of June 21, 1993, the procedures of which are set forth in details in this NOTICE and in the INSTRUCTIONS MANUAL.
- 1.1.25. **OPEN OUTCRY SESSION**: is the procedure set forth in section 3.7.6 of this NOTICE.
- 1.1.26. **BIDDER**: (i) is the PERSON interested in participating in the AUCTION, subject to the provisions of section 3.1, and (ii) after ACCREDITATION, BIDDER is the PERSON or CONSORTIUM the members of which have been enrolled and that have provided envelopes containing the BID BOND, PRICE PROPOSAL and QUALIFICATION documents, in the form of this NOTICE.
- 1.1.27. **AUCTION SETTLEMENT**: transfer of the title to the SHARES to the NEW HOLDING COMPANY, to be made by B3.
- 1.1.28. **INSTRUCTIONS MANUAL**: is the document prepared by B3, to be made available according to the SCHEDULE, which describes in details the ACCREDITATION process, the operational system, the

contribution of BID BOND, and the AUCTION SETTLEMENT.

- 1.1.29. MUNICIPALITY: is the Municipality of São Paulo, also referred to as SELLER in this NOTICE.
- 1.1.30. NEW HOLDING COMPANY: is the BIDDER winning the AUCTION that acquires the single lot of the SHARES.
- 1.1.31. TENDER OFFER: is the Tender Offer of shares upon disposal of control, to be carried out according to the applicable law, CVM rules, and the provisions of the Bylaws of SPTURIS.
- 1.1.32. PARQUE ANHEMBI: area owned by SPTURIS located in the Municipality of São Paulo, State of São Paulo, at Avenida Olavo Fontoura, No. 1.209.
- 1.1.33. RELATED PARTY: means, with respect to one PERSON, any other PERSON that: (i) is directly or indirectly controlled by that first PERSON; (ii) directly or indirectly controls the said PERSON; (iii) is directly or indirectly controlled by any PERSON that directly or indirectly controls the said PERSON; the meaning of the word control, whenever used in this NOTICE, is the one ascribed to it in article 116 of Federal Law No. 6.404, of December 15, 1976, and subsequent amendments thereto.
- 1.1.34. PERSON: means any individual, legal entity, or Equity Investment Fund (FIP), condominium, securities portfolio or other organization, resident or with principal place of business in Brazil or abroad.
- 1.1.35. SHARE PURCHASE PRICE: is the amount to be paid by the SELLING BIDDER for the transfer of the SHARES, pursuant to the SHARE PURCHASE AGREEMENT, in an amount corresponding to the AUCTION FINAL PRICE.
- 1.1.36. AUCTION FINAL PRICE: is the amount of the final bid for the SHARES

made by the BIDDER winning the AUCTION.

- 1.1.37. AUCTION FLOOR PRICE: is the minimum price of the SHARES, pursuant to section 2.2.3 of this NOTICE.
- 1.1.38. PROCESS: is the process of sale of the SHARES which commenced with the publication of Law No. 16.766, of December 20, 2017, and ends up with the transfer of the SHARES.
- 1.1.39. PRICE PROPOSAL: proposal to be submitted by the BIDDERS under the scope of this AUCTION, according to the terms and provisions set forth in section 3.4 of this NOTICE.
- 1.1.40. ACCREDITED REPRESENTATIVES: individuals authorized to represent the BIDDERS in all documents and acts related to this AUCTION.
- 1.1.41. DATA ROOM: is the virtual environment where documents, data, reports, accesses to systems and any other type of information about SPTURIS relevant to this process are available, which may be accessed by the interested enrolled persons that meet the requirements set forth in the AUDIT PROCEDURES MANUAL.
- 1.1.42. SAMBÓDROMO: is the property corresponding to the area where the Grande Otelo Cultural and Sport Center is located.
- 1.1.43. MUNICIPAL OFFICE or SMDP: is the Municipal Office for Privatization and Partnerships, which acting on behalf of the MUNICIPALITY is responsible for the publication of the NOTICE and the coordination of the PROCESS.
- 1.1.44. AUCTION PUBLIC SESSION: Session for classification of the PRICE PROPOSALS, and eventually of an OPEN OUTCRY SESSION, to be held on the date specified in the SCHEDULE, at B3, the procedures of which are described in details in this NOTICE and in the INSTRUCTIONS MANUAL.

- 1.1.45. ADVISORS SERVICES: are the services including the modeling and performance of sales of the SHARES and the other services necessary for the execution of the PROCESS, pursuant to Electronic Auction Notice No. 009/SMDP/2017 (SMDP proceeding No. 6071.2017/0000140-3).
- 1.1.46. DOWN PAYMENT: consists of the amount equal to five percent (5%) of the AUCTION FINAL PRICE, to be paid as of the date of execution of the SHARE PURCHASE AGREEMENT.
- 1.1.47. SPECIAL PURPOSE COMPANY or SPE: is a legal entity that may be organized according to the Brazilian laws as a joint-stock company headquartered in Brazil, owned or established exclusively by the winning BIDDER, which shall be deemed, for all purposes, successor of the said BIDDER.
- 1.1.48. SPTURIS: is São Paulo Turismo S.A., also referred to as COMPANYY.

1.2 Information about SPTURIS

1.2.1 Organization and Brief History

SPTURIS is a joint-stock company with authorized capital organized on February 5, 1968, enrolled with the National Corporate Taxpayers Register of the Ministry of Finance (CNPJ/MF) under number 62.002.886/0001-60, with its articles of incorporation duly filed with the Commercial Registry of the State of São Paulo under the State Registration No. (NIRE) 35.300.015.967, and with its principal place of business in the City of São Paulo, State of São Paulo, at Avenida Olavo Fontoura, No. 1.209, Parque Anhembi, Postal Code 02012-021.

The Company was initially organized with private capital in 1968 under the corporate name Centro Interamericano de Salões e Feiras S.A. The business purpose of the company was to provide the City with a convention center

capable to attract large fairs and events to São Paulo. Later, in 1974, through Municipal Law No. 8.180/1974, the Municipality of São Paulo became part of the capital of this company, by means of the payment of the land where today is located Parque Anhembi in its capital stock, converting said company in a mixed-capital company.

The name São Paulo Turismo S.A. was given to the company in 2005, and its biggest asset is Parque Anhembi, and the lease of the Parque Anhembi facilities to major fairs and events is its main source of income. SPTURIS has been conducting over the years both activities of private lease of Anhembi and promotion of tourism in São Paulo.

In the current economic scenario, it is no longer justified that an asset intended to receive large events is in the hands of the Public Power, considering that the private initiative already absorbs such activities, and even with greater dynamism and efficiency. For this reason, both the Municipal Executive and Legislative Branches understood that it was convenient and desirable to sell São Paulo Turismo S.A. to the private initiative, and that mission was assigned to SMDP.

In order to fulfill such mission, the MUNICIPAL OFFICE launched a bidding process through Electronic Auction Notice No. 009/SMDP/2017 (SMDP proceeding No. 6071.2017/0000140-3), to hire the ADVISORS SERVICES, and SMDP proceeding No. 6071.2018/0000389-0, to hire the APPRAISER.

The result of the ADVISORS SERVICES and of the APPRAISER was analyzed by the MUNICIPAL BOARD OF PRIVATIZATION AND PARTNERSHIPS, and the sale of the SHARES of SP TURIS was approved pursuant to the terms of this NOTICE.

1.2.2 Capital Stock

The capital stock of SPTURIS is Two Hundred and Sixteen Million, Seven Hundred and Thirteen Thousand, Two Hundred and Fifty-Six *Reais*, and Seventy-Four Cents (R\$216,713,256.74), divided into Seven Million, Five Hundred and Twenty-Two Thousand, One Hundred and Fifty-Four (7,522,154) shares, to wit:

Seven Million, Three Hundred and Eighty-Nine Thousand, Nine Hundred and Thirty-Three (7,389,933) common shares, Forty-Four Thousand, Eight Hundred and Fifty-Three (44,853) Class A preferred shares, and Eight-Seven Thousand, Three Hundred and Sixty-Eight (87,368) Class B preferred shares.

1.2.3 Business Purpose

The business purpose of SPTURIS is described in its Bylaws as follows:

- a) rental, loan for use, exchange, lease or any other type of assignment to third parties of its own area, or also areas that are in possession of the Company, for the holding of events of any kind, as well as commercial exploitation of any activity authorized by the Company;
- b) Production, advertisement and organization of events of any kind carried out by the Company or third parties;
- c) Supply and/or sale of infrastructure, engagement of artists, acquisition of services, materials related to production, and performance of events in general, whether or not organized by the Company;
- d) Construction and refurbishment of any type of building in its own property or in third party property;
- e) Commercial exploitation, directly or through third parties, relating to publicity, merchandising, media and telecommunications of any kind;
- f) Formulation and enforcement of policy, promotion and exploitation of tourism and related activities, in the Municipality of São Paulo;
- g) Licensing of trademarks owned by it;
- h) Support or sponsoring of projects or events of social, tourist or

cultural interest and the like;

- i) Grant to third parties of any rights in and to commercial exploitation of areas owned by it or in its possession;
- j) Commercial exploitation, directly or through third parties, of materials related to the City of São Paulo; and
- k) Performance of specialized consulting services on tourism and events.

1.3. Legal Discipline

1.3.1 Basic Law on the Process of privatization of SPTURIS and Public Hearing

The PROCESS is governed by the provisions of Federal Law No. 6404, of December 15, 1976, as subsequently amended, Federal Law No. 6.385, of December 7, 1976, Federal Law No. 8.666, of June 21, 1993, Municipal Law No. 13.278, of January 7, 2002, Municipal Law No. 16.703, of October 4, 2017, Municipal Law No. 16.766, of December 20, 2017, Municipal Law No. 16.886, of May 4, 2018, and Charter of the City of São Paulo, as well, as applicable, by supplemental and supervening, rules and regulations issued by the relevant government bodies, in respect of the AUCTION and the TENDER OFFER.

In compliance with the provisions of article 39 of Federal Law No. 8.666, of June 21, 1993, a Public Hearing was held with the conditions for privatization of SPTURIS, according to the terms of this NOTICE, on October 29, 2018, the notice of which was duly published in the Official Gazette of the City of São Paulo on October 9, as well as in highly circulated newspapers. In addition to it, announcement of the notice and the content of the Public Hearing was also made by e-mail on the online platforms <https://www.prefeitura.sp.gov.br/cidade/secretarias/desestatizacao/projetos/sp_turis/> and <<http://e-negocioscidadesp.prefeitura.sp.gov.br/>>.

In compliance with the provisions of Municipal Decree No. 48.042, of December 26, 2006, a draft of this NOTICE was also submitted to public consultation for

presentation of reviews, suggestions, and collection of opinions and subsidies to improve the documents.

1.3.2. Approval of the Transaction by CADE

The **NEW HOLDING COMPANY** shall comply with the provisions of Article 88 of Federal Law No. 12.529, of November 30, 2011, filing with CADE, if necessary, the documentation and information required by the competition laws and CADE Resolution No. 02, of May 29, 2012, within up to ten (10) business days after the publication of the approval and the award of the contract.

The **NEW HOLDING COMPANY** shall bear any and all costs related to the process with CADE, especially the procedural fee set forth in article 23 of Law No. 12.529, of November 30, 2011.

1.3.3. Exemption from Registration with the Brazilian Securities Commission (CVM)

Pursuant to Article 5, subsection I of CVM Ruling No. 400, of December 29, 2003, the disposal of the SHARES is automatically released from the application for registration of public distribution offering.

1.3.4. TENDER OFFER

The **NEW HOLDING COMPANY** shall make the TENDER OFFER by disposal of control pursuant to the provisions of Federal Law No. 6.404, of December 15, 1976, and CVM Ruling No. 361, of March 5, 2002.

For the purposes of the TENDER OFFER, the price of each share transferred to the winning BIDDER shall be the amount resulting from the division of the total amount paid for the SHARES by the number of shares of the lot.

The **NEW HOLDING COMPANY** shall send notice to the MUNICIPALITY of the settlement of the TENDER OFFER.

1.4. PROCESS

1.4.1. Beginning of the PROCESS

The PROCESS began with the publication of Law No. 16.766/2017, which authorized the MUNICIPALITY to proceed with the sale of the equity interest held by the Municipality in SPTURIS, under the conditions specified therein.

1.4.2. Contracting of ADVISORS

In accordance with the requirement of paragraph 1 of article 1, of Law No. 16.766/2017, the MUNICIPAL OFFICE promoted the contracting of the ADVISORS to perform the ADVISORS SERVICES, defined in Notice of Electronic Auction No. 009/SMDP/2017 (SMDP proceeding No. 6071.2017/0000140-3), the previous bidding process of which was carried out under the terms of Federal Law No. 10.520, of July 17, 2002.

1.4.3. Synthesis of Price Appraisals and Justifications

The economic and financial appraisal of SPTURIS was prepared by the APPRAISER and the ADVISORS in accordance, respectively, with the provisions set forth in SMDP proceeding No. 6071.2018/0000389-0 and Electronic Auction Notice No. 009/SMDP/2017. The projections used must not be taken as a guarantee of results of SP TURIS.

The economic and financial appraisal was developed from the “Summing up of the Parts” methodology, which considered:

- i) identification of critical variables and sensitivity analysis in relation to the main simulation premises taken into account;
- ii) appraisal of the operating costs of the company appraised, the levels and quality of the provision of services and the evolution of its revenues;
- iii) appraisal of the positioning of the company appraised in the market

where it operates, understanding the expectations of these markets for the next years and profitability projections for its activities.

Appraisals were conducted in the property located in PARQUE ANHEMBI, including all existent and potential constructions, on the basis of the procedures governed by the ABNT standards, as the “technical and economic feasibility study method” (“*método involutivo*”), “development method” (“*método evolutivo*”) and “income method” (“*método de renda*”), considering the best use of the area and the construction potential of the aforesaid real estate.

The SELLER defined as the minimum selling price the average of the four (04) highest appraisals among the six (06) appraisals presented by the APPRAISER and the ADVISORS, resulting in an amount of R\$ [•] (•), approved by the Mayor of São Paulo.

Each BIDDER shall conduct the respective appraisal before making the decision of submitting the offer.

1.4.4. Information Process

1.4.4.1 The information on the PROCESS shall be provided by means of this NOTICE and the exhibits hereto, the INSTRUCTIONS MANUAL and the AUDIT PROCEDURES MANUAL.

1.4.4.2 The documents related to SPTURIS are made available to the interested parties, in the DATA ROOM, and may be examined in accordance with the criteria and procedures established in the AUDIT PROCEDURES MANUAL. The DATA ROOM shall be opened on [•] [•], 2018. The DATA ROOM presents information and documents related to SPTURIS and required to subsidize the pricing by Bidders. The access to the DATA ROOM shall be free of charge, and the interested parties must check the access instructions contained in the AUDIT PROCEDURES MANUAL.

1.4.4.3 ACCESS: only the interested parties accredited to access the DATA

ROOM, in accordance with the criteria established in the AUDIT PROCEDURES MANUAL, may receive information, participate in expository meetings and technical visits at SPTURIS. The access shall not qualify the interested parties to participate in the AUCTION.

1.4.4.4 VISITS: SPTURIS shall disclose the period during which the Bidders interested in conducting face-to-face visits at the SPTURIS facilities shall send a scheduling request to the Company. The scheduling must be conducted as contained in the AUDIT PROCEDURES MANUAL. At the time of the visit scheduling request, the interested parties shall indicate the dates when they wish to conduct the visit and, after the end of the scheduling period to be appropriately defined by SPTURIS, the latter shall organize and prepare the visit calendar so as to guarantee the highest convenience and savings as possible for the procedure, aiming to meet, according to some possibilities, some dates indicated by the Bidder. Once the visit calendar is prepared, there shall be a disclosure to the interested parties. Scheduling a visit is optional to Bidders and not a requirement for their participation in the Auction.

1.4.4.5 ADDITIONAL INFORMATION and CLARIFICATIONS: clarifications about the NOTICE shall be requested to the BIDDING COMMISSION via e-mail, in accordance with item 1.6 of this NOTICE, and such a request shall be received until the date described in the SCHEDULE for this purpose. The answers shall be made available as provided for in item 1.6 of this NOTICE. The additional information that may be disclosed in writing, on the PROCESS website (https://www.prefeitura.sp.gov.br/cidade/secretarias/desestatizacao/projetos/sp_turis/), shall be considered an integral part of the NOTICE.

1.4.5. Sale Steps

AUCTION: by means of a bidding process in the auction modality, which is to be carried out at B3, the SHARES shall be offered for sale. The terms and conditions of the AUCTION are described in this NOTICE and the INSTRUCTIONS MANUAL.

1.4.6. Announcement of the Closing of the PROCESS

The PROCESS shall be closed upon the transfer of the SHARES.

1.5. BIDDING COMMISSION

1.5.1. The AUCTION shall be judged by the BIDDING COMMISSION, it being incumbent upon it to conduct the work required for the carrying out of the AUCTION.

1.5.2. The BIDDING COMMISSION may request information from any bodies and entities involved in this bidding process, as well as from all those integrating the Municipal Public Administration.

1.5.3. In addition to the prerogatives implicitly arising from its function, the BIDDING COMMISSION may:

- i) Request from BIDDERS, at any time, clarifications about the documents presented by them as well as adopt formal criteria for the cure of failures in the course of the AUCTION, it being prohibited to subsequently include a document that should originally accompany the documents presented by BIDDERS;
- ii) Take measures and request additional information to clarify the content and confirm the authenticity of the information contained in the documents or complement the instruction of the AUCTION; and
- iii) Extend the terms provided for in the NOTICE in case of a public interest, acts of God or force majeure, without the right to indemnity or reimbursement for costs and expenses on any account and at any time.

1.5.4. The refusal to provide clarifications and documents or comply with the requirements made by the BIDDING COMMISSION, within the terms determined by the latter and in accordance with the terms of this NOTICE, may cause the disqualification of the BIDDER and the foreclosure of the respective

BID BOND.

1.6. Additional Clarifications and Objection to the NOTICE

1.6.1. Requests for clarifications and information shall be forwarded to the BIDDING COMMISSION until the date described in the SCHEDULE.

- i) Requests for clarifications shall be written in Brazilian Portuguese and may be forwarded to vendaspturis@prefeitura.sp.gov.br, with the "SP TURIS Sale – Requests for Clarifications" subject.
- ii) Answers to the requests sent as provided for in this item shall be made available by the BIDDING COMMISSION on the PROCESS website, within the term provided for in the SCHEDULE.
- iii) Relevant clarifications, amendments and/or press releases made by the MUNICIPAL OFFICE and/or BIDDING COMMISSION may become an integral part of this NOTICE.
- iv) If there are no requests for clarifications, it shall be presumed that such information and the elements made available in this NOTICE, the AGREEMENT and the EXHIBITS hereto and thereto are sufficient to allow the preparation of the PRICE PROPOSAL and the presentation of the other documents requested under the PROCESS and, consequently, the participation in this bidding process, and, for this reason, no questioning shall be admitted after the date described in the SCHEDULE for the forwarding of requests.

1.6.2. Any citizen is a legitimate party file an objection to this NOTICE, and such an objection shall be presented as described in item 1.6.4 of this NOTICE, within five (5) days before the date established for the opening of the envelopes, in accordance with the SCHEDULE, and the BIDDING COMMISSION shall judge and answer the objection within three (3) business days.

1.6.3. Any BIDDER has standing to file an objection to this NOTICE, and such an objection shall be presented as described in item 1.6.4 of this NOTICE,

within two (2) days before the date established for the opening of the envelopes, in accordance with the SCHEDULE. Under the terms of the legislation in force, the right to file an objection under the terms of this NOTICE shall lapse if the BIDDER fails to do so within the term and according to the form set forth in this NOTICE.

1.6.4. The objection shall be forwarded to the BIDDING COMMISSION, at: vendaspturis@prefeitura.sp.gov.br, or filed in writing at the headquarter of the MUNICIPAL OFFICE, at Rua Líbero Badaró, 293, 24th floor, Centro, in the City of São Paulo, State of São Paulo, to the care of the BIDDING COMMISSION, with the appropriate identification of the objectant, together with a copy of the identity document of the signatory, when the objection is filed by an individual entity, or a proof of authority, when such an objection is filed by a legal entity.

1.6.5. All electronic requests for clarifications and/or objections, either electronically or on paper, shall be considered delivered on the date of the receipt thereof by the recipient, unless the delivery occurs after 5:00 p.m. (Brasília time), even if the mail is electronic. The mails delivered after 5:00 p.m. (Brasília time) shall be considered delivered, for all purposes, including for the verification of timeliness, on the immediately subsequent business day.

Chapter 2 - Purpose, Offer Structure, Price and Sales Conditions

2.1. Purpose of the NOTICE

The purpose of this NOTICE is the sale of the SHARES held by the SELLER, which shall be carried out in a single lot at the AUCTION.

2.2. AUCTION

2.2.1. Purpose of the AUCTION

The shares shall be offered for sale in a single lot at the AUCTION. The AUCTION shall be governed by the provisions set forth in Federal Law No. 8.666, of June 21, 1993, upon the carrying out of the AUCTION PUBLIC SESSION

at B3, within the date and time described in the SCHEDULE, in accordance with EXHIBIT XIV to the NOTICE.

2.2.2. Judgment Criterion

The judgment criterion of this AUCTION is the highest unit price to be paid for each SHARE of the single lot of SHARES, considering the AUCTION FLOOR PRICE.

2.2.3. AUCTION FLOOR PRICE

2.2.3.1. The AUCTION FLOOR PRICE, for the single lot of the SHARES, is R\$ ● (●).

2.2.3.2. Proposals containing bids lower than the AUCTION FLOOR PRICE shall be disqualified.

2.2.3.3. Rounding

All amounts in the scope of the AUCTION shall be presented by taking into account two decimal places. If the application of any rule provided for in this NOTICE, including, but not limited to, corrections and adjustments, results in amounts with more than two decimal places, the rounding of the respective amounts shall be made as follows:

- i) Numerals after the second decimal place that are equal to or lower than four (4) shall be rounded to the immediately prior number; and
- ii) Numerals after the second decimal place that are equal to or higher than five (5) shall be rounded to the immediately subsequent number.

2.2.4. AUCTION SETTLEMENT

2.2.4.1 The AUCTION SETTLEMENT, as established in item 2.2.4.2, below, shall be carried out on the tenth (10th) business day after the date of publication, by

CADE, of the certificate of a final and unappealable decision that approves the sale of the control over SPTURIS, without restrictions, if necessary, or on the tenth (10th) business day after the day of signature of the SHARE PURCHASE AGREEMENT, the date by which the conditions precedent shall have been duly fulfilled.

2.2.4.2. The BIDDING COMMISSION shall inform B3 about the AUCTION FINAL PRICE, duly inflation-adjusted pursuant to the SHARE PURCHASE AGREEMENT, whereby the total financial amount must be stated with two decimals.

2.2.4.3. B3 shall operationalize the AUCTION SETTLEMENT pursuant to the description in the INSTRUCTION MANUAL.

2.2.4.4. For the operationalization of the AUCTION SETTLEMENT by B3, the SELLERS shall have deposited the SHARES at the Depositary Center of B3.

2.2.4.5. In the case of a CONSORTIUM, the AUCTION SETTLEMENT will be carried out on behalf of the consortium members, proportionally to their participation in the CONSORTIUM. If the payment due as DOWN PAYMENT is not made in full, whether due to the default of a single CONSORTIUM member, the AUCTION SETTLEMENT will not be conducted, and the CONSORTIUM will be declassified and the BID BOND will be called upon.

2.2.4.5.1. In the case of a CONSORTIUM, the rules set forth for consortia in Federal Law No. 8.666 of June 21, 1993, especially the provisions in its Article 33 must be observed.

2.2.4.5.2. The participation of consortia is admitted against the presentation of the Consortium Organization Commitment by a public or private instrument, subscribed by the legal representatives of the consortium members, that must contain the following specific clauses, to be verified in the qualification:

- i) The indication of the participation percentage in the consortium and the appointment of the consortium leader that will be responsible for the

execution of the acts within the scope of the AUCTION.

- ii) The joint and several liability of the consortium members for acts carried out by the consortium.
- iii) In consortia formed between Brazilian and foreign private legal entities, the consortium leadership must always be incumbent upon the Brazilian private legal entity.

2.2.4.5.3. The qualification documentation must be presented with regard to each of the consortium members. For the economic and financial qualification it must be clarified that the sum of amounts of each consortium member will be considered in the proportion of the respective participation.

2.2.4.6. Any distribution of dividends and/or interest on equity by SP TURIS in the period between the publication of the NOTICE and the AUCTION SETTLEMENT will impact the final amount payable by the NEW HOLDING COMPANY that must be adjusted under the terms of the SHARE PURCHASE AGREEMENT.

2.5. SHARE PURCHASE AGREEMENT

2.5.1. On the date set forth in the SCHEDULE, a SHARE PURCHASE AGREEMENT entered into by the SELLERS and the NEW HOLDING COMPANY, according to the draft that is attached to this NOTICE as EXHIBIT I, and the DOWNPAYMENT of the PRICE must be made.

2.5.2. If the NEW HOLDING COMPANY is a CONSORTIUM or SPE, in the case described in Item 3.2 below, the SHARE PURCHASE AGREEMENT must be executed also by its members, partners and/or shareholders that will be jointly and severally liable with the CONSORTIUM or SPE and towards each other for the compliance with the obligations set forth therein.

Chapter 3 - General AUCTION Procedures

3.a. The AUCTION PUBLIC SESSION will be held by B3 at Rua XV de Novembro No. 275, in the City and State of São Paulo on the date scheduled in the SCHEDULE.

3.b. The general procedures and representation rules of the AUCTION are defined with further details in the INSTRUCTION MANUAL.

3.c. The AUCTION will be processed and decided with inverted phases, as authorized by Law No. 16.703/17, classifying the PRICE PROPOSALS and processing, if applicable, the OPEN OUTCRY SESSION and then analyzing the BIND BONDS and QUALIFICATION of the BIDDER that has submitted the best proposal under the terms of this NOTICE.

3.1. Participation Conditions

3.1.1. With due regard for the terms and restrictions of this NOTICE, any interested Brazilian or foreign companies, financial institutions, Private Equity Investment Funds and complementary pension entities, whether appearing individually or in a CONSORTIUM, may participate in the AUCTION.

3.1.1.2. Participation Restrictions for Pension Entities

Pension or social assistance entities and complementary pension funds connected to the direct or indirect public administration are subject to restrictions and to the limits indicated in the applicable legislation, as well as to the other rules issued by the competent authorities. The other private pension entities must equally observe the legislation and rules issued by such authorities, applicable to the acquisition of the SHARES under this NOTICE.

3.1.1.3. Participation Restriction for Insolvent Companies, Inapt or Impeded to Deal with the MUNICIPALITY

PERSONS (i) under court-supervised or out-of-court reorganization, bankruptcy, insolvency, intervention or liquidation, (ii) that has been declared inapt by the public administration on any government level, (iii) is temporarily

suspended from participating in bidding processes and/or impeded to deal with the MUNICIPALITY, or (iv) has been included in the registries mentioned in Articles 22 and 23 of the Federal Law No. 12.846/13 may not participate in this AUCTION as BIDDER.

3.1.1.4. Participation Restriction for more than one BIDDER

The participation in the AUCTION of a PERSON that is a RELATED PARTY of another BIDDER is not permitted.

3.1.1.5. Other Restrictions for the BIDDERS

The “Electronic Administrative Sanction Imposition and Recording System – e-Sanções”, at www.esancoes.sp.gov.br, the “National Inapt and Suspended Companies Registry – CEIS”, at <http://www.portaltransparencia.gov.br/ceis>, and the “List of Punished Companies”, at https://www.prefeitura.sp.gov.br/cidade/secretarias/gestao/suprimentos_e_servicos/empresas_punidas/index.php?p=9255, must be checked before entering into the SHARE PURCHASE AGREEMENT.

3.1.1.5.1. Dealing with BIDDERS is not admitted:

3.1.1.5.1.1. When their right to bid and deal is temporarily suspended or when they have been impeded from bidding and dealing with the direct and indirect municipal Public Administration, based on Article 87, Item III of Federal Law No. 8.666, of June 21, 1993, and on Article 7 of Federal Law No. 10.520, of July 17, 2002;

3.1.1.5.1.2. When they have been declared inapt, including companies that are Parent Companies or Subsidiaries and affiliates amongst each other, by any entities of the Direct or Indirect Public Administration on federal, state or municipal level, under the terms of Article 87, Item IV, of Federal Law No. 8.666 of June 21, 1993;

3.1.1.5.1.3. When they have been prohibited by the CADE Board from

participating in bidding processes organized by the direct and indirect federal, state or municipal Public Administration, due to an offense against the economic order, under the terms of Article 38, Item II, of Federal Law No. 12.529, of November 30, 2011;

3.1.1.5.1.4. When they are prohibited from dealing with the Public Administration due to a right-restricting sanction for an environmental administrative offense, under the terms of Art. 72, Paragraph 8, Item V of Federal Law No. 9.605, of February 12, 1998;

3.1.1.5.1.5. When they have been prohibited from dealing with the Public Authorities due to an adverse judgment for an act of administrative corruption, under the terms of Article 12 of Federal Law No. 8.429 of June 2, 1992;

3.1.1.5.1.6. When they have been temporarily suspended, impeded or declared inapt to bid or deal with the direct and indirect state Public Administration, due to a violation of the Law of Access to Information, under the terms of Article 33, Items IV and V of Federal Law No. 12.527 of November 18, 2011 and of Article 74, Items IV and V of State Decree No. 58.052 of May 16, 2012.

3.2. Participation in a CONSORTIUM and SPECIFIC PURPOSE ENTITY

3.2.1. CONSORTIUM

3211. On the date set forth in the SCHEDULE, if they decide for a joint participation, the BIDDERS interested in competing in the form of a consortium must present, together with the ACCREDITATION documents pursuant to Item 3.3, the applicable CONSORTIUM organization commitment.

3212. The instrument presented in accordance with the previous item must indicate the percentage interest of each BIDDER in the CONSORTIUM and expressly establish that the CONSORTIUM members assume the joint and several liability for all obligations set forth in this NOTICE, should the BIDDER be the final winner of the AUCTION, including the obligations to pay the

AUCTION FINAL PRICE and, if due, the penalties set forth in Items 3.14.2 and 3.14.3, without prejudice to the other penalties set forth in this NOTICE, foremost those provided for in Item 3.17. The Consortium organization commitment must also include:

- i) name, organization and purpose of the consortium;
- ii) qualification of the consortium members;
- iii) composition of the consortium with the respective participations of their members;
- iv) indication of the leader, responsible to carry out the acts incumbent upon the consortium; and
- v) express provision for the joint and several liability amongst each other and towards the consortium, for the compliance with all terms, conditions and obligations stated in the NOTICE and its EXHIBITS.

3213. There is no limit to the number of participants for the organization of the CONSORTIUM.

3214. The inclusion, replacement, retirement and exclusion or the amendment to the percentage interests of the consortium members from the ACCREDITATION date until the execution of the SHARE PURCHASE AGREEMENT is not admitted.

3.2.2. SPECIFIC PURPOSE ENTITY

Within ten (10) business days immediately following the publication of the approval and award of the AUCTION, the winning BIDDER of the AUCTION, including those who have presented themselves as CONSORTIUM, may have itself replaced by a SPECIFIC PURPOSE ENTITY for the execution of the SHARE PURCHASE AGREEMENT and of the SHARE FIDUCIARY SALE AGREEMENT and for the compliance with the other conditions, rights and obligations contained

in the NOTICE, provided that cumulatively: (a) there is no damage or delay to the SCHEDULE or to the compliance with each of the stages set forth therein; (b) the qualified members participate in the SPECIFIC PURPOSE ENTITY in the exact proportion as their participation in the CONSORTIUM; (c) the SPECIFIC PURPOSE ENTITY has its head office and administration in Brazil; and (d) the documentation of the SPE is presented to the MUNICIPALITY, under the terms of 3.6 of this NOTICE, without prejudice to the compliance with the other obligations set forth in this NOTICE and in the SHARE FIDUCIARY SALE AGREEMENT.

The shareholders of the SPECIFIC PURPOSE ENTITY will, under the terms of this NOTICE, be jointly and severally liable amongst each other and towards the SPECIFIC PURPOSE ENTITY for the compliance with all terms, conditions and obligations stated in the NOTICE and in the SHARE PURCHASE AGREEMENT, including the obligations to pay the AUCTION FINAL PRICE and also, if due, the penalties set forth in Items 3.14.2 and 3.14.3, without prejudice to the measures set forth in Item 3.17, and shall, therefore, sign such documents in such capacity.

3.3. ACCREDITATION

3.3.1. Opening of the Accreditation Phase

3.3.1.1. On the date and time indicated in the SCHEDULE of this NOTICE, the BIDDERS shall present the documents listed in Item 3.3.4 below that must be put into a separate envelope, under the terms of Item 3.7.2 of this NOTICE, and indicate the ACCREDITED REPRESENTATIVES together with the delivery of VOLUME 1 - PRICE PROPOSAL and of VOLUME 2 - BID BOND and of the QUALIFICATION documents.

3.3.2. ACCREDITED REPRESENTATIVES

3.3.2.1. Each BIDDER may individually or in the form of a CONSORTIUM have up to two (2) ACCREDITED REPRESENTATIVES. Each ACCREDITED REPRESENTATIVE may only represent a single BIDDER, whether individually or

in a CONSORTIUM.

3.3.2. BIDDERS that fail to comply with the requirements for the accreditation of their ACCREDITED REPRESENTATIVE are impeded from exercising the options and rights in connection with their capacity as BIDDER during the public sessions held during the bidding process. However, the BIDDER is not impeded from participating in the AUCTION.

3.3.3. In any session and at any given moment, also in the initial public session, the BIDDERS may request the accreditation of their representatives by presenting the above-indicated documents.

3.3.4. The accreditation of the ACCREDITED REPRESENTATIVE of the BIDDER does not constitute a condition for the delivery of the envelopes.

3.3.3. ACCREDITED BROKERS

3.3.3.1. Within the scope of the PROCESS before B3, the BIDDERS will be represented by ACCREDITED BROKERS, qualified to operate at B3, in accordance with the INSTRUCTION MANUAL.

3.3.3.2. Each ACCREDITED BROKER may only represent a single BIDDER, and each BIDDER may only be represented and participate in the BIDDING PROCESS by means of a single ACCREDITED BROKER.

3.3.4. Documents of the ACCREDITED REPRESENTATIVE:

The power to represent is granted to the ACCREDITED REPRESENTATIVES:

334.1 In the case of Brazilian BIDDERS or branches of foreign legal entities authorized to operate in Brazil, by means of a public or private power of attorney evidencing powers to carry out, on behalf of the BIDDER, all acts referring to the PROCESS (including powers to represent the BIDDER administratively, enter into settlements and waive rights, such as the right of appeal), with recognized signature and accompanied by the documents

evidencing the powers of the principal(s) according to the last amendment filed with the competent business or civil registry).

3342. In the case of foreign BIDDERS not operating in Brazil, by means of presenting:

- i) a power of attorney granted to a representative residing or headquartered in Brazil, with the signature(s) duly recognized by a notary public or another entity in accordance with the legislation applicable to the documents, legalized by the Brazilian consular representation or with the attachment of an apostille under the terms of The Hague Convention Abolishing the Requirement of Legalization for Foreign Public Documents of October 5, 1961 and of Federal Decree 8.660 of January 29, 2016, whereby in any case the document must be accompanied by the respective certified translation into Portuguese by a certified translator registered with any of the Commercial Registries in Brazil and registered with a Registry of Deeds and Documents, evidencing powers to:
 - a) carry out, on behalf of the BIDDER, all acts relating to the AUCTION;
 - b) receive summons and represent the BIDDER administratively and before court, under the terms of Art. 32, Paragraph 4, of Law No. 8.666/93; and
 - c) enter into settlements and waive rights.
- ii) documents evidencing the powers of the principals, legalized by the Brazilian consular representation or with the attachments of an apostille under the terms of The Hague Convention Abolishing the Requirement of Legalization for Foreign Public Documents of October 5, 1961 and Federal Decree No. 8.660 of January 29, 2016, whereby in any case the documents must be accompanied by the respective certified translation into Portuguese by a certified translator registered with any of the Commercial Registries in Brazil (according to the last amendment filed with the competent business or civil registry or equivalent requirement of the country of origin).

3343. In the case of a CONSORTIUM, the signatures of the signing parties must be certified. The proof of powers of the signing parties of the consortium organization commitment is also necessary and is given by means of exhibiting the respective corporate documents of the consortium members. Other requirements for the participation via CONSORTIUM are described in Item 3.2 of this Notice.

3344. Documents of the ACCREDITED BROKER must be presented in accordance with the INSTRUCTION MANUAL.

3.4. PRICE PROPOSAL

3.4.1. It is incumbent upon each BIDDER to carry out, on its own account and for its own risk, surveys and studies to present the PRICE PROPOSALS.

3.4.2. Only PRICE PROPOSALS, including bids presented during a potential OPEN OUTCRY SESSION, that cover all SHARES under this BIDDING PROCESS, comply with all conditions of the INSTRUCTION MANUAL, as well as of this NOTICE, with due regard for the form of EXHIBIT VII for written proposals.

3.4.3. PRICE PROPOSALS, when written, must be written in Brazilian Portuguese, the official language of this BIDDING PROCESS, and state amounts in national currency (Real).

3.4.4. According to the proposal form stated in EXHIBIT VII, the bid amount per SHARE must be stated to the Cents (i.e. with two decimals) and written in words, which will prevail in case of divergence between both.

3.4.5. The PRICE PROPOSALS must be valid for one hundred eighty (180) days from the date of their presentation. If the AUCTION is postponed the PRICE PROPOSALS must be renewed by an equal period of time until the fifth business day prior to the expiry, under penalty of disqualification. The PRICE PROPOSALS, as well as bids made in the OPEN OUTCRY SESSION, must be unconditional, irreversible and irrevocable.

3.4.6. Each BIDDER may deliver one single written version of the PRICE PROPOSAL, containing one single bid.

3.5. BID BOND

3.5.1. Presentation of the BID BOND

3.5.1.1. On the date set forth in the SCHEDULE, each BIDDER shall present to the MUNICIPALITY, at the B3 premises, a BID BOND together with the other QUALIFICATION documents, in security deposit in cash, federal public debt securities, performance bonds or bank guarantee, in accordance with the INSTRUCTION MANUAL, in the amount of R\$ ● (●), equivalent to one percent (1%) of the AUCTION FLOOR PRICE, with a validity of at least one (1) year.

3.5.1.2. If the BIDDER decides to extend the validity of its proposal and the BID BOND is not renewed, the current BID BOND will be called upon, with due regard to, *mutatis mutandis*, the provisions in Item 3.5.2 below.

3.5.1.3. In the case of a BIDDER organized in a CONSORTIUM, the BID BOND is given in the name of each of its members or by the CONSORTIUM leader, as duly identified.

3.5.1.4. Detailed information and the procedures for the provision of the bond are detailed in the INSTRUCTION MANUAL.

3.5.2. Call on the BID BONDS

3.5.2.1. The BID BONDS may be called upon by the MUNICIPALITY after previously giving the bond provider the right to be heard in an administrative proceeding, without prejudice to the other penalties set forth in this NOTICE and in the applicable legislation, in the following cases:

- i) total or partial default on the part of the BIDDER of the obligations assumed in connection with its participation in the AUCTION;

- ii) presentation by the BIDDER of documents in noncompliance with the provisions in this NOTICE;
- iii) the BIDDER failed to ratify its bid in the case of OPEN OUTCRY SESSIONS;
- iv) the BIDDER has removed its proposal within the validity period;
- v) noncompliance by the BIDDER with the obligations prior to the AUCTION SETTLEMENT;
- vi) delay by the BIDDER in submitting documents and information to CADE for consent prior to the operation, as applicable;
- vii) non-approval by CADE, if applicable, for a reason imputable to the winning BIDDER;
- viii) refusal of the winning BIDDER to execute the SHARE PURCHASE AGREEMENT and the SHARE FIDUCIARY SALE AGREEMENT, give the PERFORMANCE BOND and/or carry out acts necessary for the effective and timely AUCTION SETTLEMENT;
- ix) execution of acts aiming at defrauding the AUCTION or defeating its purposes;
- x) refusal to provide clarifications and documents or to comply with the requirements requested by the BIDDING COMMISSION within the time frames determined by it and in accordance with the terms of this NOTICE.

3.5.3. Release of the BID BOND

3.5.3.1. The BID BOND, given under the terms of Item 3.5.1, will be returned to the BIDDERS within thirty (30) days after the AUCTION SETTLEMENT.

3.5.3.3. The BID BONDS that have been released and, in spite of contact and

request in this regard, not been withdrawn by the BIDDERS within the period of thirty (30) days from the release will be discarded.

3.6. QUALIFICATION

3.6.1. The QUALIFICATION of this AUCTION consists of the presentation of the documents listed in Item 3.5, in this Item 3.6, and in the INSTRUCTION MANUAL, and aims at the verification of the financial capacity and legal and tax regularity of the BIDDERS for the transfer of the SHARES to the NEW HOLDING COMPANY.

3.6.2. The statements made for the QUALIFICATION must follow the forms contained in the EXHIBITS to this NOTICE and in the INSTRUCTION MANUAL. The participation in the AUCTION by means of a CONSORTIUM must observe the provisions in Item 3.2. The individual QUALIFICATION will be required under the terms of this Item 3.6 from each CONSORTIUM member that wishes to participate in the AUCTION pursuant to the provisions in Item 3.2.

3.6.3. If any of the documents listed in this Item 3.6 does not apply to the specific case of the BIDDER, then the BIDDER shall present a justification, as well as a Statement of Non-existence of an Equivalent Foreign Document, as the case may be, under the terms of EXHIBIT VIII.

3.6.4. Foreign BIDDERS that participate individually or in a CONSORTIUM shall also present the statement that, in order to participate in this AUCTION, they will submit themselves to the legislation of the Federative Republic of Brazil and that they waive the right to make any claims through diplomatic channels, in accordance with the form contained in EXHIBIT X.

3.6.5. Documents for the QUALIFICATION

For the QUALIFICATION the documents listed below and the documents described in the INSTRUCTION MANUAL, as the case may be, will be required.

3.6.5.1. Statements:

- i) Statement that the BIDDER does not participate in the AUCTION by means of another BIDDER, whether directly or by means of a RELATED PARTY (see form in EXHIBIT XI);
- ii) Statement that the BIDDER is not impeded from participating in the AUCTION pursuant to Item 3.1 (see form in EXHIBIT IX);
- iii) Statement of compliance with Article 7, Item XXXIII of the Federal Constitution (see form in EXHIBIT XII);
- iv) Statement of knowledge and acceptance of the terms and conditions of the NOTICE, of the INSTRUCTION MANUAL and of the other documents relating to the PROCESS (see form in EXHIBIT IX).

3.6.5.2. Legal Qualification

- i) Valid memorandum of association duly registered with the competent authority;
- ii) Valid Bylaws or Articles of Association, duly registered with the competent authority, accompanied by election documents of their current officers, with due regard, where applicable, to the provisions in Federal Law No. 6.404 of December 15, 1976 and subsequent amendments, as well in Federal Law No. 10.303 of October 31, 2001.
- iii) Decree of authorization in the case of a foreign company or corporation operating in Brazil and act of registration or authorization to operate issued by the competent authority, when the activity requires so.
- iv) If the BIDDER is a FIP it shall present the following documents:
 - a) proof of registration of the FIP with the Brazilian Securities Commission, created by Federal Law No. 6.385/76;
 - b) articles of association with the last amendment filed with the competent

authority;

- c) regulation and amendments, if any, duly registered with the Registry of Deeds and Documents;
- d) proof of registration of the administrator and, if any, of the FIP manager with the Securities Commission;
- e) proof that the FIP is duly authorized by its members to participate in the bidding;
- f) attest that there are private investment commitment instruments entered into by and between the members and the fund, for which the presentation of the closure notice of the fund's offering is sufficient as proof, according to Exhibit V and Exhibit VII of Instruction CVM No. 400, or, in the case of public offerings of securities distributed with limited efforts, according to Instruction CVM No. 476.
- v) If the BIDDER is a publicly-traded or closed complementary pension entity it shall additionally present a proof of express and specific authorization concerning its constitution and operation, granted by the competent supervisory body.
- vi) If the BIDDER is a financial institution it shall additionally present a proof of express and specific authorization concerning its constitution and operation, granted by the entity regulating the sector.
- vii) If the BIDDER is organized in the form of a CONSORTIUM, in accordance with the terms of Item 3.2 of this NOTICE, it shall present a consortium organization commitment, accompanied by the respective corporate documents of the consortium members evidencing the powers of the signing persons. The signatures of the signing persons must be recognized.

3.6.5.3. Economic-Financial Qualification and Tax and Labor Regularity:

- i) Simple copy of the card of enrollment with the National Corporate Taxpayers' Register ("CNPJ").
- ii) In the case of a Company, Certificate of Good Standing of no Filings for Bankruptcy, Composition with Creditors or Court-supervised and Out-of-court Reorganization issued by the Court Distributor of the Judicial District where the BIDDER is headquartered.
- iii) Certificate with regard to the Distribution Office of the Judicial District at the head quarter of the Bidder, dated at most thirty (30) days prior to the date of the AUCTION PUBLIC SESSION.
- iv) In the case of a General Partnership, a Non-foreclosure Certificate issued by the Court Distributor of the Civil Courts of the Judicial District where the company is headquartered.
- v) When the BIDDER is a publicly-traded or closed complementary pension entity it shall additionally present a statement that the plans and benefits managed by it are not under liquidation or intervention by the Complementary Pension Office of the Ministry for Social Security;
- vi) When the BIDDER is an FIP, it shall additionally to the fund certificate present a certificate of no bankruptcy as FIP administrator and manager, issued by the distribution offices of the judicial districts of its headquarter, dated no more than ninety (90) calendar days prior to the date of delivery of the Envelopes;
- vii) Proof of enrollment with the state or municipal taxpayer register or of the lack of enrollment requirement, if applicable;
- viii) Certificate of Good Standing Concerning Liabilities Relating to Federal Taxes and to the Outstanding Debt with the Republic;

- ix) Financial statements of the last fiscal year, already required and present pursuant to the law, not replaceable by interim or temporary balance sheets, that allow to understand the financial condition of the BIDDER.

3.6.5.4. The financial statements required under the law, depending on the type of company indicated below, will be considered accepted, if the BIDDER has not been founded in the same calendar year of the AUCTION;

- i) Publicly-traded Company - financial statements published in the Official Gazette or in a widely-published newspaper in Brazil or authenticated copy of the statements taken from the Journal registered with the competent authority and of the Opinion of the Independent Auditors and of the Fiscal Council;
- ii) Closely-held Company - financial statements published in the Official Gazette or in a widely-published newspaper in Brazil or certified copy of the financial statements taken from the Journal registered with the competent authority;
- iii) Limited Liability Company - authenticated copy of the financial statements taken from the Journal registered with the competent authority; and
- iv) FIP - financial statements accompanied by a proof of compliance with the provision in Instructions CVM No. 578/2016 and 579/2016, issued by the Securities Commission.
- v) A BIDDER that was established in the same fiscal year in which the qualification takes place and that has no financial statements presented and required under the law shall present a copy of the opening balance, pursuant to Decree No. 8,683 of February 25, 2016.

3.6.5.5. The BIDDER shall have a Minimum Net Equity of at least 10% of the AUCTION MINIMUM PRICE.

- i) Certificate of Regularity with the Unemployment Compensation Fund - FGTS;
- ii) Certificate of no Labor Liabilities - CNDT or Positive Certificate with the same effects as CNDT;
- iii) Proof of good standing with the National Treasury, by means of a Joint Certificate of Good Standing relating to federal taxes and to the outstanding debt towards the Republic, issued by the Brazilian Federal Revenue Office and by the Office of the General Counsel for the Federal Treasury;
- iv) Proof of regularity towards the State Treasury of the headquarters of the BIDDER, by means of certificates issued concerning the liabilities enrolled with the outstanding debt list, with due regard, for BIDDERS with head office in São Paulo, for the provision in Inter-office Ruling No. 02/2014 - SNI/SEMPA;
- v) Proof of regularity by means of a Securities Tax Clearance relating to the Municipality of São Paulo and concerning the liabilities not registered in the outstanding debt list, to be issued by the Municipal Treasury Office of the Municipality of São Paulo; and
- vi) Proof of regularity with the National Social Security Institute, by means of a Certificate of Good Standing or by means of a Joint Certificate relating to federal taxes, under the terms of the Joint Administrative Ruling PGFN/FSB No. 1.751/2014.

3.6.5.6. All certificates listed above must be valid until the conduction of the AUCTION PUBLIC SESSION. In the event that no validity period is stated on the presented certificates, only those will be accepted that have been issued up to ninety (90) days before the date of their presentation.

3.6.5.7. If any certificate states liabilities or does not include the updated situation of the liabilities, a proof of settlement and/or certificates must be

provided that indicate the updated situation of the lawsuits and/or the administrative proceedings listed, dated at most ninety (90) days prior to the date of the AUCTION PUBLIC SESSION.

3.6.6. General Provisions and Presentation of the QUALIFICATION Documents

3.6.6.1. The documents required in this Item 3.6 must be delivered in a physical copy and a digitalized copy (USB stick), with sequentially numbered content pages, initialed by the BIDDERS, to the BIDDING COMMISSION on the premises of B3, on the date set forth in the SCHEDULE and, where applicable, according to the forms contained in the EXHIBITS to this NOTICE and in the INSTRUCTION MANUAL. In case of divergences, the physical copy prevails.

3.6.6.2. The documents necessary for the QUALIFICATION may be presented as original documents, as any copy certified by a competent notary office or by an administration servant or as publication in the official press.

3.6.6.3. The documents listed above must be presented by the individual BIDDER or each BIDDER of the CONSORTIUM.

3.6.6.4. Proofs of certificate requests are not accepted.

3.6.6.5. If the BIDDER(S) or CONSORTIUM member is a branch/office, it shall present the consolidated balance sheet of the parent company.

3.6.6.6. All documents (except those presented as BID BOND) produced by the BIDDERS that have been drawn up abroad must be notarized and consularized and, if in a different language, translated to Portuguese by a translator publicly certified in Brazil. The presentation of apostilled documents is dealt with in Item 3.6.6.7 below.

3.6.6.7. Foreign companies or entities that do not operate in Brazil must meet, as far as possible, the QUALIFICATION conditions by means of equivalent documents, certified by the respective consulates and translated by a certified translator, and must have a legal representation in Brazil with express powers

to receive summonses and to respond before the public administration and court.

i) Foreign companies from Signatory States of the Convention Abolishing the Requirement of Legalization for Foreign Public Documents, enacted in Brazil by means of Federal Decree No. 8.660/2016, may replace the need for authenticated by the respective consulate, mentioned in Items 3.6.6.6 and 3.6.6.7 above, by the attachment of the apostille described in Articles 3 and 4 of such Convention. The documentation and respective apostille must be translated by a certified translator.

a) The QUALIFICATION documents equivalent to the ones requested in this NOTICE must be presented in such a way as to allow for the clear identification of their validity and effectiveness, and the BIDDER shall indicate to which item of the NOTICE the document corresponds.

3.7. Presentation of the Envelopes and AUCTION System

3.7.1. The ACCREDITATION, PRICE PROPOSAL, BID BOND and QUALIFICATION documents required in this NOTICE must be presented in three (3) different envelopes, sealed and initialed over the closing overlap, identified as follows.

3.7.2. On the date set forth in the SCHEDULE, the BIDDERS shall deliver the volume with the ACCREDITATION documents, Volume 1 - PRICE PROPOSAL, and Volume 2 - BID BOND and QUALIFICATION documents. The envelopes must be sealed and contain on their outer sides the name of the BIDDER and the name of the ACCREDITED BROKER that represents it, as well as the reference to the documents and to this AUCTION, according to the forms below.

ACCREDITATION

ACCREDITATION
SMDP Notice XXX
Auction for the Sale of Shares of the Capital Stock of São
Paulo Turismo S.A.
Name of the BIDDER
ACCREDITED BROKER

PRICE PROPOSAL

VOLUME 1 - PRICE PROPOSAL

SMDP NOTICE XXX/2018

Auction for the Sale of Shares of the Capital Stock of São

Paulo Turismo S.A.

Name of the BIDDER

ACCREDITED BROKER

QUALIFICATION AND BID BOND

VOLUME 2 - BID BOND AND

QUALIFICATION

SMDP NOTICE xxx/2018

Auction for the Sale of Shares of the Capital Stock of São

Paulo Turismo S.A.

NAME OF THE BIDDER

ACCREDITED BROKER

3.7.3. B3 is responsible for the safeguarding of the envelopes until the AUCTION PUBLIC SESSION, when they will be opened by the SESSION DIRECTOR.

3.7.4. The AUCTION PUBLIC SESSION for the sale of the single and indivisible lot of the SHARES is awarded to the highest bid, initially by means of written bids and then by open outcry and then, if applicable, in accordance with the rules stated in this NOTICE and in the INSTRUCTION MANUAL.

3.7.5. After the start of the AUCTION PUBLIC SESSION, the SESSION DIRECTOR will proceed with the opening of the price proposals, controlling their compliance with the provisions in this NOTICE. Subsequently the amount per SHARE offered in writing by each of the BIDDERS is announced in the order in which they have been delivered. If the case described in Item 3.7.6 immediately below does not occur, the SESSION DIRECTOR will declare the BIDDER qualified first as winner of the AUCTION, on behalf of the MUNICIPALITY.

3.7.6. If the offer(s) of any of the other BIDDERS is for a price equivalent to at least

eighty percent (80%) of the price proposal of the BIDDER qualified first, the SESSION DIRECTOR will open an open outcry session between the BIDDERS the proposals of which meet the provision below:

- i) The OPEN OUTCRY SESSION is started by the SESSION DIRECTOR who will receive the bids of the BIDDERS qualified to participate. The bids will be considered valid if and when (i) they respect the minimum interval between bids, as set forth in the INSTRUCTION MANUAL; (ii) exceed the highest offer then effective; (iii) they do not provide an identical amount as in another bid; and (iv) respect the maximum time between bids, as defined by the public session director, with due regard for the provision in the INSTRUCTION MANUAL;
- ii) The procedure described in Letter (a) will be successively repeated until none of the BIDDERS makes a higher bid than the last valid bid offered by a BIDDER in the OPEN OUTCRY SESSION. In this case the BIDDER that has made the last valid bid will be declared winner of the OPEN OUTCRY SESSION by the SESSION DIRECTOR on behalf of the MUNICIPALITY. Such declaration will grant such BIDDER the right and obligation to acquire the totality of the SHARES.

3.7.7. In the event of a tie between the proposals of the BIDDERS and if no bids are made in the OPEN OUTCRY SESSION under the legal terms, the SESSION DIRECTOR will arrange a draw to define the winner of the AUCTION. The first-drawn will be the best qualified and winner of the AUCTION.

3.7.8. After the OPEN OUTCRY SESSION is processed, the BIDDERS who have made bids shall ratify their respective bids by means of presenting a letter according to the form contained in EXHIBIT XIII - Bid Ratification Form at the end of the OPEN OUTCRY SESSION.

3.7.9. The documentation of the PRICE PROPOSALS will be initialed by the members of the SPECIAL BIDDING COMMISSION and, optionally, by the ACCREDITED REPRESENTATIVES present at the session after the classification of the PRICE PROPOSALS and processing, if applicable, of the bid phase.

3.7.10. The BIDDER whose PRICE PROPOSAL was classified as the winner will have its BID BOND and QUALIFICATION documents analyzed.

3.7.10.1. After the decision containing the classification of the Price Proposals has been handed down, the SPECIAL BIDDING COMMISSION will grant the BIDDERS time, under the terms of the SCHEDULE, to file an appeal counted from the date the minutes of the respective AUCTION PUBLIC SESSION are drawn up, except if all BIDDERS expressly waive their right to appeal.

3.7.10.2. The SESSION DIRECTOR shall, if all BIDDERS waive their right to appeal in the same public session, open BID BOND and QUALIFICATION envelope of the BIDDER classified as winner, leaving the BID BOND and QUALIFICATION envelopes of the other BIDDERS intact. If an appeal is filed, a new public session is scheduled to open the BID BOND and QUALIFICATION envelope of the BIDDER classified as winner.

3.7.10.3. The documentation of the BID BOND and QUALIFICATION envelope will be initialed by the BIDDING COMMISSION and optionally by the ACCREDITED REPRESENTATIVES present at the AUCTION PUBLIC SESSION and then analyzed by the BIDDING COMMISSION.

3.7.10.4. The qualification of the BIDDERS follows objective criteria set forth in this NOTICE, and the BIDDERS that submit the BID BOND and QUALIFICATION documents in noncompliance with the provision in this NOTICE and in the effective legislation are considered disqualified.

3.7.11. After the analysis of the BID BOND and QUALIFICATION documents of the BIDDER whose PRICE PROPOSAL is qualified as winning proposal has been closed, and if all BID BOND and QUALIFICATION requirements set forth in this NOTICE and in the effective legislation are met, the winner of the bidding process is official.

3.7.12. If the BIDDER whose PRICE PROPOSAL is ranked as winning fails to fully and satisfactorily meet all conditions and requirements of the BID BOND and QUALIFICATION of this NOTICE, the BID BOND and QUALIFICATION Envelope of

the BIDDER whose PRICE PROPOSAL is ranked second is analyzed and, if such BIDDER also fails to meet the conditions, the procedure will be successively repeated for the other BIDDERS, with due regard for the ranking of the PRICE PROPOSALS.

3.7.13. The disqualification of any consortium member leads to the disqualification of the CONSORTIUM.

3.8. Administrative Appeals

3.8.1. The BIDDERS may file an administrative appeal within five (5) business days from the AUCTION PUBLIC SESSION with regard to (i) the classification of the PRICE PROPOSALS; as well as (ii) the analysis of the BID BOND of the BIDDER classified as winner and of the respective QUALIFICATION documents, except if all BIDDER expressly waive their right to appeal.

3.8.2. In the case appeals are filed by any interested BIDDERS, all BIDDERS are granted the right to represent on such requests within the time frames set forth in the SCHEDULE. In that case, the MUNICIPALITY shall provide a new updated SCHEDULE in such a way as to ensure the representation of the interested BIDDERS. The appeals will be analyzed by the MUNICIPALITY and the result disclosed on the date indicated in the SCHEDULE by electronic means and by means of publication in the Official Gazette of the Municipality of São Paulo.

3.8.3. Any administrative appeals must be filed by means of a justified petition, addressed to the BIDDING COMMISSION, with due regard for the system and other procedures set forth in Federal Law No. 8,666 of June 21, 1993 and for the rules of the NOTICE.

3.8.4. The appeals must be timely filed at the address of the head office of the SMDP at Rua Líbero Badaró, 293, 24th floor, addressed to the BIDDING COMMISSION on business days from 8:30 a.m. to 12:30 p.m. and from 1:30 p.m. to 5:30 p.m.

3.9. Publication of the Result of the AUCTION

3.9.1. The result of the AUCTION will be published in the Official Gazette of the Municipality of São Paulo and disclosed on the website of the MUNICIPAL OFFICE.

3.9.2. After the final result of this AUCTION has been announced, the bidding process will be ratified and its subject-matter awarded to the winning BIDDER, under the conditions offered by such BIDDER.

3.10. General Provisions of the AUCTION

3.10.1. At any time, the BIDDING COMMISSION may request from the BIDDERS clarifications about the documents submitted, and any defects may be remedied, insufficiencies may be complemented and formal mistakes may be corrected, provided that the missing elements can be submitted within at most three (3) days, under penalty of disqualification or non-qualification of the BIDDER.

- i) The defects in the documentation that can be redeemed within the period of time mentioned in this item are those the content of which reports a factual or legal situation already existing on the date the PRICE PROPOSAL is presented.
- ii) The lack of any of the statements required may be remedied by a statement of the BIDDER of equal content that must be expressly recorded in the minutes.

3.10.2. Comprehensive minutes of all public sessions are drawn up and are to be signed by the BIDDING COMMISSION. The ACCREDITED REPRESENTATIVES may also sign.

3.10.3. The BIDDING COMMISSION may, at its own discretion, close the public sessions and arrange for the analysis of the documentation and of the proposals in a public session or in a reserved session, for which it may resort to technical assistance. In any of the cases, the BIDDING COMMISSION will always

take its decisions well-founded and in writing, attaching the respective decision and grounds to the records of the bidding process.

3.10.4. The unopened envelopes and covers may be picked up by the interested parties within thirty (30) days from the AUCTION settlement. If they are not picked up in that period of time, they will be deleted, without any notice or notification.

3.12. Processing of the SHARE Transfer

3.12.1. The AUCTION SETTLEMENT is conditioned (i) to the provisions in this NOTICE, with due regard for the time frames set forth in the SCHEDULE; (ii) to the execution of the SHARE PURCHASE AGREEMENT and of the SHARE FIDUCIARY SALE AGREEMENT; and (iii) to the presentation of a PERFORMANCE BOND.

3.12.2. If no AUCTION SETTLEMENT takes place, the MUNICIPALITY may, without prejudice to the provision in Item 3.12.3, at its own discretion, call the BIDDER ranked second and so on successively to execute the SHARE PURCHASE AGREEMENT at the price of the first-ranked, duly updated under the terms of Item 2.2.4.2 of this NOTICE, without prejudice to the imposition of the penalties set forth in this NOTICE.

3.12.3. The BIDDER winning the AUCTION is obliged to pay a financial and non-compensatory penalty to the MUNICIPALITY in the amount of twenty percent (20%) of the AUCTION FINAL PRICE if it due to negligence or misconduct fails to meet the requirements set forth by the GRANTING POWER for the transfer of the ownership of SP TURIS. For the compliance with this obligation, the MUNICIPALITY may call upon the BID BOND.

3.14. Irrevocability and Irreversibility

3.14.1. The purchase of the SHARES under the terms of this NOTICE constitutes, once formalized with the execution of the SHARE PURCHASE AGREEMENT, a perfect and concluded legal act, irrevocable and irreversible,

that cannot be waived on any grounds. The transfer of the ownership of SPTURIS and its exercise by the NEW HOLDING COMPANY is subject to the applicable legislation and supervision of the competent government bodies.

3.14.2. Without in any way limiting the responsibility of the NEW HOLDING COMPANY for the compliance with any of the obligations set forth in this NOTICE, including those described in this item, the NEW HOLDING COMPANY is obliged to pay a financial, non-compensatory penalty to the MUNICIPALITY in the amount of twenty percent (20%) of the AUCTION FINAL PRICE in the event of noncompliance with the financial obligations related to the below events not settled by the NEW HOLDING COMPANY on the respective due dates under the terms of this NOTICE:

- i) AUCTION SETTLEMENT, until the date set forth in the SCHEDULE;
- ii) Payment of each of the PRICE installments, under the terms of the SHARE PURCHASE AGREEMENT.

3.14.3. In order to receive any amounts described in this NOTICE, including those relating to the penalty set forth in Item 3.14.2, the MUNICIPALITY may, without prejudice to the exercise of any other rights, call upon the BID BOND given under the terms of Item 3.5.1.

3.14.4. If the BID BOND is called upon under the terms of Item 3.14.3, then this does not exclude the joint and several liability amongst the CONSORTIUM members or amongst the SPE shareholders, as the case may be.

3.14.5. Responsibility for the Information and for the PROCESS

The information contained in any documents of the PROCESS, as well as other information disclosed by the MUNICIPALITY, by B3, by SP TURIS, by the APPRAISER and by the ADVISORS and their subcontractors has merely informative character and does not replace the independent investigations that the BIDDERS have conducted by their own means and at their own expenses.

The MUNICIPALITY, SP TURIS, the APPRAISER, the ADVISORS and their subcontractors, and B3 are not in any way and on any grounds responsible (i) for the veracity, consistency, quality and sufficiency of the information provided throughout the PROCESS; (ii) for the decision taken by any BIDDER relating to its participation in the PROCESS; or (iii) for any losses or damage incurred by any BIDDER in connection with its participation in the PROCESS.

3.15. B3's Compensation

3.15.1. The following compensation shall be due to B3 by the NEW HOLDING COMPANY, in national currency:

3.15.2. During the AUCTION SETTLEMENT, B3 shall withhold the amount regarding its compensation.

3.15.3. B3's compensation comprises the following amounts:

- i) nine hundred and two thousand, five hundred and seventeen Brazilian *Reais* and thirty-six cents (R\$902,517.36), and
- ii) Settlement rate due by the NEW HOLDING COMPANY in relation to the Asset Distribution, of zero point zero thirty-five percent (0.035%) of the amounts of the AUCTION SETTLEMENT, regarding the AUCTION FINAL PRICE.

3.15.4. B3 shall issue a statement confirming the receipt of tis compensation and shall send it to the MUNICIPALITY.

3.15.5. The disposal of the SHARES shall be conditioned upon the payment of compensation to B3, so that the BID BOND may be enforced for compliance with this obligation.

3.15.6. The amounts shall be adjusted for inflation if their payment is made on a date that is one year after the date of publication of the NOTICE.

3.15.7. The adjustment for inflation shall be calculated based on the positive variation verified between the last index published before the date of publication of the NOTICE and the index published immediately before the AUCTION SETTLEMENT date, in accordance with the National Amplified Consumer Price Index (IPCA) published by the Brazilian Institute of Geography and Statistics (IBGE) or, in the absence of IPCA, by the adjustment index that may replace it.

3.17. Penalties

3.17.1. The BIDDER that causes a delay in the bid, fails to maintain the PRICE PROPOSAL or makes a false statement shall, despite the right to ample defense and prior service of process, have its right to present bids and contract with the Public Administration suspended for a period not greater than two (2) years, in accordance with article 87, item III of Law No. 8.666/93, without prejudice to the enforcement of the BID BOND.

3.17.2. The refusal to sign the SHARE PURCHASE AGREEMENT without a justification acceptable to the MUNICIPALITY within the established term will result, regarding the individual company Winning Bidder or, in case of a CONSORTIUM, all member companies, in the temporary suspension of the right to contract with the Public Administration, for a period of 2 (two) years, in addition to the application of a fine of twenty percent (20%) of the amount of the SHARE PURCHASE AGREEMENT, and the BID BOND may be enforced for this purpose.

3.17.3. The performance of any acts aimed at frustrating and / or disturbing the present bid, subject to the provisions of this NOTICE, shall also result, at the discretion of the Session Director, in a penalty corresponding to twenty percent (20%) of the AUCTION FLOOR PRICE, and the BID BOND may be enforced to ensure receipt of the penalty amount.

3.17.4. A BIDDER performing illegal acts in order to jeopardize the objectives of the bid or which proves not to be reputable for contracting with the Public

Administration due to illegal acts shall be subject to the sanctions provided for in article 87, items III and IV, of Law No. 8.666 / 93, supported by article 88 of Law No. 8.666 / 93, with the guarantee of the prior right to ample defense.

3.18. Final Provisions of the Bidding

3.18.1. The governing rules of this AUCTION shall be interpreted in favor of the extension of the bid, with due respect to the equality of opportunity among the BIDDERS, provided that they do not jeopardize public interest, the purpose and the safety of the contracting.

3.18.2. In case of dispute, the terms, provisions and conditions of the NOTICE shall prevail over the provisions of the EXHIBITS, the INSTRUCTION MANUAL and the AUDIT PROCEDURE MANUAL.

3.18.3. The MUNICIPALITY, through the MUNICIPAL OFFICE, may, at any time, revoke, postpone or cancel this AUCTION, pursuant to Federal Law No. 8.666/93, without any right to indemnity or reimbursement of expenses for any reason.

3.18.4. In accordance with the interests of the MUNICIPALITY, without any complaint or indemnification to the participants:

- i) the AUCTION PUBLIC SESSION may be postponed; and/or
- ii) the NOTICE may be amended, with the establishment of a new term, according to the specific legislation for the performance of the AUCTION; and / or
- iii) a new public session may be scheduled, if the BIDDING COMMISSION deems it appropriate in order to carry out a more detailed and thorough evaluation of all the documents received.

3.18.5. At any time, the BIDDING COMMISSION may, in accordance with the

AUCTION stage, disqualify or disregard the BIDDER, without the BIDDER being entitled to indemnification or reimbursement for expenses in any way, if it becomes aware of a fact or circumstance which damages its reputation or compromises its financial, technical, production or administrative capacity.

3.18.6. This NOTICE is governed by the laws of the Federative Republic of Brazil, and the Courts of the City of São Paulo, State of São Paulo, shall have jurisdiction to resolve any issues or disputes arising from this NOTICE.

Chapter 4 – Rights and Obligations of the NEW HOLDING COMPANY

4.1. Availability of SAMBÓDROMO

4.1.1. In compliance with article 6 of Municipal Law No. 16.766 of December 20, 2017, the partial and temporary easement instituted in favor of the MUNICIPALITY regarding SAMBÓDROMO must be observed, pursuant to the public deed drawn up by the MUNICIPALITY and SPTURIS, as provided for in EXHIBIT III of this NOTICE

4.2. PIU Anhembi

4.2.1. 4.2.1. The NEW HOLDING COMPANY shall observe the indices and parameters of land subdivision, use and occupation in the preparation of the Urban Intervention Project - PIU for the Special Occupation Zone – ZOE of Anhembi.

4.2.2. Without prejudice to the compliance with all other financial obligations regarding Anhembi PIU, the NEW HOLDING COMPANY shall perform the works set forth in EXHIBIT IV of this NOTICE, for the purpose of qualification of the territory.

4.3. Performance bond

4.3.1. As a condition for the effectiveness of the SHARE PURCHASE AGREEMENT, the NEW HOLDING COMPANY shall (i) enter into the SHARE FIDUCIARY SALE AGREEMENT; and (ii) present a PERFORMANCE BOND of the

obligations undertaken under the SHARE PURCHASE AGREEMENT, including obligations for the payment of the price and the performance of the works of Anhembi PIU, in accordance with the terms and conditions detailed in the SHARE PURCHASE AGREEMENT.

4.4. No Responsibility for Undisclosed Assets and Undisclosed Liabilities

4.3.1. Except as provided for in the sections regarding the price adjustment mechanism contained in the SHARE PURCHASE AGREEMENT, the SELLER, the members of the MUNICIPAL BOARD OF PRIVATIZATION AND PARTNERSHIPS, the APPRAISER, the CONSULTANTS and their subcontractors shall not, in any case or for any reason, be liable for any undisclosed assets, undisclosed liabilities or contingencies of SPTURIS, regardless of their nature. The submission of a proposal by the BIDDERS presupposes their unconditional recognition and acceptance regarding the absence of liability from the SELLER, the members of the MUNICIPAL BOARD OF PRIVATIZATION AND PARTNERSHIPS, the APPRAISER and the CONSULTANTS, as well as their subcontractors, regarding undisclosed assets, undisclosed liabilities or contingencies, whether or not mentioned during the PROCESS, in the NOTICE, in the reports and/or made available in the DATA ROOM.

4.4. Supervenient Facts

4.4.1. The events provided for in the NOTICE and the SCHEDULE are directly subordinated to the accomplishment and success of the various stages of the PROCESS. In the event of facts arising from the publication of the NOTICE, the MUNICIPAL BOARD OF PRIVATIZATION AND PARTNERSHIPS shall have the power to review, postpone, amend, suspend, extend or revoke the SCHEDULE or part thereof, always aiming at the best result for the privatization of SPTURIS. Changes to the conditions set forth in this NOTICE or its EXHIBITS shall not impair the performance of the AUCTION and the respective settlement, except at the discretion of the MUNICIPAL BOARD OF PRIVATIZATION AND PARTNERSHIPS.

4.4.2. Any relevant act or fact occurring after the publication of this NOTICE, that may influence the decision of the BIDDERS, shall be widely publicized,

with publication on the MUNICIPAL OFFICE's website.

Chapter 5 – SHARE PURCHASE PRICE

5.1.1. The SHARE PURCHASE PRICE, which shall correspond to the FINAL AUCTION PRICE, shall be paid as follows:

- i) Five percent (5%), as DOWN PAYMENT, on the date of execution of the SHARE PURCHASE AGREEMENT; and
- ii) ninety-five percent (95%) in fifteen (15) consecutive and equal annual installments, except in the event of price adjustment provided for in the SHARE PURCHASE AGREEMENT, and the first installment shall be due on December 15 of the year in which the AUCTION SETTLEMENT takes place, and the other installments shall be due each year, on the same date.

5.1.2. The amount of the installments shall be adjusted by the Consumer Price Index – IPCA/IBGE.

5.1.3. In the event of late payment of any installment, a late payment penalty corresponding to 2% of the installment amount, as well as 1% interest per month, calculated proportionally, shall be applied until the date of payment.

Chapter 6 – Additional Information

6.1. Notices and Communications

6.1.1. The MUNICIPAL BOARD OF PRIVATIZATION AND PARTNERSHIPS may request to the MUNICIPAL OFFICE and/or the BIDDING COMMISSION the publication of notices or additional communications regarding the contents of the NOTICE, its EXHIBITS and other documents of the PROCESS.

6.1.2. The persons interested in obtaining the NOTICES, its EXHIBITS and

other documents of the PROCESS may do so in accordance with the provisions of the SCHEDULE, on the MUNICIPAL OFFICE website.

6.2. Implied and Unconditional Acceptance

The participation of any BIDDER in the offer subject matter of the NOTICE implies tacit, unconditional, irrevocable and irreversible acceptance of its terms, rules and conditions, as well as its EXHIBITS, the INSTRUCTION MANUAL, the AUDIT PROCEDURE MANUAL, and the other documents that may be published according to the NOTICE.

The BIDDERS further acknowledge and state that they are fully aware of the legislation in force in Brazil, including rules and regulations issued by the Central Bank of Brazil and the Brazilian Securities Commission, and they shall not claim ignorance of any existing law or regulation, undertaking total liability for the obligations and limitations arising from laws and regulations that may be edited by the Public Authorities.

7. EXHIBITS

The following EXHIBITS are integral parts of this NOTICE:

EXHIBIT I – Draft SHARE PURCHASE AGREEMENT;

EXHIBIT II – Draft SHARE FIDUCIARY SALE AGREEMENT AND OTHER COVENANTS;

EXHIBIT III – Draft public deed to be drawn up by the MUNICIPALITY and SPTURIS regarding the availability of the SAMBÓDROMO's area;

EXHIBIT IV – Draft MANDATORY INTERVENTION PROGRAM OF THE NEW HOLDING COMPANY;

EXHIBIT V – Written Proposal Form;

EXHIBIT VI – Declaration of No Equivalent Foreign Document Form;
EXHIBIT VII – Form of Declaration of Knowledge and Acceptance of the Terms
of the Notice and No Impediment to the Participation in the AUCTION;

EXHIBIT VIII– Form of Declaration of Submission to the Brazilian Legislation;

EXHIBIT IX – Form of Declaration of no participation in the AUCTION through
another BIDDER, either directly or through a RELATED PARTY;

EXHIBIT X – Form of Declaration of Compliance with the provisions of Article
7, Item XXXIII of the Brazilian Federal Constitution;

EXHIBIT XI – Form of Bid Ratification;

EXHIBIT XII – Draft SCHEDULE.