



**REPÚBLICA FEDERATIVA DO BRASIL
FEDERATIVE REPUBLIC OF BRAZIL
ANTONIO DARI ANTUNES ZHBANOVA**

TRADUTOR PÚBLICO E INTÉRPRETE COMERCIAL.- *CERTIFIED PUBLIC TRANSLATOR*

Idioma/Language: Inglês - Português/*English - Portuguese*

Matrícula Jucepe nº 406 • CPF 756.770.758-68

Rua Princesa Isabel nº 206 - Aloisio Pinto - Garanhuns (PE) CEP : 55.292-21 0

Telefone/Phone/Whatsapp +55 11 9 8784 1006 – (87) 92000-9314 - e-mail: dari.zhbanova@gmail.com (skype: antonio.dari)

TRANSLATION No. 72967

BOOK No. 222

PAGE No. 001

I, the undersigned Sworn Translator and Commercial Interpreter, hereby CERTIFY this is the description and faithful translation of a DOCUMENT written in Portuguese, which I translate as follows:

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[Letterhead paper of São Paulo / São Paulo Turismo / Prefeitura de São Paulo [São Paulo City Hall]]

Financial Administrative and Investor Relations Board

Special Bidding Commission – CEL

Process No. 7210.2020.0000956-3

International Bid no. 001/2020

INTERNATIONAL BID NO. 001/2020

EXHIBIT IV OF AGREEMENT - GRANT PAYMENT SYSTEM

ONEROUS CONCESSION FOR USE OF ANHEMBI COMPLEX FOR REFORM, MANAGEMENT, MAINTENANCE, OPERATION AND EXPLOITATION.

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1. OF ACTUAL GRANT

1.1. The CONCESSIONAIRE shall pay to the CONTRACT-LETTING AGENCY on the exploitation of the PURPOSE of the CONCESSION, an ACTUAL GRANT according to the following formula:

$$OE = OF + \sum_{t=1}^{30} OVOR_t$$

Where,

OE is the ACTUAL GRANT and corresponds to the total amount paid by the CONCESSIONAIRE to the CONTRACT-LETTING AGENCY for the exploitation of PURPOSE under the AGREEMENT.

OF is FIXED GRANT, which values and other conditions are listed in item 2 of this EXHIBIT;

OR_t It is the RECURRING GRANT in year t, which values, percentages, calculation metrics and other conditions of which are indicated in the item 3 in this EXHIBIT.

1.2. The ACTUAL GRANT shall be paid to the CONTRACT-LETTING AGENCY in accordance with the procedures set forth in this EXHIBIT and in the AGREEMENT.

2. FIXED GRANT

2.1. The FIXED GRANT corresponds to the amount to be paid by the CONCESSIONAIRE to the CONTRACT-LETTING AGENCY, based on the amount that will be presented by the CONCESSIONAIRE in its COMMERCIAL PROPOSAL for the exploitation of the PURPOSE.

2.2. The MINIMUM VALUE OF FIXED GRANT is BRL 53,735,236.00 (fifty-three million seven hundred thirty-five thousand two hundred thirty -six reais [T.N. Brazilian currency thirty pl. reais]), as outlined in sub item 1.1, letter 'hhh' of the INVITATION TO BID, for the BIDDERS to submit their COMMERCIAL PROPOSALS.



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2.3. The FIXED GRANT should be paid in cash or split in twelve (12) monthly, equal and successive installments, the first installment to be paid within five (5) days before the signature of the AGREEMENT and the others always by day twenty (20) of each month.

3. RECURRENT GRANT

3.1. THE RECURRENT GRANT to be paid over the entire duration of the CONCESSION consists of the sum of the TERRITORIAL GRANT, referring to the annual payment for the use of the NEGAS, and the VARIABLE GRANT, comprising the annual share of the TOTAL REVENUE, including that coming from ASSOCIATED ENTERPRISES, according to the following formulation:

$$OR_t = OT_t + OV_t$$

Where,

OR_t is a RECURRENT GRANT of the year t;;

OT_t is a TERRITORIAL GRANT of the year t;

OV_t is a VARIABLE GRANT of the year t.

3.2. The TERRITORIAL GRANT shall consist of the payment for the use of the NEGAS, which description is provided in SUB EXHIBIT VI of EXHIBIT III of the INVITATION TO BID - DESCRIPTIVE REPORT and in summary in the following table:

Areas	Measurement (m ²)	Block	Face
I	7,265.23	283 - Sambadrome	Olavo Fontoura
II.	16,390.84	283 - Sambadrome	Marginal Tietê
III	7,901.79	284 - Anhembi	Olavo Fontoura
IV	5,362.09	284 - Anhembi	Marginal Tietê

3.3. For the measuring of the TERRITORIAL GRANT, the Market Value of Reference (MVR) of each of the NEGAS shall be considered, and an annual capitalization rate of 5,7%, according to the formulation below:

$$OT_t = (VVR_I + VVR_{II} + VVR_{III} + VVR_{IV}) \times 5,7\%$$

Where,

OT_t is a TERRITORIAL GRANT determined in the year t;

VVR_I is the Market Value Reference of a given NESGA I (I, II, III, IV);

3.3.1. Exceptionally, if the MVR of the -mentioned NEGAS are not available when verification, the calculation of the TERRITORIAL GRANT shall be made by the following formulation:

$$OT_t = [(23.656,07 \times VT_{283}) + (13.263,88 \times VT_{284})] \times 5,7\%$$

Where,

OT_t is a TERRITORIAL GRANT determined in the year t;

VT_j is the m² value of the Land as stated in the IPTU form of the year of the calculation of the respective block (283 or 284);

3.4. Exceptionally, the first installment of TERRITORIAL GRANT shall be earned considering the proportionality between the values determined according to item 3.3 and referring to 365 (three hundred sixty-five) days, and calendar days between the START ORDER and the termination of the calendar year.

3.5. The VARIABLE GRANT is the higher value between VARIABLE GRANT (OVM) and the application of a rate on the annual TOTAL REVENUE of CONCESSIONAIRE including the one from ASSOCIATED ENTERPRISES, in the year immediately before the calculation, according to the following formula:

$$OV_t = \max \{OVM \mid 12,50\% \times (RT_{t-1})\}$$

Where,



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OV_t is a VARIABLE GRANT of the year t;

OVM is Minimum VARIABLE GRANT;

RT_t is the TOTAL REVENUE of CONCESSIONAIRE determined in year t, and that from ASSOCIATED PROJECTS, as shown in the audited financial statements of CONCESSIONAIRE;

3.6. The minimum VARIABLE GRANT is BRL 10,000,000.00 (ten million Reais). This value shall be updated annually by ADJUSTMENT INDEX to each calculation period of VARIABLE GRANT .

3.7. Exceptionally, the first installment of VARIABLE GRANT shall be earned considering the proportionality between the minimum VARIABLE GRANT provided for in sub item 3.6 and the one referring to 365 (three hundred sixty-five) days, and calendar days between the START ORDER and the termination of the calendar year.

3.8. THE RECURRENT GRANT shall be assessed annually by day twenty (20) of the month of May in each year, and the VARIABLE GRANT shall be assessed on the items determined during the fiscal year from January to December of the previous year, and the TERRITORIAL GRANT shall be assessed on MVR of the calculation year.

4. PROCEDURES FOR PAYMENT OF RECURRENT GRANT

4.1. The RECURRENT GRANT shall be determined from the signature of the AGREEMENT subject to the provisions in sub item 4.1.1 and 4.1.2 of this EXHIBIT.

4.1.1. The VARIABLE GRANT shall be paid in 12 (twelve) monthly equal and successive installments, and the payment of the first payment shall be made within ten (10) days from the calculation, as specified in sub item 3.8 .

4.1.2. The TERRITORIAL GRANT shall be paid in 12 (twelve) monthly equal and successive installments, and the payment of the first payment shall be made within ten (10) days from the calculation, as specified in sub item 3.8 .

4.2. Payments to be made by CONCESSIONAIRE shall be made according to the collection notice sent by the CONTRACT-LETTING AGENCY, which must provide on the following destination of funds:

a) The VARIABLE GRANT shall be paid on behalf of the CONTRACT-LETTING AGENCY;

b) The TERRITORIAL GRANT SHALL be paid on behalf of the INTERVENINC CONSENTING PARTY.

4.3. In case of CONCESSIONAIRE delay in making payments, provided however GRANTOR has not caused the delay, provenly, in addition to the principal monetarily adjusted based on the ADJUSTMENT INDEX, interest 1% (one percent) per month should be applied to the amount in arrears, calculated by the compound interest methodology and a fine equivalent to 10% (ten percent) the amount in default, notwithstanding to other penalties provided for in the AGREEMENT, including the forfeiture and execution of the PERFORMANCE BOND OF THE AGREEMENT.

4.4. As applicable, the value of RECURRENT GRANT should be further increased or reduced by the following values:

a) payment of contractual penalties owed to CONTRACT-LETTING AGENCY which had not been paid by the CONCESSIONAIRE;

b) indemnities on behalf of the CONTRACT-LETTING AGENCY payable by CONCESSIONAIRE ;

c) economic and financial imbalances caused by the CONCESSIONAIRE or to the CONCESSIONAIRE under the AGREEMENT, provided however agreed between the Parties;

d) other legal monetary obligations or contractual on behalf of the CONTRACT-LETTING AGENCY and unpaid by CONCESSIONAIRE;

e) procedure costs of Dispute Prevention and Settlement Committee, including the members' fees;



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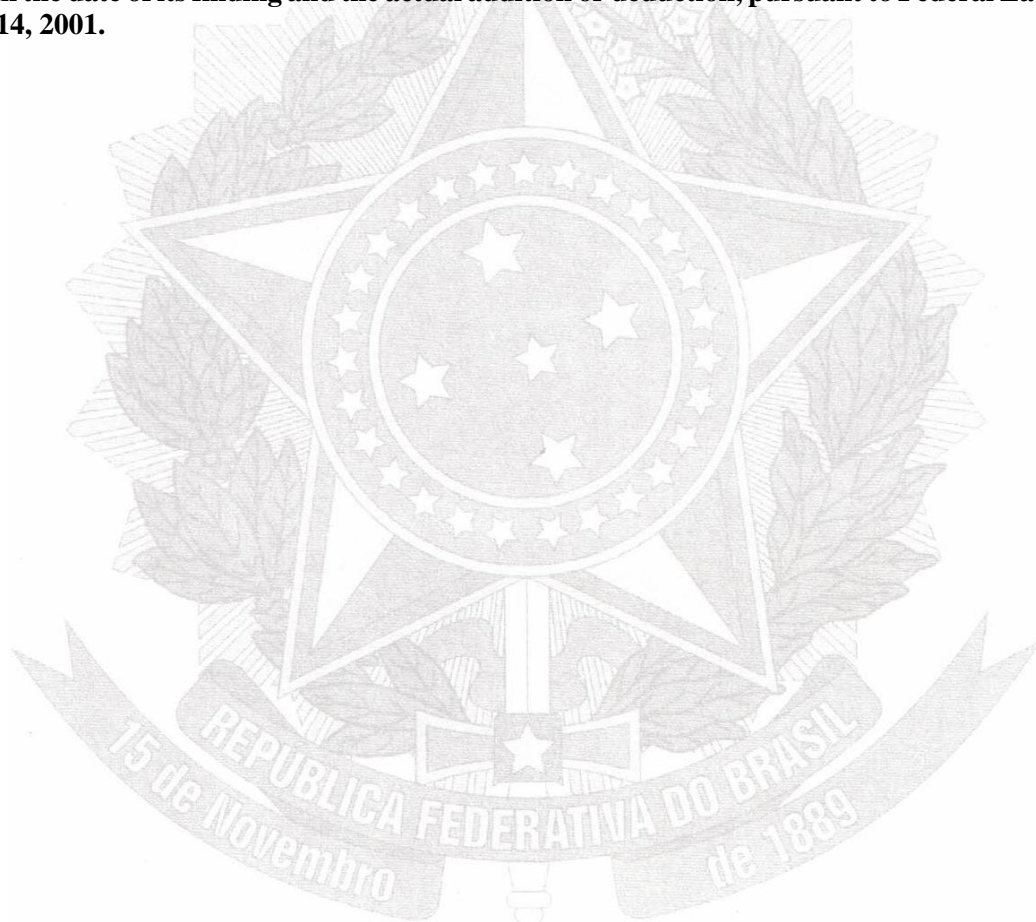
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- f) costs of the Arbitration Court proceedings, including the arbitrators' fees;
 - g) amounts owed by the CONTRACT-LETTING AGENCY to the CONCESSIONAIRE for the use of SAMBADROME, for a period outside the PREFERRED USE, provided however under agreement between the parties;
 - h) Exceptionally, during the first 3 (three) years of CONCESSION, revenue should be discounted as already appropriated by the CONTRACT-LETTING AGENCY as the compensation for the subrogated agreements during the operational transfer period.
- 4.4.1. If any of the values listed above is payable, the full amount should be added or deducted and settled at the time of payment of the RECURRENT GRANT of the year following the finding.**
- 4.4.2. The costs estimated in sub item 4.4 can be updated by ADJUSTMENT INDEX, if one (1) year is exceeded from the date of its finding and the actual addition or deduction, pursuant to Federal Law No. 10.192, of February 14, 2001.**



Nothing else was contained in said original, which I return with this faithful translation. In witness whereof, I have hereunto set my hand and seal of office. September 25, 2020.



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Emoluments according to the law.

**This document has been digitally signed by Antonio Dari Antunes Zhanova.
To verify the signature, visit the website below and enter the code provided.**



Este documento foi assinado digitalmente por Antonio Dari Antunes Zhanova.
Para verificar as assinaturas vá ao site
<https://www.portaldeassinaturas.com.br:443> e utilize o código 4D83-B8C6-7FE3-55D8.