



**GOVERNMENT OF THE STATE OF MINAS GERAIS**

**Minas Gerais State Lottery**

**Game Development Division**

**Annex nº II/LEMG/DDJ/2023**

**PROCESS No. 2040.01.0000233/2023-04**

**ANNEX II:**

**CONTRACT No. 001, OF XX XXXX OF 2024**

**CONCESSION AGREEMENT ENTERED INTO BY THE STATE OF MINAS LOTTERY  
GENERAL AND XXXX**

THE **LOTTERY OF THE STATE OF MINAS GERAIS - LEMG**, State Authority, with headquarters in the Administrative City Presidente Tancredo Neves - CAMG - located at Rodovia Papa João Paulo II - 4.001, Edifício Gerais, 13th floor, Serra Verde neighborhood - Belo Horizonte/MG, CEP 31.630-901, registered with the CNPJ/MF under no. 17.255.670/0001-51, hereinafter referred to as simply the GRANTOR, herein represented by its General Director, Mr. Ronan Edgard dos Santos Moreira, CPF under no. 763.851.406- 87 and XXXX with headquarters at XXXX, neighborhood XXXX, city XXXX, State of XXXX, CEP XXXX, registered with the CNPJ/MF under **no** . legal, Mr. XXXX, CPF °

XXX.XXX.XXX- XX, decide to enter into this service concession contract, which will be governed by the provisions of Federal Law No. 8,987, of February 13, 1995 with its amendments, by Federal Law No. 8,666, of 21 February June 1993, and other applicable legal provisions, by the provisions of LEMG International Public Competition Notice No. 002/2023, by the proposal for Highest Offer in the bidding event, which are part of this instrument independently of transcription and by the following clauses and conditions.

## **1. CLAUSE ONE - OBJECT**

Hiring, exclusively within the territorial limits of the state of Minas Gerais, of 1.1.  
Company, experienced and capitalized, to carry out the operational activities inherent to the exploration and operation of Lottery games in an On Line/Real Time System, including the capture of bets through in-person (Land Based) and digital/virtual (Cyber Space) means, observed the lottery modalities of prediction games provided for in federal and state legislation, through the granting of strategic planning services, creation of lottery games, implementation and operation of lottery products, marketing, creation and operation of a network of points of sale, marketing of games, development and implementation of websites, virtual gaming platforms, carrying out sweepstakes and payment of prizes, under a public service concession contract, in accordance with Law 8,666/1993 and Federal Law nº 8,987/95.

1.2. For the purposes of this AGREEMENT and its ANNEXES, unless the context clearly shows

In a different sense, the following terms, written in capital letters, will mean:

**AWARDEE:** COMPANY or CONSORTIUM declared winner of the BID and invited to sign the CONTRACT;

**AFFILIATES:** any entity that, directly or indirectly, is controlled or under the control of a specific business group, even if it does not carry out the same activity as the parent company; **ANNEXES:** each of the documents attached to the NOTICE or CONTRACT, including the appendices; **APPENDICES 1 AND 2:** Appendices to Annex I - Basic Project, which deal with the technical specifications of "Item 1-Business Modeling" and "Item 2-General Requirements for Operation", respectively; **ADVANCE PAYMENT OF REMUNERATION:** value fixed nominally at **R\$ 18,270,000.00 (eighteen million, two hundred and seventy thousand reais), which will be paid upon signature of this instrument, confirm item 13 of Annex I - Basic Project.**

**CALENDAR YEAR:** 12-month period, starting on January 1st until December 31st;

**BETERS:** individuals who place bets on the portfolio offered by the CONCESSIONAIRE; **MINIMUM GROSS COLLECTION:** the

estimated value for the Minimum Gross Collection during the 26 (TWENTY-SIX) YEARS of the concession will be **R\$ 15,476,190,476.19 (fifteen billion, four hundred and seventy-six million, one hundred and ninety thousand, four hundred and seventy-six reais and nineteen cents).**, distributed over the years of the contract, according to the projection available in Annex I - Basic Project, Table 6 of subitem 11.4.4.; **NET COLLECTION:** Gross Collection deducting the defined percentages of

Prizes for Players and Marketing Investment for Game Plans;

**LOTTERIES IN ON LINE/REAL TIME SYSTEM:** Lottery games established by federal legislation operated in On Line/ Real Time System, in person (Land Based) and digital/virtual (Cyber Space);

**ACT OF GOD:** unforeseeable or difficult to predict fact or event, which cannot be avoided, resulting from a fact beyond the control of the PARTIES, which has a direct impact on the development of the purpose of the CONCESSION;  
**CENSUS OF THE**

**DISTRIBUTION NETWORK:** formal technical verification of the spread of sales points (catching bets) across the entire state territory, that is, the status inherent to the real availability of LEMG's digital/virtual games offer in the face-to-face environment ( Land Based), including at least the headquarters of the 853 municipalities in Minas Gerais, as per item 5 of Appendix I to the Basic Project.

**SPECIAL BIDDING COMMITTEE-CEL:** means the collegial body composed of members appointed by the GRANTING AUTHORITY whose duty is to conduct the work necessary to carry out the BIDDING;

**CONCESSION:** the service concession to be explored under the terms of the NOTICE and ANNEXES;

**GRANTOR:** Minas Gerais State Lottery;

**CONCESSIONAIRE:** winning bidder who will sign the CONTRACT;

**CONSORTIUM PARTY:** legal entity that is part of the CONSORTIUM in the BIDDING PROCESS;

**CONSORTIUM:** group of legal entities that are bound by a term of incorporation commitment or similar instrument provided for by law, with the aim of adding technical, economic and financial capacity for participation in the BIDDING PROCESS, and that are subsidiarily responsible for fulfilling the obligations arising from the BIDDING PROCESS , observing the terms of the NOTICE;

**CONTRACT:** CONCESSION contract to be signed between the GRANTING AUTHORITY and the SPE or Consortium whose draft corresponds to ANNEX II - DRAFT CONCESSION CONTRACT;

**SCHEDULE:** set of milestones detailed in ANNEX VII - SCHEDULE;

**BUSINESS DAYS:** any day, except Saturdays, Sundays and national or state holidays, in the State

of Minas Gerais;

**ACCREDITATION DOCUMENTS:** set of documents required from the BIDDER for accreditation purposes, under the terms of item 11 et seq. of the NOTICE;

**QUALIFICATION DOCUMENTS:** documents relating to legal qualification, tax and labor regularity, economic-financial qualification, technical qualification and other additional documents/declarations, which must be presented by the BIDDER in ANNEX VIII - PROPOSAL BOOKLET, observing the rules of the NOTICE;

**DOE:** Official Gazette of the State of Minas

Gerais; **NOTICE:** notice instrument, which contains the rules based on which the BIDDING PROCESS will be governed; **MINIMUM TRANSFER VALUE:** value resulting from the application of a percentage of the Contractor's remuneration on the Net Revenue from the Game Plans. Minimum agreed value of R\$ 650,000,000.00 (six hundred and fifty million reais) is available, according to the projection available in Annex I - Basic Project, Table 6 of subitem 11.4.4.;

**FORCE MAJEURE:** event related to external facts, independent of human will, which prevent the fulfillment of obligations and which has a direct impact on the development of the CONCESSION object; **CONTRACT EXECUTION**

**GUARANTEE:** guarantee presented by the CONTRACTOR for the signing of the CONTRACT, aiming to ensure due compliance with the obligations assumed in the CONCESSION, Basic Project - Annex I, item 12, equivalent to **0.52% (zero point fifty-two percent )** of the value of the contract, an amount of **R\$80,000,000.00 (eighty million reais);** **PERFORMANCE INDICATORS:** indicators that evaluate

the situation and result of the SERVICES provided by the CONCESSIONAIRE, as described in ANNEX V - PERFORMANCE INDICATORS; **BIDDING:** public procedure to select, among the proposals presented, the one that best

meets the interest of the Public Administration, based on the criteria set out in this NOTICE and ANNEXES; **BIDDER:** legal entity competing in the BIDDING, individually or in a CONSORTIUM; **CONSORTIUM LEADER:**

CONSORTIUM PARTY that represents the CONSORTIUM before the GOVERNMENT;

**OBJECT:** object of the concession contract;

**PARTIES:** GRANTOR and CONCESSIONAIRE, individually in the singular and jointly in the plural;

**STRATEGIC MARKETING PLAN:** consists of a plan of integrated actions with the purpose of achieving marketing objectives; **MARKETING,**

**COMMUNICATION AND PROMOTION PLAN:** integral part of the strategic Marketing plan. It must be prepared through an effective combination of the elements of advertising, sales promotion, publicity, direct selling, public relations, social media, among others;

**GRANTING POWER:** LOTTERY OF THE STATE OF MINAS GERAIS-LEMG;

**CONCESSION TERM:** period of **26 (twenty-six) YEARS**, counting from the date of publication of the contractual instrument in the official press, which may be extended for the same period, once, according to the interest of the Public Administration;

**BUSINESS PLAN:** detailing all elements of the general planning of lottery gaming services, in order to generate a set of elements (technological, operational, commercial, administrative, financial and regulatory) sufficient for the perfect characterization of the services to be executed, as well as the assessment of costs, deadlines and execution;

**REMUNERATION PROPOSAL:** proposal with economic information, offered by BIDDER, under the terms of items 11 and 13 of Annex I - Basic Project;

**PROPOSAL:** accreditation documents, QUALIFICATION DOCUMENTS and the PROPOSAL

REMUNERATION, considered together; ANNEX VIII - PROPOSAL BOOKLET

**ECONOMIC-FINANCIAL REBALANCE:** procedure that aims to ensure balance financial economic of the CONTRACT instrument, in accordance with the provisions contained in ANNEX III - RISK ALLOCATION AND ECONOMIC FINANCIAL REBALANCE;

**CONTRACT VALUE:** Minimum Gross Revenue Projection signed in contract as basic commitment of commercial revenue in the market, on which the minimum transfer to obligatory remuneration to the Granting Authority, as per subitem 3.4 of Annex I - Basic Project, equivalent to the amount of **R\$ 15,476,190,476.19 (fifteen billion, four hundred and seventy-six million, one hundred and ninety thousand, four hundred and seventy-six reais and nineteen cents);**

**VOLUME:** set or each individual VOLUME that contains, subject to the rules of the PUBLIC NOTICE, the accreditation documents, QUALIFICATION DOCUMENTS and PROPOSAL OF REMUNERATION. VOLUMES must be delivered at the INAUGURAL PUBLIC SESSION;

**CONCESSIONAIRE'S GROSS OPERATING REVENUE:** the result of the difference in Net Collection deducted from the percentages attributed to the transfer to the Granting Authority (proposal) and the payment of commissions to points of sale in the market.

## **CLAUSE TWO - RESPONSIBILITIES OF THE CONCESSIONAIRE REGARDING**

### **2. EXECUTION OF THE CONTRACTUAL PURPOSE**

- 2.1. The provision of services in the implemented Gaming System will be at the expense and risk of Concessionaire and will have the following responsibilities:
  - 2.1.1. Implementation and maintenance of a Game Management System that meets all the requirements of the Basic project;
  - 2.1.2. Strategic planning and creation of lottery products;
  - 2.1.3. Implementation/hiring of points of sale to capture in-person bets (Land Based) in the State of Minas Gerais, ideally seeking to meet the challenge goal as per provided for in subitem 5.2.3 of Annex I - Basic Project/Appendix I;
  - 2.1.5. Installation of equipment, Terminals of Multiple Types, meeting the needs diversified range of different Distribution Channels for capturing in-person bets on the market;
  - 2.1.6. Definition of the Payment Methods solution, whether owned or third-party;
  - 2.1.8. Formulation of attractive Game Plans for Lotteries in an On Line/Real Time System;
  - 2.1.10. Development of an Instant and Conventional Lottery game project in the virtual/digital (Cyber Space);
  - 2.1.12. Development and execution of communication actions and advertising campaigns and promotional activities inherent to the object;
  - 2.1.14. Carrying out in-person draws according to game projects;
  - 2.1.16. Enabling payment of prizes to winners;
  - 2.1.18. Technological update of the Game Management System;
  - 2.1.20. Implementation and payment of transfers to the Granting Authority;
  - 2.1.22. Strict adherence to the timely structuring corresponding to game development Lotteries for On Line/Real Time System in person (Land Based) and digital/virtual (Cyber Space), as established in the Acceptance Term.

### **3. THIRD CLAUSE - RIGHTS AND DUTIES OF USERS/BETTERS TO OBTAIN AND USE THE SERVICE**

- 3.1. Without prejudice to the provisions of Law No. 8,078, of September 11, 1990 (Code of Defense of the Consumer), the rights and obligations of Bettors are:

- 3.1.1. Receive adequate service;
- 3.1.2. Receive from the GRANTING AUTHORITY and the CONCESSIONAIRE, information for the defense of individual or collective interests;
- 3.1.3. Bring to the attention of the GRANTING AUTHORITY and the CONCESSIONAIRE any possible irregularities of which they are aware, relating to the service provided;
- 3.1.4. Report to the GRANTING AUTHORITY any illegal acts carried out by the CONCESSIONAIRE in providing the service.

#### **4. CLAUSE FOUR - SPECIFICATIONS AND CONDITIONS OF THE EXECUTION OF THE CONTRACTUAL PURPOSE**

- 4.1. The specifications and conditions for the execution of the contractual object are defined in this CONTRACT, in the Basic Project - Annex I and other ANNEXES to the bidding notice and in the PROPOSAL of CONCESSIONAIRE, which are part of this document.
- 4.2. THE CONCESSION presupposes the provision of an adequate service to fully meet the needs of Bettors.
- 4.3. Adequate lottery gaming service is what satisfies the conditions of attractiveness, regularity, continuity, efficiency, security, timeliness, courtesy in its provision and plurality of choices, according to the specifications below:
  - a) REGULARITY and CONTINUITY will be characterized by the provision continuous service;
  - b) EFFICIENCY and SAFETY will be characterized by the achievement and preservation of the parameters contained in the BASIC PROJECT;
  - c) CURRENTNESS will be characterized by the modernity of equipment, facilities and service provision techniques, with the absorption of advances technological developments arising throughout the CONCESSION term and that bring benefits to the Bettors, respecting the provisions of the Contract; It is
  - d) COURTESY will be characterized by respectful and immediate service to all Bettors.
- 4.4. The CONCESSIONAIRE'S MANAGEMENT TEAM will be the one indicated at the time of signature of this CONTRACT and qualified, suitable and sufficient personnel must be employed to meeting the required needs. In other words, the organizational chart must be presented, in graphical representation, which will qualify the structure of the operation. In this organization chart it should be highlighted how teams and departments will be structured, organizing hierarchical relationships and roles/responsibilities of each employee.
- 4.5. The members of the MANAGEMENT TEAM must be professionals who will effectively execute and assume responsibility for coordinating and developing activities to which were indicated.
- 4.6. The MANAGEMENT TEAM must be formed by professionals with higher education, with proven experience in the area in which they will act as responsible for technical and administrative execution of the CONTRACT and will interface with LEMG Inspection and State of Minas audits General.
- 4.7. The minimum MANAGEMENT TEAM must have one person responsible for each set of activities, as follows:
  - 4.7.1. System Management - 01 (one) experienced IT professional in IT Operations System of complexity equal to or greater than that required in this tender, responsible for the Management of Game System and information security;
  - 4.7.2. Financial Management of the Contract - 01 (one) professional experienced in Financial Management, responsible for transfers related to LEMG's Financial Remuneration, for the payment of premiums, for the Management of Financial Resources, for the rendering of accounts and any other issues related to

Financial and Accounting aspects of the Contract;

4.7.3. Games Advertising - 01 (one) Advertising/Marketing professional, with experience additional in Digital Marketing, responsible for advertising the games;

4.7.4. Point of Sale Management - 01 (one) professional with experience in the commercial and logistics, responsible for capturing and monitoring points of sale in the Network of Ideal distribution (Land Based) across the entire state territory; It is

4.7.5. Contract Administrator - 01 (one) representative of the CONCESSIONAIRE responsible for preparation of Game Plans, compliance with the SCHEDULE, general coordination of CONCESSIONAIRE and all issues related to the Contract, including the specific ones mentioned above, business, institutional and marketing.

4.8. Throughout the Contractual Term, the eventual replacement of professionals in the TEAM MANAGER of the CONCESSIONAIRE must prioritize the appointment of new professionals based on the proof of your necessary technical competence.

4.9. Except for unforeseeable circumstances or force majeure, any replacement of a professional may not, under no circumstances be alleged as a reason for changing any of the contractual conditions, particularly deadlines.

## **5. CLAUSE FIVE - PERFORMANCE INDICATORS**

5.1. These are performance indicators of the Contract, with monthly, quarterly and accumulated annual report, carried out by the contract Monitoring and Inspection team:

5.1.1. Availability of the Games Management System;

5.1.2. Functionality of the Games Management System;

5.1.3. Annual growth in Net Revenue;

5.1.4. Guarantees provided;

5.1.5. Certifications; It is

5.1.6. Quality of Services.

## **6. CLAUSE SIX - TERM**

6.1. The granting of the CONCESSION will be in force for a period of **26 (twenty-six) YEARS**, counting from from the date of publication of the contractual instrument in the official press, and may be extended for the same period, once, in accordance with the interest of the Public Administration.

6.2. In accordance with the public interest and at the sole discretion of the GRANTING AUTHORITY, the granting of CONCESSION may be extended for an equal period, provided that the requirements listed below are met. met, to the extent that the CONTRACTED PARTY will not have a subjective right to contractual extension:

6.2.1. The services have been provided regularly;

6.2.2. Justification and reason must be included, in writing, that the Administration maintains an interest in the carrying out the service;

6.2.3. It is proven that the value of the Contract remains economically advantageous for the Administration;

6.2.4. It is proven that the CONTRACTOR maintains the initial qualification conditions; It is

6.2.5. There is an express statement from the CONTRACTED PARTY informing the interest in the extension.

6.3. The extension of the Contract must be promoted by signing an addendum.

6.4. The contract Inspection and Monitoring team will pay attention to the proximity to the end of the validity period, in order to trigger, in a timely manner, the measures tending to the formalization of an addendum of extension, at the discretion of the Administration.

7. **CLAUSE SEVEN - VALUE OF THE CONTRACT**

7.1. The value established by LEMG for this Contract is **R\$ 15,476,190,476.19 (fifteen billion, four hundred and seventy-six million, one hundred and ninety thousand, four hundred and seventy-six reais and nineteen cents)**, this amount presented as per Annex I - Basic Project, subitem 11.4.4., Table 6, to be obtained from the **GROSS COLLECTION PROJECTION** over the period contractual for the operation of the LOTTERY IN ON LINE/REAL TIME SYSTEM, constituted by Prognosis modality in person (Land Based) and digital/virtual (Cyber Space).

8. **CLAUSE EIGHT - REVENUE CLASSIFICATION**

8.1. The portion of LEMG's remuneration (transfer) and the other amounts collected for the GRANTOR, arising from this Agreement, will be deposited in the Caixa Único do Treasury State, through State Collection Document - DAE and registered in the budget line **XXXX** - exclusive budget allocation for Lotteries in the On Line/Real Time System.

8.2. Transfers in favor of LEMG will be made upon payment of DAE - Document of State Collection with banking institutions accredited by the State Department of Finance of Minas Gerais.

9. **CLAUSE NINE - REMUNERATION OF THE PARTIES**

9.1. The parties will be remunerated based on Net Revenue, as provided in the table 2 contained in subitem 3.5.3 of Annex I - Basic Project.

9.1.1. Net Collection will be calculated using the formula:

$$\text{Net Collection per Game (ALj)} = \text{Gross Collection per Game (ABj)} - \text{Prize awarded per Game} - \% \text{ of Advertising and Marketing (\%MKT)}$$

Being:

**Gross Collection:** total amount raised in the game plan;

**Marketing Expense:** value corresponding to the amount collected in each Game Plan, multiplied by the percentage approved in each Game Plan intended for advertising;

**Prize pool:** Total tickets in the Game Plan x Market Price of the game bet x % of Prize Pool Game Plan (same as prize awarded in the game plan);

9.2. LEMG will be responsible for the amount equivalent to XX.XX% (% OF BIGGEST OFFER OF THE BIDDER) of the Net Revenue, as remuneration for the CONCESSION.

9.3. To execute the OBJECT, the CONCESSIONAIRE will be responsible for the amount equivalent to XX.XX% (% OF BIDDER) of Net Revenue.

10. **CLAUSE TEN - TRANSFERS DUE TO LEMG**

10.1. ONLINE/REAL TIME LOTTERIES

**Net Collection per Game (ALj) = Gross Collection per Game (ABj) - Prize awarded per Game -% of Advertising and Marketing (%MKT)**

**Value of Transfer to the Grantor = Net Revenue per Game x % of Contract Transfer**

10.2. Accountability for Implemented Game Plans

10.2.1. About unpaid prize

The value of the prescribed prizes will be determined when each Game Plan is prescribed during the execution of the Contract. The balance of prizes prescribed for each implemented Game Plan must be passed on to the Contracting Party through DAE-State Collection Document, by the 30th (thirtieth) day after the prescription that occurs 90 (ninety) days from the publication of the closing ordinance.

10.2.2. About the residue of Full Game Plan Transfer

The values of residues from Integral Transfers, from each Game Plan implemented, will be determined when of the prescription of each Game Plan during the execution of the Contract. The balance of transfer residues Full details of each implemented and prescribed Game Plan must be passed on to the Contracting Party through DAE - State Collection Document, procedure to be established in the implementation ordinance of the Game Plan.

10.3. At each annual/five-year operating cycle, with the aim of certifying compliance with the financial target for each year, the Contracting Party will determine the total value of Transfers received, if the value calculated is lower than the established annual target, the Transfer residue must be reimbursed by through DAE, until the 30th day of effective collection from the Contracting Party.

10.4. The minimum transfer due to LEMG will be calculated and paid as set out in items 23 of the Notice and 6.2. and 6.3. of Annex I - Basic Project/Appendix 1, Table 2.

10.5. Remuneration to the grantor under the condition of minimum transfer throughout the term contract was set at R\$650,000,000.00 (six hundred and fifty million reais).

10.6. The advance payment of remuneration, due to the present business legacy of quality and minimized risks, was fixed nominally at R\$ 18,270,000.00 (eighteen million, two hundred and seventy thousand reais).

## 11. **CLAUSE ELEVEN - WARRANTY**

11.1. The value of this CONTRACT, established by LEMG, for the purpose of the bidding (**OBJECT**), is **R\$ 15,476,190,476.19 (fifteen billion, four hundred and seventy-six million, one hundred and ninety thousand, four hundred and seventy-six reais and nineteen centavos)**, the amount presented as per Annex I - Basic Project/Appendix 1, subitem 3.4, Table 1.

11.1.1. The definition of the **SINGLE GUARANTEE** of the Contract will correspond to **0.52% (zero comma fifty-two percent) of the Contract Value:**

- **SINGLE GUARANTEE FIXED AT R\$ 80,000,000.00 (eighty million reais);**

11.2. The WARRANTY may be provided year by year or for a determined period, as long as it does not there are any overdraft periods during the entire Contractual Term, enabling the CONCESSIONAIRE to find, on its part, the best economic offer on the market, taking into account the said contractual obligation. In short, it is up to the Concessionaire to propose and the Grantor to evaluate and whether manifest.

11.3. The GUARANTEE must be presented when signing the CONTRACT.



11.4. During contractual execution, approval of new game plans will be subject to existence of sufficient guarantee (balances) to cover the payment of the premium due to bettors.

11.5. Finally, it is important to highlight that the amount established above **DOES NOT EXCEED THE LEGAL LIMIT FOR THE REQUIREMENT OF GUARANTEE FOR THE VALUE OF THE CONTRACT, in terms of §2 of art. 56 of Federal Law No. 8,666/93.**

11.6. THE CONTRACTUAL GUARANTEE will cover:

I - Payment of fines that are applied to the CONCESSIONAIRE due to of non-compliance with their contractual obligations, as per subsection 19.4 of this AGREEMENT;

II - Reimbursement of costs and expenses incurred by LEMG to maintain the execution of the object of the CONTRACT not carried out due to the CONCESSIONAIRE's fault.

III - Any compensation to be paid to third parties or the Public Administration.

11.7. If the value of the fines imposed is greater than the value of the GUARANTEE provided, in addition to the loss of this, the CONCESSIONAIRE will be responsible for the difference and for replacing the full value of the guarantee provided within 48 (forty-eight) hours, counted from the respective notification.

11.8. Failure to complete the supplement within 48 (forty-eight) hours and the absence of justification accepted by LEMG will give rise to a new penalty, as demonstrated in subitem 19.2 of this CONTRACT.

11.9. The CONCESSIONAIRE undertakes to employ all necessary measures and actions to in order to minimize the effects arising from force majeure events or unforeseeable circumstances.

11.10. Warranties that include disclaimers other than those provided for in this item.

11.11. The WARRANTY will be considered terminated:

a) with the return of the policy, letter of guarantee or authorization to withdraw amounts deposited in cash as a guarantee, accompanied by a declaration of the Public Administration, through a detailed term, that the CONCESSIONAIRE complied with all clauses of the Contract; It is

b) after the end of the validity of the Games Plans in execution and due accountability, if the Public Administration does not report the occurrence of claims.

## **12. CLAUSE TWELVE - ADVERTISING AND MARKETING PLAN**

12.1. The CONCESSIONAIRE must present an Advertising and Marketing plan, via the process SEI, describing the actions planned for each Game Plan.

12.2. The Advertising and Marketing plan will specify the strategies to be adopted for the disclosure of the Game Plan(s) to be launched individually or jointly and will present an investment estimate.

12.3. LEMG will have a period of 5 (five) business days to approve or disapprove the proposal presented in a technically justified way.

12.4. If there is total or partial disapproval of the proposal, the CONCESSIONAIRE will present a new Advertising and Marketing plan containing the corrections, which will be analyzed by LEMG within a new period of 05 (five) business days.

12.5. The Advertising and Marketing Plan can only be implemented with the full approval of the GRANTOR.

## **13. CLAUSE THIRTEENTH - EXPENSES ON ADVERTISING AND**

## **MARKETING**

13.1. Advertising and marketing expenses, demonstrated in accounting procedures specific to the Contractor, will be executed with resources resulting from the following formula:

13.2.

**Advertising and Marketing Resources = Gross Revenue x Percentage allocated to Advertising and Marketing, approved on every game plan**

13.2.1. Concept and sizing of the application of the Advertising and Marketing %: procedure accounting that records the Contractor's expenses with Marketing and Advertising actions for the games and the respective reporting reports to the Contracting Party.

13.3. Advertising and Marketing expenses will be financed with resources from the percentage of Advertising and Marketing, in accordance with the Advertising and Marketing Plan approved by LEMG.

## **14. CLAUSE FOURTEENTH - RENDERING OF ACCOUNTS ADVERTISING AND MARKETING**

14.1. The CONCESSIONAIRE, when rendering accounts, must present all documentation supporting Advertising and Marketing expenses (copy of Invoices or equivalent document and proof of discharge) for reconciliation, by LEMG, with the Advertising and Marketing previously approved.

14.1.1. This reconciliation must be carried out according to the example contained in Annex I - Project Basic/Appendix 2, item 3.11..

14.2. Together with the Advertising and Marketing Accountability process of CONCESSIONAIRE, in addition to tax and payment documents, materials must be presented evidence as per examples described in the Basic Project.

14.3. Processes presented without the respective supporting materials, or with incomplete and/or inconsistent information will not be accepted by LEMG.

14.4. The frequency of this presentation will be quarterly.

14.5. For the purposes of determining the contribution to be applied to Advertising and Marketing, at the end of each year of CONTRACT, this percentage will be calculated in the set of prescribed Game Plans. If the Advertising and Marketing % calculated is lower than that established in the prescribed Game Plans, the value of the waste must be reimbursed to the Contracting Party through DAE, up to the 30th day of its effective date charge.

14.6. The Contractor must apply the minimum investment in Advertising and Marketing (%MKT) of 5% (five percent) of the Gross Collection earned throughout the Contractual Term and, if this level is not reached, the difference determined at the end of the Contract must be reimbursed to the Contracting Party by through DAE, until the 30th day of effective collection from the Contracting Party.

## **15. CLAUSE FIFTEEN - CONCESSIONAIRE'S OBLIGATIONS**

15.1. Submit to the conditions established in this instrument and in the Basic Project and its Appendices (1 and 2), as well as to the Bidding Notice International Public Competition LEMG N° 002/2023 and its Annexes, and respective winning PROPOSAL, integral parts of this Agreement.

15.2. Ensure the execution of the portion of responsibility of each CONSORTIUM PARTY in the form

indicated in the proposal, ensuring those granted to the leading company and guaranteeing the solidarity of the entire group, with the OBJECT.

15.3. Comply with Law No. 9,613, of March 3, 1998, which provides for the crimes of "laundering" or concealment of assets, rights and values; preventing the use of the Financial System for illicit activities provided for in this Law; creates the Financial Activities Control Council - COAF, and provides other measures.

15.4. Provide adequate, uninterrupted services, with guaranteed quality and efficiency in the form and conditions established in this CONTRACT and in accordance with the PROPOSAL presented.

15.5. Launch games that are attractive to Gamblers and profitable for LEMG, for DEALERSHIP and for Points of Sale.

15.6. Submit the Game Plans for approval by the LEMG Board of Directors, for later implantation.

15.7. Also submit the Advertising Plan, including pieces promotions, before their broadcast.

15.8. Invest in advertising the percentage established in each Game Plan.

15.9. Accept and comply with the changes proposed by the LEMG inspection, which are purpose the best and adequate provision of service, within legal limits.

15.10. With regard to the OBJECT, provide clarifications to the LEMG inspection regarding any reported acts or facts involving the name of the CONCESSIONAIRE, regardless of request.

15.11. Ensure the good name of LEMG.

15.12. Transfer to LEMG, within the deadlines defined in the Basic Project, the amount referring to the remuneration of the GRANTING AUTHORITY.

15.13. Forward to LEMG the remaining balance of unclaimed prizes, from all prescribed implemented plans/extractions, including those that expire after the CONTRACT is in effect.

15.14. Make, directly or through third parties, the payment of prizes to winners.

15.15. It is now established that all premium payments must be made in the maximum period of 2 (two) business days after presenting the winning bet ticket at any Point of Sale.

15.15.1. The CONCESSIONAIRE is responsible for collecting the Income Tax applicable on the prize paid and all other taxes and labor, tax, or any other charges incident to the OBJECT, which under no circumstances may be passed on to LEMG.

15.15.2. The CONCESSIONAIRE will send to LEMG: copy of the collection note proving the discharge of IR; copy of each winner's identity document; copy of winning bet ticket respective, front and back, and other documents necessary for payment of the premium.

15.16. Be responsible for the implementation of the entire Gaming System, as well as its maintenance throughout the entire period of the CONTRACT.

15.17. Have all the technical and infrastructure support necessary for installation, adjustments to any equipment that may be used in the operation of games in the State of Minas market General issues, as well as resolving technical problems of all kinds.

15.18. Prove the legality of the origin of all equipment and materials used for operating the games.

15.19. Have a commercial representation, with an office in the metropolitan region of the capital, municipalities in Greater Belo Horizonte/MG, open during business hours, to serve to existing Points of Sale and to open new points, as well as to contact LEMG.

This commercial representation must provide service to the entire State of Minas Gerais, and must be installed within 30 days after signing the CONTRACT.

15.20. Offer service infrastructure, through a free telephone line (ie, 0800),

to Points of Sale and Bettors. This line must be available during all business hours.  
operation of the games, aiming to:

- a) opening technical support tickets;
- b) clarification of doubts from Bettors in general, with immediate assistance; It is
- c) assistance to winners whose prizes have not been paid by Points Sale, subject to the provisions relating to the payment of prizes to winners.

15.21. Issue, quarterly, or whenever requested by LEMG, a quantitative report on the demands of tele-service.

15.22. Be fully responsible for damages caused directly to LEMG or third parties, arising from their fault or willful misconduct, when providing services, when carrying out inspections or monitoring by LEMG.

15.23. Assume, exclusively, all federal, state and municipal taxes and fees that are due as a result of the purpose of this CONTRACT, as well as contributions due to Social Security, labor charges, insurance and work accident premiums and other expenses that are necessary to fulfill the agreed PURPOSE.

15.24. If there is a labor action involving the services provided, the CONCESSIONAIRE will adopt the necessary measures to preserve LEMG and keep it safe from claims, demands, complaints or expenses of any nature and, failing that, if there is a conviction, will reimburse LEMG for the amounts it has been obliged to pay, within the deadline non-extendable period of 10 (ten) business days from the date of actual payment.

15.25. Only disclose information about the execution of the PURPOSE of this CONTRACT, which involves the name of LEMG, with its prior and express authorization.

15.26. Maintain, during the execution of the CONTRACT, all the qualification conditions required in the LEMG International Public Tender No. 002/2023, which gave rise to this Contract.

15.27. Submit, after the closing date of each year, in accordance with current legislation, a audited report of its accounting situation, including, among other items, the balance sheet and statement of result corresponding to the closed semesters of the same year.

15.28. Present, by April 30th of each year, the financial statements for the year ended on December 31 of the previous year, including, among others, the Management Report and the Annual balance.

15.29. Provide, at the end of the CONTRACT, access to information about the entire movement carried out, maintaining such information for up to 1 (one) year after the prescription of the last Game Plan in Validity. In addition, the Contractor must maintain, installed and operational, the functionalities of issuing reports from the Game Management System and the Report Generation tool, as well as all changed reports and new reports prepared, for use by the Contracting Party for up to 1 (one) year after the prescription of the last Game Plan in force.

15.30. The CONCESSIONAIRE undertakes not to use, directly or indirectly, for the execution of services, according to the OBJECT of this CONTRACT, spouse, partner or direct relative, collateral or by affinity, up to the third degree of civil servants who occupy positions of leadership, direction or consultancy within the scope of LEMG.

16. **CLAUSE SIXTEEN - LEMG'S OBLIGATIONS**

- 16.1. Permanently monitor and supervise the execution of the services granted.
- 16.2. Apply contractual penalties, as established in the Bidding Notice.
- 16.3. Intervene in the provision of the service, in the cases and conditions provided for by law and in this instrument.
- 16.4. Monitor compliance with the obligations assumed by the CONCESSIONAIRE, including regarding the continuity of the execution of the contractual OBJECT, which, except in fortuitous and forceful cases larger, justified and accepted by LEMG, must not be interrupted.

- 16.5. Analyze and approve the Game Plans proposed by the CONCESSIONAIRE.
- 16.6. Analyze and approve the Marketing Plan proposed by the CONCESSIONAIRE, as well as the accountability.

## 17. **CLAUSE SEVENTEEN - SUPERVISION OF SERVICES**

- 17.1. The exploitation of the services covered by this CONTRACT will be monitored, inspected and controlled by LEMG employees, specially designated in the General Director's Ordinance.
- 17.2. Inspection will begin its work to verify compliance with the SCHEDULE provided for in Annex I - Basic Project, item 26, and after the effective start of exploration, inspection will take place in verifying all of the CONCESSIONAIRE's obligations.
- 17.3. Supervision will cover the monitoring and control of the actions of the CONCESSIONAIRE in the financial, commercial, marketing and technical areas, with the Monitoring and Inspection establish procedural guidelines.
- 17.4. The Inspectorate will prepare monthly and annual reports from the date of signature of this Contract, relating to the monitoring of services provided by the CONCESSIONAIRE, including any non-compliance with clauses of this Agreement and/or relevant regulatory standards.
- 17.5. LEMG representatives will have free access to data relating to administration, accounting, technical, economic and financial resources of the CONCESSIONAIRE, being able to request of the CONTRACT administrator, information and clarifications that allow the correct execution to be assessed of this AGREEMENT.
- 17.6. LEMG's supervision does not diminish or exempt the responsibilities of the CONCESSIONAIRE regarding the adequacy of its facilities, the correction of illegalities and the full compliance with contractual provisions.
- 17.7. Failure by the CONCESSIONAIRE to comply with requests, recommendations and inspection determinations will imply the application of penalties authorized by law or defined in this AGREEMENT.

## 18. **CLAUSE EIGHTEEN - SUBCONTRACTING WITH THIRD PARTIES**

18.1. Without prejudice to its responsibilities, the CONCESSIONAIRE must carry out the OBJECT as established in the set of documents Basic Project, NOTICE and in their ATTACHMENTS, by you or through third parties, at your own risk. In this regard, the Special Committee on Bidding established which portions of the concessioned contractual object cannot be outsourced, in absolute, and clarifies those that may, under the full responsibility of the Concessionaire, after approval of the GRANTING AUTHORITY, rely on ancillary services provided by third parties, namely:

a) The operation of the lottery business itself cannot be shared or outsourced, with a special focus on its strategic planning, related to the development and implementation of the fundamental dynamics of product design and launch lotteries, as well as compliance with all financial obligations and satisfaction of Resellers and Bettors arising from its commercialization in the State market of Minas Gerais.

b) **ACCESSORY SERVICES** may be outsourced , conditioned on excellence in quality, carried out by specialized companies, having them as their core activity, specifically:

- Advertising, Propaganda and Promotions Services;
- Information Technology Services;
- Internet Service Providers;
- Software and Gaming Platform Providers;

- Payment Methods Solution Providers;
- Cloud Service Providers.

c) The services to be subcontracted, under outsourcing, as described above in the item b, are not equivalent to those required as a technical qualification requirement contained in the Notice, for the main part of the OBJECT tendered, understanding this portion of the OBJECT as the set of items for which, as a technical-operational qualification requirement, the presentation of certificates proving execution of service with similar characteristics.

18.2. The GRANTING AUTHORITY may request, at any time, information on the hiring of third parties to perform such specific parts of business-related operations. These are activities in which **EXECUTION IS CHARACTERIZED AS NON-FUNDAMENTAL**.

18.3. Third parties hired by the CONCESSIONAIRE must be in good health financial, operational competence and technical ability, with the Concessionaire directly responsible to the GRANTING AUTHORITY for any problems or losses resulting from the lack of any of these business pillars.

18.4. THE GRANTING AUTHORITY, in accordance with the principle of unavailability of the public interest, will be responsible for adopting precautions to ensure satisfactory compliance with the OBJECT, requiring documents capable of proving the suitability and technical capacity of the interested party to perform the portions that will be subcontracted. It is also noteworthy that the requirement to proof for the entities to be subcontracted will be aligned with the same requirements documents, fiscal regularities, meaning that the outsourced person is regularly before its obligations with federal, state, municipal tax legislation, social security and the guarantee for service time, demanded in this NOTICE throughout the bidding process.

18.5. The fact that the existence of the contract with third parties was brought to the attention of the GRANTING AUTHORITY does not exempt the CONCESSIONAIRE from complying, in whole or in part, with its obligations arising from the CONTRACT.

18.6. The relationship between the CONCESSIONAIRE and its suppliers will be governed by private law, with the prior consent of LEMG, and presupposes compliance with the regulatory standards of the modality of the service granted.

18.7. The contracts between the CONCESSIONAIRE and third parties must also provide for a subrogation to the GRANTING AUTHORITY, which will be exercised at its discretion.

18.8. The CONCESSIONAIRE is responsible for labor, social security, tax and commercial activities resulting from the execution of the CONTRACT, as well as the hiring of third parties.

18.9. The CONCESSIONAIRE must ensure that contracted third parties have relevant experience compatible in characteristics, quantities and deadlines with the obligations assumed.

## 19. **CLAUSE NINETEEN - ADMINISTRATIVE SANCTIONS**

19.1. The sanctions relating to non-execution of the CONTRACT are those provided for in the NOTICE and in the BASIC PROJECT. In case of total or partial non-compliance with the CONTRACT signed with the Grantor, the sanctions provided for in art. 87 of Federal Law No. 8,666, of 1993, in Law 8,987, 1995, in compliance with due administrative process, respecting the contradictory and broad defense, observing the provisions of art. 38 of State Decree No. 45,902, of January 27, 2012, as specified below:

- I - Written warning - formal communication of disagreement regarding the conduct of the CONCESSIONAIRE regarding non-compliance with the CONTRACT and other obligations assumed, and determining the adoption of the necessary corrective measures;
- II - Late payment fine to be applied in the event of delay in fulfilling obligations contractual under the conditions set out in the statement of sub-items 19.3 and 19.4;
- III - Compensatory fine in the event of total or partial non-compliance with the

contractual obligations under the conditions set out in the statement of sub-items 19.3 and 19.4;

IV - Temporary suspension of participation in bidding and impediment from contracting with the Public Administration, for a period of 2 (two) years as established in art. 38, III of State Decree nº 45,902/12;

V - Declaration of unsuitability to bid or contract with the State of Minas General in the form provided for in item IV of article 87 of Federal Law 8,666/93, while the reasons determining the punishment persist or until it is promoted rehabilitation before the authority that applied the penalty, which will be granted whenever the CONCESSIONAIRE compensates the Public Administration for losses resulting and after the period of the sanction applied has elapsed;

VI - The sanctions provided for in items I, IV and V may be applied cumulatively with that provided for in section II and III, providing the prior defense of the interested party, in the respective process, within five working days.

19.2. From Expiry:

19.2.1. Total or partial non-performance of the CONTRACT will result, at the GRANTING AUTHORITY's discretion, in declaration of expiry of the CONCESSION or the application of contractual sanctions, respecting the provisions set out in arts. 27 and 38 of Law 8,987/1955, and the rules agreed between the PARTIES.

19.2.2. The CONCESSION's expiry may be declared by the GRANTING AUTHORITY when:

I - the service is being provided in an inadequate or deficient manner, base the standards, criteria, indicators and parameters defining the quality of the service;

II - the Concessionaire fails to comply with contractual clauses or legal provisions or regulations concerning the CONCESSION;

III - the Concessionaire stops the service or competes to do so, except for the hypotheses arising from unforeseeable circumstances or force majeure;

IV - the Concessionaire loses the economic, technical or operational conditions to maintain the adequate provision of the service granted;

V - the Concessionaire fails to comply with the penalties imposed for infractions, in the due deadlines;

SAW - the Concessionaire does not comply with the GRANTING AUTHORITY's summons to regularize the provision of the service;

VII - the Concessionaire does not comply with the GRANTING AUTHORITY's summons to, in 180 (one hundred and eighty) days, present documentation relating to tax regularity, during the of the CONCESSION, in accordance with art. 29 of Law No. 8,666, of June 21, 1993; It is

VIII - In the event of possible concession or control transfer operations of the concessionaire, prior consultation with the granting authority will be required.

19.2.3. The declaration of the CONCESSION's expiry must be preceded by verification of the default of the CONCESSIONAIRE in administrative proceedings, ensuring the right to full defense.

19.2.4. Administrative default proceedings will not be initiated before notification to the CONCESSIONAIRE, in detail, the contractual breaches, giving it a deadline to correct the failures and transgressions highlighted and for the framework, in the contractual terms.

19.2.5. Once the administrative process has been initiated and default is proven, the forfeiture will be declared by decree of the GRANTING AUTHORITY, regardless of prior compensation, calculated in the course of the process.

19.2.6. The compensation referred to in the previous subsection will be due in accordance with art. 36 of the Law 8987/1955 and the CONTRACT, minus the value of contractual fines and damages caused by CONCESSIONAIRE.

19.2.7. Once expiry is declared, the GRANTING AUTHORITY will not be subject to any type of

responsibility in relation to charges, encumbrances, obligations or commitments with third parties or CONCESSIONAIRE employees.

19.3. Maximum limits for fines:

- I - three tenths of a percent per day, up to the thirtieth day of delay;
- II - ten percent of the value of the commitment note or the Contract, in case of refusal by the CONTRACTOR to carry out the reinforcement of the guarantee;
- III - twenty percent of the value of the supply, service or work not carried out or delivery of an object with hidden flaws or defects that make it unsuitable for the use for which it is intended, or reduce its value, or even outside the contracted specifications;

19.4. Table of Fines:

FINES TABLE	
Compensatory fine: Total non-performance of the object of the contract (Clause One)	Fine of 10% (ten percent) on the average monthly amount of remuneration owed to LEMG in the last 6 (six) months. If default occurs before the start of operations, the calculation basis for fines will be the minimum transfer target stipulated for the year, as set out in the Basic Project, taking as an average the value of the minimum target divided by twelve.
Compensatory fine: Partial non-performance of the object of the contract (Clause One)	Fine of 10% (ten percent) on the average monthly amount of remuneration owed to LEMG in the last 6 (six) months. If default occurs before the start of operations, the calculation basis for fines will be the minimum target stipulated for the year, as set out in the Basic Project.
Compensatory fine: Non-performance of accessory obligations (all other obligations contained in the Contract, Basic Project and Notice of International Public Competition LEMG 002/2023)	Fine of 5% (five percent) on the average monthly remuneration owed to LEMG.
Late payment fine: Applicable to obligations established with a deadline for compliance or frequency.	0.3% (three tenths of a percent) per day of delay, counted up to the thirtieth day, calculated on the average monthly amount of remuneration owed to LEMG in the last 6 (six) months.

The fine may be applied cumulatively with other penalties, according to 19.5. legal authorization.

19.6. The sanctions, drawn up in the respective report by LEMG's inspection, will be applied through an administrative process, initiated by notification, in writing, to the CONCESSIONAIRE, with the reasons that led to the indication of the applicable sanctions, leaving a period for defense of 05 (five) business days, as established in paragraph 2 of article 87 of Law No. 8,666/93.

19.7. The notification referred to in the previous item will be sent by mail, with acknowledgment of receipt, or delivered to the CONCESSIONAIRE upon receipt, or, if this is not possible, published in the Official Gazette of the State of Minas Gerais, in which case the period will begin to run. for presentation of defense.

19.8. If the reasons presented by the CONCESSIONAIRE are not accepted, or the deadline for



referred to in the previous item, without presenting a defense, the appropriate sanction will be applied, publishing the decision in the official body of State Powers.

19.9. The decision to apply the sanction may be appealed, in accordance with item I of art. 109 of the Law Federal nº 8,666/93.

19.10. The resource referred to in subitem 19.9. will be addressed to the General Director of LEMG, presented to the person who performed the act under appeal, who may reconsider their decision, within 05 (five) business days, or, within the same period, send him/her up, duly informed, at which time the decision will be made in the within 05 (five) business days, counting from receipt of the appeal.

19.11. The decision of the General Director of LEMG exhausts the administrative body.

19.12. The application of the sanction of declaration of unsuitability is the exclusive responsibility of the Secretary of State or equivalent authority, under the terms of the law, with a request for reconsideration, in accordance with item III of art. 109 of Federal Law No. 8,666/93.

19.13. The Administrative process will be the responsibility of public administration employees, responsible for monitoring and supervising the CONTRACT.

19.14. The Administrative process will be duly recorded, numbered and instructed with the following documents:

- I - technical opinion on the fact that occurred accompanied by the documents supporting documents;
- II - notification of the occurrence sent to the CONCESSIONAIRE;
- III - defense presented by the CONCESSIONAIRE, if any;
- IV - decision of the LEMG inspection regarding the reasons presented by the CONCESSIONAIRE and the application of the sanction, by the General Director of LEMG;
- V - appeal or request for reconsideration filed by the CONCESSIONAIRE, when applicable;
- VI - legal technical opinion on the possible appeal or request for reconsideration, When it's the case;
- VII - decision on the appeal or request for reconsideration filed, if any;
- VIII - extracts from publications in the official body of State Powers.

19.15. When it is a continuous infraction in relation to which several records or representations, they will be brought together in a single process, for the imposition of the penalty.

19.15.1. Infringements will be considered continued when it is a repetition of an offense that has not yet been investigated or that is the subject of a process whose initiation the CONCESSIONAIRE has not knowledge, through subpoena.

19.16. In the absence of payment of any fine within 10 (ten) days, from the date of notice, by CONCESSIONAIRE, from the final decision imposing the penalty, LEMG may deduct the corresponding value of the CONTRACTUAL GUARANTEE.

19.17. Delays and non-execution occurring due to act of God or force majeure, supervening and unpredictable events, such as: war, public calamity or others with the same characteristics, and the Contractor is also responsible for delays in its suppliers.

19.18. Extensions of deadlines must be satisfactorily justified, substantiated, authorized by the General Director of LEMG and filed in the CONTRACT inspection records.

## 20. **CLAUSE TWENTY - TERMINATION AND EXTINCTION**

20.1. The CONTRACT may be terminated at the initiative of the CONCESSIONAIRE, in the event of non-compliance with contractual standards by the GRANTING AUTHORITY, through legal action especially

undertaken for this purpose.

20.2. In the hypothesis provided for in subitem 20.1. above, the services provided by CONCESSIONAIRE cannot be interrupted or paralyzed, until the court decision is reached in judged.

20.3. This CONTRACT may be terminated for the reasons set out in arts. 77 and 78 and in the forms established in art. 79, all of Law No. 8,666/93.

20.4. Termination, for any of the reasons provided for in Federal Law No. 8,666/93, will not give the CONCESSIONAIRE right to compensation in any capacity, regardless of judicial interpellation or extrajudicial.

20.5. The CONCESSION is terminated due to:

- I - Advent of the contractual term;
- II - Expiry;
- III - Termination;
- IV - Annulment; or
- V - Bankruptcy or extinction of the CONCESSIONAIRE company and death or incapacity of the holder, in the case of an individual company.

20.6. For the purposes of obtaining the prior consent referred to in clause 20.6, the applicant should:

- I - meet the requirements of technical capacity, financial suitability and legal and fiscal regularity necessary for assuming the service; It is
- II - undertake to comply with all clauses of the CONTRACT in force.

## **21. CLAUSE TWENTY-ONE - REVERSIBILITY OF GOODS/ASSETS NECESSARY TO PROVIDE SERVICES**

21.1. There will be no reversion to the Grantor of goods/assets linked to the execution of the provision of services. All the investment necessary to develop an efficient and satisfactory operation will be at the CONCESSIONAIRE's own risk and expense.

## **22. CLAUSE TWENTY-TWO - TRANSFER OF CONTROL OF CONCESSIONAIRE AND ITS STATUTORY CHANGES**

22.1. Under the conditions established in the CONTRACT, the GRANTING AUTHORITY will authorize the assumption of the control or temporary administration of the CONCESSIONAIRE by its financiers and guarantors with those who do not maintain a direct corporate relationship, to promote their financial and ensure continuity of service provision.

22.2. In the hypothesis provided for in subitem 22.1. above, the GRANTING AUTHORITY will require financiers and of guarantors who meet the requirements of legal and fiscal regularity, being able to change or waive the other requirements set out in item I of the sole paragraph of art. 27 of Law 8,987, of February 13, 1995.

22.3. The assumption of control or temporary administration authorized in accordance with subsection 22.1. will not change the obligations of the CONCESSIONAIRE and its controllers towards third parties, GRANTOR and users of public services.

22.4. The CONCESSIONAIRE's control is configured, for the purposes set out in subitem 22.1., the resolvable ownership of shares or quotas by their financiers and guarantors who meet the requirements of art. 116 of Law 6,404, of December 15, 1976.

22.5. Temporary administration of the CONCESSIONAIRE by its financiers and guarantors when, without the transfer of ownership of shares or quotas, the following powers:

- I - appoint the members of the Board of Directors, to be elected in General Meeting by shareholders, in companies governed by Law 6,404, of 15 December December 1976; or administrators, to be elected by the shareholders, in other societies;
- II - appoint the members of the Fiscal Council, to be elected by the shareholders or controlling shareholders at the General Meeting;
- III - exercise veto power over any proposal submitted to a vote by shareholders or quotaholders of the CONCESSIONAIRE, who represent, or may represent, harm to the purposes set out in the caput of art. 27 of Law 8,987/1995
- IV - other powers necessary to achieve the purposes set out in the caput of art. 27 da Law 8,987/1995

22.6. The temporary administration authorized in accordance with art. 27 of Law 8,987/1995 does not will entail liability for financiers and guarantors in relation to taxation, charges, encumbrances, sanctions, obligations or commitments with third parties, including the GRANTOR or employees.

22.7. The GRANTING AUTHORITY will regulate the term of temporary administration.

22.8. During the term of the CONTRACT, in the event of any transfer of concession or corporate control of the concessionaire, prior consultation with the power grantor - LEMG.

22.9. The CONCESSIONAIRE undertakes not to carry out, in its corporate books, without prior consultation with LEMG, any record that results in assignment, transfer or encumbrance of the shares that comprise corporate control.

22.10. The transfer of corporate control of the CONCESSIONAIRE will only be authorized by LEMG when:

- I - the measure does not harm or put at risk the execution of the Contract; It is
- II - the CONCESSION has been running for at least 03 (three) years, through proof of regular compliance with the obligations assumed in this CONTRACT.

22.11. Prior authorization from LEMG is essential even in the case of indirect transfer of the control through controlling companies, or even in the event of a voting agreement.

22.12. To obtain consent for the transfer of corporate control, the applicant must:

- I - meet the requirements of technical capacity, financial suitability and legal and fiscal regularity necessary to assume the purpose of the CONCESSION;
- II - provide and maintain the relevant guarantees; It is
- III - undertake to comply with all clauses of this AGREEMENT.

22.13. The request for authorization of the transfer of control must be presented to LEMG, in writing, by the CONCESSIONAIRE, containing the justification for this, as well as elements that can support the analysis of the request.

22.14. LEMG will examine the request within up to 30 (thirty) days, extendable for equal period, if necessary, and may, at its discretion, request clarifications and additional documents from the CONCESSIONAIRE, and take any steps it deems appropriate.

22.15. Authorization to transfer control of the CONCESSIONAIRE, if applicable granted by LEMG, will be formalized, in writing, indicating the conditions and requirements for its realization.

22.16. The CONCESSIONAIRE must submit any modification to the respective bylaws or other similar document, throughout the period of CONCESSION, especially with regard to division, merger, transformation and incorporation.

22.17. Documents that formalize changes to the CONCESSIONAIRE's statutes must be

forwarded to LEMG for archiving, becoming an integral part of this CONTRACT.

22.18. The CONCESSIONAIRE has the duty to inform LEMG about the carrying out of operations corporate transactions involving companies that hold shares in it, when such operations may affect or significantly impair the fulfillment of the obligations and duties of these companies towards the CONCESSIONAIRE, as in the case of the existence of capital to be paid in.

22.19. Whether in the event of transfer of corporate control of the CONCESSIONAIRE, or in the amendment of its bylaws, or in corporate operations involving companies that hold it participation, the conditions that led to the signing of the CONTRACT must be maintained.

## **23. CLAUSE TWENTY-THREE - PROTECTION OF PERSONAL DATA**

23.1. The PARTIES, for themselves and their employees, undertake to act in this AGREEMENT in compliance with current legislation on Personal Data Protection and agency determinations regulators and/or supervisors on the matter, in particular, Federal Law No. 13,709, of August 14, 2018.

23.2. In this CONTRACT, the GRANTING AUTHORITY assumes the role of controller, under the terms of the article 5, VI of Law No. 13,709/2018, and the CONCESSIONAIRE assumes the role of operator, under the terms of article 5, VII of Law n° 13,709/2018.

23.3. The CONCESSIONAIRE must maintain confidentiality regarding personal data shared by CONCESSIONAIRE and may only use the data exclusively for the purpose of fulfilling the purpose of this contract, and you are prohibited, at any time, from sharing this data without the express authorization from the GRANTING AUTHORITY, or the processing of data in a manner incompatible with the purposes and agreed deadlines.

23.4. The PARTIES must notify each other, electronically, within 2 (two) business days, about any incident detected within the scope of its activities, relating to data processing operations personal data.

23.5. The PARTIES undertake to adopt administrative security measures, technological, technical and operational necessary to protect the personal data that will be entrusted to you, taking into account the guidelines of regulatory bodies, technical standards and existing good practices.

23.6. The GRANTING AUTHORITY will have the right to monitor, monitor, audit and inspect the CONCESSIONAIRE's compliance, in view of operator obligations, for data protection personal information relating to the execution of this AGREEMENT.

23.7. The PARTIES are obliged to appoint a person responsible for the protection of personal data, or representative, for communication on matters pertinent to Law No. 13,709/2018, its amendments and subsequent regulations.

23.8. The PARTIES will formally inform their employees and collaborators of the obligations and conditions agreed in this clause. The guidelines stipulated here must be applied to all any activity involving this contract.

## **24. CLAUSE TWENTY-FOUR - FRAUD AND CORRUPTION**

24.1. The PARTIES undertake to comply with and enforce the rules against fraud and corruption.

24.2. The GRANTING AUTHORITY requires the CONCESSIONAIRE to observe the highest standard of ethics during the execution of the Contract. As a result of this policy, it defines, for the purposes of this provision, the following terms:

24.2.1. "corrupt practice" means the offering, giving, receiving or solicitation of any thing of value to influence the action of a public agent in the execution of the CONTRACT;

24.2.2. "fraudulent practice" means the misrepresentation of facts in order to influence the execution of a Contract to the detriment of the GRANTOR;

24.2.3. "coercive practice" means harming or threatening to harm, directly or

indirectly, people or their property in order to affect the performance of a CONTRACT;

24.2.4. "Obstructive practice" means intentionally destroying, falsifying, altering or concealing material evidence for investigation or offering false information to investigators with the aim of prevent an investigation by the GRANTING AUTHORITY or other control body into allegations of corruption, fraud, coercion or conspiracy; also means threatening, harassing or intimidating any party involved with a view to preventing the release of information or knowledge that is relevant to the investigation; or

24.2.4.1. "Obstructive practice" means acting intentionally with the aim of preventing the exercise the right of the GRANTING AUTHORITY or other control body to investigate and audit.

24.3. The occurrence of any of the hypotheses listed above, as well as those set out in the Annex I of SDE Ordinance No. 51 of July 3, 2009, must be forwarded to the State Comptroller General - CGE to report to the Economic Development Secretariat of the Ministry of Justice for the adoption of appropriate measures.

## **25. CLAUSE TWENTY-FIVE - PROHIBITION OF NEPOTISM**

25.1. The performance of services by employees who are spouses, partners or who have a direct or collateral line of kinship or affinity, up to the third degree with public agent holding a position on a commission or position of trust in the Contracting body, unless invested through public tender.

## **26. CLAUSE TWENTY-SIX - MECHANISMS FOR RESOLUTION OF CONTRACTUAL DISPUTES**

26.1. Pursuant to State Law No. 23,172, of December 20, 2018, in resolving controversies arising from this CONTRACT or related to it will be adopted, preferably, the methods of administrative conflict prevention and resolution in the Prevention and Resolution Chamber Conflict Administrative - CPRAC, a body within the organic structure of the State Attorney General's Office.

26.2. The Conflict Prevention and Administrative Resolution Chamber - CPRAC will operate as the primary instance in resolving disputes arising from this CONTRACT or related to it, in accordance with AGE Resolution No. 61, of July 6, 2020.

26.3. These are methods of administrative conflict prevention and resolution, to be adopted in relation to the needs of the specific case:

26.3.1. Conciliation, in which the conciliator, without decision-making power, may suggest solutions for the controversy, and the use of any type of embarrassment or intimidation is prohibited so that parties reconcile;

26.3.2. Mediation, in which the mediator, without decision-making power, assists and encourages interested parties to identify or develop, by themselves, consensual solutions to the controversy;

26.4. It cannot be subject to self-composition, in addition to the hypotheses provided for in art. 13 of Law no. 23,172, of 2018:

26.4.1. A dispute that can only be resolved by acts or concessions of rights that depend on authorization from the Legislative Branch.

26.4.2. The opposite controversy:

26.4.2.1. To the guidance of the State Attorney General's Office;

26.4.2.2. To the peaceful jurisprudence of the Superior Courts, observing the provisions of art. 1st, II, of Law No. 23,172, of 2018;

26.4.2.3. To the summaries, binding or not, of the Superior Courts;

26.4.2.4. The ruling handed down by the Federal Supreme Court or the Superior Court of Justice in judging repetitive appeals;

26.4.2.5. Matters decided, definitively, by the Superior Labor Court, in a judgment carried out under art. 896-C of Federal Decree-Law No. 5,452, of May 1, 1943;

26.4.2.6. The understanding reached in an incident of resolution of repetitive demands or assumption of competence.

26.5. The approval of the self-composition will become administrative res judicata and will imply waiver of any and all rights subject to the dispute.

## 27. **CLAUSE TWENTY-SEVEN - CHANGES**

27.1. This contract may be amended in the cases provided for in art. 65 of Law No. 8,666/93, as long as it is duly motivated and authorized by the competent authority.

## 28. **CLAUSE TWENTY-EIGHT - EXECUTION REGIME**

28.1. The regime for executing the services to be performed by the CONCESSIONAIRE and the materials that will be used are those provided for in the Basic Project and in the Notice.

## 29. **CLAUSE TWENTY NEW - GENERAL PROVISIONS**

29.1. The primary and backup data center may be in the cloud as long as they are made available through a providing business entity with headquarters and jurisdiction in Brazil (CNPJ), as per - Annex I - Basic Project item 16.

29.2. In the interpretation, integration or application of any provision of the CONTRACT, they must the contractual clauses and, later, the provisions of the NOTICE and its ANNEXES must be considered, especially of the Basic Project and its specifications, which is considered integrated into it.

29.3. In cases of divergence between the provisions of the CONTRACT and the provisions of the Project The basic provisions of the CONTRACT will prevail.

## 30. **CLAUSE THIRTY - PUBLICATION**

30.1. The publication of the extract from this instrument, in the official press organ of Minas Gerais General, will be at the GRANTING AUTHORITY's expense, in accordance with Federal Law 8,666/93 of 06/21/1993.

## 31. **CLAUSE THIRTY-ONE - JURISDICTION**

31.1. The Forum of the District of Belo Horizonte/MG is hereby elected to resolve all issues arising from this CONTRACT, to the exclusion of any other, however privileged it may be.

And because they are adjusted, the parties sign this electronically signed instrument.



Document signed electronically by **Ronan Edgard dos Santos Moreira, General Director**, on 12/29/2023, at 12:29, according to official Brasília time, based on art. 6th, § 1st, of the [Decree No. 47,222, of July 26, 2017.](#)



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**Reference:** Process nº 2040.01.0000233/2023-04

SEI nº 79467488