ATTACHMENT 9

PAYMENT MECHANISM

1. INTRODUCTION

This ATTACHMENT establishes the payment mechanism that calculates the amount owed to the CONCESSIONAIRE for the provision of its SERVICES.

Starting at Phase I, the CONCESSIONAIRE will receive, for the provision of its SERVICES, the EFFECTIVE MONTHLY PAYMENT (CME) on a monthly basis, which is the result of the adjustments made to the MAXIMUM MONTHLY PAYMENT (CMM) considering the performance of the CONCESSIONAIRE, following the parameters defined by ATTACHMENT 8 (PERFORMANCE MEASUREMENT SYSTEM), and the completion of the CONCESSION MILESTONE, as by the CONTRACT and in this ATTACHMENT. The MAXIMUM MONTHLY PAYMENT (CMM) is composed by two elements: MAXIMUM MONTHLY PAYMENT - PORTION A and MAXIMUM MONTHLY PAYMENT - PORTION B.

In addition to the payment of CME, the CONCESSIONAIRE might be eligible to receive the ENERGY BONUSES (BCE). The BCE is a bonus received when the CONCESSIONAIRE reaches a power efficiency superior to 105% (one hundred and five percent) of the ENERGY EFFICIENCY TARGET. The BCE may be conceded one year after the completion of the last CONCESSION MILESTONES and its payed monthly, as by defined in this ATTACHMENT.

2. EFFECTIVE MONTHLY PAYMENT (CME)

This section establishes the procedures, rules, and instruments for calculation of the EFFECTIVE MONTHLY PAYMENT to be paid to the CONCESSIONAIRE.

The MAXIMUM MONTHLY PAYMENT (CMM) comprises of two amounts: (i) MAXIMUM MONTHLY PAYMENT - PORTION A (CMA), which refers to the remuneration of the capital expenditures performed by the CONCESSIONAIRE; and (ii) MAXIMUM MONTHLY PAYMENT - PORTION B (CMB), which refers to the remuneration of the services provided by the CONCESSIONAIRE.

The PERFORMANCE PARAMETER (FD) will be applied over the CMM, which represents the sum of CMA and CMB, as following:

$$CME = CMM \times FD$$

Where:

CME = EFFECTIVE MONTHLY PAYMENT;

CMM = MAXIMUM MONTHLY PAYMENT;

FD = PERFORMANCE PARAMETER, adjustment factor applied over CMM regarding the performance of the CONCESSIONAIRE, as demonstrated on item 2.3 of this ATTACHMENT and in ATTACHMENT 8 (PERFORMANCE MEASUREMENT SYSTEM).

$$CMM = CMA + CMB$$

Where:

CMA = MAXIMUM MONTHLY PAYMENT - PORTION A;

CMB = MAXIMUM MONTHLY PAYMENT - PORTION B.

2.1. MAXIMUM MONTHLY PAYMENT - PORTION A (CMA)

MAXIMUM MONTHLY PAYMENT - PORTION A (CMA) payments will be owed to the CONCESSIONAIRE starting at Phase II. The amount of MAXIMUM MONTHLY PAYMENT - PORTION A (CMA), after the issuing of the ACCEPTANCE TERM for all CONCESSION MILESTONES, will be 68% (sixty-eight percent) of the MAXIMUM MONTHLY PAYMENT, as presented in the COMMERCIAL PROPOSAL. This percentage may be changed in the event of contract rebalancing being performed through the review of the MAXIMUM MONTHLY PAYMENT.

Until obtaining the ACCEPTANCE TERM for the first CONCESSION MILESTONE, the CMA will be equal to 0 (zero). After obtaining the ACCEPTANCE TERM of the first CONCESSION MILESTONE, the CMA will be equal to CMA_1. After obtaining the ACCEPTANCE TERM for the second CONCESSION MILESTONE, the CMA will be equal to $CMA_1 + CMA_2$. After obtaining the ACCEPTANCE TERM of the third CONCESSION MILESTONE, the CMA will be equal to $CMA_1 + CMA_2 + CMA_3$.

The CMA is composed by the following equation:

$$CMA = CMA_1 + CMA_2 + CMA_3$$

Where:

CMA = MAXIMUM MONTHLY PAYMENT - PORTION A;

CMA_1 = MAXIMUM MONTHLY PAYMENT - PORTION A1, which the value refers to 33% (thirty-three percent) of the MAXIMUM MONTHLY PAYMENT - PORTION A, owned by the following month after the issuing of the ACCEPTANCE TERM by the INDEPENDENT VERIFIER considering the completion of the first CONCESSION MILESTONE, as defined in ATTACHMENT 5;

CMA_2 = MAXIMUM MONTHLY PAYMENT - PORTION A2, which the value refers to 33% (thirty-three percent) of the MAXIMUM MONTHLY PAYMENT - PORTION A, owned by the following month after the issuing of the ACCEPTANCE TERM by the INDEPENDENT VERIFIER considering the completion of the second CONCESSION MILESTONE, as defined in ATTACHMENT 5;

CMA_3 = MAXIMUM MONTHLY PAYMENT - PORTION A3, which the value refers to 34% (thirty-four percent) of the MAXIMUM MONTHLY PAYMENT - PORTION A, owned by the following month after the issuing of the ACCEPTANCE TERM by the INDEPENDENT VERIFIER considering the completion of the third CONCESSION MILESTONE, as defined in ATTACHMENT 5;

2.2. MAXIMUM MONTHLY PAYMENT - PORTION B (CMB)

The MAXIMUM MONTHLY PAYMENT - PORTION B (CMB) will be owned to the CONCESSIONAIRE starting at Phase I, equal to 32% (thirty-two percent) of the MAXIMUM MONTHLY PAYMENT value presented in the COMMERCIAL PROPOSAL. This percentage may be changed in the event of contract rebalancing being performed through the review of the MAXIMUM MONTHLY PAYMENT.

2.3. PERFORMANCE PARAMETER (FD)

FD will be determined semesterly, based on the achievement of the GENERAL PERFORMANCE INDEX (IDG) according to the methodology presented in ATTACHMENT 8, measured in the previous semester, impacting the value of the EFFECTIVE MONTHLY PAYMENT for the next six months.

FD is represented by a value between 0.76 (zero dot seventy-six) and 1 (one), according to the corresponding IDG for a given period.

2.3.1. FD CALCULATION IN THE FIRST 6 (SIX) MONTHS OF THE CONCESSION

The measurement of the indicators presented in ATTACHMENT 8 will begin at the start of Phase I. Exclusively during the first 6 (six) months of Phase I, the PERFORMANCE PARAMETER (FD) will be equal to 1 (one).

2.3.2. FD CALCULATION UNTIL THE 10TH YEAR OF THE CONCESSION

Starting at the 7th month of Phase I, until the 10th year of the CONCESSION, the FD will be determined based on the result measured for IDG in the previous semester, as following:

Table 1 – IDG and Corresponding FD Values

IDG Value	Corresponding FD Value
$\geq 0.76 \; and \leq 1.00$	$FD \; = \; IDG$
< 0.76	0.76

If the measured value of IDG is equal or over 0.76 (zero dot seventy-six) and equal or below 1.00 (one), FD will be equal to the measured IDG.

If the measured value of IDG is below 0.76 (zero dot seventy-six), FD will be equal to 0.76 (zero dot seventy-six).

If the measured value of IDG is below 0.76 (zero dot seventy-six), the difference between the measured value of IDG and the limit stated above will be deducted from IDG in the next semester.

In the event of contract termination, the CONCESSIONAIRE will compensate the CONCESSION AUTHORITY for any differences not yet deducted.

2.3.3. CALCULATION OF FD FROM THE 11TH (ELEVENTH) YEAR OF THE CONCESSION ONWARDS

Starting in the CONCESSION's 11th (eleventh) year, FD will be equal to the measured IDG.

2.3.4. GENERAL CONSIDERATIONS ON FD CALCULATION

FD will be calculated based on the IDG measured in the previous semester and it will impact the value of the EFFECTIVE MONTHLY PAYMENT for the next six months. The FD to be considered in the semester starting at the 7th month of Phase I will be calculated based on the IDG measured in the semester starting at the 1st month of Phase I.

3. ENERGY BONUSES (BCE)

The BCE may be conceded after one year following the achievement of the last CONCESSION MILESTONE and it's payed on a monthly basis, observing the rules described in the ATTACHMENT herein, upon confirmation of the savings obtained by the CONCESSION AUTHORITY related to the PUBLIC LIGHTING power consumption.

Until the 5th workday of the 13th (thirteenth) month after the achievement of the last CONCESSION MILESTONE, the CONCESSION AUTHORITY is required to send the CONCESSIONAIRE all its electric power bills issued by the DISTRIBUTION COMPANY, from the last CONCESSION MILESTONE completion date until the 12th month of its achievement. After this first dispatch, the others should occur annually under the same term, always comprising the last 12 (twelve) months of billing.

The BCE will be obtained for each period by considering the following equation:

$$BCE = 85\% \times \sum_{m=1}^{12} (CET_m - CE_m)$$

Where:

m: is the month of reference, varying from 1(one) to 12 (twelve);

CE_m: Actual monetary value related to the power consumption destined for PUBLIC LIGHTING, fixed in the energy bill paid by the CONCESSION AUTHORITY, with m ranging from 1 to 12 for each BCE calculation period;

The CE_m must include only the consumption of electricity intended for PUBLIC LIGHTING in the CONCESSION AREA and must not include any type of credit or account balances of activities not related to the provision of the PUBLIC LIGHTING service by the CONCESSIONAIRE.

The CE_m must consider the amount effectively paid by the CONCESSION AUTHORITY for the consumption of electricity destined for PUBLIC LIGHTING in the CONCESSION AREA, considering the B4a tariff category in (R\$/kWh) used by the DISTRIBUTION COMPANY for purposes of calculating the energy bill, including taxes and any additional banner fees.

CET_m: Theoretical value of the energy bill paid by the CONCESSION AUTHORITY in the months following the achievement of the ENERGY EFFICIENCY TARGET, with m ranging from 1 to 12 for each BCE calculation period.

$$CET_m = \sum_{m=1}^{12} (CMfutura \times QPIP_m \times \#dias_m \times T_m \times Tarifa_m)$$

Where:

$CMfutura$: Projected average future load of 0.07573 kW;

$QPIP_m$: Number of PUBLIC LIGHTING POINTS in the REGISTRY in the month of evaluation m;

$\#dias_m$: Number of days in the evaluation month m;

T_m: Time in hours (h) used by the DISTRIBUTION COMPANY for purposes of calculating the energy bill in the month of evaluation m;

$Tarifa_m$: Electric power tariff B4a in (R\$/kWh) used by the DISTRIBUTION COMPANY for the purposes of calculating the energy bill in effect in the month m of the evaluation period, including taxes and any additional banner fees, according to the billing calculation of CE_m.

If the value of BCE is negative for the annual period, the CONCESSIONAIRE will not be entitled to receive any amount as ENERGY BONUSES for the period.