

APPENDIX 10
GENERAL CONDITIONS OF INSURANCE POLICIES

ANEXO 10

PREÂMBULO

A versão em língua inglesa deste Anexo é meramente referencial, não vinculante. A única versão oficial do documento está redigida em língua portuguesa, cujo conteúdo é vinculante para todos os interessados. Em caso de dúvidas de interpretação entre a versão traduzida do Anexo 10, em inglês, e a versão oficial, redigida em língua portuguesa, prevalecerá a versão em língua portuguesa, documento oficial da licitação.

APPENDIX 10

PREAMBLE

The English version of this Appendix is not binding to the parties. The Portuguese version of the document is the only official version of the auction and it is binding to all stakeholders. Should any interpretation doubt arise between this English version and the Portuguese version of this Appendix 10, the Portuguese version shall prevail, as the only official document for the auction.

1. Minimum insurance to be contracted

1.1. The CONCESSIONAIRE shall contract and maintain the following insurances policies for the entire CONCESSION TERM:

- a. **Operational Risks**, to cover the assets owned by the CONCESSIONAIRE, the GRANTING AUTHORITY or third parties, which are under its safety and custody in the SERVICES performance;
- b. **Civil Liability**, to cover material, personal and moral damages caused to third parties that are attributed to it during the operation and/or works, installations, assemblies, reforms, and expansions that may occur; and
- c. **Engineering Risks**, for all works performance, installations and assemblies, reforms and expansions that may occur during the CONCESSION.

The insurance policies abovementioned must comply with the requirements listed below.

2. Exposure Value

2.1. The estimated Exposure Value of the assets of the MUNICIPAL PUBLIC LIGHTING NETWORK to be declared in the Operational Risk insurance policy, will be equivalent to the sum of the state-of-the-art value of all assets, including building, goods, permanent materials, equipment and others, owned by the CONCESSIONAIRE, the GRANTING AUTHORITY and third parties, allocated and destined for the operation of the MUNICIPAL PUBLIC LIGHTING NETWORK.

2.2. For Engineering Risk insurance, the exposure value must correspond to the value of total investments, including civil works, installations and assemblies, management expenses, equipment and all other costs that may occur due to the potential incident.

3. Coverages, Minimum Indemnity Limits and Deductibles

3.1. The minimum indemnity limits to be declared in the insurance policies, including the material and moral damages covered, must meet the maximum indemnity limits calculated based on the highest probable damage, taking into account the values of the covered equity of the

MUNICIPAL PUBLIC LIGHTING NETWORK in a new state, including the building, goods, permanent materials, equipment and others, owned by the CONCESSIONAIRE, the GRANTING AUTHORITY and third parties, allocated and destined for the operation of the MUNICIPAL PUBLIC LIGHTING NETWORK.

3.2. The Table below includes all coverages considered as a minimum requirement when contracting the insurance policy:

N.º	Coverages
Operational Risk Insurance	
1.	Insurance for fire coverage, lightning strike and explosion of any nature, for all PUBLIC LIGHTING POINTS and other buildings of the MUNICIPAL PUBLIC LIGHTING NETWORK and respective contents, including equipment that is the property or exclusive use of the MUNICIPAL LIGHTING PUBLIC NETWORK and third parties in your safety and custody
2.	Nature events, such as: Gale, Hurricane, Cyclone, Hail, Crumbling, Flooding and Smoke
3.	Impact of land vehicles and aircraft crash
4.	Electrical damage
5.	Riots, strikes, protests and lock-out
6.	Electronic Equipment
7.	Sprinkler spill
8.	Mobile and stationary equipment
Civil Liability Insurance	
9.	Civil Liability Operations, as well as existence, use and conservation of assets
10.	Employer's Civil Liability.
11.	Moral damages resulting from the events abovementioned
12.	Project erros
13.	Cross Civil Liability.
14.	Loss of Profit arising from civil liability (to serve third parties)
15.	Property Damage Caused to the Work Owner
Engineering Risk Insurance	
16.	Coverage of Civil Works in Construction / Installation and Assembly, with design error and Manufacturer risks
17.	Damage as a result of design error and manufacturer's risks with the same insured Importance as the basic coverage.
18.	Site Debris Expenses.

N.º	Coverages
19.	Small and medium tools.
20.	Mobile / Stationary Equipment used in the work
21.	Completed Works
22.	Temporary Work.
23.	Expert Fees
24.	Works Accepted and Put into Operation
25.	Off-Site Storage
26.	Riots, Surrounding Property, Extraordinary Expenses
27.	Expenses with claims contention and salvage
28.	Civil Liability arising from Civil Works in Construction / Installation and Assembly, with additional coverage of Design Error, CR Crossing and Foundations
29.	Moral Damage resulting from Civil Works in Construction / Installation and Assembly, with additional coverage of Design Error, CR Crossing and Foundations
30.	Extraordinary expenses.

3.3. It is at the CONCESSIONAIRE's discretion to contract any other coverages in addition to those established in this APPENDIX, as well as the definition of indemnity limits higher than those established herein.

3.4. For the coverages listed above, the CONCESSIONAIRE must observe:

3.4.1. The value of the Basic Coverage of Civil Works (item 16, of the Table) must correspond to the entire enterprise foreseen during the period of modernization works of the MUNICIPAL PUBLIC LIGHTING NETWORK.

3.4.2. In case of renovation or expansion, the amounts to be considered should correspond to the value of the investment made, added to the value of the existing buildings if they are exposed to any type of risk arising from the renovation and / or expansion and provided that such risks are excluded from the other Operational Risk insurance policies required by this notice.

3.4.2.1. Alternatively, the coverage for renovations and extensions, can be contracted under the Operational Risk insurance, with the title “Small Engineering Works”, in this case, using as the basis for defining the insured limit to be used, only the investment amount maximum per unit. Such procedure will be accepted as long as it is evident that the damage to the installations in operation will remain covered in the Operational Risk

policies, and the coverage of Civil Works and Installation and Assembly must also be included in the Civil Liability policy so that the damages resulting from these reforms and / or extensions are covered.

3.5. The coverages that deal with Civil Liability for the operation and the work (items 9, 10 and 11, of the Table), must consider as the insured, in addition to the CONCESSIONAIRE, the GRANTING AUTHORITY, as well as its administrators, financial agents, employees, employees, subcontractors, appointed or delegated, for the amounts with which they can be held responsible for material, personal and moral damages, procedural costs and any other charges related to material, personal or moral damages, arising from the activities covered by the CONCESSION, including, but not limited to, involuntary personal damages, deaths, material damage caused to third parties and their vehicles, and such insurance must be contracted with indemnity limits compatible with the risks assumed for damages to third parties.

3.6. It is understood and agreed that the minimum indemnity limits are minimum and do not exempt the CONCESSIONAIRE from being responsible for any and all losses and damages caused to third parties that exceed such limits and even though they may not be supported by the policies that may be contracted, or furthermore, any and all deductibles that may be applied in the event of claims involving the coverage contracted in the policies will be undertaken by the CONCESSIONAIRE.

4. Additional Obligations:

4.1. The CONCESSIONAIRE must:

- a) Contract and maintain in force, throughout the CONCESSION period, the Operational Risk and Civil Liability insurance;
- b) Contract and maintain in force for the period of performance of the CONCESSION MILESTONES, counting from the EFFECTIVE DATE until the definitive receipt of the MODERNIZED MUNICIPAL PUBLIC LIGHTING NETWORK, the Engineering Risks insurance, which must be in force even in cases of deviation from the initial delivery schedule that gave rise to the policy;
- c) Contract the policies with first-rate insurers and reinsurers, whose classification is considered “investment grade”, by the risk agencies: Moody's and / or S&P and / or Fitch;
- d) Perform the Risk Management work, where the operating conditions of the MUNICIPAL PUBLIC LIGHTING NETWORK will be periodically evaluated to

verify changes in the risk level of the enterprise. Based on this survey, adjustments and actions should be proposed to manage and minimize these risks; and

e) Maintain insurance policy for the units, facilities and assets, covered 100% (one hundred percent) of the time for the minimum required coverage.

4.2. The GRANTING AUTHORITY must:

a) Inform the CONCESSIONAIRE of non-conformities or problems that may increase exposure to risks in the MUNICIPAL PUBLIC LIGHTING NETWORK environment;

b) To act with its employees and systems under its operation in order to guarantee compliance with the Risk Management policies defined, in common agreement, for the MUNICIPAL PUBLIC LIGHTING NETWORK;

c) Assess and indicate problems in the facilities, systems and services provided that may represent risk of claims;

d) Monitor and evaluate the operation, conservation and maintenance of services, environments, and systems; and

e) Monitor and deal with the evolution of occurrences and work orders related to accidents and incidents with respect to Risk Management.