

FEDERAL GOVERNMENT

SECRETARIAT OF PORTS OF THE PRESIDENCY OF THE REPUBLIC – SEP/PR

NATIONAL WATERWAY TRANSPORTATION AGENCY – ANTAQ

ANNEX 1 – SPECIFIC CONDITIONS OF NOTICE

**AUCTION No. 01/2016-ANTAQ, FOR LEASING OF PUBLIC AREAS AND INFRASTRUCTURE FOR
MOVEMENT AND STORAGE OF DRY BULK GRAIN LOCATED AT THE OUTEIRO TERMINAL IN THE
STATE OF PARÁ, DESIGNATED OUT01, OUT02 AND OUT03.**

Summary

1. Chapter I – Initial provisions **Erro! Indicador não definido.**
2. Chapter IV – Documentation **Erro! Indicador não definido.**
3. Chapter V – Auction stages **Erro! Indicador não definido.**
4. Chapter VI – Lease contract **Erro! Indicador não definido.**

References to Chapters, Sections and Subsections in this Annex indicate the respective Chapters, Sections and Subsections of the General Conditions of the Auction Notice.

1. Chapter I – Initial Provisions

Section II - Object

1.1. The objective of this Auction is leasing of public areas, infrastructures and port facilities located in the Outeiro Terminal (Pará), for purposes of performance of the Activities.

1.1.1. The total area of the Lease – identification code OUT01 – encompasses approximately 35,000 m² (thirty five thousand meters), composed of land areas in which the equipment and edifications to be utilized in unloading (unloading, internal movement, storage and dispatch) and loading operations (reception, storage, internal movement and loading) of dry bulk grain have already been or will be implemented according to the rules set down in the Contract and its Annexes.

1.1.2. The total area of the Lease – identification code OUT02 – encompasses approximately 35,000 m² (thirty five thousand meters), composed of land areas in which the equipment and edifications to be utilized in unloading (unloading, internal movement, storage and dispatch) and loading operations (reception, storage, internal movement and loading) of dry bulk grain have already been or will be implemented according to the rules set down in the Contract and its Annexes.

1.1.3. The total area of the Lease – identification code OUT03 – encompasses approximately 35,000 m² (thirty five thousand meters), composed of land areas in which the equipment and edifications to be utilized in unloading (unloading, internal movement, storage and dispatch) and loading operations (reception, storage, internal movement and loading) of dry bulk grain have already been or will be implemented according to the rules set down in the Contract and its Annexes.

1.2. The complete description of the port areas, infrastructures and facilities can be found in the respective Annexes 3 and 4 to the Draft of the Lease Contract – General and Specific Parts, in the Annexes of this Auction Notice.

1.3. The Activities to be performed by the Lessee consist of movement and storage of dry bulk grain, according to the terms and conditions stated in the Contract and its Annexes.

Section V – Technical Visits

1.4. Technical visits should be scheduled directly with the Outeiro Terminal Administrator, located in Caratateua, Highway BL-10 – Icoaraci/PA and formalized using the electronic address: visita.cdp@cdp.com.br, utilizing the appropriate form.

2. Chapter IV – Documentation

Section III – Proposal Guarantee

2.1. The Proposal Guarantee should be provided in the following amounts for each one of the Lease Sites for which the Proponent intends to submit a Proposal:

2.1.1. Lease Site OUT01: the amount of R\$ 6,326,878.62 (six million, three hundred and twenty six thousand, eight hundred and seventy eight reais and sixty two centavos);

2.1.2. Lease Site OUT02: the amount of R\$ 6,326,878.62 (six million, three hundred and twenty six thousand, eight hundred and seventy eight reais and sixty two centavos);

2.1.3. Lease Site OUT03: the amount of R\$ 6,326,878.62 (six million, three hundred and twenty six thousand, eight hundred and seventy eight reais and sixty two centavos).

Section IV – Lease Proposal

2.2. The Proponent should submit its Proposal for the Lease site according to the model in Annex 1.

2.3. The Lease Proposal offered for each Lease Site that is the object of the Auction will consist of the largest Bid Value to be paid to the FEDERAL GOVERNMENT.

2.3.1. The Proponent should submit a specific Lease Proposal for each Lease Site for which it intends to compete.

2.4. In its Lease Proposal, the Proponent should indicate the Bid Value in reais to be paid to the FEDERAL GOVERNMENT expressed with a maximum of 2 (two) decimal points. Submission of amounts of less than R\$ 1.00 (one real) is prohibited.

3. Chapter V – Auction Stages

Section III - Public Auction Session

3.1. The Bidding for the 3 (three) Lease Sites governed by this Notice will occur through a Public Auction Session, encompassing opening of the Proposals and successive classification of the Proponents for each Lease Site. The order of the opening of the Proposals will be the following: OUT02, OUT0 and OUT03.

3.2. The Auction judgment criterion for Lease Sites OUT01, OUT02 and OUT03 is the largest Bid Value to be paid to the FEDERAL GOVERNMENT for the assign with consideration of the Lease Area, such amount being presented in reais with a maximum of up to 2 (two) decimal points.

3.3. Once the Proposals are received for the 3 (three) Lease Sites, the Proposals submitted for the Lease Site will be opened in the order determined in Item 3.1. Once the Proposals have been opened for the first Lease Site, they will be organized according to the criterion of largest Bid Value.

3.4. If the Lease site receives 2 (two) or more proposals, an open-outcry Auction will be held.

3.5. The classified Proponents whose bids have complied with at least one of the following conditions will participate in the open-outcry Auction:

3.5.1. The participant must be classified among the 03 (three) largest bids for the Lease site;

3.5.2. The value of the bid must be equal to or greater than 90% (ninety percent) of the Bid Value offered by the Proponent whose Proposal corresponds to the largest bid for the Lease site.

3.6. Only those Proponents whose bids have satisfied the terms of item 3.5. may present bids in the open-outcry auction.

3.7. Each bid should surpass the amount of the bid put forward by that Proponent for that Lease site, considering that the bid:

3.7.1. should respect the minimum interval between bids, which will be defined by the Director of the Public Auction Session;

3.7.2. should respect the maximum time between bids defined by the Director of the Public Auction Session;

3.7.3. should alter the classification of the Proponent; and

3.7.4. cannot be an amount that is identical to the bid of another Proponent.

3.8. The Director of the Public Auction Session will declare the Auction adjourned when the time period allowed for new bids has expired and no Proponent has made a new bid that meets the conditions determined in item 3.7.

3.8.1. Once the Auction has ended, the Proponent who has submitted the largest Bid Value to be paid to the FEDERAL GOVERNMENT for the assign with consideration of the Lease site will be declared the winner of the Lease site.

3.9. Immediately following closing of the Auction of each Lease Site, the winning Proponent of the Lease site should ratify its Proposal through presentation of a letter, in the terms of the model in Annex 2, stating the winning bid.

3.10. In the case of a tie between Proposals for the same Lease site, the tie will be broken by means of a drawing to take place in the same Public Session.

3.11. The procedure described above will be repeated successively for each one of the 3 (three) lease sites that are the object of the Auction until the winning Proponents for all of the Lease Sites are known.

4. Chapter VI – Lease Contract

Section I – Obligations Prior to Formalization of the Contract

4.1. Convocation of the Winning Bidder for signing of the Contract will be preceded by a formal manifestation on the part of the appropriate environmental entity for the purpose of determining the environmental licensing of the Lease site, according to the terms of article 14, item III of Law no. 12,815/2013.

4.2. Corroboration of payment to BM&FBOVESPA of its remuneration in the amount of R\$ 126,081.24 (one hundred and twenty six thousand, eighty one reais and twenty four centavos) for each Winning Bidder must be submitted.

4.3. Corroboration of payment to the FEDERAL GOVERNMENT of the amount corresponding to 25% (twenty five) percent of the Bid Value proposed by the Winning Proponent of each Lease Site must be submitted, with the remainder of the Bid Value being paid in 5 annual installments by each Lessee, according to the conditions determined in Annex 4 - Draft of the Lease Contract – Specific Part.

4.4. Based on the orientation to be issued by ANTAQ, corroboration of payment to the company charged with performing the studies underlying this Notice must be presented, as authorized by article 21 of Federal Law no. 8987/95, SEP/PR Directive no. 38/2013 and the General Conditions of the Notice, in the following amounts:

- 4.4.1. Lease Site OUT01: R\$ 111,925.42 (one hundred and eleven thousand, nine hundred and twenty five reais and forty two centavos);
- 4.4.2. Lease Site OUT02: R\$ 111,925.42 (one hundred and eleven thousand, nine hundred and twenty five reais and forty two centavos);
- 4.4.3. Lease Site OUT03: R\$ 111,925.42 (one hundred and eleven thousand, nine hundred and twenty five reais and forty two centavos);

Annex 1

Model for Submitting Lease Site Proposal

[locality], [•][•]2016

To the National Waterway Transportation Agency – ANTAQ

Re.: Auction Notice no. 01/2016 – Lease Proposal

Dear Sirs,

1. In response to the convocation issued on [date] to an **Auction**, we hereby present our **Lease Proposal** for the Lease site [indicate the Lease site identification code of interest].

2. We irrevocably and irreversibly propose the Bid Value of R\$ [-] ([-]) reais, considering the **Date for Reception of the Envelopes** as the base date, for the lease that is the object of the proposal], according to the terms and conditions stated in the **Notice** and its **Annexes**.

3 We expressly declare that:

3.1 this **Lease Proposal** was elaborated with due consideration of all the applicable conditions for payment of the Bid Value and the **Lease Value** (fixed and variable), in the precise terms of the Notice and its Annexes.

3.2 this **Lease Proposal** is valid for 1 (one) year, as of the **Date for Reception of the Envelopes**, and said period can be extended for an equal period, as specified in the **Notice**;

3.3 we fully agree and have no restrictions whatsoever regarding the obligation of Minimum Required Movement in item 5 of Annex 2 - Technical Guidelines and Lease Parameters, as well as the contracting conditions determined in the **Notice and its Annexes** and in the **Contract and its Annexes**;

3.4 we hereby acknowledge that any extension of the validity of the **Contract** is a decision that is the exclusive right of the Grantor Authority and that there is no subjective right to such an extension;

3.5 we hereby confirm that we are fully knowledgeable of the subject of the Lease, of the Activities to be performed, of the conditions for submitting this Proposal and of execution of the work;

3.6 from this point forward, we assume full responsibility for the Activities in keeping with the provision in the Contract and in its Annexes, ANTAQ regulations and those of the Organized Port, and any and all other applicable legislation; and

3.7 we have fully complied with all the obligations and demands contained in the **Notice and its Annexes**.

4. The Terms indicated in capital letters contained in this **Lease Proposal** and not defined otherwise will have the meanings attributed to them in the **Notice**.

Cordially,

[Proponent]/[Legal Representatives]

Annex 2

Model for Ratification of the Lease Proposal

[locality], [•][•]2016

To the National Waterway Transportation Agency – ANTAQ

Re.: **Auction Notice no 01/2016** – Area: [reference to LEASE SITE] - Letter of Ratification of Proposal.

Lease of the site:

Dear Sirs,

1. For purposes of notice no. 01 /2016, the (Name and characterization of the Proponent) hereby ratifies its Lease Proposal submitted in the Auction, irrevocably and irreversibly proposing the Bid Value of R\$ [-] ([-] reais), which will be paid to the FEDERAL GOVERNMENT, according to the conditions foreseen in the Notice and its Annexes.

Cordially,

[Proponent]/[Accredited Representative]