

LOAN NUMBER: 21BR03

**LOAN AGREEMENT**

By and Between

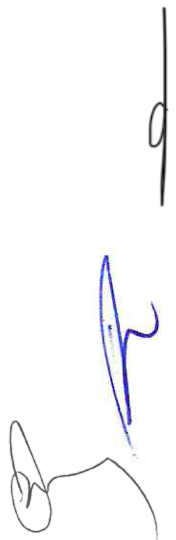
**THE MUNICIPALITY OF SOROCABA**

And

**NEW DEVELOPMENT BANK**

**(FOR DEVELOP SOROCABA – SOROCABA MOBILITY AND URBAN DEVELOPMENT PROJECT /  
PROGRAMA DE MOBILIDADE E DESENVOLVIMENTO URBANO DE SOROCABA – DESENVOLVE SOROCABA)**

October 20, 2022

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## LOAN AGREEMENT

Loan Agreement dated the 20 day of October, 2022, between the Municipality of Sorocaba, State of São Paulo (“**Borrower**”) and the **NEW DEVELOPMENT BANK** (“**NDB**”), a multilateral development bank established under the Agreement on the New Development Bank dated July 15, 2014, signed between the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People’s Republic of China and the Republic of South Africa (“**Loan Agreement**”, including all schedules and annexures hereto).

The Borrower and NDB shall each be referred to as a “**Party**” and collectively as “**Parties**”.

### **WHEREAS:**

- (A) The Borrower has requested a loan from NDB in an amount of USD 40,000,000.00 (forty million United States dollars) (the “**Loan Amount**”), to finance the Project;
- (B) The Project will be executed and implemented by the Borrower through the SEAD;
- (C) In consideration of the guarantee provided by the Federative Republic of Brazil, NDB has agreed to make available the Loan Amount to the Borrower to finance the Project; and
- (D) This Loan Agreement sets out the terms and conditions which have been agreed by the Parties for the above arrangement.

**NOW THEREFORE** the Parties hereto agree as follows:

### **ARTICLE I: Construction**

- Section 1.1** - The General Conditions (attached as **Annexure I**) constitute an integral part of this Loan Agreement and apply to this Loan Agreement to the full extent, unless otherwise expressly stated herein. In case of conflict between the General Conditions and the Loan Agreement, the Loan Agreement shall prevail.
- Section 1.2** - The principles of construction and the rules of interpretation set forth in Article II (*Construction*) and Part A of **Appendix I** (*Interpretation*) of the General Conditions shall apply *mutatis mutandis* to this Loan Agreement.
- Section 1.3** - All capitalized terms used in this Loan Agreement shall have the meanings set out in **Schedule I** (*Definitions*), or, if not defined therein, shall have the meanings given to such terms in the General Conditions.
- Section 1.4** - The references to the “*date of this Loan Agreement*” or “*date of signing of the Loan Agreement*” shall be the latest date affixed to the signature page of this Loan Agreement.
- Section 1.5** - The Borrower represents that it has read and understood the terms contained under the General Conditions. The Borrower shall comply and where applicable,

ensure compliance with the General Conditions, as modified below:

- (i) References to the “*Project Agreement*” and the “*Project Entity*” in the General Conditions shall be read and understood as references to this Loan Agreement and the Borrower, respectively.
- (ii) References to “*debt*” in Section 5(b) (*Negative Pledge*) of the General Conditions shall be exclusively read and understood as references to “*External Debt*”.
- (iii) References to “*Thomson Reuters*” in the definition of “*Screen Rate*” in the General Conditions shall be read and understood as references to “*Bloomberg*”.
- (iv) Section 3.5(a) of the General Conditions is deleted in its entirety and replaced with the following wording:

*“Notice: The Borrower may prepay all or part of the principal amount of the Loan drawn down, together with all accrued interest and Charges thereon, after giving not less than 60 (Sixty) days, prior written notice to NDB and the Guarantor, which notice shall be irrevocable and binding on the Borrower. The Borrower may not make any voluntary prepayment of a Loan for which the Loan Currency is Dollars on a day falling (i) on or after the day falling 45 (Forty-five) days prior to the last day of an Interest Period and (ii) the last day of such Interest Period.”*

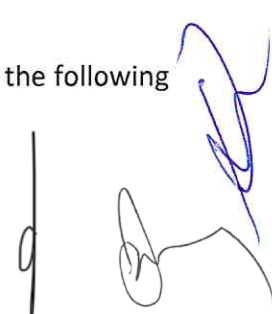
- (v) Section 6.1 (a)(ii) (*Suspension*) of the General Conditions is deleted in its entirety and replaced with the following wording:

*“(ii) either the Borrower, Guarantor (including any political or administrative subdivision thereof), or Project Entity shall have failed to perform any other non-financial obligation to NDB pursuant to any Legal Document, and such non-performance shall have continued for 30 (Thirty) days after notice thereof by NDB, provided that such event would have, in the reasonable determination of NDB, a material adverse effect upon the Project;”.*

- (vi) Section 6.4(a)(i) (*Events of Acceleration*) of the General Conditions is deleted in its entirety and replaced with the following wording:

*“(i) either the Borrower shall have failed to make a payment (and such payment has not been made by the Guarantor on behalf of the Borrower) of principal, interest, Charges or any other amount due to NDB under any (a) contract (including loan agreements) with the Borrower (if the Borrower is the Member Country), (b) contract (including loan agreements) guaranteed by the Guarantor (if Borrower is not the Member Country), (c) other arrangement with the Borrower (if the Borrower is the Member Country); or (d) any other arrangement guaranteed by the Guarantor (if Borrower is not the Member Country); or”.*

- (vii) Dispute Resolution: Section 8.2 (b)(iv) is deleted in entirety and replaced with the following wording:



*“(iv) Notwithstanding the provisions of the UNCITRAL Arbitration Rules, the arbitral tribunal shall not be authorised to take any interim measures of protection or provide any pre-award relief and none of the parties to the Legal Documents may address to any judicial authority a request for any interim measures of protection or pre-award relief.”*

## **ARTICLE II: The Loan**

- Section 2.1 -** The Borrower agrees to borrow from NDB and NDB agrees to extend to the Borrower a loan of the Loan Amount in the Loan Currency and on the terms and conditions set forth in the Legal Documents (the “**Loan**”).
- Section 2.2 -** The tenor of the Loan is 18 (eighteen) years from the date of this Loan Agreement, including a grace period of 66 (sixty-six) months.
- Section 2.3 -** The Borrower agrees that all amounts withdrawn shall be utilized for Eligible Expenditures incurred from the Retroactive Financing Date and prior to or on the Closing Date.

## **ARTICLE III: Project**

- Section 3.1 -** The Borrower declares its commitment to the objective of the Project, as described in **Schedule II** (*Description of the Project*). The Borrower agrees to comply with the Legal Documents. To this end, the Borrower represents that it has read and understood the terms contained under the Legal Documents, and shall carry out the Project in accordance with the provisions of Article IV (*Project Execution*) of the General Conditions and **Schedule III** (*Project Execution*) of this Loan Agreement.

## **ARTICLE IV: Payments**

- Section 4.1 - Principal** - The Loan availed shall be repaid by the Borrower on Payment Dates in 26 (twenty-six) installments in accordance with **Schedule IV** (*Amortization Schedule*). The Loan shall be repaid in full by the Borrower on the Loan Repayment Date.
- Section 4.2 - Interest** - The interest rate payable by the Borrower pursuant to Section 3.1 (a) (*Interest*) of the General Conditions shall be an aggregate of the Reference Rate for the Loan Currency and the Fixed Spread.
- Section 4.3 - Commitment Charge** - The Commitment Charge payable by the Borrower to NDB shall be 0.25% (zero point twenty-five percent) and shall accrue and be payable in accordance with Section 3.1(b) (*Commitment Charge*) of the General Conditions.
- Section 4.4 - Front-end Fee** - The Front-end Fee shall be equal to 0.25% (zero point twenty-five percent) of the Loan Amount and capitalised in accordance with Section 3.1 (c) (*Front end Fee*) and Section 3.1 (e) (*Capitalisation*) of the General Conditions.

**Section 4.5 - Counterpart-Funding** - The Borrower shall (i) provide and secure adequate counterpart funding no later than the date following 36 (thirty-six) months from the date of signing of this Agreement, in an amount not lower than 20% (twenty percent) of the total Project costs as set out in the Project Financing Plan ("**Counterpart Funding**"); (ii) provide and secure any additional counterpart funding in a timely manner for and to cover any shortfall of funds or cost overruns, as required for the implementation of the Project in accordance with the design standards of the Project and the Project Financing Plan; and (iii) provide NDB with all necessary documents to demonstrate the availability of the Counterpart Funding within ten (10) Business Days following the delivery of a written request by NDB.

#### **ARTICLE V: Additional Terms & Conditions**

**Section 5.1 - Withdrawal Procedure:** In addition to the General Conditions, each Withdrawal shall be subject to compliance with **Schedule V** (*Allocation of Loan and Withdrawal Procedure*).

**Section 5.2 - Use of Proceeds:** The Borrower represents that it has read and understood the terms of each of the following and that it shall comply (or shall cause compliance, as the context requires) with (i) the NDB Procurement Policy, as provided in Section 5.4 below; (ii) the NDB Environment and Social Framework, as provided in Section 5.3; and (iii) the Project implementation arrangements as set out in **Schedule III** (*Project Execution*) below.

**Section 5.3 - Environmental and Social Compliance:** In addition to the requirements prescribed in Section 4.2(e) (*Environmental and Social Compliance*) of the General Conditions, the Borrower shall, during the implementation of the Project, comply with all (i) Applicable Law in Brazil on the environmental and social impact assessment and mitigation related to the Project; and (ii) the requirements of the ESIMP. The Borrower shall notify NDB of any non-compliance with the immediately aforementioned provisions, as soon as possible after having knowledge of any non-compliance.

**Section 5.4 - Procurement:** In addition to the requirements prescribed in Section 4.2(f) (*Procurement*) of the General Conditions, the Borrower shall (and shall cause the PMO/UEP, as the context requires, to) carry out the procurement of all goods, works and services required for the Project, and to be financed out of the proceeds of the Loan in accordance with the Applicable Law and the principles of procurement set in NDB Procurement Policy.

**Section 5.5 - Project Audit Report:** The Borrower shall furnish to NDB a Project audit report prepared by an independent audit firm engaged in the Project, in the form and substance satisfactory to NDB, every year within 6 (six) months after closure of each Financial Year ("**Project Audit Report**"). The Borrower shall ensure (or cause the PMO/UEP to ensure) the correct preparation of the Project Audit Report and the timely submission of the same to NDB.

**Section 5.6 -** Section 4.1 (d)(iv) (*Financial Statements and Audit*) of the General Conditions is deleted in entirety and replaced with the following wording:

*“the Borrower shall promptly deliver to NDB a copy of (i) the audited Financial Statements, for each Financial Year, as soon as available in accordance with the Applicable Law, and such other information concerning the audited Financial Statements, and the auditors, as NDB may from time to time reasonably request.”*

**Section 5.7 -** Section 4.2 (d) (*Insurance*) of the General Conditions is deleted in entirety and replaced with the following wording:

*“The Borrower shall make, in accordance with the Applicable Law, adequate provision for the insurance of any goods required for the Project and to be financed out of the proceeds of the Loan, against hazards incident to the acquisition, transportation and delivery of the goods to the place of their use or installation.”*

**Section 5.8- Loan Advances:** The Borrower shall undertake that the amount of Loan Advances not disbursed for Eligible Expenditures and reported to NDB in accordance with the Loan Disbursement Handbook shall not exceed prior to any request of new Loan Advances 20% (twenty percent) of the Loan Amount (including any Loan Advance requested by the Borrower, but not yet made by NDB).

**Section 5.9 - Reports on use of the Loan Advance:** The Borrower agrees that in addition to the Loan Agreement, the reporting on the use of Loan Advances shall be in the form and manner prescribed in the Loan Disbursement Handbook.

**Section 5.10 - Guarantee:** The financial obligations of the Borrower under this Loan Agreement are guaranteed by the Federative Republic of Brazil in accordance with the terms and conditions of the Guarantee Agreement attached to this Loan Agreement as **Annexure II** (*Guarantee Agreement*).

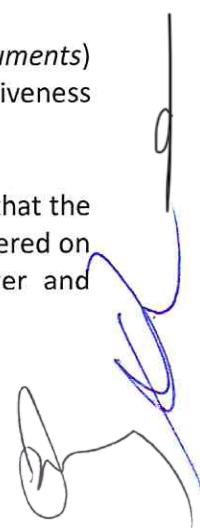
**Section 5.11- Arbitration:** The seat of Arbitration for any Dispute under this Loan Agreement shall be London, United Kingdom.

**Section 5.12 - Supplementary Finance:** Section 3.8 (*Supplementary Finance*) of the General Conditions is not applicable to this Loan.

#### **ARTICLE VI: Effectiveness**

**Section 6.1 -** In accordance with Section 7.1(iii) (*Conditions of Effectiveness of Legal Documents*) of the General Conditions, the following additional conditions of effectiveness shall be applicable:

- (a) Delivery by the Borrower of a legal opinion in Portuguese confirming that the Loan Agreement has been duly authorized by, and executed and delivered on behalf of the Borrower, and is legally binding upon the Borrower and enforceable in accordance with its terms;



- (b) Delivery by the Guarantor of a legal opinion in Portuguese confirming that the Guarantee Agreement has been duly authorized by, and executed and delivered on behalf of the Guarantor, and is legally binding upon the Guarantor and enforceable in accordance with its terms;
- (c) The Loan has been registered with the Brazilian Central Bank in accordance with the Applicable Law; and
- (d) The decree issued by the Borrower establishing the PMO/UEP should be valid and effective in accordance with the Applicable Law.

#### **ARTICLE VII: Addresses and Notices**

**Section 7.1 Notices:** The following shall be addresses of the Parties pursuant to and for the purposes of Section 9.1 (*Notices*) of the General Conditions:

**For the Borrower:**

Município de Sorocaba  
Gabinete do Prefeito  
Palácio dos Tropeiros-Av. Eng. Carlos Reinaldo Mendes, 3041  
Alto da Boa Vista - Sorocaba – SP, Brasil – CEP 18013-280  
Fone: (15) 3238-2518 / 2141  
E-mail: prefeitura@sorocaba.sp.gov.br uep@sorocaba.sp.gov.br

**For the Guarantor:**

Ministério da Economia  
Secretaria de Assuntos Econômicos Internacionais  
Esplanada dos Ministérios, Bloco “K”, 8º andar  
CEP 70040-906, Brasília, Distrito Federal, Brasil  
Tel nº + 55 (61) 2020.4292  
E-mail: sain@economia.gov.br

Ministério da Economia  
Secretaria do Tesouro Nacional  
Coordenação-Geral de Controle da Dívida Pública - CODIV  
Esplanada dos Ministérios, Bloco “P”, Anexo, Ala “A”, 1º andar, sala 121  
CEP 70048-900, Brasília, Distrito Federal, Brasil  
Tel nº + 55 (61) 3412.3518  
E-mail: geror.codiv.df.stn@tesouro.gov.br  
codiv.df.stn@tesouro.gov.br

Procuradoria-Geral da Fazenda Nacional  
Coordenação-Geral de Operações Financeiras da União  
Esplanada dos Ministérios, Bloco “P”, 8º Andar, Sala 803  
CEP 70040-900, Brasília, Distrito Federal, Brasil  
Tel nº + 55 (61) 3412.2842  
E-mail: apoio.cof.df.pgfn@pgfn.gov.br

**For NDB:**

**For matters related to loan disbursements, debt servicing and accounting:**


New Development Bank  
18<sup>th</sup> floor  
1600 Guozhan Road  
Pudong New District, Shanghai  
Shanghai – 200126, China  
E-mail: loanmanagement1@ndb.int  
Attention: Finance, Budget and Accounting Department

**For all other matters:**

New Development Bank  
1600, Guozhan Road  
Pudong New District, Shanghai 201206, China  
E-mail: Loan-ARO@ndb.int  
Attention: Vice-Presidency for Operations

**IN WITNESS WHEREOF** the Parties acting through their Authorized Representatives, have caused this Loan Agreement to be signed under their respective names and delivered to NDB's principal office.

**THE MUNICIPALITY OF SOROCABA**

By   
\_\_\_\_\_  
(on behalf of the Municipality of Sorocaba)  
RODRIGO MAGANHATO  
Mayor of the Municipality of Sorocaba  
Sorocaba, October 20, 2022

**NEW DEVELOPMENT BANK**

By   
\_\_\_\_\_  
VLADIMIR KAZBEKOV  
Vice President and Chief Operations Officer  
Shanghai, October 20, 2022

## SCHEDULE I DEFINITIONS

**“Applicable Law”** means, as to any person, any law, including any tax law, order, decree, treaty, rule or regulation (including measures thereunder) or determination of an arbitrator or court or other Governmental Authority, in each case applicable to or binding upon such person and/or any of its property or to which such person and/or any of its property is subject.

**“Closing Date”** means the date falling 60 (sixty) months from the date of this Loan Agreement (or such later date as may be agreed between the NDB, the Borrower and the Guarantor.

**“Designated Account”** means the USD denominated account designated by the Borrower to receive the drawn Loan amounts to be informed to NDB in writing before the Loan first Withdrawal or such replacement account that the Borrower may agree with NDB from time to time.

**“ESIMP”** means the plan entitled *“Environmental and Social Impact Management Plan”* included in the Project Administration Manual, as may be amended from time to time by the Borrower upon prior written approval by the NDB.

**“General Conditions”** means the General Conditions prescribed by NDB and cited as ‘General Conditions – Sovereign, dated March 22, 2022’.

**“Governmental Authority”** means the government of the Federative Republic of Brazil, or of any political subdivision thereof, whether state, regional or local, and any agency, authority, branch, department, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to a government or any subdivision thereof (including any supra-national bodies), and all officials, agents and representatives of each of the foregoing.

**“Loan”** shall have the meaning provided for in Section 2.1 of this Loan Agreement.

**“Loan Advances”** means the proceeds of the Loan requested by the Borrower to finance future Eligible Expenditures and **“Loan Advance”** shall have the corresponding meaning.

**“Loan Amount”** shall have the meaning provided for in Recital (A) of this Loan Agreement.

**“Loan Currency”** means United States Dollars.

**“Loan Repayment Date”** means October 19, 2040.

**“NDB Procurement Policy”** means NDB’s Procurement Policy dated March 28, 2016 as amended in 2018.

**“NDB Environment and Social Framework”** means NDB’s Environment and Social Framework Policy dated March 11, 2016.

**“Payment Date”** means April 19 and October 19 in each year.

“**PMO/UEP**” means the project management office/*Unidade de Execução do Programa* to be established as a unit under the SEAD, responsible for construction, supervision, implementation and monitoring the Project.

“**Project**” shall have the meaning provided in **Schedule II** (*Description of the Project*) of this Loan Agreement.

“**Project Audit Report**” shall have the meaning provided in Section 5.3 of this Loan Agreement.

“**Project Financing Plan**” means the Project financing plan which is provided for in Table 1. (*Project Financing Plan*) of **Schedule II** (*Description of the Project*) of this Loan Agreement.

“**Retroactive Financing Date**” means the date falling 12 (twelve) months prior to the date of this Loan Agreement.

“**Retroactive Financing Limit**” means 20% (twenty percent) of the Loan Amount.

“**SEAD**” means the Secretariat of Administration (*Secretaria de Administração*) or any successor thereto.

“**Fixed Spread**” means 1.37% (one point three seven percent) per annum.

“**Withdrawn Loan Balance**” means the amounts of the Loan withdrawn from the Loan Account and outstanding from time to time.

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## SCHEDULE II DESCRIPTION OF THE PROJECT

The Project is a sustainable urban infrastructure development scheme for the Municipality of Sorocaba.

The main components of the Project include:

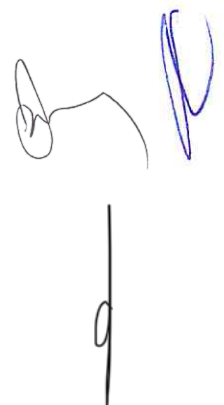
- (a) **Component 1** – Construction of a macro drainage system covering an area of approximately 24,000 m<sup>2</sup> at Jardim Nilton Torres, to eliminate or reduce the possibility of water logging in the area.
- (b) **Component 2** – Construction of underpass at a busy three-way intersection of Antônio Carlos Comitre Av. x Washington Luiz Av. x Barão de Tatui Av. to smoothen the flow of traffic at the important commercial area in the Municipality of Sorocaba.
- (c) **Component 3** – Rehabilitation of road infrastructure (pavement, bicycle tracks and construction of micro drainage system) over an area of approximately 940,000 m<sup>2</sup> including all regions of Sorocaba.
- (d) **Component 4** – Extension and widening of Edward Fru-fru Marciano da Silva Av. and construction of underpass under Atanásio Soares St..
- (e) **Component 5** – Construction of access road between the São Bento Park and Carandá Residential Condominium with an extension of approximately 1300 meters, which includes sidewalks, bicycle lane and concrete bridge to improve connectivity and promote alternative means of transportation.
- (f) **Component 6** – Consulting activities for project management, and technical and E&S supervision to support the Project.

The Loan Amount provided by NDB will finance 80% (eighty percent) of the Project total cost and the Borrower will finance 20% (twenty percent) of the Project total cost in the amount of at least USD 10 million, mainly for land acquisition necessary for the implementation of the Project, as described in the table below. The Project is expected to be implemented in 5 (five) years.



**TABLE 1: PROJECT FINANCING PLAN**

ITEM	USD		
	TOTAL	NDB	Borrower
Civil Works	41.580.000	38.670.000	2.910.000
Project Management, and Technical and E&S Supervision	2.320.000	1.230.000	1.090.000
Land Acquisition	6.000.000	-	6.000.000
Front-end Fee	100.000	100.000	-
<b>TOTAL</b>	<b>50.000.000</b>	<b>40.000.000</b>	<b>10.000.000</b>



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**SCHEDULE III  
PROJECT EXECUTION**

**A. Implementation Arrangements**

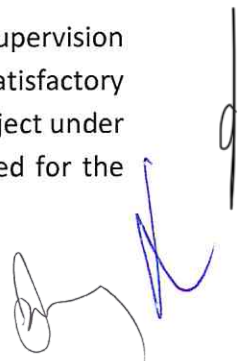
The Borrower is responsible for implementation and management of the Project. The implementation of the Project is primarily under the SEAD. The PMO/UEP will be responsible for coordinating, supervising, implementing, and monitoring the Project. The decree issued by the Borrower establishing the PMO/UEP shall remain valid and effective in accordance with the Applicable Law.

The PMO/UEP will be responsible for the reporting and liaison with NDB. Also, the PMO/UEP shall ensure that the implementation of the Project complies with the Applicable Law and applicable NDB policies (as specified in the Legal Documents).

**B. Environmental and Social**

During the construction and operation, the mitigation measures on environmental and social impacts will be implemented in accordance with the (i) Applicable Law in Brazil on the environmental and social impact assessment and mitigation related to the Project; and (ii) the requirements of the ESIMP.

The PMO/UEP will supervise and monitor the ESIMP implementation (including the supervision of the construction contractors' work) and prepare monitoring reports in the form satisfactory to NDB. SEMA will be responsible for (i) issuing the environmental licenses of the Project under its responsibility; and (ii) requesting other applicable environmental licenses required for the implementation of the Project.



**SCHEDULE IV  
AMORTIZATION SCHEDULE**

The following table sets forth the dates for repayment of the principal amounts drawn under the Loan and the percentage of the total principal amount of the Loan payable on each Payment Date.

Installment	Payment Date	Installment share (expressed as a %) of the total principal amount of the Loan withdrawn and outstanding on the first Loan Payment Date
1	19-Apr-28	3.8461%
2	19-Oct-28	3.8461%
3	19-Apr-29	3.8461%
4	19-Oct-29	3.8461%
5	19-Apr-30	3.8461%
6	19-Oct-30	3.8461%
7	19-Apr-31	3.8461%
8	19-Oct-31	3.8461%
9	19-Apr-32	3.8461%
10	19-Oct-32	3.8461%
11	19-Apr-33	3.8461%
12	19-Oct-33	3.8461%
13	19-Apr-34	3.8461%
14	19-Oct-34	3.8461%
15	19-Apr-35	3.8461%
16	19-Oct-35	3.8461%
17	19-Apr-36	3.8461%
18	19-Oct-36	3.8461%
19	19-Apr-37	3.8461%
20	19-Oct-37	3.8461%
21	19-Apr-38	3.8461%
22	19-Oct-38	3.8461%
23	19-Apr-39	3.8461%
24	19-Oct-39	3.8461%
25	19-Apr-40	3.8461%
26	19-Oct-40	3.8475%
	<b>Total</b>	<b>100.0000%</b>

**SCHEDULE V  
ALLOCATION OF LOAN AND WITHDRAWAL PROCEDURE**

**A. Project Eligible Expenditures**

In addition to Section 3.3(f) (*Eligible Expenditures*) of the General Conditions, the following table specifies the categories of Eligible Expenditures that can be financed out of the proceeds of the Loan and the allocation of the amounts of the Loan to each category:

**Table 1. Allocation of Loan and Expenditure Categories**

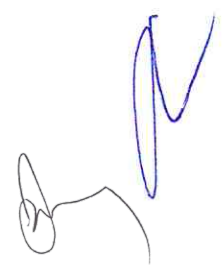
No.	Expenditure Category	Amount (USD million)	Basis of Disbursement
1	Civil Works	38.67	93%
2	Project Management, and Technical and E&S Supervision Consultancy	1.23	53%
4	Front-end Fee	0.10	100%
	<b>Total</b>	<b>40.00</b>	

**C. Retroactive Financing**

The Loan shall be available for reimbursement of Retroactive Payments incurred in relation to the Loan from the Retroactive Financing Date and up to the Retroactive Financing Limit, subject to the terms and conditions contained in this Loan Agreement and the General Conditions.

**D. Withdrawal of Loan Proceeds**

The Borrower may withdraw proceeds from the Loan in accordance with the provisions of this Schedule V and the NDB Loan Disbursement Handbook, as applicable.




**ANNEXURE I  
GENERAL CONDITIONS**

## ANNEXURE II GUARANTEE AGREEMENT

Guarantee Agreement dated October 20, 2022, between **THE FEDERATIVE REPUBLIC OF BRAZIL** ("**Guarantor**") and the **NEW DEVELOPMENT BANK** ("**NDB**"), a multilateral development bank established under the Agreement on the New Development Bank dated July 15, 2014, signed between the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa ("**Guarantee Agreement**"), in connection with the loan agreement dated October 20, 2022 for "*Develop Sorocaba – Sorocaba Mobility and Urban Development Project*" (Programa de Mobilidade e Desenvolvimento Urbano de Sorocaba – Desenvolve Sorocaba), in the amount of USD 40,000,000.00 (forty million United States dollars) between NDB and the Municipality of Sorocaba, State of São Paulo ("**Loan Agreement**").

The Guarantor and NDB shall each be referred to as a "**Party**" and collectively as "**Parties**".

**NOW THEREFORE** the Parties hereto agree as follows:

### ARTICLE I: General Conditions and Definitions

- Section 1.1** - The General Conditions, as defined in the Loan Agreement, constitute an integral part of this Guarantee Agreement and apply to this Guarantee Agreement to the full extent, unless otherwise expressly stated herein. In case of conflict between the General Conditions and the Guarantee Agreement, the Guarantee Agreement shall prevail.
- Section 1.2** - The principles of construction and the rules of interpretation set forth in Article II (*Construction*) and Part A of Appendix I (*Interpretation*) of the General Conditions shall apply *mutatis mutandis* to this Guarantee Agreement.
- Section 1.3** - Unless otherwise expressly defined herein, all capitalized terms used in this Guarantee Agreement shall have the meanings set out in the General Conditions or in the Loan Agreement.

### ARTICLE II: GUARANTEE

- Section 2.1** - The Guarantor hereby unconditionally guarantees, as primary obligor and not as merely surety the due and punctual payment of all Loan Payments payable by the Borrower pursuant to the Loan Agreement.
- Section 2.2** - The Guarantor's payment obligations under this Guarantee Agreement have and shall have the same priority of payment as the other external financial obligations of the Guarantor to other multilateral financial institutions to which it is a member, as a result of any financing.

9



### ARTICLE III: Addresses and Notices

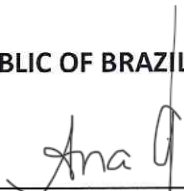
**Section 3.1 Notices:** The following shall be addresses of the Parties pursuant to and for the purposes of Section 9.1 (*Notices*) of the General Conditions:

**For the Guarantor:** Procuradoria-Geral da Fazenda Nacional  
Coordenação-Geral de Operações Financeiras da União  
Esplanada dos Ministérios, Bloco "P", 8º Andar, Sala 803  
CEP 70040-900, Brasília, Distrito Federal, Brasil  
Tel nº + 55 (61) 3412.2842  
E-mail: apoio.cof.df.pgfn@pgfn.gov.br


**For NDB:** New Development Bank  
1600, Guozhan Road  
Pudong New District, Shanghai 201206, China  
E-mail: Loan-ARO@ndb.int  
Attention: Vice-Presidency for Operations

**IN WITNESS WHEREOF** the Parties acting through their Authorized Representatives, have caused this Guarantee Agreement to be signed under their respective names and delivered to NDB's principal office.

#### FEDERATIVE REPUBLIC OF BRAZIL

By  \_\_\_\_\_  
(on behalf of the Federative Republic of Brazil)  
ANA LUCIA GATTO DE OLIVEIRA OLIVEIRA  
Procuradora da Fazenda Nacional  
Brasília, October 20, 2022

#### NEW DEVELOPMENT BANK

By  \_\_\_\_\_  
VLADIMIR KAZBEKOV  
Vice President and Chief Operations Officer  
Shanghai, October 20, 2022