



**GOVERNMENT OF THE STATE OF MINAS GERAIS**  
**LEMG LOTTERY OF THE STATE OF MINAS GERAIS**  
Game Development and Control Management

SEI Process No. 2040.01.0000082/2024-04

**BIDDING NOTICE**  
**OPERATION OF LOTTERIES IN ON LINE/REAL TIME SYSTEM**  
**LEMG INTERNATIONAL PUBLIC COMPETITION No. 002/2023**

**MANIFESTATION In**

compliance with the provisions of Resolution SEPLAG/AGE No. 10,742/2023 c/c in art. 191 of Law 14,133/2021, we expressly stated that this Lottery of the State of Minas Gerais chose to sign the future contract specified in item 9.1.1 of the Basic Project, in accordance with Law nº 8,666/1993 and Federal Law nº 8,987/95.

**OBJECT**

Hiring, exclusively within the territorial limits of the State of Minas Gerais, of an experienced and capitalized Company, to carry out the operational activities inherent to the exploration and operation of Lottery games in the On Line/Real Time System, including the capture of bets in person (Land Based) and digital/virtual (Cyber Space), observing 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 draws and paying prizes, under a public service concession contract, in accordance with Law 8,666 /1993 and Federal Law

No. 8,987/95.

**EXPLANATORY STATEMENT**

This concerns compliance with the determination set out in art. 2nd of State Decree No. 47,902, of March 31, 2020, updated on May 3, 2021, with the mission of promoting games with a high expectation of gains, aiming to raise resources in order to finance projects of the Government of the State of Minas Gerais to the promotion of Social Well-Being.

**TYPE OF BIDDING – INTERNATIONAL PUBLIC COMPETITION - HIGHEST OFFER**

As defined in art. 22, § 1, of Law 8,666/93, is the type of bidding between any interested parties who, in the qualification procedures, prove that they have the minimum qualification requirements required in the notice to execute their object. In turn, Law 8987/95 defines in art. 2nd II the concession of public service as the delegation of its provision, made by the granting authority, through bidding, in the form of competition or competitive dialogue, to a legal entity or a consortium of companies that demonstrate the capacity to perform, at its own risk and for a specified period.

The bidding is open to national or foreign bidders, individually or together in a consortium, and is carried out according to the INTERNATIONAL PUBLIC COMPETITION modality, WITH THE CRITERIA OF JUDGING THE BIDDING BY THE HIGHEST REMUNERATION OFFER CORRESPONDING TO THE MINIMUM PERCENTAGE TO BE PASSED ON TO THE CONTRACTING PARTY - this parameter is not less than 12% (twelve percent) of the minimum expected Net Collection. Therefore, in summary, it should be noted that, under the terms of item II of art.15 of Federal Law No. 8987, of February 13, 1995, the criterion for judging this bid will be objectively that of offering the highest percentage of remuneration to the Grantor, that is, % Gross Gaming Revenue - GGR, a term in English that defines the Net Revenue of games, as presented in Annex I - Basic Project, as well as in its Appendix 2.

RECEIPT

The Company withdrew this Notice  
Bidding and wish to be informed of any changes by email  
\_\_\_\_\_, on XX/XX/2023

Signature:

NOTE: THIS RECEIPT MUST BE SENT TO THE STATE OF MINAS GERAIS LOTTERY BY EMAIL  
licitacao@loteriamineira.mg.gov.br, FOR POSSIBLE COMMUNICATIONS TO INTERESTED PARTIES, WHEN NECESSARY.

THE LOTTERY OF THE STATE OF MINAS GERAIS IS NOT RESPONSIBLE FOR COMMUNICATIONS TO THE COMPANY THAT IT DOES NOT FORWARD  
THIS RECEIPT OR PROVIDE INCORRECT INFORMATION ON IT.

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## BIDDING NOTICE

### 1. PREAMBLE

1.1. The Lottery of the State of Minas Gerais, hereinafter referred to as LEMG, based on Federal Law No. 8,987 of February 13, 1995 and the Federal Law No. 8,666, of June 21, 1993, makes public that bidding will be carried out in the **INTERNATIONAL PUBLIC COMPETITION modality - HIGHEST OFFER TYPE**, for the granting of the **CONCESSION OF OPERATION SERVICES, UNDER EXCLUSIVITY REGIME IN THE SCOPE STATE TERRITORIAL, OF LOTTERY GAMES IN ON LINE/REAL TIME SYSTEM, IN THE STATE OF MINAS GERAIS - BRAZIL**, in accordance with the provisions contained in this Notice and its annexes.

### 1.2. CONCEPT OF ON LINE/REAL TIME SYSTEM FOR EXPLORING LOTTERY GAMES IN A MEDIA ELECTRONIC

1.2.1. The **CONCEPT** that guides the creation of the **On Line/Real Time System** is well highlighted, allowing good general understanding, when how it works is analyzed, making the **EXPLORATION OF LOTTERY GAMES IN ELECTRONIC MEDIUMS** materially viable on the market.

1.2.2. In more detail, the System is structured around the formation and operation of an intelligent market access network, composed of Hardware and **Software**, aiming to capture bets and execute prize draws, based on fixed interactive terminals (Land Based) and mobile devices (Cyber Space), under permanent connection, using a technological means for instant and continuous integration in this virtual communication.

1.2.3. The establishment of this network of interconnected points depends, therefore, on an integrating means, which can alternatively be embodied via radio, satellite or the world wide web (Web) and other electronic devices (Notebooks, Tablets, Smart Phones, among others), under IP (Internet) protocol, currently transporting data at high speed/broadband capacity, up to fifth generation (5G).

1.3. The bidding procedure will be carried out by a Special Bidding Committee - CEL, made up of State Administration employees, indicated by Ordinance No. 28, of November 7, 2023, of the General Director of the Lottery of the State of Minas Gerais.

1.4. This tender was preceded by the Expression of Interest Procedure - PMI/LEMG No. 001/2021, carried out on March 5, 2021 to July 24, 2021, which resulted in offers from relevant international players, in addition to specific guidelines for Traditional Lotteries printed on paper, strategic market studies that competently covered the possibility of further exploration of virtual/digital games. O PMI was then duly published in the Official Gazette of the State of Minas Gerais, under the terms of State Decree No. 44,565, of July 3, 2007, as well such as on the website [www.loteriamineira.mg.gov.br](http://www.loteriamineira.mg.gov.br).

1.5. The bidding procedure proposed here was preceded by a Public Consultation, duly published in the Official State Gazette dated 30th September 2023.

1.6. The bidding procedure proposed here was also preceded by a Preliminary Technical Study – ETP, prepared in accordance with the provisions in art. 6th of SEPLAG Resolution No. 115, December 29, 2021, which discusses the need for the prior development of analytical assessments in specific document with a structured technical scope, for the acquisition of goods and the contracting of services of any nature and, where appropriate, for contracting of works, within the scope of the direct, autonomous and foundational State Public Administration of the State of Minas Gerais.

1.7. Subsequently, the ETP was approved by the competent authority of LEMG.

1.8. At the DOE, on October 28, 2023, an act justifying the convenience of granting the Concession was published, with a description of its object, exclusivity regime and coverage area.

1.9. The bidding procedure proposed here was also preceded by a Public Hearing in accordance with article 39 of Federal Law No. 8,666/93, duly published in the Official State Gazette dated November 11, 2023, and held on November 28, 2023.

1.10. Through Ordinance LEMG No. 28, of November 7, 2023, the General Director made the Public Tender Public International LEMG nº 002/2023 and establishes the Special Bidding Committee to conduct the bidding process.

1.11. This bidding event mentioned above and the contract resulting from it are governed by Federal Law No. 8,987, of February 13, 1995, by provisions of Federal Law No. 8,666, of June 21, 1993 with its amendments, Federal Law 13,756, of December 12, 2018, State Law 9,475, of 23 of December 1987, State Decrees No. 31,163, of May 8, 1990, 47,902, of March 31, 2020, amended by 48,184, of April 30, 2021, by this notice and its annexes, subject to other specific rules relating to the operation of games in the State of Minas Gerais, the monetary system and national tax and other procedural rules, directly or indirectly involved with the object of this tender.

Pursuant to item I, of Art.18-A, of Federal Law 8,987, which allows the REVERSAL OF THE ORDER OF THE QUALIFICATION PHASES AND 1.12. JUDGMENT, the classification of proposals for remuneration to LEMG, for the concession of services, will be carried out in the public opening session of ENVELOPE Nº 1 - REMUNERATION PROPOSAL, followed by the opening of ENVELOPE Nº 2 - QUALIFICATION of the best classified bidder, to verify compliance with the conditions set out in the set of documents, Notice and its Annexes.

1.13. Dates and locations for delivery of envelopes and opening of the bid:

- **DEADLINE FOR DELIVERY OF ENVELOPES:** 04/09/2024, by 4pm, directly to the Purchasing and Tenders Division, at LEMG headquarters.

- **LEMG HEADQUARTERS ADDRESS:** Presidente Tancredo Neves Administrative City - Gerais Building, 13th floor, odd side, located on Rodovia Papa João Paulo II – 4.001, Bairro Serra Verde - Belo Horizonte/MG - CEP 31.630/901.

- **DATE, TIME AND LOCATION OF THE OPENING SESSION OF ENVELOPE Nº 1 - REMUNERATION PROPOSAL :** 04/10/2024, at 2 pm, Presidente Tancredo Neves Administrative City - Edifício Gerais, 13th floor, meeting room no. 6, located on Rodovia Pope John Paul II – 4.001, Bairro Serra Verde - Belo Horizonte/MG - CEP 31.630/901.

1.14. Before receiving the Envelopes with the Proposals and Qualification Documentation, this Notice may be changed for reasons of public interest or legal requirement. In any case, if the modification made affects the formulation of the Proposals, LEMG, through the Special Bidding Committee, will publish, in the Official Gazette of the State of Minas Gerais and in other means through which the original publication took place, a notice of amendment of the Notice, setting a new date for the presentation of the aforementioned Remuneration and Qualification Proposal Documents, with a deadline of no less than 30 (thirty) days. Below, we take the opportunity to indicate the list of documents that make up the bidding process:

Public Competition Notice.

Basic Project - Annex I;

- Appendix 1;

- Appendix 2;

Annex II - Draft Contract;

Annex III - Risk Allocation;

Annex IV - Concessionaire Charges;

Annex V - Performance Indicators;

Annex VI - Notice Model;

Annex VII - Schedule; It is

Annex VIII - Proposal Model.

1.15. **DEFINITIONS AND INTERPRETATIONS**

In the NOTICE and its ANNEXES, unless the context clearly indicates a different meaning, the following terms, written in capital letters, will mean:

**AWARDEE:** the BIDDER or CONSORTIUM declared the winner of the BIDDING PROCESS and called upon 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 "Business Modeling - Lotteries in an Online/Real time System" and "General Requirements for the Operation of Lotteries in an Online/Real Time System", respectively;

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

**TIME SYSTEM FOR THE EXPLORATION OF LOTTERY GAMES IN ELECTRONIC MEDIUM:** it is a technological system that is structured around the formation and operation of an intelligent network of integrated communication and interactive access to the market, composed of Hardware and Software, aiming to capture the bets and execute prize draws, based on fixed interactive terminals (**Land Based**) and mobile devices (**Cyber Space**), under permanent connection, using in this virtual communication a technological means for instant and continuous integration.;

**LAND BASED:** face-to-face environment in the market's retail environment where bettors' bets are captured via Auto Service and/or Resellers; **CYBER SPACE:**

Cyberspace is the notional environment in which communication over computer networks takes place. From the 1980s onwards, the term "cyberspace" was adopted globally in its English version in computing and became a household term in the 1990s, with the widespread use of the internet, networks and digital communication, etc. ;

**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;

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

**CONCESSION:** the SERVICE CONCESSION TO BE EXPLORED under the terms of the NOTICE and ANNEXES;

**GRANTOR:** Minas Gerais State Lottery - LEMG;

**CONCESSIONAIRE:** winning bidder who signed the CONTRACT;

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

**CONSORTIUM:** GROUP OF LEGAL PERSONS BOUND BY CONSTITUTION COMMITMENT OR similar instrument provided for by law, with the aim of adding technical, economic and financial capacity to participate in the BIDDING PROCESS, and who are subsidiarily responsible for fulfilling the obligations arising from the BIDDING PROCESS, observing the terms of the NOTICE;

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

**SCHEDULE:** SET OF TIME MARKS 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 Volume 2, observing the rules of the NOTICE;

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

**NOTICE:** CALLING INSTRUMENT, which contains the RULES based on which the BIDDING will be governed; **OBJECT:** object of the concession contract; **GROSS COLLECTION:**

**GROSS COLLECTION** was set at **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);** **NET COLLECTION:** **NET COLLECTION** is calculated after applying the following discounts to the Gross Revenue from Games: 60% (sixty percent) of the MINIMUM PRIZE TO BETERS and 5% (five percent) of the MINIMUM INVESTMENT IN MARKETING; **MINIMUM TRANSFER VALUE:** THE **REMUNERATION TO THE GRANTOR** under the **MINIMUM TRANSFER** condition was set at **R\$ 650,000,000.00 (six hundred and fifty million reais);**

**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:**

THE **VALUE OF THE CONTRACTUAL GUARANTEE, set at 0.52% (zero point fifty-two percent) of the contract value, will be 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 that COMPETITES IN THE BIDDING, individually or

in a CONSORTIUM; **CONSORTIUM LEADER:** CONSORTIUM PARTY that represents the CONSORTIUM before the GOVERNMENT; **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, renewable for the same period, once, when in the interest of the Public Administration; **BUSINESS PLAN:** detailing all elements of the planning and general execution

of lottery game exploration services, in order to generate a set of elements (technological, logistical, operational, commercial, administrative, financial and regulatory), sufficient for the perfect characterization of the services to be performed, as well as the assessment of costs, deadlines and execution; **REMUNERATION PROPOSAL:** document with information necessary to present the Proposal, according to the "Remuneration Proposal",

contained in Annex VIII - Proposal Model; **PROPOSAL:** accreditation documents, QUALIFICATION DOCUMENTS and the COMMERCIAL PROPOSAL, considered together; **ECONOMIC-FINANCIAL REBALANCE:** procedure

that aims to ensure the economic and financial balance of the CONTRACT instrument, in accordance with the provisions contained in ANNEX III – RISK

ALLOCATION AND ECONOMIC FINANCIAL REBALANCE; **BETERS:** individuals who place bets on the portfolio offered by the CONCESSIONAIRE; **VALUE OF THE CONTRACT:** THE **TOTAL VALUE OF THE CONTRACT 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);**

**VOLUME:** set or each individual VOLUME that contains, subject to the rules of the NOTICE, the accreditation documents, QUALIFICATION DOCUMENTS and COMMERCIAL PROPOSAL. VOLUMES must be delivered at the INAUGURAL PUBLIC SESSION; **CONCESSIONAIRE'S GROSS OPERATING REVENUE:**

the result of the difference in Net Revenue discounted from the percentages attributed to the transfer to the Granting Authority (proposal) and the payment of commissions to points of sale in the market.

| WITHDRAWAL OF NOTICE                      |  |
|---|--|
| 2.1.                                      | This Notice and its Annexes must be obtained electronically, at the address on the world wide web: <a href="http://www.loteriamineira.mg.gov.br">www.loteriamineira.mg.gov.br</a> , since December 29, 2023.   |
| 2.2.                                      | It is up to the bidder to withdraw the Notice and all its Annexes, and any subsequent allegation of insufficient supply will not be accepted.  |
| 2.3.                                      | documents.   |
| DIVERGENCES AND INTERPRETATION In case of |  |
| 3.1.                                      | divergence of interpretations, the provisions of the text of this Notice will prevail.   |
| 3.2.                                      | In case of discrepancy between the original document in Portuguese and the respective translation into other languages, the text will prevail original.  |
| 3.3.                                      | All values expressed in this bid must be presented in Reais (R\$), the national currency of Brazil. Values in foreign currency must be converted, considering the exchange rate at which the respective currency is sold by the Central Bank of Brazil, relative to the date of preparation of the proposal. |
| 3.4.                                      | The language of this tender is Portuguese written and spoken in Brazil.  |
| 3.5.                                      | For all purposes of this bidding, the terms bidders, proponents and competitors are equivalent.  |
| 3.6.                                      | For all purposes of this tender and the contract arising from it, the term Lotteries in On Line/Real Time System is equivalent to the lottery modalities of numerical and instant predictions, as defined in federal legislation, Federal Law No. 13,756, of December 12, 2018                               |

and state, State Decree No. 48,184, of April 30, 2021, which have their commercial exploitation made technically possible and exclusively through the virtual/digital, in person or remotely.

- 3.7. For the time references contained in this Notice, Brasília-DF, Brazil time will be observed.
- 3.8. If there is a discrepancy between the numerical values and those presented in full in the documentation presented by the bidder, they will prevail the last.

4. OF THE OBJECT

4.1. Hiring, exclusively within the territorial limits of the state of Minas Gerais, of an experienced and capitalized company, 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, observing the lottery modalities of prediction games provided for in federal legislation and state, 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, commercialization of games, development and implementation of websites, gaming platforms virtual, carrying out draws and paying prizes, under a public service concession contract, in accordance with Law 8,666/1993 and Federal Law No. 8,987/95.

5. CONCESSIONAIRE'S RESTRICTIONS REGARDING THE EXECUTION OF THE CONTRACTUAL PURPOSE

- 5.1. The provision of services in the implemented Gaming System will be at the expense and risk of the Concessionaire and will include the following duties:
- 5.1.1. Implementation and maintenance of a Game Management System that meets all the requirements of the Basic Project;
- 5.1.2. Strategic planning and creation of lottery products;
- 5.1.3. Implementation/hiring of points of sale to capture in-person bets (Land Based) in the State of Minas Gerais, seeking ideally meeting the challenge goal as set out in subitem 5.2.3 of Annex I - Basic Project/Appendix I;
- 5.1.4. Installation of equipment, Terminals of Multiple Typologies, meeting the diverse needs of different Channels Distribution for in-person capture of bets on the market;
- 5.1.5. Definition of the Payment Methods solution, whether owned or third-party;
- 5.1.6. Formulation of attractive Game Plans for Lotteries in an On Line/Real Time System;
- 5.1.7. Development of Instant and Conventional Lottery game project in virtual/digital media (Cyber Space);
- 5.1.8. Development and execution of communication actions and advertising and promotional campaigns inherent to the object;
- 5.1.9. Carrying out in-person draws according to game projects;
- 5.1.10. Enabling payment of prizes to winners;
- 5.1.11. Technological update of the Game Management System;
- 5.1.12. Implementation and payment of transfers to the Granting Authority;
- 5.1.13. Strict observance of the timely structuring corresponding to the development of lottery games for the On Line/Real Time System in face-to-face (Land Based) and digital/virtual (Cyber Space), as established in the Acceptance Term.

6. SUBCONTRACTING WITH THIRD PARTIES

- 6.1. Without prejudice to its responsibilities, the Concessionaire must execute the purpose of the Concession, as established in the set of documents Basic Project, Notice and its Annexes, by yourself or through third parties, at your own risk.
- 6.1.1. In this particular, the Granting Authority, through the Special Bidding Committee, establishes which portions of the concessioned contractual object are not can be outsourced, at all, and clarifies those that can, under the full responsibility of the Concessionaire, after approval by 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 inherent in the lottery products themselves, as well as the fulfillment of all financial obligations and the satisfaction of resellers and bettors arising from its commercialization in the market of the State of Minas Gerais.
- b) Specialized, suitable ACCESSORY SERVICES may be outsourced, with their core , conditioned on excellence in quality, carried out by companies activity being 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 item b, are not equivalent to those required as a requirement of technical qualification contained in the Notice, for the main part of the object being bid, this portion of the object being understood as the set of items for the which was required, as a technical-operational qualification requirement, to present certificates proving execution of service with similar characteristics.
- 6.2. The Granting Authority may request, at any time, information about the hiring of third parties to perform these specific parts. of business-related operations. These are activities in which EXECUTION is CHARACTERIZED AS ACCESSORY AND SUPPORT TO OPERATION OF THE CONCESSION OBJECT.
- 6.3. Third parties hired by the Concessionaire must be financially sound, operationally competent and technically skilled, being the Concessionaire directly responsible to the Granting Authority for any problems or losses resulting from the lack of any of these pillars business.
- 6.4. The Granting Authority, depending on the principle of unavailability of the public interest, will be responsible for adopting precautions aimed at guaranteeing satisfactory compliance with the Object of the Concession, requiring documents capable of proving the suitability and technical capacity of the interested party to

- perform the portions that will be subcontracted. It should also be noted that the requirement for proof for entities to be subcontracted will be aligned with the same documentary requirements, of fiscal regularity, meaning that the outsourced party is in compliance with its obligations with federal, state, municipal tax legislation, social security and the Service Time Guarantee Fund, demanded in this Notice throughout bidding process.
- 6.5. The fact that the existence of a contract with third parties was brought to the attention of the Granting Authority does not exempt the CONCESSIONAIRE from the fulfillment of its OBLIGATIONS and ATTRIBUTIONS arising from the Contract.
- 6.6. The relationship between the CONCESSIONAIRE and its suppliers will be governed by private law, with the prior consent of LEMG and presupposes the compliance with regulatory standards for the types of service granted.
- 6.7. The contracts between the CONCESSIONAIRE and third parties must also provide for a subrogation clause to the Granting Authority, which will be exercised at the same criteria.
- 6.8. The CONCESSIONAIRE is responsible for labor, social security, tax and commercial charges resulting from the execution of the Contract, as well as hiring third parties.
- 6.9. The CONCESSIONAIRE must ensure that the contracted third parties have relevant and compatible experience in characteristics, quantities and deadlines with the obligations assumed.

**7. TERM AND ESTIMATED VALUE OF THE CONTRACT**

- 7.1. The granting of the Concession will be in force for a **period of 26 (twenty-six) YEARS**, counting from the date of publication of the contractual instrument in the official press organ, which may be extended for an equal period, once, according to the interest of the Public Administration.
- 7.2. **THE TOTAL VALUE OF THE CONTRACT WILL BE BRL 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).**
- 7.2.1. There will be a **REQUIREMENT OF ADVANCE PAYMENT OF REMUNERATION TO THE GRANTOR AT THE NOMINAL VALUE OF R\$ 18,270,000.00 (eighteen million, two hundred and seventy thousand reais).**

**8. REQUESTS FOR CLARIFICATIONS**

- 8.1. Requests for clarification on the content of this Notice and its Annexes must be addressed to the President of the Special Committee on Bidding-CEL of the International Public Competition LEMG No. 002/2023, and must be sent by the 5th (fifth) business day preceding the date of receipt of the Qualification and Remuneration Proposal envelopes, electronically, at the address [licitacao@loteriamineira.mg.gov.br](mailto:licitacao@loteriamineira.mg.gov.br), according to the model in Annex VI.
- 8.1.1. LEMG will send confirmation of receipt by the same means.
- 8.1.2. CEL will respond to requests for clarification within 03 (three) business days.
- 8.2. CEL will respond to the consultations, disseminating their content and the respective responses, to all interested parties, through publication on the website electronic: [www.loteriamineira.mg.gov.br](http://www.loteriamineira.mg.gov.br).
- 8.3. Responses to queries formulated in a timely manner are part of the Notice, when published in the aforementioned manner.

**9. FROM THE INFLUENCE TO THE NOTICE**

- 9.1. The provisions of this Notice may be subject to challenge if they violate legal provisions.
- 9.2. Challenges to the Notice must be addressed to the President of the Special Bidding Committee (CEL) for International Public Competition LEMG No. 002/2023, which must be sent electronically, to the address [licitacao@loteriamineira.mg.gov.br](mailto:licitacao@loteriamineira.mg.gov.br) or filed directly at the headquarters of LEMG, according to the model in Annex VI.
- 9.3. The objection may be made:
- 9.3.1. by any citizen, up to 5 (five) business days before the date set for opening envelope no. 1 - remuneration proposal, being the responsibility of CEL judge and respond within 03 (three) business days;
- 9.3.2. per bidder, until the second business day preceding the date set for opening envelope no. 1 - remuneration proposal, being the responsibility of CEL judge and respond before opening the bids or suspend the bidding, if deemed necessary, until the response is published at the address electronic [www.loteriamineira.mg.gov.br](http://www.loteriamineira.mg.gov.br).
- 9.4. Once the objection is accepted, the Special Bidding Committee will publish a Notice of Change to the Notice in the Official Gazette of the State of Minas Gerais and in other means through which the original publication took place, informing the parts of the Notice that were changed and, if the change implies reformulation of the Remuneration Proposal, the deadline initially established for the submission of proposals and qualification documents will be reopened.

**10. CONDITIONS FOR PARTICIPATION IN THE BIDDING**

- 10.1. Any interested party who can demonstrate that they meet the requirements set out in this Notice may participate in this tender:
- 10.1.1. National and foreign companies authorized to operate in the country;
- 10.1.2. Foreign companies that do not operate in Brazil, alone or in a consortium;
- 10.1.2.1. Foreign companies that do not operate in the country will only be able to participate in this bidding through legal representation in Brazil or in consortium with a Brazilian company.
- 10.2. The conditions for consortium participation are:
- 10.2.1. Proof of the commitment, public or private, to establish a consortium subscribed by the consortium members;
- 10.2.2. Indication of the company responsible for the consortium, and in the case of a consortium between Brazilian and foreign companies, the leadership will be necessarily to the Brazilian company;
- 10.2.3. Presentation of all documentation required in the qualification item for isolated proponents, observing the specific rules for participation of companies in consortium.
- 10.2.4. To enable broad participation of foreign companies in the bidding process, in the event of the creation of an eventual consortium, it will be It is recommended that a corporate structure be set up in Brazil that is the most efficient, optimizing administrative and tax aspects. In case of to win the contest and become the Dealer to be hired by LEMG, the Special Bidding Committee - CEL expresses its firm forecast that the CONSORTIUM may undergo corporate changes, exclusively from a formal point of view, observing the provisions contained in Chapter II - Legal Qualification, based on subitem 14.3.2 of this Notice.

- 10.3. Companies that:

10.3.1. In this same bidding, whether they are in a consortium, through more than one consortium or individually;

10.3.2. Are in a situation of bankruptcy, creditor competition, dissolution, liquidation;

10.3.3. Classify themselves as a foreign company that duly requested and was not authorized to operate in the country for any reason reasons;

10.3.4. Are temporarily suspended from participating in bids or prevented from contracting with the Administration, sanctioned with based on art. 87, III, of Federal Law No. 8,666, of June 21, 1993;

10.3.5. Are prevented from bidding and contracting with the State of Minas Gerais;

10.3.6. They are declared unfit to bid and contract with the Federal, State or Municipal Public Administration, sanctioned on the basis in art. 87, IV, of Federal Law No. 8,666, of June 21, 1993;

10.3.7. Companies whose controlling owners or directors are members of the legislative powers of the Union, States or Municipalities or who perform paid duties there, in accordance with art. 54, II, "a", c/c art. 29, IX, both of the Constitution of the Republic;

10.3.8. Legal entity that has been prohibited from participating in tenders promoted by the Public Administration, due to a violation of the economic order, in accordance with article 38, item II, of Federal Law No. 12,529, of November 30, 2011;

10.3.9. Legal entity that has been prohibited from contracting with the Public Administration, due to conviction for an act of improbity administrative, under the terms of article 12 of Federal Law no. 8,429, of June 2, 1992, after the sentence has become final;

10.3.10. Legal entity that has been sentenced, by final and unappealable sentence, to the penalty of prohibition of rights due to the commission of crimes environmental issues, as regulated in art. 10 of Federal Law No. 9,605, of February 12, 1998;

10.3.11. Legal entity that has a majority shareholder or managing partner convicted of committing a crime against the State Public Administration, in accordance with State Law No. 23,451, of October 24, 2019.

10.3.12. Are included in one of the situations provided for in art. 9th of Federal Law No. 8,666, of June 21, 1993;
- 10.4. BIDDERS, foreign legal entities, must present, both for isolated participation in the BIDDING PROCESS and in a CONSORTIUM, documents equivalent to the qualification documents required in this NOTICE, **duly authenticated by the Brazilian consular authority of your country of origin and translated by a sworn translator.**
- 10.5. Foreign companies from Signatory States of the Convention on the Elimination of the Requirement for Legalization of Foreign Public Documents, promulgated in Brazil through Federal Decree No. 8,660/16, **may replace authentication by the authority consular office, referred to in Item 10.3.3 of this NOTICE, by affixing the apostille referred to in said Convention, when applicable.**
- 10.6. The documentation referred to in the item above and the respective booklet must be translated by a sworn translator and contain a notarized signature as true by a public notary, when applicable.
- 10.7. BIDDERS who are foreign legal entities must submit a declaration in accordance with the model contained in ANNEX VI – MODEL OF NOTICE, certifying the correlation between the documents required in this NOTICE and the corresponding documents in the country of origin, as well as their validity.
- 10.8. Equivalent qualification documents must be presented in a way that allows analysis of their validity and enforceability
- 10.3.8. In the event that there are no documents equivalent to those requested in this NOTICE or there is no body(ies) in the country of origin that authenticates them, you must a statement must be presented informing this fact, by the BIDDER, according to the model contained in ANNEX VI – NOTICE MODEL.
- 10.9. If any of the documents required for participation in this NOTICE fits into the hypothesis of the previous item, the declaration contained in ANNEX VI - EQUIVALENCE DECLARATION MODEL, must be added by the corresponding declaration of no debts. tax and labor nature required.
- 10.10. BIDDERS will be held civilly, administratively and criminally liable for the veracity of the statements referred to above.
- 10.11. As the legal representative of the BIDDERS, foreign legal entities are considered to be the person legally accredited and domiciled in Brazil, with express powers, through a power of attorney by public or private instrument, with a signature recognized as genuine by a notary or other entity in accordance with the legislation applicable to documents, to receive summons and respond administratively and judicially in Brazil, as well as to represent it at all stages of the process.
- 10.12. The power of attorney referred to in Item 10.4 of this NOTICE must be issued in the official language of the BIDDER's country of origin, **duly consularized**, with sworn translation and registered at the Titles and Documents Registry Office. It should be noted that, specifically for the purposes of participation, in the BIDDING, **the registration of the sworn translation of the BIDDER's other foreign documents at the Notary's Office is waived of Registration of Titles and Documents.**

11. ACCREDITATION

- 11.1. Any declaration will only be made in this International Public Tender by a duly accredited person/representative.
- 11.2. A duly designated person will be considered as an accredited representative of the bidder, to speak and act on behalf of the bidder during the envelope opening meetings, and other events of the contest.
- 11.3. A credential document means:

11.3.1. Articles of incorporation/contract, when the accredited person is a partner, owner, director or similar person of the bidder, in which they are expressed their powers to exercise rights and assume obligations as a result of such investiture, accompanied by a certified copy or presentation of the original of the Id card; or

11.3.2. Power of attorney by public instrument or, in the case of a private instrument (according to the model in Annex-VI), with a notarized signature accompanied by a certified copy or presentation of the original of the grantee's identity card, and also presentation of the grantor's document, in which their capacity as legal representative of the bidder can be verified.
- 11.4. The credential document may be presented to CEL at the beginning of the work, that is, before the opening of proposals or when this as required and will be retained by CEL and added to the bidding process records.
- 11.5. At any time, CEL may request additional documents and information about the documents presented by the bidders.
- 11.6. Failure to present the accreditation in the form above will not disqualify the bidder, but will prevent its representative from speaking out and respond on its behalf, however, it is possible to monitor the meetings.
- 11.7. Each accredited person may represent only one bidder.

12. REMUNERATION AND QUALIFICATION PROPOSAL ENVELOPES



- 12.1. Each bidder must present 02 (two) envelopes of documents, one containing the Remuneration Proposal with the bidder's highest offer and others required for Qualification, until the day and time indicated in subitem 1.13 of this Notice - Preamble.
- 12.2. Sending envelopes by post or similar will not be permitted, and will only be received if delivered in person in the protocol located at LEMG headquarters.
- 12.3. Documents relating to the Remuneration Proposal and Qualification must be delivered in separate, sealed envelopes, initialed in the closure and identified with the bidder's name, on its external and front parts, and identified with the following words:

**ENVELOPE Nº 01 – REMUNERATION PROPOSAL**  
**STATE OF MINAS GERAIS / LEMG / COMPETITION**  
**INTERNATIONAL PUBLIC No. 002/2023**  
**BIDDER'S CORPORATE NAME:**  
**BIDDER'S CNPJ:**

**ENVELOPE No. 02 – QUALIFICATION**  
**STATE OF MINAS GERAIS / LEMG / COMPETITION**  
**INTERNATIONAL PUBLIC No. 002/2023**  
**BIDDER'S CORPORATE NAME:**  
**BIDDER'S CNPJ:**

- 12.4. The qualification documents of the bidder and the legal representative in Brazil of a foreign company must be contained in the same envelope.
- 12.5. The qualification documents of the consortium companies must be contained in the same envelope.
- 12.6. Under no circumstances may the content of the proposals presented be changed, whether in terms of price or any other conditions that matter, in modifications of its original terms, except only absolutely formal changes, intended to correct material errors, without any alteration of the content and conditions referred to, as long as it does not cause harm to other bidders.
- 12.7. Delivery protocols or document requests replacing those required in this Notice and its Annexes will not be accepted.
- 12.8. The protocol of the Remuneration and Qualification Proposal envelopes implies full acceptance of the terms of this Notice and its Annexes.

### **13. REMUNERATION PROPOSAL**

13.1. **The information that will make up the Remuneration Proposal must be organized into chapters, according to the "Proposal Model", contained in Annex VIII, typed without amendments, erasures or between lines and will be presented on numbered pages, initialed by the Bidder or legal representative, bound, in the following sequence:**

13.1.1. **Chapter I - Introduction:**

- 13.1.1.1. Characterization of the Bidder alone or in a consortium of Brazilian companies; or the foreign company and its representative legal in Brazil; or the foreign company and its consortium members, with indication of the Brazilian company leading the consortium.
- 13.1.1.2. Address and communication details of national and foreign Bidders, telephone (landline or cell phone) and email.
- 13.1.1.3. Name of Bidders' legal guardians.
- 13.1.1.4. Name of the Bidder's representative in this event.
- 13.1.1.5. Data for contacting the Bidder's representative in this event: address, telephone number (landline or cell phone) and email.

13.1.2. **Chapter II - LEMG Remuneration Offer by the Concessionaire:**

13.1.2.1. **The Grantor's Remuneration Proposal during the Concession**

13.1.2.2. Proposal value, in figures, expressed in percentages, considering a maximum of two decimal places after the decimal point (XX,XX%) and in full as described in the "Remuneration Proposal" model, contained in Annex VIII - Proposal Model.

13.1.2.2.1. LEMG's remuneration offer in a percentage exceeding 12.00% (twelve percent) of the Net Revenue from the operation of Lotteries in the On Line/Real Time System. It should be noted that the percentage offered, as described in the "Remuneration Proposal" model, contained in Annex VIII - Proposal Model, will constitute a single bid and will be considered duly in other specific calculations for all types of lotteries operated by the Concession in person (Land Based) and virtual (Cyber Space).

13.1.2.2.2. LEMG's remuneration offers in a percentage lower than 12.01% (twelve point zero one percent) will be disqualified. of the value of the Net Collection, due to non-compliance with Annex I - Basic Project / Appendix 2, the Notice and its specifications.

13.1.2.2.3. LEMG's remuneration proposal must include the exploration of all lottery modalities defined for the set of games specified in the On Line/Real Time Lottery System.

13.1.3. **Chapter III - Validity of the Proposal**

- 13.1.3.1. Declaration of Validity of the Proposal for 90 (ninety) days, extendable for an equal period, counting from the delivery deadline;

13.1.3.2. Place, date and signature of the bidder's legal representatives.

14. QUALIFICATION

14.1. In the qualification phase, the Special Bidding Committee-CEL will examine the relevance, according to the requirements described below and other of this NOTICE, regarding documentation.

14.2. Failure to comply with any of the conditions set out herein will result in the BIDDER's disqualification.

14.3. The documents and information necessary for qualification must be organized into chapters, typed without amendments, erasures or between the lines and will be presented on numbered pages, initialed by the bidder or legal representative, bound, in the following sequence:

14.3.1. Chapter I - Introduction:

14.3.1.1. Characterization of the bidder alone or in a consortium of Brazilian companies; or the foreign company and its legal representative in Brazil; or of the foreign company and its consortium members, with indication of the Brazilian company leading the consortium.

14.3.1.2. Address and distance communication data of national and foreign bidders (landline and cell phones, e-mail).

14.3.1.3. Name of the legal guardians of the Consortium.

14.3.1.4. Name of the bidder's representative in this event.

14.3.1.5. Data for contacting the bidder's representative in this event: (address, landline and cell phone numbers, email).

14.3.2. Chapter II - Legal Qualification:

14.3.2.1. Business registration with the Commercial Board, in the case of an individual entrepreneur.

14.3.2.2. Constitutive act, statute or social contract and its subsequent amendments or consolidated instrument, duly registered with the Commercial Board, in the case of business or cooperative companies and, in the case of a joint stock company, accompanied by election documents or appointment of its administrators.

14.3.2.3. Constitutive act duly registered in the Civil Registry of Legal Entities in the case of a non-business company, accompanied by proof of the current board of directors.

14.3.2.4. In the case of a foreign company or company operating in Brazil, act of registration or authorization to operate issued by the competent body, when the activity requires it, in accordance with DREI Normative Instruction No. 77/2020.

14.3.2.5. The documents in question must be accompanied by all changes or respective consolidation.

14.3.2.6. Consortium companies must present a public or private commitment to establish a CONSORTIUM or SPE, signed by all consortium members, including at least the following information:

- I - name of the CONSORTIUM or SPE;
- II - qualification of consortium members or SPE participants;
- III - organization and objectives of the CONSORTIUM, namely, the participation of the consortium companies in this BIDDING PROCESS and, in winner, preferably establishes itself as a Specific Purpose Company – SPE, according to Brazilian laws, in the form of a company anonymous, with headquarters and administration in Brazil, in the State of Minas Gerais;
- IV - composition of the CONSORTIUM or SPE, indicating the percentage of participation of each of the consortium members;
- V - indication of the leading company of the CONSORTIUM or SPE;
- SAW - commitment that the consortium members will respond separately and jointly to all the requirements of the call for proposals and for the acts carried out by the CONSORTIUM, until the signing of the CONCESSION AGREEMENT, as well as, throughout the execution of the CONTRACT;
- VII - granting powers to the leading company, granting express, irreversible and irrevocable powers to appear as the only legal representative of the CONSORTIUM before the SPECIAL BIDDING COMMITTEE and the GRANTING POWER, with full powers to receive notifications, subpoenas and summonses regarding matters relating to the BIDDING or CONTRACT, as well as to agree with conditions, compromise, appeal and withdraw from appeal, undertake to sign, on behalf of the CONSORTIUM, any papers and documents related to the object of the BIDDING.

14.3.3. In the case of a CONSORTIUM or SPE, the declarations required in the NOTICE may be signed by the leading company, on behalf of the CONSORTIUM, observing the provisions of item VII of the previous item.

14.3.4. The inclusion/exclusion or replacement of members of any CONSORTIUM OR SPE will not be permitted.

14.3.4.1. There is no limit on the number of participants for the constitution of the CONSORTIUM OR SPE.

14.3.5. Foreign companies or entities that do not operate in Brazil must comply, as far as possible, with the CONDITIONS OF QUALIFICATION, through equivalent documents, authenticated by the Consulate General of Brazil in the country of origin and translated by a sworn translator, and must have legal representation in Brazil, with express powers to receive summons and respond administratively and judicially.

14.3.6. Foreign companies or entities that do not operate in Brazil must present a declaration that, in order to participate in this BIDDING, will be subject to the legislation of the Federative Republic of Brazil, including the provisions of article 32, § 4, of Federal Law No. 8,666/1993, in terms of the model contained in Annex VI.

14.3.7. Chapter III - Fiscal Regularity

14.3.7.1. Proof of registration in the National Register of Legal Entities of the Ministry of Finance - CNPJ;

14.3.7.2. Proof of Registration in the State or Municipal Taxpayer Registry, relating to the bidder's headquarters, relevant to their field of activity and compatible with the objective of the bidding.

14.3.7.3. Proof of regularity with the Federal, State and Municipal Treasury of the bidder's domicile or headquarters, or other equivalent, in the form of the law.

14.3.7.4. Proof of regularity relating to Social Security and the Length of Service Guarantee Fund (FGTS), demonstrating regular status in the compliance with social charges established by law.

14.3.7.5. Proof of tax regularity before the National Treasury will be carried out upon presentation of a certificate issued jointly by the Secretariat of the Federal Revenue of Brazil – RFB and the Attorney General of the National Treasury – PGFN, referring to all federal taxes and Active Debt of the Union – DAU administered by them, as well as social security contributions.

14.3.7.6. Proof of the absence of unpaid debts before the Labor Court, by presenting a negative certificate, in accordance with the terms of the Title VII-A of the Consolidation of Labor Laws, approved by Decree-Law no. 5,452, of May 1, 1943.

14.3.7.7. Negative certificates or positive certificates with negative effect that

notify, on their body, that the debts are judicially guaranteed or have their enforceability suspended.

14.3.7.8. All fiscal regularity documentation presented by the bidder must be valid at the time of delivery of the qualification envelope, under penalty of disqualification of the non-compliant bidder.

14.3.7.9. The bidder who holds the Cadastral Registration Certificate (CRC) issued by the Registration Unit of the State Planning Secretariat and Management – SEPLAG may present it as a substitute for the document contained therein, required for this event, as long as it is valid in force in the CRC. If the document contained in the CRC has expired, it cannot be used and a new document must be presented with the current validity.

14.3.7.10. Only the documents required for this event will be analyzed by the CRC, with all other CRC documents being disregarded, even if they have expired.

14.3.8. **Chapters IV - Economic-Financial Qualification**

14.3.8.1. Balance sheet and financial statements from the last fiscal year, already required and presented in accordance with the law, which prove the good financial situation of the company, its replacement by balance sheets or provisional balance sheets is prohibited, and may be updated by official indices when closed more than 3 (three) months from the date of submission of the proposal;

14.3.8.2. Negative certificate of bankruptcy or concordat issued by the distributor of the legal entity's headquarters, or of asset execution, issued in the domicile of the individual;

14.3.8.2.1. The Balance Sheet and financial statements presented as follows will be accepted as per the Law:

14.3.8.2.2. Published in the Official Gazette; or

14.3.8.2.3. Published in the newspaper; or

14.3.8.2.4. By registered or authenticated copy at the Commercial Board of the bidder's headquarters or domicile;

14.3.8.2.5. Limited Companies (LTDA):

14.3.8.2.6. By copy of the Daily Book, duly authenticated at the Commercial Board of the bidder's headquarters or domicile or at another equivalent body, including the Opening and Closing Terms; or

14.3.8.2.7. By copy of the Balance Sheet and Financial Statements duly registered or authenticated at the Commercial Board of the head office or domicile of the bidder;

14.3.8.2.8. Companies subject to the regime established in Federal Complementary Law No. 123/06 (Law on Microenterprises and Small Businesses) Size) – “SIMPLES NACIONAL”:

14.3.8.2.9. By copy of the Balance Sheet and Financial Statements duly registered or authenticated at the Commercial Board of the head office or domicile of the bidder;

14.3.8.2.10. The documents required in this subitem, when appropriate, must be signed by the bidder's legal representative and his accountant or, when published in the Official Press, they must allow identification of the vehicle and the date of publication and contain the name of the accountant and your registration number with the Regional Accounting Council.

14.3.8.2.11. Legal entities required to adopt Digital Accounting Bookkeeping – ECD, as well as business companies that optionally adhered to the system, in accordance with the Normative Instruction of the Brazilian Federal Revenue No. 2003, of January 18, 2021, they will be able to present the ECD to the purposes set out in this notice.

14.3.8.2.12. In the case of a company established less than 1 (one) year ago, the presentation of a balance sheet and financial statements is permitted. relating to the period of existence of the company.

14.3.8.2.13. Proof of the company's good financial situation will be verified by calculating the company's accounting ratio to be delivered, considering qualified bidders who present the General Liquidity (LG), General Solvency (SG) and Current Liquidity (LC) Indexes, greater than or equal to 1 (one) extracted from the following formulas:

|      |  |
|------|--|
| LG = | <div><div>Current Assets + Realizable in the Long Term</div><div>Current Liabilities + Non-Current Liabilities</div></div> |
| SG = | <div><div>Total Assets</div><div>Current Liabilities + Non-Current Liabilities</div></div>                                 |
| LC = | <div><div>Current assets</div><div>Current Liabilities</div></div>   |

14.3.8.2.14. In situations where bidding companies do not reach, in one of the indexes mentioned in subitem 14.3.8.2.13, a value greater than or equal to the value of the index provided for in the notice, may alternatively prove the existence of net worth corresponding to at least 10% of the estimated value of contracting, as permitted by art. 31, §3, of Federal Law No. 8,666/93.

14.3.8.2.15. For compliance purposes, the estimated value of the contract will be considered equivalent to the total value of the supplier's proposal.

14.3.8.3. The formulas must be properly applied in a calculation report attached to the balance sheet.

14.3.8.4. If it is necessary to update the balance sheet and share capital, it must be presented, together with the documents in question, the corresponding calculation memory.

14.3.8.5. The legal representative in the country, of a foreign company, must present the Balance Sheet Analysis indicators according to rules established in subitem 14.3.8.2.13.

14.3.8.6. To comply with subitem 14.3.8.1, foreign companies must present the required documents accompanied by an analysis of

independent auditors. Companies must present their financial statements (balance sheet and income statement) certified by an accountant registered with the competent professional entity, if the audit is not mandatory by the laws of their countries of origin.

#### 14.3.9. Chapter V - Technical Qualification

14.3.9.1. Regarding the technical qualification requirements listed in this bidding process, LEMG, stimulated by the prospect of creating a business legacy that lasts for several decades (see Section "Preamble" of this document), highlights to participants interested in the bidding event of the concession in question that:

14.3.9.2. In order to demonstrate that the technical qualification requirements stipulated in this Basic Project do not restrict the competitiveness of the contest, nor do they represent extrapolation of the certainty of the good execution of the object, the justifications regarding the requirement of technical qualification, proven through a CV based on proof of experience relating to the operation of lottery games with numerical predictions and snapshots in an online/real time system in "land based" and "cyber space" media (digital/virtual) and previous experience as per subitem 8. 2 of the Basic Project – Annex I of this Notice (see section "Expected result of the project") , are evidenced, proven and legitimized, to the extent that the execution services for operating lottery games within the State of Minas Gerais have high relevance to the public interest, when, virtuously, there is a quality operation that, serving bettors and resellers with excellence, above all fulfills the basic mission of the LEMG Authority of sustainably generate financial resources aimed at promoting social well-being.

14.3.9.3. **Qualification of Companies or Consortium** - proven through the presentation of the CV of the isolated participating company in this bidding; or the foreign company and its consortium members; or the foreign company and its legal representative in Brazil, reporting experiences previous activities in the operation and financial management of games and in the operation of activities of complexity equal to or greater than that required in Annex I - Basic Project.

14.3.9.4. **Proof of the Company's or Consortium's Suitability** - carried out by presenting one or more performance certificates of the bidder, mentioned in the CV, issued by a body or entity governed by public or private law, national or international, declaring that it has proven previous experience in execution.

14.3.9.5. The experience required in this NOTICE may also be proven through certificates issued **in the name of a controlled company**, controlling company, affiliate and/or companies under common CONTROL of the BIDDER, directly or indirectly, and foreign parent company of branch Brazilian, **as long as the situation (of a controlled, controlling, affiliated company and/or companies under common CONTROL, directly or indirectly, and of a foreign parent company of a Brazilian branch) is duly proven and in force from the date prior to the publication of this NOTICE.**

14.3.9.5.1. The relationship between the BIDDER and the company holding the documents proving the experience contained in item 14.3.9.3 must be proven by presenting **(I) the organization chart of the ECONOMIC GROUP that demonstrates the corporate relationship(s) between the BIDDER and the company holding the aforementioned supporting documents;** and (II) corporate documents, in accordance with applicable legislation, which support the corporate relations indicated in that organizational chart, such as social contracts, bylaws, share registration books (including shares book-entry books), share transfer registration books (including book-entry shares) and quotaholder or shareholder agreements.

14.3.9.5.2. In the event of item 14.3.9.3, the BIDDER must prove that the company holding the certificate does not incur any of the restrictions of participation in the BIDDING PROCESS provided for in item 10 of this NOTICE, and consultations must be carried out in the registers indicated in items 15 and 16, and presented the negative certificate referred to in subitem 14.3.8.2, as well as the documents provided for in subitem 14.3.7.

14.3.9.6. In the case of a Consortium, the certificate may refer to the experience of any of the consortium members.

14.3.9.7. In the case of a foreign company and its legal representative in Brazil, the certificate may be from either of the two companies, as long as in the In total, the certificates cover all the requirements.

14.3.9.8. A single certificate may be presented comprising all the requirements, or more than one certificate may be presented as long as all the requested items in subitem 14.3.5, are proven in the requested manner.

14.3.9.9. The certificates must be presented on letterhead, with date, clear identification of the declarant's entity, with the name and position of the person who signed the certificate and explicitly stated the name of the bidder.

#### 14.3.10. Chapter VI - Additional documents

14.3.10.1. The bidder must submit Declarations, to be formalized in accordance with the models contained in Annex VI of this Notice, as follows:

14.3.10.1.1. Declaration by the bidder that they are in good standing with the Ministry of Labor, in compliance with the prohibitions established in article 7, item XXXIII, of the Federal Constitution, namely, prohibition of night, dangerous or unhealthy work for minors under eighteen years of age and any work for children under the age of sixteen, except as an apprentice, from the age of fourteen. If the bidder has minors, aged 14 and over, age, as apprentices, must declare this condition.

14.3.10.1.2. Declaration by the bidder ensuring, to the best of his knowledge, that the information provided by him and the service offered by him in the scope of the bidding do not or will not infringe patents, trademarks and copyrights, as per the model contained in Annex VI.

14.3.10.1.3. Declaration of non-existence of a supervening fact preventing qualification, in accordance with §2 of art. 32, of Federal Law No. 8,666/93, amended by Federal Law No. 9,648/98.

14.3.10.1.4. In the case of a Consortium, the statements referred to in this item must be signed by legal representatives of all its members.

14.4. Each of the companies in the consortium must separately present the documentation required in the items of legal qualification, regularity tax and economic-financial qualification, with the sum being allowed only with regard to sub-item 14.3.9 and that relating to Technical Qualification.

14.5. The documents required for qualification may be presented in original or by any copy process certified by a Notary competent authority or publication in the Official Press.

14.6. The qualification documents refer to the bidder's headquarters.

14.7. Documents of legal qualification, fiscal regularity and economic-financial qualification may be replaced by proof of registration with the General Supplier Register of the State of Minas Gerais.

14.8. Information about registration can be obtained on the website: [www.forneceadores.mg.gov.br](http://www.forneceadores.mg.gov.br).

14.9. Foreign companies that do not operate in the country will meet the requirements of the previous items, using equivalent documents authenticated by the respective consulates and translated by a sworn public translator.

14.10. In the case of participation by a foreign company, if there is any International Agreement between Brazil and the bidder's country of origin that provides for the replacement of any of the documents or requirements of this Notice, this must be attached to the qualification documentation indicating needs the document replaced.

#### 15. THE OPENING OF THE SESSION

15.1. On the day, time and place designated in this Notice, in a public event, in the presence of bidders, the Special Bidding Committee-CEL will carry out the opening of the bidding.

15.2. The Special Bidding Committee-CEL will declare the judging phase of the contest started, verifying the accreditation documents of the legal representatives of the Bidders present.

- 15.3. Public events may be attended by anyone, but only bidders or representatives will actively participate in them. accredited, intercommunication between them is not permitted, nor are disrespectful attitudes or attitudes that cause disturbances and disrupt the smooth running of the works.
- 15.4. In all public events, detailed minutes will be drawn up, signed by the members of the Special Bidding Committee-CEL and the accredited representatives of the bidders present.

16. PROCEDURES FOR OPENING REMUNERATION PROPOSAL ENVELOPES

- 16.1. In the public opening session of this tender, the inviolability of the envelopes containing the proposal documents will be demonstrated. remuneration and qualification.
- 16.2. The Special Bidding Committee-CEL will initial the seal of the envelopes number 01 - Remuneration Proposal and will request that the representatives accredited bidders also initial the seal of these envelopes, leaving them under the custody of the Lottery of the State of Minas Gerais, during their opening and, subsequently, until the bidding is completed.
- 16.3. The Special Bidding Committee-CEL will initial the seal of the envelopes number 02 - Qualification and will request that the accredited representatives bidders also initial the seal of these envelopes, leaving them under the custody of the Lottery of the State of Minas Gerais, for opening after the judgment of the Remuneration Proposals has been completed and, subsequently, until the bidding is concluded.

17. CLASSIFICATION OF REMUNERATION PROPOSALS

- 17.1. Envelopes No. 01 - Remuneration Proposal will be opened, following the order in which the delivery of the payment envelopes was filed. Proposal and Qualification, in accordance with the records contained in the Protocol Receipts issued by the LEMG Protocol Sector
- 17.2. The contents of the envelopes will be initialed by the members of the Special Bidding Committee-CEL and by the bidders present or by their representatives.
- 17.3. Bidders' proposals will be checked for formatting according to the layout of Annex VIII - Proposal Model and compliance with requirements of this Notice and the Basic Project (Annex I) and with proof of information.
- 17.4. If the Special Bidding Committee-CEL deems it appropriate, it may suspend the meeting to analyze the documents presented, respecting the incommunicability between bidders, scheduling, at the opportunity, a new date and time at which it will meet again, informing bidders.
- 17.5. The Special Bidding Committee-CEL will rank and rank first the bidder whose proposal emerged as the Highest Offered among all, ranking the following in descending order of remuneration offer and will publish this act in the Official Gazette of the State of Minas Gerais, disclosing the order of classification.
- 17.6. The qualification procedure for the bidder ranked first with the Highest Offer may be carried out in the same session classification of proposals, provided that all bidders have expressly given up the right to appeal, or in a specifically marked public act for this purpose, after the regular course of the appeal phase.
- 17.7. **The proposal will be disqualified if:**
- 17.7.1. Is in disagreement with any of the requirements of this Notice;
- 17.7.2. Contains an offer of an advantage not provided for in the Notice;
- 17.7.3. Contains defects, illegalities, is omitted or presents irregularities or defects capable of making judgment difficult.
- 17.8. Under equal conditions, preference will be given to the proposal presented by a Brazilian bidder, in accordance with the provisions of art. 3rd, §2nd, item III, of Federal Law No. 8,666/93.
- 17.9. In the case of a tie between two or more proposals, and after complying with the provisions of art. 3rd, § 2nd of Federal Law No. 8,666/93, the classification will be made, obligatorily, by draw, in a public event, to which all bidders will be summoned, any other process being prohibited.
- 17.9.1. Thirty minutes after the scheduled time, without all the invited bidders appearing, the draw will be carried out, despite the absences.
- 17.9.2. The draw will be done by placing the names of tied bidders on ballots, with those being placed in a container closed, from which only one of the ballots will be removed, this being the first classified, and so the ballots will be removed, successively, until rank all then tied bidders.
- 17.10. The result of the general classification and the final result of the proposals will be published in the Official Gazette of the State of Minas Gerais.

18. PROCEDURES FOR OPENING QUALIFICATION ENVELOPES

- 18.1. Once the classification phase of the Remuneration Proposals has been completed, envelope no. 02 will be opened - Qualification corresponding to the bidder whose proposal emerged among all as the first classified (Highest Offer), for due verification of compliance with the established qualification conditions in the Notice and qualification procedure thereof.
- 18.2. The qualification phase has begun and the inviolability of the envelope containing the qualification documents of the bidder classified in Firstly, it will be opened and verified that the conditions set out in this Notice are met.
- 18.3. The contents of the envelopes will be initialed by the members of the Commission and the bidders present or their accredited representatives.
- 18.4. The session will be suspended for analysis of the documents presented, scheduling, at the opportunity, the expected date for publication of the result.
- 18.5. In this case, envelopes No. 02 – Qualification of other bidders, already initialed externally by all bidders and members of the Commission, will remain in the Commission's possession until the qualification phase is completed.
- 18.6. Once all the requirements of this Notice for qualification have been met, the Special Bidding Committee-CEL will declare the qualification qualified. bidder ranked with the Highest Offer.
- 18.7. If the bidder classified with the Highest Offer is not qualified, the Special Bidding Committee will define in a new public act, the session to open envelope nº 2-Qualification of the bidder ranked in 2nd place and so on until the winning bidder with the Highest Offer is defined.
- 18.8. If all bidders are disqualified, the Special Bidding Committee-CEL may set a deadline of 08 (eight) working days for the presentation of new documentation, removing the causes that disqualified or disqualified them.
- 18.9. The envelopes containing the qualification documentation of the disqualified bidders will be available to them for a period of 10 (ten) business days, counting from the end of the bidding process (after the regulatory deadline for filing an appeal against the result of the bidding has passed or, if applicable, when the appeals lodged are denied, after which they may be destroyed by the Special Bidding Committee-CEL).
- 18.10. All acts in this stage will be drawn up in detailed minutes and signed by the members of the Special Bidding Committee-CEL.

18.11. The disclosure of the acts of qualification and disqualification of bidders will be made through publication in the official press.

## 19. STORAGE OF DOCUMENTS

19.1. Envelopes No. 02 – Qualification, initialed externally by all bidders and by the members of the Special Bidding Committee-CEL, will remain in its possession until the bidding is concluded.

19.2. Once the bidding has concluded, the envelopes containing the documentation of the disqualified bidders will be made available to them for the period of 10 (ten) working days, (after the regulatory period for filing an appeal against the result of the bidding has passed or, if applicable, when the appeals filed, after which they may be destroyed by the Special Bidding Committee-CEL).

## 20. RESOURCES

20.1. The following appeals will be accepted from the acts carried out by the Administration during the bidding process:

20.1.1. Appeal, within 05 (five) working days from the notice of the act, or the drawing up of the minutes of the meeting, in the cases of:

- a) qualification or disqualification of a bidder;
- b) judgment of proposals;
- c) cancellation or revocation of the bid;
- d) rejection of the application for registration in the cadastral register, its amendment or cancellation;
- e) termination of the contract, referred to in item I of art. 79 of Law 8,666/93;
- f) application of warning, temporary suspension or fine penalties.

20.2. Representation, within 5 (five) business days of notification of the decision related to the object of the bidding or contract, that it is not applicable hierarchical resource. The appeal will be forwarded to the General Director of LEMG through the President of the Special Bidding Committee-CEL, who You may reconsider your decision within 05 (five) business days or have it raised within the same period, duly informed, under penalty of liability.

20.3. The other bidders will be notified of the filing of an appeal, who will be able to challenge it within 05 (five) working days, counted by the form already established in this Notice.

20.4. The decision must be made within 05 (five) business days from the date of receipt.

## 21. APPROVAL AND AWARD

21.1. After the regular appeal phase, the bidding process will be submitted to the competent authority, so that the appropriate process can be carried out. approval and consequent award of the bid object to the winner.

21.2. The act of approval will be published in the Official Gazette of the State of Minas Gerais and the successful tenderer will be invited to sign the Term of Acceptance and Concession Agreement.

## 22. OF THE CONTRACT

22.1. After approval of the bidding procedures, the successful bidder will have a period of 10 (ten) working days, counting from the date of its summons, to sign the acceptance term and the Concession Agreement, without prejudice to the sanctions provided for in this Notice.

22.2. The deadline set out in the previous sub-item may be extended, for an equal period, upon a justified request from the successful tenderer and accepted by the Administration.

22.3. The unjustified refusal of the successful tenderer to sign the contract, accept or withdraw the equivalent instrument, within 10 (ten) working days, characterizes the total non-compliance with the obligation assumed, subjecting it to legally established penalties.

22.4. It is provided to the Administration, when the person called upon does not sign the contract term or does not accept or withdraw the equivalent instrument within the period and established conditions, call on the remaining bidders, in the order of classification, to do so within the same period and under the same proposed conditions by the first classified, including the updated prices in accordance with the call notice, or revoke the bid regardless of the commination provided for in art. 81 of the General Bidding Law.

22.5. The law applicable to the Contract will be Brazilian, with no mention of international law being permitted, not even as a means of interpretation.

22.6. The applicable Brazilian legislation will be that in force on the date of the acts or facts that occur.

22.7. LEMG will arrange for the publication of the Contract extract in the Official Gazette of the State of Minas Gerais.

22.8. The contractor is obliged to maintain, during the term of the Contract, the qualification conditions required in the Notice and to renew the certificates proof of regularity with the INSS, FGTS, the Union's Active Debt and the Municipal, State and Federal Treasury, whenever they expire.

22.9. When signing the contract, it will be required to present the contract guarantee and update the qualification documents that are expired.

22.10. The sanctions relating to non-execution of the contract are those provided for in this Notice and as described in the Basic Project - Annex I in subitem 8.3 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 and Law 8,987, of 1995, in compliance with due administrative process, respecting the contradictory and broad defense, observing the provided for in art. 38 of State Decree No. 45,902, of January 27, 2012.

### 22.10.1. From the Concessionaire's Minimum Management Team:

22.10.1.1. The CONCESSIONAIRE'S MANAGEMENT TEAM will be the one indicated at the time of signing the contract and must be employed qualified, suitable and sufficient personnel to meet the required needs. In other words, the organizational chart, in graphic representation, which will qualify the structure of the operation. This organizational chart should highlight how the teams and departments will be structured, organizing hierarchical relationships and the roles/responsibilities of each employee.

22.10.1.2. The members of the MANAGEMENT TEAM must be professionals who will effectively execute and assume responsibility for coordinating and preparing the activities for which they were appointed.

22.10.1.3. The MANAGEMENT TEAM must be made up of professionals with higher education, with proven experience in the area in which they will act as responsible for the technical and administrative execution of the Concession contract and will interface with the inspection of the LEMG and the audits of the State of Minas Gerais.

22.10.1.4. The minimum MANAGEMENT TEAM must have one person responsible for each set of activities below:

- 22.10.1.4.1. System management - 1 (one) experienced IT professional operating a system of equal complexity or higher than that required in this tender, responsible for the Management of the Gaming System and information security;
- 22.10.1.4.2. Financial management of the contract – 1 (one) professional experienced in financial management, responsible for transfers related to the LEMG's financial remuneration, for the payment of premiums, for the management of financial resources, for the rendering of accounts and any other issues affecting the financial and accounting aspects of the contract;
- 22.10.1.4.3. Games Advertising – 1 (one) Advertising/Marketing professional, with additional experience in digital Marketing, responsible for advertising the games;
- 22.10.1.4.4. Point of Sale Management – 1 (one) professional with experience in the commercial and logistics area, responsible for capturing and monitoring of points of sale in the market;
- 22.10.1.4.5. Contract Administrator - 1 (one) representative of the Concessionaire responsible for preparing the Game Plans, for compliance with the sales schedule agreed in the contract, by the general coordination of the Dealership and of all issues related to the contract, including the specific ones mentioned above, business, institutional and marketing;
- 22.10.1.4.6. Throughout the contractual term, any replacement of professionals in the CONCESSIONAIRE'S MANAGEMENT TEAM must prioritize the appointment of new professionals based on proof of their necessary technical competence;
- 22.10.1.5. Except for unforeseeable circumstances or force majeure, the eventual replacement of a professional cannot, under any circumstances, be claimed as a reason for changing any of the contractual conditions, particularly deadlines.
- 23. ESTIMATED GROSS COLLECTION AND MINIMUM TRANSFER OBLIGATION TO THE GRANTOR**
- 23.1. THE **PREDICTED ESTIMATE** for the Total Gross Collection during the 26 (twenty-six) years of Validity, **defines the Value of the Contract Concession.**
- 23.2. THE **VALUE OF THE CONTRACT**, in turn, defines **the Value of the Contractual Execution Guarantee in accordance with the provisions of subitem 3.4 of Annex I - Basic Project.**
- 23.2.1. THE **PREDICTED ESTIMATE** for Total Gross Collection was designed based **on the combination of information and data under the terms of the provisions of subitem 11.4.1 of Annex I - Basic Project.**
- 23.3. THE **ASSUMED DISTRIBUTION** for the Total Gross Collection in the Business Plan **defines the percentages related to the installments, as minimum targets, in accordance with the provisions of subitem 14.1. of Annex I - Basic Project.**
- 23.3.1. THE **EXCEPTION PROVISION** needs to be made only to the **CONCESSIONAIRE'S REMUNERATION PORTION, WHICH IT WILL VARY LOWER, depending on the proposal to be presented by the Bidder in the Competition.**
- 23.3.2. THE **PERCENTAGE OF NET COLLECTION** of the Bidder's offer in the International Public Tender, **as remuneration to the Grantor, it must be greater than 12.00%, and will be expressed to contain 2 (two) decimal places, as stipulated in Annex VIII - Proposal Model.**
- 23.4. In this way, the Amounts to be reached or exceeded were set as Basic Projection and Minimum Targets, in accordance with the indication in the table below:
- 23.4.1. **GROSS COLLECTION** was set at **R\$ 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).**
- THE **REMUNERATION TO THE GRANTOR** under the **MINIMUM TRANSFER** condition was set at **R\$ 650,000,000.00 (six hundred and fifty 23.4.2. million reais).**
- 23.4.3. **ADVANCE PAYMENT OF REMUNERATION**, due to this Risk Quality Business Legacy Minimized Business and Strategic Decision of the LEMG Authority, was fixed nominally at **R\$ 18,270,000.00 (eighteen million, two hundred and seventy thousand reais).**
- 23.4.4. THE **EVOLUTION OF THE CONCESSION** was configured through **different phases, corresponding to the Five Years, which will be periods qualified as Performance Check Milestones for Results Achieved throughout the Contract Term, as set out in Annex I - Basic Project/Appendix 2.**

| New Concession Online/Real Time System Games<br>Business Financial Modeling<br>Projection of Minimum Goals with Payment Check for Five Years |                     |                                   |                                 |  |   |
|--|---------------------|-----------------------------------|---------------------------------|--|---|
| Exercises  | Periods             | (R\$)<br>Gross Collection<br>100% | (R\$)<br>Pay Out/Premium<br>60% | (R\$)<br>LEMG transfer<br>12.00% (Net Revenue) | LEMG Transfer<br>% Average<br>Growth in<br>Five-Year Cycles |
| Subtotal   | 1st Five-Year Cycle | 1,424,999,999.99                  | 603,000,000.00                  | 59,850,000.00                                  | 9.6%  |
| Subtotal   | 2nd Five-Year Cycle | 2,212,499,999.99                  | 1,327,499,999.99                | 92,925,000.00                                  | 7.5%  |
| Subtotal   | 3rd Five-Year Cycle | 3,044,999,999.98                  | 1,826,999,999.99                | 127,890,000.00                                 | 6.0%  |
| Subtotal   | 4th Five-Year Cycle | 3,974,999,999.97                  | 2,384,999,999.98                | 166,950,000.00                                 | 5.1%  |
| Subtotal   | 5th Five-Year Cycle | 4,818,690,476.26                  | 2,891,214,285.76                | 202,385,000.00                                 | 3.0%  |
| Grand Total (R\$)  |                     | 15,476,190,476.19                 | 9,033,714,285.72                | 650,000,000.00                                 | % Average Annual Series<br>5.9%                             |

Table 1: Projection of Minimum Targets for Five Years.

**24. GUARANTEES**

24.1. The **CONTRACTOR must provide a CONTRACTUAL GUARANTEE equivalent to 0.52% (zero point fifty-two percent) of the Contract Value**, according to the estimate for the General Total Gross Collection shown above in the 2nd Column of Table 1, as well as in the provisions present in Annex I - Basic Project.

24.1.1. **THE VALUE OF THE CONTRACTUAL GUARANTEE will, therefore, be R\$80,000,000.00 (eighty million reais).**

24.2. **THE PRESENTATION OF THE WARRANTY** by the Contractor will be one of the mandatory requirements to be included in the **TERM OF ACCEPTANCE**.

24.2.1. The **GUARANTEE** must be presented when signing the CONTRACT, being required for each of the **successive annual periods**.

24.3. **THE FORM OF PROVISION** of the Contractual Guarantee complies **with legal regulations**.

24.4. Finally, it should be noted that the amount established above DOES NOT EXCEED THE LEGAL LIMIT FOR THE REQUIREMENT OF GUARANTEE OF THE VALUE OF THE CONTRACT, in accordance with §2 of art. 56 of Federal Law No. 8,666/93.

24.5. The bidder may choose between the following types of guarantee:

24.5.1. Deposit in cash or public debt securities:

24.5.1.1. In the case of public debt securities, they must be issued in book-entry form, upon registration in a centralized system of settlement and custody authorized by the Central Bank of Brazil, accompanied by proof of its current validity in terms of liquidity and value.

24.5.1.2. In the case of a cash deposit, this will be made upon deposit by the Concessionaire into an account linked to LEMG, for this purpose. specific, the deposit receipt being proof of the guarantee.

24.5.2. Bank Guarantee or Guarantee Insurance:

24.5.2.1. In the case of a bank guarantee, it must have been issued by a banking institution included in the latest Report of the 50 Largest Banks - Total Assets Criteria minus Intermediation, issued quarterly by the Central Bank of Brazil and must include the guarantor's express waiver of benefits of art. 827 of the Civil Code.

24.5.2.2. In the case of guarantee insurance, it must be issued by an Insurance Company authorized to operate in Brazil, with requirements being mandatory policies:

- I - minimum term of 12 (twelve) months, with a renewal clause until the Concessionaire's obligations are extinguished;
- II - be accompanied by a letter of acceptance of the operation by IBR – Instituto Brasil Resseguros SA, or be accompanied by your express authorization to the Insurer to contract reinsurance directly abroad, as well as reinsurance with Reinsurers international;
- III - contain an express provision requiring the Insurer to inform LEMG and the Concessionaire up to 90 (ninety) days before the final validity period, whether or not the policy will be renewed.

24.5.2.2.1. The provisions of subitem 24.5.2.2 apply to the guarantee provided in the form of Bank Guarantee, where applicable.

24.5.3. If the insurer does not renew the guarantee insurance policy, the Concessionaire must provide a guarantee of value and conditions equivalents before the policy expires, regardless of notification.

24.5.4. Non-compliance with the condition established in the previous sub-item, or non-approval by LEMG of the guarantee offered in replacement, of In order to meet its purpose, it will characterize the Concessionaire's default, subjecting it to the application of the corresponding sanctions.

24.5.5. The Letter of Guarantee or Guarantee Insurance, issued by a banking or insurance institution, must contain the following identification: LEMG International Public Tender No. 002/2023, with a clear and precise indication of the guaranteed value.

24.6. In the case of a Consortium, the guarantee may be provided in the name of one or more consortium members and must expressly indicate the name of the Consortium and all consortium members with their respective percentage shares, regardless of whether the guarantee was provided by one or more



consortium members. In this case, it is still permissible to contribute the total amount due, segregated between the consortium members, who may choose one of the guarantee modalities, without prejudice to the choice, by the other consortium members, of a different modality.

25. ADVANCE PAYMENT OF REMUNERATION

- 25.1. The logic on which the establishment of advance remuneration to the Grantor is based combines several foundations in its rationale, to know:
- a) The first deals with compliance with the determination provided for in art. 2nd of State Decree No. 47,902, of March 31, 2020, updated on May 3, 2021, recently amended on 8/31/2023, entitled Minas Gerais State Lottery Regulations, which stipulates as a competence to generate resources and allocate them to the promotion of social well-being and various assistance programs. In other terms, it is the carrying out the main mission of organizing, promoting and developing the operation of lottery games with high expected winnings, aiming to raise resources to finance Minas Gerais State Government projects to promote social well-being;
  - b) The second, in the 21st century, that of the technology empire, paradoxically highlights the irrefutable magnitude of the persistent lack widespread public services such as education, security, health, assistance, welfare, to which the majority are still subject overwhelming share of the country's population, and, in our case, of the people of Minas Gerais. Therefore, reality against which, being as servants states, we are tasked with fighting to overcome it, in order to promote the urgent and necessary evolutionary transformation.
  - c) The third indicates the seriousness of the State's current financial situation generated by the critical debt accumulated since the 1990s until nowadays, which results in a shortage of government budgetary resources to cover all of the listed needs of society on the previous basis, demanding immediate solutions aimed at reestablishing the financial health of the public entity;
  - d) The fourth notes the long history of economic performance, with relevant positive results, of the two different concessions already hired by LEMG, based on the exploration of lottery games in the On Line / Real Time System, since the 1990s. Finding strategy that results in minimized business risks for the continuity of said business in the market, object of the bidding process now in course;
  - e) The fifth duly recognizes the panorama of high financial expectations for Grantors, the target of this intense debate in the National Congress, and the effective scenario of investments that have been made by market players in several other processes of state accreditation that have already occurred, related to fixed-odd betting.
  - f) The sixth points out the provision expressed in Article 40, items II and IX, of Law No. 8,666/93, regarding the definition of the content of the Notice and its Annexes.

25.2. Based on the reasons explained above, the **GRANTING AUTHORITY decided to make use of the device** provided for in the regulatory framework of Public Concessions **that allows the Concessionaire to be required to pay in advance contributions set in accordance with a forecast in Contract.**

25.3. **THE RATIONALE** for making this decision **derives from the fact that there has been considerable success, consistently proven, in the exploration commercial of digital/virtual games, undertaken by the Grantor LEMG** and its Concessionaires GTECH AND INTRALOT BRASIL, always via Partnership Public-Private, since the distant year of 1994. Thus, it is understood that the economic risks in the undertaking are well known and, therefore, reduced to make State Regulated Official Lotteries available to Minas Gerais Players through in-person (Land Based) and virtual/digital (Cyber Space) means, distributed in the On Line/Real Time System.

25.4. Therefore, as a **LEGITIMATE AND JUSTIFIABLE REQUIREMENT**, the Grantor will demand from the future Concessionaire the **ADVANCE OF PAYMENT OF REMUNERATION**, due to this Quality and Safety Business Legacy, with Minimized Operational Risks, which will be the subject of the contract.

25.5. **THE ADVANCE PAYMENT OF REMUNERATION** will be equivalent to the **SUM OF THE MINIMUM PURCHASE TARGETS 2(two) FIRST YEARS** stipulated in the Estimated Projection for the Contract Series.

25.5.1. **THE NOMINAL VALUE OF THE ADVANCE PAYMENT OF REMUNERATION** will be **R\$ 18,270,000.00 (eighteen million, two hundred and seventy thousand reais).**

25.5.2. **ADVANCE PAYMENT** will occur upon **SIGNING OF THE CONCESSION AGREEMENT** , emphasizing that about this **ADVANCE AMOUNT A WACC Discount RATE** will be applied to calculate the Present Value, based on the methodology, namely:

25.5.2.1. WACC is the acronym for the English term "Weighted Average Cost of Capital" which determines the joint cost of capital raised by a company.

25.5.2.2. To calculate the value of equity, we use the CAPM, acronym for "Capital Asset Pricing Model" or Asset Pricing Model Capital, method of analyzing the relationship between risk and expected return on an investment.

25.6. **THE DILUTION OF THE ADVANCE PAYMENT OF REMUNERATION** will take place in a **DISCOUNT PLAN IN THE CALCULATION OF COMING TRANSFERS** throughout the Contractual Term.

25.6.1. The **DISCOUNT PLAN** will have **20 (twenty) FIXED ANNUAL INSTALLMENTS OF EQUAL VALUE, due from the 6th (SIXTH) YEAR of the contractual series. Note here the possibility of accelerated return of ADVANCE PAYMENT OF REMUNERATION, in case of reaching a specific target of ideal coverage in the market until the 6th (sixth) year of the Contract's time series, in bonus, as set out in Annex I - Basic Project/Appendix 1, item 5, REDUCING THE DISCOUNT PLAN TO THE TOTAL OF 10 (TEN) INSTALLMENTS.**

25.6.1.1. **THE INSTALLMENT** will be established on the **ABSOLUTE AMOUNT IN ADVANCE**, defined after due **calculation of the Value Gift.**

25.6.1.2. **INSTALLMENTS** will be computed as **CREDITS IN FAVOR OF THE CONCESSIONAIRE from the 6th (sixth) year to** , **being the first effective release to the last of the Concession's contractual series.**

26. REVOCATION AND CANCELLATION

26.1. The General Director of LEMG, in a reasoned order, may revoke the bid for reasons of public interest and must cancel it ex officio or at the instigation of third parties, if any illegality is found to have occurred.

27. GENERAL PROVISIONS

27.1. When counting the deadlines established in this Notice, the starting day will be excluded and the expiry day will be included.

27.2. These deadlines only begin and expire on business days at the Administration.

27.3. If there are no business hours or any supervening event occurs that prevents the event from being held on the scheduled date, the session will be automatically transferred to the first subsequent business day, at the same time and place previously established, as long as there is no communication in contrary to the Special Bidding Committee-CEL.

- 27.4. Failure to meet formal, non-essential requirements will not result in the bidder being removed, as long as it is possible to take advantage of the act, observing the principles of equality and public interest.
- 27.5. The rules governing this event will always be interpreted in favor of expanding the dispute between interested parties, as long as they do not compromise the interest of the Administration, the principle of equality, the purpose and security of the contract.
- 27.6. Any omitted cases will be resolved by the Special Bidding Committee-CEL.
- 27.7. The following ANNEXES form part of this NOTICE, as inseparable parts:
- 27.7.1. ANNEX I - BASIC PROJECT - TRADITIONAL LOTTERIES
- 27.7.1.1. ANNEX I- Appendix 1- Business Modeling- Lotteries in Online/Real time System;
- 27.7.1.2. ANNEX I- Appendix 2- General Requirements for the Operation of Lotteries in an On Line/Real Time System.
- 27.7.2. ANNEX II - DRAFT CONCESSION CONTRACT;
- 27.7.3. ANNEX III – RISK ALLOCATION AND ECONOMIC-FINANCIAL BALANCE;
- 27.7.4. ANNEX IV- CONCESSIONAIRE CHARGES;
- 27.7.5. ANNEX V - PERFORMANCE INDICATORS;
- 27.7.6. ANNEX VI - NOTICE TEMPLATES;
- 27.7.7. ANNEX VII - SCHEDULE;
- 27.7.8. Annex VIII - PROPOSAL MODEL.

Ronan Edgard dos Santos Moreira.

General Director of LEMG



Document signed electronically by **Ronan Edgard dos Santos Moreira, General Director**, on 03/22/2024, at 11:47, according to official Brasília time, based on art. 6th, § 1st, of [Decree No. 47.222, of July 26, 2017](#).



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