



GOVERNMENT OF THE STATE OF MINAS GERAIS

LOTTERY OF THE STATE OF MINAS GERAIS

Game Development and Control Management

Belo Horizonte, March 22, 2024.

ANNEX I:

BASIC PROJECT - 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 No. 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 this 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.

PREAMBLE

Minas Gerais is the 2nd largest state in Brazil, having great geographic, economic and socio-political relevance in the country. With an extensive territory made up of 853 (eight hundred and fifty-three) municipalities, it has a population of almost 21.2 (twenty-three) one million and two hundred thousand inhabitants, which corresponds to 10% (ten percent) of the national population. According to data compiled for the year 2022, its economy accelerated more than the national average, growing 3.49% (three point forty-three percent) against the previous year. Thus, it occupies 3rd position in the Federation's ranking, following the States of São Paulo and Rio de Janeiro, in that order. Presenting in this exercise a Nominal Gross Domestic Product-GDP of US\$ 179.12 (one hundred and seventy-nine point twelve billion US dollars), it contributed with 9.33% (nine point thirty-three percent) of the total national amount, which proportional to the state population, indicates a Nominal GDP per capita of US\$ 8.3 thousand (eight thousand and three hundred American dollars). Therefore, it is a state of great strength with vigor, determination and governance to continue overcoming the challenge of accelerating its economic and social development, in a transparent and sustainable manner.

In this context, the Minas Gerais State Lottery - LEMG, a century-old authority with uninterrupted commercial activities in its first century, has the mission of increasingly generating resources and allocating them to promoting social well-being, through the exploration of lottery games and similar within its territory, with efficiency and quality. Stimulated by the prospect of creating a business legacy that will last for several decades, LEMG, based on the recognition of the success in operational performance achieved since 1994 to date, intends to continue with the model of outsourcing Lottery operations made technologically available through the On Line/Real Time System, via concession grant. Furthermore, in view of the advantages that this business model has also presented in global markets, the continued commercial exploitation of these lottery services, subject to the regime of transfer of full responsibility to the private sector, with rights and duties established in

single and exclusive concession contract, substantially reduces the risks involved and the financial investments required by the business structure. Without a doubt, in a public-private partnership, better economic results are obtained due to there being more focus, availability of resources for investment, expertise and international experience.

In this way, in accordance with the aforementioned Federal Laws, the Authority intends to obtain, through a bidding process formatted as an international competition - highest bid type, the hiring of a private operator, capitalized and with proven experience, under the condition of sole Concessionaire for the Lotteries distributed in On Line/Real Time System.

The adoption of this unique and exclusive concession model in a public-private partnership of consistent quality for Lotteries under the On Line Real Time system is justified and legitimized when there is an understanding that it has intrinsic motivation and the ability to create an ideal, regulated and safe business environment, duly monitored and supervised, which will result in a consolidated successful marketing operation with official credibility, based on the best international practices in responsible management of State Lotteries. Just as countless relevant institutions in the United States federation, Canadian provinces and countries throughout the European Continent do, Loteria Mineira, with a focus on the permanent construction of Social Well-being, needs to continually surpass high levels of incremental sales, always desired.

It should be noted that the future Dealer must, therefore, be able to face marketing complexity with innovative solutions and a high level of investment and technology, ensuring the leverage of sales volume beyond the minimum annual gross revenue projections, firmly paying off the minimum transfer to the Granting Authority, required as an obligation, during the contractual term. It is the primary goal stipulated as a mandatory commitment in this Basic Project.

Therefore, based on the continued good provision of regulated services, the competent execution of the business and the firm achievement of economic results, it will be possible to continue guaranteeing a positive strategic return for Bettors, Resellers, Concessionaires and Granting Authorities in the development of the reality of gaming. Lotteries in On Line/Real Time System in our state market. Finally, the main objective of the Loteria Mineira, that of guaranteeing with efficiency and quality the definitive insertion of our Municipality in the era of the Digital Economy, in which competitiveness in the Industry has become globalized, will be fully capable of being achieved.

It is worth mentioning that the Minas Gerais State Lottery, since 1994, has resorted to contracting public-private partnerships under the exclusive concession regime for the exploration of virtual games. The contract currently in force presents excellent performance with a single operating company dedicated to the full exploitation of Online/Real Time Lottery games, in virtual electronic media.

In fact, LEMG also has other public-private partnerships related to the full exploitation of the other lottery modalities listed in Federal Law No. 13,756/2018, always following technical, operational and economic evaluation, specific to this Authority, and the expansion of the set of specialized contracted providers, dedicated to your different challenges, according to varied market scenarios for the diversification of lottery products and services.

Therefore, under the diligent management of LEMG, there will be competent and productive commercial exploitation of the state market in at least three types of diversified businesses, very well defined, in accordance with the specific legal framework, and conceptualized in their formal contracting instruments, namely: Exclusive Redemption Concession for Traditional Lotteries in physical (printed) form already contracted, Exclusive Concession for Virtual Lotteries, in digital technological means via On Line/Real Time system with capture of bets in person and remotely in this ongoing bidding event, and the Multiple Accreditation of Sports Betting Operators, as stipulated in the Bill in charge of the National Congress, to be adapted in terms of competitiveness for the state scenario, in the near future.

In developing the project for the new Lottery Concession in the Online/Real Time System, the same technical, legal and economic motivation was used that underpinned, since 2009, the bidding process for the Online/Real Time Lottery, in digital/virtual. No less important is to mention here the logic used in the standard widely debated by market players and approved by the Federal Court of Auditors-TCU in Ruling 421/2020, privatization process to accompany the granting of the public service concession of Exclusive Instant Lottery, which was followed by LEMG, highlighting exactly that no irregularities, improprieties or relevant non-conformities were observed that would impede the development of the due public bidding process, such as the highest offer, based on Federal Law nº 8,987/95.

We point out, by the way, that the option of delegating the operation of lottery services to a single individual, in a dedicated and integral manner, derives fundamentally from the fact that the Lottery of the State of Minas Gerais does not have operational conditions, both human material, as well as equipment, to directly provide these public services, which are extremely important for generating resources to be allocated to social programs managed by the State Government. In this case, the Authority as the Granting Authority has enabled and guaranteed its main responsibility, which is monitoring and supervising contractual execution, focusing on the quality and size of the Concessionaire's final performance in the extensive market of the State of Minas Gerais.

Another point to be considered is that, in none of the 3 (three) studies presented in the Expression of Interest Procedure carried out by LEMG in 2021, is there any indication from national and international players that the market should be divided between multiple operators concessionary lottery outlets, nor any mention of their alternative operating regimes, that is, under permission or accreditation. In fact, it is worth noting that the bidding process in question aims precisely to continue the successful contracting formula in force, which has notoriously brought excellent results to the Granting Authority in the value chain involved in the market, being extremely relevant for the target audiences, dealers and bettors.

Furthermore, in the history of LEMG, the experience of operating lottery products/services delegated to third parties, under the regime of coexistence of multiple authorized agents, permission holders without prior objective market development rules as a requirement, lasted for a decade, without establishing not even a single "good work" that served as an example of a successful case. In fact, the legacy left was an endless series of problems in the market, as well as legal-administrative and financial liabilities with our Local Authority.

In summary, the record of the history of positive revenue performance (R\$) of contract LEMG nº 001/2010, as well as the auspicious transfers to the Grantor, the large investment in communication and marketing, in addition to the high rewards for bettors from Minas Gerais and payments of commissions to resellers, he told us that the time had come to undertake, diligently and cautiously, the renewal of the lottery business with capture of bets in the On Line/Real Time system, along the same lines

previous legal-administrative processes, under a single and exclusive concession regime, full of successes, with the strategic duty and primary focus of the Autarchy's action to conclude the bidding for the new Concession up to 12 months before the end of the term of said contractual instrument still in force, according to the Preliminary Technical Study (ETP).

TYPE OF BIDDING - INTERNATIONAL PUBLIC COMPETITION - HIGHEST OFFER 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 criteria for judging the bid by the highest remuneration offer corresponding to the percentage minimum to be passed on to the Contracting Party - this parameter is not less than 12% (twelve percent) of the minimum expected Net Revenue. Therefore, 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 that of the highest percentage of remuneration offered to the Grantor (%GGR).

JUSTIFICATION

The option of delegating the exploitation of these services to individuals derives from the fact that the Minas Gerais State Lottery does not have the operational conditions, both in terms of human material, equipment and technology, to directly provide these relevant public services, consequently importance for generating resources to be allocated to social programs managed by the State Government. Therefore, considering that:

- This project consolidates the requirements necessary to enable the hiring of an operator to operate under a concession regime for the exploration of the set of numerical and instant prediction lotteries defined in federal legislation, Federal Law 13,756, of December 12, 2018 and state, State Decree 48,184, of April 30, 2021, giving firm continuity to the operating model successfully implemented in 2010 by the Intralot Consortium, according to the Contract still to be in force until May 13, 2025, highlighting that, under no circumstances, there can be no discontinuity in the provision of said services;
- The provision of services in the implemented Gaming System and its technological updating will be at the expense and risk of Concessionaire, once its Game Plans have been subjected to prior evaluation and due release with authorization from the Granting Power; It is
- Pursuant to Article 2, §2 of Law 8,987/95, which regulated Article 175 of the Magna Carta, it is necessary to carry out a bidding procedure in the International Public Competition modality.

It is concluded, therefore, that it is justifiable and economically viable for the State Public Power to delegate services for the exploration of Prediction Lottery games in an On Line/Real Time System, in person (Land Based) and digital/virtual (Cyber Space), with due bidding procedure, through International Public Competition - Highest Offer Type, in which broad competitiveness established in the strict terms of the constitutional legal order will be ensured. It should also be added that, from a financial perspective, the concession to operate the services will allow the Minas Gerais State Lottery to continue the substantial revenue collection from the current contract. The delegation will respect the provisions of the Basic Project, as a term of reference for the business to be granted, Notice and its Annexes, in addition to compliance with Federal Laws nº 8,987/95 and nº 8,666/93.

EXPECTED PROJECT RESULT

The Granting Authority seeks from the future Concessionaire to be contracted the creation of a sustainable commercial legacy, which will last in the market for decades, with the firm establishment of a very consistent business model, in light of the assessment and regulation of the authority. The success of the concession in question, as expected, will depend on the involvement of a private operator with the business impetus to overcome the marketing challenge, with a focus on marketing innovation, technological mastery, investment capacity and proven managerial experience, in order to ensure the continued growth of the lottery business for the State of Minas Gerais.

Among the various strategic considerations for the success of the project, firstly, it will be imperative that the new Contractor can guarantee the economic performance of the current portfolio of lottery games in the On Line/Real Time System, in face-to-face channels (Land Based) and on the Web. Then, the new partner must implement the geographic expansion vector of the operation, definitively improving penetration in the largest number of locations in the State, seeking to build availability of the ideal offer in all cities that are home to City Halls in a total of 853 municipalities. The Minas Gerais market deserves and demands the possibility of taking advantage of the updated offer of our regulated lottery games. The market scenario in which the new Concessionaire will operate is sized as "conservative" in its Gross Revenue magnitude, as set out in the demonstrative table contained in subitem 4.2. of Appendix 1.

Throughout the entire contract, the new partner must place emphasis on providing innovative games with different prizes and prices for drawable elements proportional to the prizes offered, with values defined in each game plan, which must be approved in advance by the Authority, in implementation ordinance. Always aiming for their horizontal distribution, the new partner must configure ideal distribution and marketing logistics, that is, dispersed as much as possible, reaching the largest possible number of bettors throughout the entire territory of the state of Minas Gerais. In this context, the creation of a widespread network of points of sale throughout the state should assume top priority. as a strategic element of great relevance.

Overcoming the marketing challenge will involve competent management of all indicators of the health of the lottery business, establishing a balanced balance between rewards for players, commissions for resellers and fair compensation for the concessionaire and the granting authority, linked in an equitable commercial partnership between the parties.

SUMMARY

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I - BASIC PROJECT

1. GLOSSARY

1.1. All concepts, terms and acronyms contained in this Annex I - Basic Project are defined in the Appendices, 1- Business Modeling and 2- General Requirements of the On Line/Real Time Lottery System, with a focus on Prognostic Lotteries, in person (Land Based) and digital/virtual (Cyber Space).

two. CONCEPT OF ON LINE/REAL TIME SYSTEM FOR EXPLORING LOTTERY GAMES IN ELECTRONIC MEDIUM

2.1. The **CONCEPT** that guides the creation of the **On Line/Real Time System** is well evident, allowing a good general understanding, when analyzing how its operation happens, materially enabling the **EXPLORATION OF LOTTERY GAMES IN ELECTRONIC MEDIUM** in the market.

2.1.1. In more detail, the System is structured around the formation and operation of an intelligent market access network, made up of Hardware and Software, aiming to capture bets, execute prize draws and make prize payments ; with bet capture infrastructure through fixed and/or interactive terminals (Land Based), mobile devices (Cyber

Space), under permanent connection, using in this virtual communication a technological means for its instantaneous and to be continued.

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

3. PROJECT PRESENTATION

The public-private partnership designed in this Lottery **CONCESSION** in On Line/Real Time System 3.1. , digital/virtual, aims to hire a single operator, experienced and capitalized, dedicated to the efficient commercial exploitation of games electronic lottery modalities defined in federal and state legislation, to competently carry out the activities operations inherent to the business object, in an integrated network structured via any technological communication solutions instant and continuous capable of allowing interactivity to bettors and resellers, under the designed distribution, namely:

- a) In person, through connected terminal equipment, installed at bet capture points (Land Based); It is
- b) Virtually, with the use of various remote technological devices, fixed or mobile, within the scope of territorial limits of the State of Minas Gerais (Cyber Space).

This **PROJECT CONSOLIDATES THE REQUIREMENTS NECESSARY TO ENABLE CONTINUITY, 3.2. OPTIMIZATION AND EXPANSION OF THE BUSINESS STRUCTURE CURRENTLY CARRIED OUT BY THE AUTHORITY IN THE OPERATION OF ITS ONLINE/REAL TIME LOTTERY SYSTEM GAMES PORTFOLIO** from now on grouped under the name "Lotteries in On Line/Real Time System".

3.2.1. The project includes the **GAMES RULES, TECHNICAL REQUIREMENTS FOR SELECTION OF PROPOSALS, THE ATTRIBUTIONS OF THE COMPANY TO BE CONTRACTED, IN ADDITION TO STRATEGIES REGARDING THE OPERATIONALIZATION** of lottery products and services through On Line/Real Time network terminals, in person (Land Based) and digital/virtual (Cyber Space) via the Internet and on mobile cellular devices and the implementation schedule of first Game Plans.

3.3. **THE GRANT TERM** under the concession contract **will be 26 (TWENTY-SIX) YEARS**, counting from from the date of publication of the contractual instrument in the official press, which may be extended equally period, once, under legal terms and in accordance with the Notice and other Annexes. During this total grant period, the new Concessionaire a Base Year, during the 2024 financial year, in which the business will be prepared and structured in the market, followed by 25 years of operation execution, starting May 14, 2025.

3.3.1. Regarding the determination of the aforementioned period, it should be noted that its extension is qualified as long duration. This period is necessary to adapt the basic structuring of the business infralogistics market, prior to the execution of the object, as well as the due amortization of a comprehensive set of investments to be carried out by the Concessionaire, configuring an appropriate model for obtaining consistent results in an increasingly competitive lottery gaming market to the Granting Authority, throughout the entire territorial extension of the State of Minas Gerais. The Grantor seeks from the Concessionaire the creation of a sustainable commercial legacy that lasts for several decades, as well as the achievement of a consolidated position in the New Global Digital Economy.

3.4. **THE TOTAL VALUE OF THE CONTRACT WILL BE BRL 15,476,190,476.19 (fifteen billion, four hundred and seventy-eight six million, one hundred and ninety thousand, four hundred and seventy-six reais and nineteen cents).**

Concession of Lotteries in On Line/Real Time System Table Summary of Business Structure Percentage Distribution of Gross Collection				
Indicators	Total Gross Collection	Prizes for Bettors	Marketing Investment	Total Net Collection
Percentage (%)	100.00	60.00	5.00	35.00
Amounts (R\$)	15,476,190,476.19	9,285,714,285.71	773,809,523.81	5,416,666,666.67

Table 1: Summary of the Concession Business Structure.

3.5. As one of the pillars of the Concession scheme, regarding the **GRANTOR'S REMUNERATION, THE MINIMUM RATE TO BE APPLIED OF 12.00% (twelve percent) on NET COLLECTION.**

- 3.5.1. NET COLLECTION IS CALCULATED AFTER APPLICATION OF THE FOLLOWING DISCOUNTS in Gross Revenue from Games:
- a) 60% (sixty percent) of the MINIMUM PRIZE TO BETTERS, and
 - b) 5% (five percent) of the MINIMUM INVESTMENT IN MARKETING.
- 3.5.2. THE MINIMUM REMUNERATION TO THE GRANTOR FOR THE GRANT OF THE CONCESSION WILL BE R\$ 650,000,000.00 (six hundred and fifty million reais), under the condition of ABSOLUTE MINIMUM TRANSFER GOAL.
- 3.5.3. There will be a REQUIREMENT OF ADVANCE PAYMENT OF REMUNERATION TO THE GRANTOR IN THE NOMINAL VALUE OF R\$ 18,270,000.00 (eighteen million, two hundred and seventy thousand reais).

Concession of Lotteries in On Line/Real Time System Table Summary of Business Structure Percentage Distribution of Net Revenue			
Indicators	Total Net Collection	Dealership Remuneration	Grantor's remuneration
Percentage (%)	100.00	88.00	12.00
Amounts (R\$)	5,416,666,666.67	4,766,666,666.67	650,000,000.00

Table 2: Distribution of Portions of Net Revenue in the Concession.

- 3.6. Called **BASIC PROJECT**, this document consolidates the requirements necessary to enable the hiring an experienced and capitalized operator to develop the business model currently used by the Authority in the operation of prediction games in an On-Line/Real Time Lottery System. Includes the rules of the games, the requirements technicians for selecting proposals, the responsibilities of the company to be hired and good practices regarding the operation of games, as well as the implementation schedule of the first Game Plans and their potential technological update.
- 3.6.1. It is worth highlighting that the **BASIC PROJECT** conceived by Loteria Mineira was built from the **LONGA EXPERIENCE ACCUMULATED BY THE AUTHORITY** in the operational, commercial and financial management of lottery games in On Line/Real Time Lottery System for capturing bets in the Minas Gerais State market. **Acquired experience since 1994, in a set of 2 (two) successive Concessions, under the responsibility of different operating companies. In these undertakings Games like Keno, Pimba and Keno Minas stood out, respectively operated by GTECH and INTRALOT.**
- 3.6.2. To this experience base were added the **CONTRIBUTIONS COMING FROM THE MANIFESTATIONS OF THE PARTICIPANTS IN PUBLIC CONSULTATION/HEARING EVENTS** conducted by the Authority, in accordance with legislation in force, including **RELEVANT EXTRACTS FROM VOLUME SIZING STUDIES GROSS COLLECTION** made available to LEMG by important market players, **RESULTING FROM THE TIMETABLE PROPOSAL FOR EXPRESSION OF INTEREST - PMI LEMG No. 001/2021.**
- 3.6.2.1. These events are designed to improve, with transparency and impartiality, the business model to be granted, duly substantiating the technical and legal documents necessary to carry out the bidding. Tender that was defined in the international public competition modality, type of largest offer, for the granting of the concession, on an exclusive basis, of services exploration and operation of lottery games in the On Line/Real Time System in the State of Minas Gerais.
- 3.6.2.2. Also noteworthy here is the sharing of the **HISTORICAL SALES PERFORMANCE RECORD** of Lotteries in On Line/Real Time System, operated by the **CONCESSION CONTRACTED IN 2010 TO THE CONSORTIUM INTRALOT BRASIL**, in the last 13 (thirteen) years of its operation.
- 3.6.2.2.1. Therefore, **IN THE PERIOD FROM SEPTEMBER 2010 to SEPTEMBER 2023**, bet sales captured **THEY AMOUNTED R\$ 1,455,762,663.14 (one billion, four hundred and fifty-five million, seven hundred and sixty-two thousand, six hundred and sixty-three reais and fourteen cents, making an average ticket of R\$5.39 (five reais and thirty-nine centavos),** according to reports generated by the Contract Monitoring and Inspection Committee.
- 3.6.3. No less significant is to highlight that, in order to guarantee the **NOMINAL PROGRESSION OF ANNUAL TARGETS GROSS COLLECTION**, as protection against the inflation present in our economy and ensuring a real incremental assessment of Mandatory Financial Transfers to the Grantor during the long-term time series of the Concession, the **INDEX OF THE AVERAGE GROWTH ADOPTED FOR THE PERIOD WAS 5.9% (five point nine percent) per year.**
- 3.6.3.1. THE **SAID PROGRESSION** is configured by **DIFFERENT PHASES OF EVOLUTION OF THE CONCESSION (FIVE YEARS)**, presenting an **ASYMMETRIC STATISTICAL DISPERSION CURVE**, being more accelerated in first five years, decreasing gently until its end.

4. PROJECT COMPONENTS

4.1. THE **BACKGROUND OF THE BASIC PROJECT ARE PROVIDED HERE**, in order to promote all potential interested parties a **COMPREHENSIVE VISION GENERATING GOOD UNDERSTANDING**, the Planning Team Contracting, formally responsible for preparing the initial measures to initiate the process that will culminate in the execution of the bidding event, recommends knowing and evaluating, in order, the content of the following official documents, registered in the System Electronic Information - SEI, and duly shared in Appendix 1 - Business Modeling, namely:

- a) Internal Communication 6 (73922657);
- b) Order 9 (74145149);
- c) LEMG Public Consultation Notice No. 001/2023 (74294171);
- d) Presentation Document - Public Consultation nº 001/2023 (75037400);
- e) Public Consultation Minutes nº 001/2023 (75010060)
- f) Act 3 of Justification, nº (75970696), and
- g) Preliminary Technical Study (ETP), nº (76159906).

4.2. THE **CONCESSION** for the operation of **LOTTERIES IN AN ONLINE/REAL TIME SYSTEM** encompasses the operation economic activity of operating the modalities defined in federal legislation, Federal Law 13,756, of December 12, 2018 and state, State Decree 48,184, of April 30, 2021, and the capture of bets will be made possible in person through of Terminals in On Line/Real Time (Land Based) networks or remotely through fixed or mobile devices connected to networks (Cyber Space), operated using any communication technologies available on the market (Internet, Cellular Telephony, etc.).

4.2.1. As additional information, it should be noted that **none of the six modalities in which CAPITALIZATION SECURITIES are commercially structured**, which are forecast specific regulations in Decree-Law No. 261/67, in CNSP Resolution No. 15/1991 and subsequent amendments, as well as in Circulars SUSEP n. 365/08 and nº 376/08. This new LEMG concession for Lotteries in the On Line/Real Time System only deals with contracting relating to lottery products and services, duly regulated by Federal Law No. 13,756, which is the legal framework in force that organizes our lottery exploration activity in the country.

4.2.2. THE **PROVISION OF EXPLORATION SERVICES INCLUDES**: strategic planning, 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 and virtual gaming platforms and payment of prizes, on behalf of and risk of the company or consortium, which demonstrates technical and financial capabilities to execute the contract.

4.2.3. INTERESTED PARTIES, in accordance with current legislation, **MAY PROPOSE ANY TYPES OF INNOVATIONS THAT EXPAND THE SCOPE OF THE BUSINESS MODEL PROPOSED IN THIS CONCESSION** must be , since previously evaluated and **RECEIVE SUBSEQUENT APPROVAL FROM THE GRANTOR**.

4.2.4. In the Numerical Prognosis Lottery modality, due to the success of the game Keno Minas, the flagship collection current status of ON LINE/REAL TIME SYSTEM games **IMPLEMENTED BY THE INTRALOT CONSORTIUM IN SEPTEMBER 2010, WHICH CONTRACT WILL BE IN FORCE UNTIL THE DATE OF MAY 13, 2025**, it is mandatory that the future operator to be contracted company begins its operation with the immediate implementation of the Keno-type game in person, through a network of Terminals On Line/Real Time (Land Based) at points of sale and, remotely, via the Internet/Mobile Cellular Telephony (Cyber Space) to access through any type of fixed or mobile devices (Personal Computers, Note Books, Tablets, Smarts Phones, etc.).

4.2.5. For the Instant and Conventional Lottery modalities, pay attention to the fact that there is already an operator, the Dealer contracted, Consórcio Mineiro da Sorte - CMSL, which explores such alternatives for physical lottery games (tickets and cards).

4.3. Therefore, **IN THIS NEW CONCESSION TO BE CONTRACTED** , the games will be, following the example of the current Concession, exclusively, made available electronically, through in-person bet capture terminals (land based) and via digital/virtual (cyber space) and must be implemented, via state-of-the-art technology, in an On Line/Real Time System.

4.3.1. The games portfolio must contain varied themes in line with the global standard of gameplay, interactivity and attractiveness for bettors in the State of Minas Gerais. Among other strategic vectors, to attract a young audience and maintain the level of interest in the game, elements of "gamification" must be added to them, that is, inclusion of opportunities additional engagement and loyalty inherent to the virtual gaming industry, as well as an increase in new and personalized, through technology aimed at Virtual Reality (Virtual Reality - VR/AR).

4.3.2. To increase and accelerate the growth of the gaming business, LEMG wants the Dealership to update constantly its product offering, not only on the Internet (Cyber Space), also including the gamification of video games existing success in the face-to-face environment (Land Based), at points of sale, offering traditional scratch cards, now virtual/digital, accessible and interactive, with visual, sound resources and additional bonuses, through new Terminals Interactive for Resellers.

4.3.3. In short, there should be a special focus on investment in new interactive Terminals to dispense these games instant virtual/digital environments in already positive environments with current Keno-type games, and also, additionally, in different types of Distribution Channels.

4.4. **TO COMPLY WITH THE CONDITION OF TERRITORIALITY PROVIDED BY LAW**, in accordance with the regulations in force of State Lotteries, the **GAMING SYSTEM MUST BLOCK ACCESS TO PLAYERS LOCATED OUTSIDE THE TERRITORY OF THE STATE OF MINAS GERAIS**.

5. CONTRACT EXECUTION GUIDELINES

- 5.1. The guidelines for executing the Concession Agreement for the operation of Lotteries in the On Line/Real Time System and the sanctions for total or partial non-execution of the same are duly provided for in sub-items 5 and 8.3 of this Basic Project, in accordance with the contractual object and the concessionaire's list of responsibilities, as referenced in item 9 also of the Basic Project.
- 5.2. The Concessionaire will declare and guarantee to the Grantor that the quality of the execution of the service, object of the Concession, will be throughout the Term of the Contract, adequate and sufficient to fulfill it, being fully responsible for any non-conformities with the Performance Indicators.
- 5.3. The Concessionaire will execute the Object of the Contract in full compliance with Annexes III and V, namely, Allocation of Risks, Economic-Financial Balance and Performance Indicators, as well as other requirements established in this instrument and its Appendices.
- 5.3.1. Certifications with security requirements are defined in subitem 29.2
- 5.4. The Concession will be funded through Gross Revenue (Sales/Bet Taking) in the market, based on the payment of the Bet Price by Bettors, as established in the Game Plans approved by the Grantor and implemented on the market by the Concessionaire.
- 5.5. The Concessionaire, in turn, will remunerate the Grantor through the transfer of part of the Revenue received in the capture of Bets.
- 5.6. The lottery games that will be explored in the On Line/Real Time Lottery System, face-to-face (Land Based) and digital/virtual (Cyber Space), make up the lottery modalities of prediction games provided for in federal and state legislation, respectively, Federal Law 13,756, of December 12, 2018 and State Decree 48,184, of December 30, 2018 April 2021, with the exception of the Fixed Odds Betting Lottery.

6. BUSINESS PLAN

- 6.1. **Formatting Assumption**
- 6.1.1. As a **PREMISE** in formatting the **BUSINESS PLAN**, the Grantor assumed as a basis the **DISTRIBUTION PERCENTAGE OF INSTALLMENTS OF GROSS COLLECTION** over the 26 (twenty-six) years of validity of the Concession, as shown above in Tables 1 and 2 of this Annex I - Basic Project, in item 3.
- 6.1.2. Based on the **PROJECTION** assumed, according to Table 6 of this Annex I - Basic Project, in item 11., **for the Gross Collection and with the adoption of the MINIMUM PARAMETERS established for the Rewards to Bettors installments, Marketing Investment and Transfer to the Mineira Lottery**, there will be an **OBLIGATION TO DISCHARGE PAYMENT** to the throughout the Contractual Term of the stipulated amount, as a **MINIMUM FLOOR FOR THE TRANSFER TO THE GRANTOR**.
- 6.1.3. The Concessionaire will therefore be responsible for fully executing the purpose of this contract, at its own expense and risk, based on the remuneration set out in Table 2 of this Annex I - Basic Project, in item 3..
- 6.1.4. Based on the **PROJECTION** assumed, according to Table 6 of this Annex I - Basic Project, in item 3., **for Collection Gross and with the adoption of the MINIMUM PARAMETERS established for the installments Prizes for Bettors, Investment of Marketing and Transfer to Loteria Mineira**, there will be an **OBLIGATION TO RECEIVE PAYMENT** throughout the Term Contract of the stipulated amount, as a **MINIMUM FLOOR FOR THE TRANSFER TO THE GRANTOR**.

7. CONTRACTUAL TRANSITION

- 7.1. **Identification, Planning and Execution**
- 7.1.1. In the case of **CONTRACTUAL TRANSITION, THE IDENTIFICATION OF OBJECTIVE MEASURES, AS WELL AS ITS EFFECTIVE COMPLIANCE, THE NEW CONCESSIONAIRE WILL BE MANDATORY** for the contracting its effects, considering the need to eliminate the risks of it being harmed.
- 7.1.2. Therefore, under the express guidance and monitoring of the Contracting Party, a **TRANSITION PLAN WILL BE REQUESTED, PREPARED AND AGREEMENT BETWEEN THE CURRENT CONCESSIONAIRE AT THE END OF THE CONTRACT AND THE NEW DEALER TO BE HIRED**.
- 7.1.3. This is because, absolutely, there can be no risk of discontinuity in the commercial exploitation of these games digital/virtual, under penalty of those involved incurring a contractual sanction. The Value Chain constituted by the lottery service in the Minas Gerais market should not and cannot be interrupted by any systemic disruption, of any type, that is: logistical, administrative, financial, human resources or technological that may occur between the end of the current contract and the beginning of the next.
- 7.1.4. In other words, as the current LEMG Concession, No. 001/2010, will remain firm and valid until May 13 2025, it is ratified that, under the express guidance and monitoring of the Contracting Party, the **NEW CONTRACTOR SHALL MUST BE IN ADVANCE IN PREPARING THE STRUCTURE OF THE FUTURE OPERATION, PREVIOUS TO THE FORMAL START OF MARKET EXECUTION ON MAY 14, 2025**.
- 7.1.5. Thus, immediately after the establishment of the **AWARD** corresponding to the winning bidder of the event, which should **HAPPEN BY THE BEGINNING OF THE SECOND HALF OF THE YEAR 2024, UNTIL EVER**, there will be two specific moments considered as **FUNDAMENTAL MILESTONES OF THIS TRANSITION**, namely:
- a) Firstly, the signing of the **TERM OF ACCEPTANCE OF RIGHTS AND DUTIES OF THE FUTURE CONCESSION**. At that moment, the firm and mandatory Implementation Schedule will be immediately confirmed physical of all items essential to structuring the operation, observing their criticality in order of priority.

b) Subsequently, there will be the final signature of the **NEW CONCESSION AGREEMENT**, which will come into force immediately as of its publication, however, its implementation on the market will only begin on the date of May 14, 2025. To do this, you must have your System fully tested, approved and activated, in ready and regular operation, since the first day of the new Concession.

8. BASIC DESIGN FUNDAMENTALS

8.1. Structuring Elements

8.1.1. In a recent movement, the contributions presented in the manifestations of the participants of the Public Consultation LEMG nº 001/2023, held on October 10, 2023, were considered. In addition, there are statistics relating to the Volume of Bets and the Gross Collection and Transfer to the Grantor reached in the more than 13 (thirteen) years of the Concession Agreement signed between LEMG and Consórcio Intralot, in force since March/2010. In the market scenario, it is necessary to take into account the competitive panorama, which has been intensifying lately, typifying the image, betting prices and the structure of legal and illegal gaming operations, as well as that of the group of companies issuing titles. capitalization. In this analysis, references are those lottery products operated by Caixa Econômica Federal, and the titles Minas Cap, TeleSena and the Jogo Bicho bets, not forgetting also to mention the other criminal offenses involving Bingos and Caça Níqueis equipment.

8.2. Technical Qualification

8.2.1. The technical qualification must be included in the proponent's CV, based on proof of experience relating to the operation of digital/virtual games with numerical predictions and snapshots, available in face-to-face (Land Based) and remote (Cyber Space) environments, via the On Line System /Real Time (games such as Keno, Loto, Scratch Cards and e-instants).

8.2.2. This proof will be formalized through Attestations that confirm minimum and specific previous experience of operations with lotteries in the On Line/Real Time System. Technical Capacity Certificates issued by a minimum of 1 (one) and a maximum of 3 (three) Contractor's customers, proving successful experiences and in compliance with the characteristics requested below. When the Certificate is in a language other than Brazilian Portuguese, its sworn translation into that language must also be presented.

- a) Successful experiences anywhere in the world in implementing Keno-type games, as specified in the Basic Project;
- b) Registration of the number of Terminals used in bet capture operations: **MINIMUM OF 3,000 (THREE THOUSAND) UNITS**, distributed in more than one municipality/locality. Implementation and operation of this distribution and marketing network for lottery games;
- c) Volume of virtual/digital bets captured: **MINIMUM OF 300 (THREE HUNDRED MILLION) BETS PER ANNUM**; It is
- d) Operation of an On Line/Real Time lottery system with draws at intervals equal to or less than 6 minutes;
- e) Development and implementation of a portfolio consisting of at least 15 (fifteen) Instant Lottery game titles in digital/virtual media via the On Line/Real Time System, in a given year, confirming the effective ability to create games with mechanics different.

Bonds, It is impossible to consider the measurement and attestation of capacity, regarding technical qualification, through 8.2.3. exploitation of Capitalization which in no way resemble the modalities now tendered by LEMG, thus complying with the legal provision contained in sections I and II of art. 30, of Law No. 8,666/93.

8.3. Sanctions for Total or Partial Non-Execution of the Concession Contract

8.3.1. 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, in Law 8,987, of 1995, with observance of due administrative process, respecting the contradictory and broad defense, observing the provisions of art. 38 of State Decree No. 45,902, of January 27, 2012, as specified below:

I - Written warning - formal communication of disagreement regarding the CONCESSIONAIRE's conduct regarding non-compliance with the Contract and other obligations assumed, and the determination of the adoption of the necessary corrective measures;

II- Late fine to be applied in the event of delay in fulfilling Contractual Obligations under the conditions set out in the TABLE OF FINES, items 8.5.1 and 8.5.2; III-Compensatory

fine in case of total or partial non-compliance with Contractual Obligations under the conditions set out in the TABLE OF FINES, items 8.5.1 and 8.5.2; IV-Temporary suspension of

participation in bidding and impediment from contracting with the Public Administration, for a period of two years as established in art. 38, III of State Decree nº 45,902/12; V-Declaration of unsuitability to bid or

contract with the State of Minas Gerais in the manner provided for in item IV of article 87 of Federal Law 8,666/93, while the reasons determining the punishment persist or until rehabilitation is promoted before the very authority that applied the penalty, which will be granted whenever the

CONCESSIONAIRE reimburse the Public Administration for the resulting losses after the period of the sanction applied has elapsed;
VI- The sanctions

provided for in sections I, IV and V may be applied cumulatively as provided for in section II and III, providing the interested party with prior defense in the respective process within a period of 05 (five) working days.

8.4. Of Expiry

8.4.1. Total or partial non-performance of the Contract will result, at the discretion of the Granting Authority, in the declaration of forfeiture of the concession or the application of contractual sanctions, respecting the provisions set out in arts. 27 and 38 of Law 8,987/1955, and the rules agreed between the parties.

8.4.1.1. The expiry of the concession may be declared by the Granting Authority when:

I - the service is being provided in an inadequate or deficient manner, based on the standards, criteria, indicators and parameters defining the quality of the service;

II - the Concessionaire fails to comply with contractual clauses or legal or regulatory provisions concerning the Concession;

III - the Concessionaire stops the service or competes to do so, except in cases arising from unforeseeable circumstances or force majeure;

IV - the Concessionaire loses the economic, technical or operational conditions to maintain the adequate provision of the service granted;

V - the Concessionaire fails to comply with the penalties imposed for infractions, within the due deadlines;

VI - the Concessionaire does not comply with the notice from the Granting Authority to regularize the provision of the service;

as

VII - the Concessionaire does not comply with the notice from the Granting Authority to, within 180 (one hundred and eighty) days, present the documentation relating to fiscal regularity, during the course of the Concession, in accordance with art. 29 of Law No. 8,666, of June 21, 1993.

8.4.1.2. The declaration of expiry of the concession must be preceded by verification of the Concessionaire's default in an administrative process, ensuring the right to full defense.

8.4.1.3. Administrative default proceedings will not be initiated before the issuance and sending of formal communications to the Concessionaire, detailing the contractual breaches referred to in sub-item 8.4.1.1, giving it a deadline to correct the faults and transgressions highlighted, according to the framework due in the contractual terms.

8.4.1.4. Once the administrative process has been initiated and default has been proven, the forfeiture will be declared by decree of the Granting Authority, regardless of prior compensation, calculated during the process.

8.4.1.5. The compensation referred to in the previous subsection will be due in accordance with art. 36 of Law 8987/1955 and the Contract, plus the value of contractual fines and damages caused by the Concessionaire.

8.4.1.6. Once expiry is declared, the Granting Authority will not be held liable in relation to charges, encumbrances, obligations or commitments with third parties or employees of the Concessionaire.

8.5. Maximum Limits for Fines

8.5.1. There are 3 (three) levels of penalties, namely:

I. three tenths of a percent per day, up to the thirtieth day of delay;

II. ten percent of the value of the commitment note or contract, in case of the successful tenderer's refusal to carry out the guarantee reinforcement; III.

twenty percent of the value of the supply, service or work not carried out or delivery of an object with defects or hidden defects that make it unsuitable for the use for which it is intended, or reduce its value or, even, outside the contracted specifications;

8.5.2. Summary Statement of Penalties - Fines:

SUMMARY OF PENALTIES - FINES	
Compensatory fine: Total non-performance of the object of the contract (Clause 1 and 2)	Fine of 10% on the average monthly remuneration owed to LEMG in the last 6 (six) months. If default occurs before the start of operations, the calculation basis for fines will be the target stipulated for the year, as set out in the Basic Project, taking as an average the value of the target divided by twelve.

Compensatory fine: Partial non-execution of the object of the contract (Clause 1 and 2)	10% fine on the average monthly value of the remuneration owed to LEMG in the last 06 (six) months. If default occurs before the start of operations, the calculation basis for fines will be the stipulated target for the year, as stated in the Basic Project.
Compensatory fine: Non-performance of obligations accessories (all other obligations contained in the Contract, Basic Project and Notice of Public Competition LEMG International 002/2023.	Fine of 5% on the average monthly remuneration owed to LEMG.
Moratorium fine: Applicable to obligations established with determination deadline for compliance or Frequency.	0.03% (three tenths of a percent) per day of delay, counted until the thirtieth day, calculated on the average monthly value of the remuneration owed to LEMG in the last 06 (six) months.

Table 3: Parameterization of Penalties - Fines

8.5.2.1. The fine may be applied cumulatively with other penalties, as per legal authorization.

8.5.2.2. The sanctions, drawn up in the respective report by the LEMG inspection, will be applied through an administrative process, indicated based on written notification to the CONCESSIONAIRE, with the reasons that led to the indication of the applicable sanctions, opening a defense period of 05 (five) business days, as established in paragraph 3 of article 87 of Law No. 8,666/93.

8.5.2.3. The notification referred to in the previous item will be sent by post, with acknowledgment of receipt, or delivered to the CONCESSIONAIRE upon receipt, or, if this is not possible, published in the Official Gazette of the State of Minas Gerais, in which case which will begin counting the deadline for presenting the defense.

8.5.2.4. If the reasons presented by the CONCESSIONAIRE are not accepted, or the period referred to in the previous item has passed, without presentation of defense, the appropriate sanction will be applied, with the decision being published in the official body of State Powers.

8.6. From Appeals to Sanctions

8.6.1. The decision to apply the sanction may be appealed, in accordance with item I of art. 109, of Federal Law No. 8,666/93.

8.6.2. The appeal referred to in this item will be addressed to the General Director of LEMG, through the person who carried out the act under appeal, which may reconsider its decision, within 05 (five) working days, or, within the same period, refer it to other bodies superiors, duly informed, at which time the decision will be made within 05 (five) working days, counted from receipt of the resource.

8.6.3. The decision of the General Director of LEMG exhausts the administrative body.

8.6.4. The application of the sanction of declaration of unsuitability is the exclusive responsibility of the Secretary of State or authority equivalent to it, under the terms of the law, with a request for reconsideration, under the terms of item III of art. 109 of Federal Law No. 8,666, of 1993.

8.7. Administrative Process

8.7.1. The administrative process will be the responsibility of the Servers responsible for managing and monitoring the Contract or the Supervisory Committee, if it is made up of Public Administration Servants.

8.7.1.1. The administrative process will be duly registered, numbered and accompanied by the following documents:

- I - technical opinion on the fact that occurred accompanied by supporting documents;
- II - notification of the occurrence sent to the CONCESSIONAIRE;
- III - defense presented by the CONCESSIONAIRE, if any;
- IV - decision of the LEMG Supervisory Board regarding the reasons presented by the CONCESSIONAIRE and the application of the sanction, by the General Director of LEMG;
- V - appeal or request for reconsideration filed by the CONCESSIONAIRE, if any;
- SAW - technical-legal opinion on the possible appeal or request for reconsideration, when applicable;
- VII - decision on the appeal or request for reconsideration filed, if any; It is
- VIII - extracts from publications in the official body of State Powers.

8.7.2. When it is a continuous infraction in relation to which several records or representations have been drawn up, they are brought together in a single process, to impose the penalty.

8.7.2.1. Infringements will be considered continued when they are a repetition of an offense that has not yet been determined or is the subject of process of which the CONCESSIONAIRE is not aware, by means of a subpoena.

8.7.3. In the event of failure to pay any fine within 10 (ten) days, from the CONCESSIONAIRE's knowledge of the

final decision imposing the penalty, LEMG may deduct the corresponding value of the contractual guarantee.

The CONCESSIONAIRE will not be responsible for delays and non-performance due to unforeseeable circumstances or force 8.7.4. major, supervening, unpredictable fact such as: war, public calamity or others with the same characteristics, with the Contractor responsible for delays by its suppliers.

8.7.5. Extensions of deadlines must be satisfactorily justified, substantiated, authorized by the General Director of LEMG and filed in the Contract Inspection records.

9. OBJECT OF THE CONCESSION

9.1. Object

9.1.1. Hiring, exclusively within the territorial limits of the state of Minas Gerais, from 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, contemplating the capture of bets through in-person (Land Based) and digital/virtual (Cyber Space) means, observing the modalities lottery betting games provided for in federal and state legislation, through the granting of concession services strategic planning, creation of lottery games, implementation and operation of lottery products, marketing, creation and operation of network of points of sale, marketing of games, development and implementation of websites, virtual gaming platforms, realization of draws and prize payments, through a public service concession contract, in accordance with Law 8,666/1993 and the Federal Law No. 8,987/95.

9.2. Additional Information for Execution

9.2.1. Execution on the market will necessarily begin on May 14, 2025, precisely, the Bidder Winner, immediately after the award of rights and duties granted, will immediately sign the Term of Acceptance of specific commitments relating to the structuring of the future operation. In sequence, as a continuous act, there will be the promotion of the actual signing of the Concession Agreement between the parties.

9.2.1.1. In other words, once the Bidding Process has been concluded, following the formal establishment of the Term of Acceptance, the necessary preparation for the implementation of the basic gaming portfolio and the minimum network of points will begin immediately of sales in the Minas Gerais market, always seeking, at least, equivalence to the current existing structure, in order to achieve the aforementioned official start date of the Concession with effective capacity to provide the contracted services, without any risk of operational discontinuity (among others, the Activation of the Point of Sales Network, the Promotion of Games on the Market, the Taking of Bets, the Carrying out of the Draws, the Payment of Prizes to Players, the Financial Transfer to Grantor, etc.).

9.2.1.1.1. When dealing with the game portfolio, the fundamental basis is to have a prediction game with intervals minimum number of draws of up to 6 minutes, Keno type, in an On Line/Real Time System (Land Based) and virtual network (Cyber Space), and a minimum portfolio of 15 (fifteen) Instant Lottery games in a virtual environment (Cyber Space), for access in computers and mobile devices, as currently explored on the LotoMinas Portal.

9.2.1.1.2. Regarding the activation of the existing network of current Points of Sale active in the market, there will be a focus on prioritization of them, based on the classification by the volume of current Gross Collection, giving priority to performance of results, in an ABC TYPE Segmentation.

9.2.1.1.3. In this context, referring to the installation of Equipment for Taking Bets (Land Based) in market, in accordance with the ABC Segmentation of Resellers indicated above, there will be a rigid and consistent agreement between Contractor and Contractor, in order to guarantee the efficient positiveization of Terminals at Points of Sell more productive products, in descending order of volume, observing the best logistics technique demanded due to the vast extension of the State's territory.

9.2.1.1.4. In the table below, you will find the status of the operation for the month of last October, reflecting the situation of Equipment coverage at Points of Sales, according to Segmentation A,B,C, prioritizing resellers by volume bet capture (Sales).

Investment Programming in the Nova Concessão Market Digital / Virtual Games in the On Line / Real Time Reseller Network Positive Commitment System Phased Installation of Bet Capture Terminals (Land Based) Planned Prioritization Based on "ABC" Segmentation by Sales Volume Bands					
Metropolitan Region of the Capital - Belo Horizonte					
Sales Volume Ranges	"A"	"B"	"C"	Too much	Sum
Number of POS	500	800	500	200	2,000
Number of KITs	900	1,400	1,500	200	4,000
Interior of the State - Other Locations					
Sales Volume Ranges	"A"	"B"	"C"	Too much	Sum
Number of POS	300	400	400	100	1,200
Number of KIT's	600	700	500	100	1,900
General Total Minas Gerais					
Sales Volume Ranges	"A"	"B"	"C"	Too much	Sum
Number of POS's	800	1,200	900	300	3,200
Number of KITs	1,500	2,100	2,000	300	5,900

Table 4: Status of Equipment Coverage at Points of Sales, according to Segmentation A,B,C of the Volume of Bets Taken - Out' 2023.

KIT's= Set of land based equipment installed at point of sale.

9.2.1.1.5. Therefore, based on this Status - Base October 2023, the new Concessionaire will be required to commit with the initial firm investment in a minimum number of Terminals of around 4,000 (four thousand) Equipment (Kits), and the goal of matching the coverage of the current base must be duly achieved, tested and ready for operate prior to April 2025, before the formal start of execution of the operation on May 14, 2025.

9.2.1.1.6. The other time phases presented below in the additional columns of Table 5 must also be

fulfilled, performing the minimum required stock of Equipment (Kits) installed on the market.

New Concession Digital / Virtual Games in the On Line / Real Time System Minimum Investment Programming in the Market Placement of Betting Capture Equipment (Land Based)				
Business Base Plan: Minimum Requirement				
Phasing by Periods	Pre - Concession Until April'25	Concession Stage 1 Until December 26	Concession Stage 2 Until December 27	Base Plan Sum
Number of POS's	1,528	542	280	2,350
Number of KITs	2,812	800	400	4,012
General Total of KITs	2,812	800	400	4,012

Table 5: Commitment to Purchase and Place Equipment at Resellers on the Market / Minimum Investment Phasing Required.
KIT's= Set of land based equipment installed at point of sale.

- 9.3. Resulting Attributions
- 9.3.1. 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:

9.3.1.1. Implementation and maintenance of a Game Management System that meets all the requirements of the Basic Project;

9.3.1.2. Strategic planning and creation of lottery products;

9.3.1.3. Implementation/hiring of points of sale to capture in-person bets (Land Based) in the State of Minas General, ideally seeking to achieve the challenge goal as set out in subitem 5.2.3 of Annex I - Project Basic/Appendix I;

9.3.2.4. Installation of equipment, Terminals of Multiple Typologies, meeting the diverse needs of different Distribution Channels for in-person capture of bets on the market;

9.3.2.5. Definition of the Payment Methods solution, whether owned or third-party;

9.3.2.6. Formulation of attractive Game Plans for Lotteries in an On Line/Real Time System;

9.3.2.7. Development of Instant and Conventional Lottery game project in virtual/digital media (Cyber Space);

9.3.2.8. Development and execution of communication actions and advertising and promotional campaigns inherent to the object;

9.3.2.9. Carrying out in-person draws according to game projects;

9.3.2.10. Enabling payment of prizes to winners;

9.3.2.11. Technological update of the Game Management System;

9.3.2.12. Implementation and payment of transfers to the Granting Authority;

9.3.2.13. Strict observance of the timely structuring corresponding to the development of lottery games for Sistema On Line/Real Time in person (Land Based) and digital/virtual (Cyber Space), as established in the Acceptance Term.

10. SUBCONTRACTING WITH THIRD PARTIES

- 10.1. Without prejudice to its responsibilities, the Concessionaire must execute the purpose of the Concession, as per established in the set of documents Basic Project, Notice and its Annexes, by itself or through third parties, on its own behalf and risk.

10.1.1. In this particular, the Granting Authority, through the Special Bidding Committee, establishes which portions of the contractual object concessionaire cannot 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 to lottery products themselves, as well as the fulfillment of all financial obligations and the satisfaction of resellers and bettors resulting from its commercialization in the market in the State of Minas Gerais.

b) ACCESSORY SERVICES may be outsourced, subject to excellence in quality, carried out by specialized, reputable companies, with their core activities 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 technical qualification requirement contained in the Notice, for the main purpose of the tendered object, this being understood as portion of the object as the set of items for which, as a technical-operational qualification requirement, the presentation of certificates proving performance of service with similar characteristics.

10.2. The Granting Authority may request, at any time, information about the hiring of third parties to carry out the such specific parts of business-related operations. These are activities in which EXECUTION is CHARACTERIZED AS ACCESSORY AND SUPPORT TO THE OPERATION OF THE OBJECT OF THE CONCESSION.

10.3. Third parties hired by the Concessionaire must be financially sound, operationally competent and technical skill, with the Concessionaire being directly responsible to the Granting Authority for any problems or losses resulting from the lack of any of these business pillars.

10.4. The Granting Authority, depending on the principle of unavailability of the public interest, will be responsible for adopting precautions aimed at ensuring 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 parts that will be subcontracted. It is also noteworthy that the requirement for proof for entities to be subcontracted will be aligned with the same documentary requirements, in tax regularities, meaning that the outsourced party is in compliance with its obligations under tax legislation federal, state, municipal, social security and the Length of Service Guarantee Fund, demanded in this Notice throughout bidding process.

10.5. 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 of the fulfillment, in whole or in part, of its OBLIGATIONS and ATTRIBUTIONS arising from the Contract.

10.6. The relationship between the CONCESSIONAIRE and its suppliers will be governed by private law, with the prior consent of the LEMG and presupposes compliance with regulatory standards for the types of service granted.

10.7. The contracts between the CONCESSIONAIRE and third parties must also provide for a subrogation clause to the Power Grantor, which will be exercised at its discretion.

10.8. The CONCESSIONAIRE is responsible for labor, social security, tax and commercial charges resulting from the execution of the Contract, as well as the hiring of third parties.

10.9. The CONCESSIONAIRE must ensure that the third parties hired have relevant and compatible experience in characteristics, quantities and deadlines with the obligations assumed.

11. ESTIMATED GROSS COLLECTION AND MINIMUM TRANSFER OBLIGATION TO THE GRANTOR

11.1. **THE PREDICTED ESTIMATE** for the Total Gross Collection during the 26 (twenty-six) years of Validity **defines the Value of the Concession Contract.**

11.2. **THE VALUE OF THE CONTRACT**, in turn, defines **the Value of the Contractual Execution Guarantee, in accordance with the terms of provisions of subitem 3.4 of this Annex I - Basic Project.**

11.2.1. **THE PREDICTED ESTIMATE** for Total Gross Collection was designed based **on the combination of information and data in accordance with the provisions of subitem 11.4.4 of this Annex I - Basic Project.**

11.3. **THE ASSUMED DISTRIBUTION** for the Total Gross Collection in the Business Plan **defines the percentages relating to the installments, as minimum targets, in accordance with the provisions of subitem 14.1. of this Annex I - Basic Project.**

11.3.1. **THE EXCEPTION PROVISION** needs to be made only to the **REMUNERATION INSTALLMENT OF THE CONCESSIONARY, WHICH WILL VARY THE SMALLEST, depending on the proposal to be presented by the Bidder in the Certainly.**

11.3.2. **THE PERCENTAGE OF NET COLLECTION of the Bidder's offer** in the International Public Tender, **the title of remuneration to the Grantor, must be greater than 12.00%, and will be expressed in such a way as to contain 2 (two) boxes decimals obligatorily, as stipulated in Annex VIII - Proposal Model.**

11.4. In this way, the Amounts to be reached or exceeded were set as Basic Projection and Minimum Targets,

as indicated in the table below:

- 11.4.1. **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).**
- 11.4.2. **THE REMUNERATION TO THE GRANTOR** in the **MINIMUM TRANSFER** condition was set at **R\$ 650,000,000.00 (six hundred and fifty million reais).**
- 11.4.3. **THE ADVANCE PAYMENT OF REMUNERATION**, due to this Business Legacy of Quality and Minimized Risks, was nominally set at **R\$ 18,270,000.00 (eighteen million, two hundred and seventy thousand reais).**
- 11.4.4. **THE EVOLUTION OF THE CONCESSION** was configured through **different phases, corresponding to the Five Years, the which periods will qualify as Performance Check Milestones for Results Achieved throughout the Term Contractual, as set out in the Table below:**

New Concession Online/Real Time System Games Business Financial Modeling Projection of Minimum Goals with Payment Check for Five Years					
Exercises	Periods	(R\$) Gross Collection 100%	(R\$) Pay Out/Premium 60%	(R\$) LEMG transfer 12.00% (Net Revenue)	LEMG Transfer % Average Growth in 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 5.9%

Table 6: Projection of Minimum Targets for Five Years.

12. **GUARANTEE OF CONTRACTUAL EXECUTION**
- 12.1. The **CONTRACTOR must provide a CONTRACTUAL GUARANTEE equivalent to 0.52% (zero point fifty-one two percent) of the Contract Value**, according to the estimate for the General Total Gross Collection shown above in the 2nd Column in Table 6.
- 12.1.1. **THE VALUE OF THE CONTRACTUAL GUARANTEE will, therefore, be R\$80,000,000.00 (eighty million reais).**
- 12.1.2. The **GUARANTEE** must be presented when signing the **CONTRACT**, being required for each **successive annual periods.**
- 12.2. **THE FORM OF PROVISION** of the Contractual Guarantee complies **with legal regulations.**
13. **ADVANCE PAYMENT OF REMUNERATION**
- 13.1. The logic on which the establishment of advance remuneration to the Grantor is based combines several fundamentals in its rationale, namely:
- a) The first deals with compliance with the determination provided for in art. 2nd of State Decree No. 47,902, of March 31 of 2020, updated on May 3, 2021, recently amended on 8/31/2023, titled Lottery Regulations of the State of Minas Gerais, which stipulates as its competence to generate resources and allocate them to promoting well-being social assistance and various assistance programs. In other words, it is the execution of the primary mission of organizing, encourage and develop the exploitation of lottery games with high expectation of 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 the persistent general lack of public services such as education, security, health, assistance, social security, to which the overwhelming majority of the country's population is still subjected, and, in our case, the people of Minas Gerais. Therefore, a reality against which, as state employees, we are tasked with fighting to overcome,

in order to promote the urgent and necessary evolutionary transformation.

c) The third indicates the severity of the State's current financial situation generated by the accumulated critical debt from the 1990s to the present day, which results in a scarcity of government budgetary resources for cover all the needs of society listed in the previous foundation, demanding immediate solutions aimed at the restoration of 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 contracted by LEMG, based on the exploitation of lottery games in the On Line System / Real Time, since the 1990s. Strategic finding that results in minimized business risks for the continuity of the aforementioned business in the market, the subject of the ongoing bidding process;

e) The fifth duly recognizes the panorama of high financial expectations for Grantors, target of the present intense debate in the National Congress, and the effective scenario of investments that have been made by market players in several other state accreditation processes that have already taken place, related to betting fixed quota.

f) The sixth punctuates the provision expressed in Article 40, items II and IX, of Law No. 8,666/93, regarding the definition of content of the Notice and its Annexes.

13.2. Based on the reasons explained above, the **GRANTING AUTHORITY decided to use the device** provided for in the framework regulatory framework for Public Concessions **that allows the Concessionaire to be required to pay fixed contributions in advance provided for in the Contract.**

13.2.1. **THE RATIONAL** for making this decision **derives from the fact that there has been considerable success, consistently proven, in the commercial exploitation of digital/virtual games, undertaken by the Grantor LEMG** and its Concessionaires GTECH AND INTRALOT BRASIL, always via Public Private Partnership, since the distant year of 1998. Thus, it is understood that they are well known and, therefore, reduced the economic risks in the endeavor to make available to Minas Gerais Bettors through the means in-person (Land Based) and virtual/digital (Cyber Space) the State Regulated Official Lotteries, distributed in the On System Line/Real Time.

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

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

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

13.3.3. **ADVANCE PAYMENT** will occur upon **SIGNING OF THE CONCESSION AGREEMENT**, noting that a **WACC Discount Rate** will be , applied to this **ADVANCE AMOUNT** to calculate the Value **Present**, based on the methodology, namely:

13.3.3.1. WACC is the acronym for the English term "Weighted Average Cost of Capital" which **DETERMINES THE COST ALL CAPITAL RAISED BY A COMPANY.**

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

13.4. **THE DILUTION OF THE ADVANCE PAYMENT OF REMUNERATION** will take place in a **REMUNERATION PLAN DISCOUNT IN THE CALCULATION OF UPCOMING TRANSFERS** throughout the Contract Term.

13.4.1. **THE DISCOUNT PLAN** will have **20 (twenty) FIXED ANNUAL INSTALLMENTS OF EQUAL VALUE. Note here the possibility of accelerated return of the ADVANCE PAYMENT OF REMUNERATION, in case of achievement of a specific target of ideal coverage in the market by 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 FOR A TOTAL OF 10 (TEN) INSTALLMENTS.**

13.4.1.1. The reduction in the number of installments in the discount plan series, from 20 to 10 annual payments, starting from the sixth year of the contract, has the objective of rewarding, in a bonus for a simple, unique and objective goal, the future Concessionaire for achieving excellent result of positive coverage, demonstrably, of all the headquarters of the 853 municipalities in the State.

13.4.1.2. In other words, it will be a **FINANCIAL BONUS** to the future Concessionaire for good logistical work carried out upon confirmation that there will be at least one active point for capturing bets at the headquarters of each of the 853 municipalities in Minas Gerais, that is, an award for achieving the availability of our lottery products and services for local bettors, throughout the state territory.

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

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

13.4.1.5. It should be noted that the specific rules of the Discount Plan will be duly established in an Ordinance established by the Board of Directors of LEMG, even before the payment to the Grantor of the aforementioned advance upon signature of the Concession.

14. PREPARATION OF THE PROPOSAL FOR THE BIDDING

14.1. To prepare a proposal, Bidders must consider the following percentages set on the Total Gross Collection of:

- a) 5% (five percent), allocated to the Minimum Marketing Investment in promoting the Business, and
- b) 60% (sixty percent), allocated to the Minimum Prize for Bettors.

14.1.1. During the Contractual Term, these percentages must be defined for each Game Plan prepared by the Contractor and approved by the Contracting Party, and may present specific variations to be well justified, with the exception that the prize percentage to be distributed in each game will never be less than 60% of the gross amount to be collected.

14.1.2. The Net Collection of each Game (ALj) of the Lotteries in the On Line/Real Time System will be divided between the Parties in a fixed proportion, as established in the Contractor's proposal.

14.1.2.1. **THIS PROPORTION SHALL BE EXPRESSED IN THE FOLLOWING WAY:
CONTRACTING PARTY, WHERE THE SUM**

14.1.2.2. **WHEN PREPARING THE PROPOSAL, THE MINIMUM PERCENTAGE TO BE TRANSFERRED TO THE CONTRACTING PARTY MUST BE AT LEAST 12.01% (twelve point zero one percent) OF THE NET COLLECTION OF EACH GAME.** This Transfer Percentage will be adopted for the operation of Lottery modalities of the On Line/Real Time System in person (Land Based) and digital/virtual (Cyber Space).

14.1.3. To prepare the proposal, the Net Collection Per Game (ALj) will be calculated as follows:

Net Collection Per Game (ALj) = 100% (Gross Collection from the Game) - 60% (Minimum Prize Awarded in the Game) - 5% (Marketing Investment) = 35% of the Gross Collection from the Game.

14.1.4. The Transfer Percentage proposed by the Bidder in its offer will be applied to all Lottery games in the On Line/Real Time System, approved and implemented, regardless of the means of their operation: in-person (Land Based) and digital/virtual (Cyber Space). Therefore, proposals that present a Transfer Percentage for only one means of operation will be rejected.

14.1.5. The parameters for determining the Lottery Transfer value in the On Line/Real Time System to LEMG during the duration of the contract are detailed in Annex I - Basic Project/Appendix 2.

14.2. **Proposal Model - Content and Composition of the Remuneration Proposal (Transfer to the Grantor)**

14.2.1. The information necessary to present the Proposal must be organized into chapters, as per "Remuneration Proposal", contained in Annex VIII - Proposal Model, 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:

14.2.1.1. **Chapter I - Introduction:**

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

14.2.1.1.2. Address and communication details of national and foreign Bidders, telephone (landline or cell phone) and email.

14.2.1.1.3. Name of Bidders' legal guardians.

14.2.1.1.4. Name of the Bidder's representative in this event.

14.2.1.1.5. Data for contacting the Bidder's representative in this event: address, telephone number (landline or cell phone) and email.

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

14.2.1.2.1. **The Grantor's Remuneration Proposal during the Concession** 14.2.1.2.1.1.

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 Annex VIII-Proposal Model.

14.2.1.2.1.2. LEMG's offer of remuneration in a percentage exceeding 12.00% (twelve percent) of the Net Collection from the operation of Lotteries in the On Line/Real Time System will be considered acceptable. It should be noted that the percentage offered, according to subitem 3.5 of this Basic Project, will constitute a single bid and will be duly considered in other specific calculations for all types of lotteries operated by the Concession in person (Land Based) and virtual (Cyber Space).

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

14.2.1.2.1.4. 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.

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

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

- 14.2.2.2. Location, date and signature of the bidder's legal representatives;

15. COMMERCIAL REPRESENTATION ESTABLISHMENT

15.1. Location and Opening Hours

15.1.1. With a view to providing immediate quality service to Bettors and Resellers from all parts of the vast Territory State and, due to the imperative need for direct and agile contact with the Contracting Party, the Contractor must:

- a) Establish a Commercial Representation located in any of the Municipalities of the Metropolitan Region of Capital of Minas Gerais.
- b) The opening hours of the aforementioned Office will be business hours.

16. GAME SYSTEM: DATA PROCESSING, TRANSMISSION AND HOSTING

16.1. Reliability, Security, Efficiency and Scalability of the Adopted Technology Solution

16.1.1. THE CONTRACTOR SHALL SUPPLY, IMPLEMENT, OPERATE, MAINTAIN AND UPDATE, at its own expense account or through third parties, a COMMUNICATIONS NETWORK, that is, a variety of equipment, services, applications and communication protocols prepared to ensure that information is securely and efficiently transmitted between the Data Center and equipment installed at points of sale.

16.1.1.1. THE USE OF CRYPTOGRAPHIC CONTROLS will be mandatory to ensure the security of all information being communicated between or stored within the Gaming System components (including Terminals, Web Sites, APP database), aiming to preserve the confidentiality, integrity and availability of all information in the Games.

16.1.2. THE TECHNOLOGY SOLUTION FOR HOSTING the Gaming System must be highly available and expandable, allowing the scaling of the System's capacity, according to the network of points of sale (POS) and the growth in sales volume. The System must be highly economical, but also sustainable, striving for availability of resources as needed, without reducing their security.

16.1.2.1. THE PRIMARY DATA CENTER AND BACKUP may be IN THE CLOUD as long as they are made available through of a provider business entity with office and jurisdiction in Brazil (CNPJ).

16.2. Deployment, Maintenance and Update Process

16.2.1. THE IMPLEMENTATION OF THE ENTIRE GAMING SYSTEM will be the responsibility of the Contractor, as well as its maintenance and updating throughout the Term of the Contract.

16.2.1.1. ANY MODIFICATIONS, improvements or replacement of components must have APPROVAL EXPRESS BY THE CONTRACTING PARTY, before its implementation, except for emergency defect removals which may be justified afterwards.

16.2.2. WITH THE OBJECTIVE OF MODERNIZING THE OPERATION AND GAMING SYSTEM, the Contractor, during the Contract, may propose technological advances in Lottery games in the On Line/Real Time System, with the aim of increasing the collection.

16.2.2.1. For the purposes of the Contract, the new technologies incorporated will be considered an unpaid upgrade to the Game requested in the Basic Project - Annex I/Appendix 2, not impacting the established transfer percentage.

16.2.3. THE AVAILABILITY OF THE GAMING SYSTEM with 24 x 7 operation capacity (24 hours a day, operating 7 days per week), including the hours to update the System and/or correct faults and/or load new Games, will be mandatory, aiming ensure that the operation of the Games is not compromised by possible System failures.

16.2.3.1. The Concessionaire must present monthly availability reports and, in cases of periods of unavailability, the reasons for the failures and the time to resolve the problem must be informed to LEMG.

16.2.4. THE EVENTUAL UNAVAILABILITY OF THE GAMING SYSTEM resulting in drops in Gross Collection must be borne by the Concessionaire to compensate the Granting Authority.

16.2.4.1. The parameters for calculating reimbursements for transfer to the Grantor due to unavailability events systemic are defined in the Basic Project - Annex I/Appendix 2.

17. LOTTERIES GAME PLAN IN ON LINE/REAL TIME SYSTEM

17.1. Lottery games in the On Line/Real Time System can be made up of sets of numbers printed on tickets/betting cards via On Line/Real Time network Terminal, generated from a numerical universe predefined by the Gaming System through a RANDOM NUMBER GENERATOR - GNA, or chosen by the Bettor, among a predefined numeric universe; or by Lottery Games with digital/virtual drawable elements (Cyber Space), graphically composed of combinations of numbers and/or symbols on their game panels, with prizes and/or counting of winners, defined by some form of draws carried out in person or by the Gaming System to determine results and bets winners.

17.2. The Game Plans of the modalities that make up the Lotteries in the On Line/Real Time System, in person (Land Based) and digital/virtual (Cyber Space), will be implemented by Ordinances published by the Contracting Party, in accordance with art. 2nd, § 3rd Decree 47,902, of March 31, 2020.

17.3. Game Project that defines a Game Plan to be operationalized in the Gaming System, basically contains, but does not limited to:

- a) Definition of the Game;
- b) Requirements for drawable elements on printed betting tickets and digital/virtual tickets;
- c) Description of the draw process;
- d) Numerical universe of the game matrix;
- e) Process of generating betting predictions;
- f) Graphic design of the Game Plan (printed betting slips for games in Terminals and virtual tickets on game screens with visual resources);
- g) Symbols used to determine the prize in the case of digital/virtual games;
- h) Graphic aspects of in-person (Land Based) or digital/virtual (Cyber Space) bets;
- i) General rules, including all award ranges;
- j) Way to determine winning bets;
- k) Premium payment procedures;
- l) Method of validating, receiving and prescribing prizes;
- m) Participation criteria;
- n) Criteria for forming prize reserves, if applicable.
- o) Game certification; ep) Random Number Generator Certificate - RNG.

18. PRESENTATION OF GAME PLAN PROPOSITIONS

- 18.1. Game Plan Proposals
 - 18.1.1. The proposals for games to be sold will be part of the Contractor's responsibilities.
 - 18.1.2. For each game, the Contractor must previously submit a request for Game Plans to the Contracting Party.
 - 18.1.2.1. This request must be approved by the Contracting Party so that the Contractor can produce and sell it.
 - 18.1.2.2. Presentations and approvals of Game Plan requests will be carried out electronically, through the System Electronic Information-SEI-MG, or whatever replaces it during the Term of the Contract.
- 18.2. Processing the Game Plan Approval Process Requests for
 - 18.2.1. Game Plans will be implemented through administrative processes processed at SEI MG.
 - 18.2.2. Requests will be sent through the external user module, accessed by a Contractor's employee duly registered for interface with LEMG, according to the Game Plan proposal model to be created by the Concessionaire.
 - 18.2.2.1. Requests must follow the following flow for consent and approval by LEMG:

Task	Description
Perform operational analysis on Game Plan	Once the Game Plan has been received, sent by the Contractor, the Contracting Party's operational area simultaneously carries out analyzes on its different parts, which can be approved or disapproved (in case of non-compliance with the Concession Contract) independently. Any problems encountered and observations will be recorded in the system by the user of the Operational Area. For the task to be completed and the review phase of the Board responsible for the operational area to continue, it is necessary that all parts analyzed be approved. If there is any failure, the entire Game Plan is returned to the Contractor to make the necessary corrections, according to problems and observations highlighted by the Contracting Party's Operational Area.
Correct Plan Game resubmit for review	The Contractor receives the Game Plan approved by the Contracting Party's Operational Area, as well as all the problems and observations highlighted by the Contracting Party. Once the problems in the Game Plan have been removed, it may be forwarded for new analysis by the Contracting Party.

Review operational analysis	The Game Plan approved by the Contracting Party's Operational Area will be reviewed by its Board responsible for the operational area. If problems are found, they must be recorded, as well as any pertinent observations, and the entire Game Plan must be returned to the Operational Area to make the necessary corrections. If approved, the Game Plan will be forwarded to the Legal Attorney's Office.
Perform legal analysis	The normative act that regulates the Game Plan approved by the Contracting Party's Operational Area Board will be analyzed, from a legal aspect, by the Legal Attorney's Office. If problems are found, they must all be recorded, as well as any pertinent observations, and the entire Game Plan will be returned to the Board responsible for the operational area to carry out the necessary measures. If the aforementioned normative act is approved, the Game Plan will be forwarded to the General Board.
Run general analysis	The normative act that regulates the Game Plan approved by the Contracting Party's Legal Office will be analyzed by the General Directorate, being able to approve it or not, taking into account all the analyzes carried out in the previous tasks. If problems are found, they must all be recorded, as well as any pertinent observations. Depending on the nature of these problems, the Game Plan may be returned to the Legal Attorney's Office or the Board responsible for the operational area to carry out the necessary measures. If approved, the execution of the Game Plan approval process is completed, which is released for production by the Contractor.

Table 7: Tasks of the Game Plan approval process

18.2.2.2. The deadline for executing the following subset of tasks in the approval process for Lottery Game Plans in the On Line/Real Time System, under the responsibility of the Contracting Party, will be up to 30 (thirty) days, and may be extended for an equal period, to requests not rejected and considered compliant in the approval stages, as follows:

- Perform operational analysis on the Game Plan; Review
- operational analysis; Perform
- legal analysis; and Perform
- general analysis.

19. ADVERTISING AND MARKETING

19.1. Frequency

19.1.1. At each annual operational cycle or whenever market dynamics so require, based on the strategies defined and agreed between the parties aimed at expanding the lottery business, the Contractor will be responsible for proposing and submitting for approval to the Contracting Party the Communication and Marketing Planning, which will try to specify the Advertising and Promotions Plans in all their details.

19.1.2. In the implementation of said Planning, the execution of all Marketing and Advertising of the lottery games will be the responsibility and burden of the Contractor, and in all Campaigns, for the entire set of its parts, including promotional material, prior authorization must be obtained. expressed by the Contracting Party.

19.2. Streamlining the authorization process In

19.2.1. light of the current relevance of Digital Marketing in the most diverse markets, a trend that is consolidated in the composition of the Marketing Mix in all segments of products and services, it is important to reiterate the importance of digital/virtual lottery games come to perform, with absolute excellence, in face-to-face environments (Land Based) and remotely on social networks via the Internet (Cyber Space). With this objective, the Concessionaire must make available to the Contracting Party a Planning Compendium dedicated to the Communication and Marketing strategy designed exclusively for these channels;

19.2.2. This Compendium will be based on the precise indication of priority Web Sites for the dissemination effort, in addition to listing the specific guidelines to be followed in the development of promotional actions to potential target audiences (Betterers and Resellers) and in the formatting of advertising pieces for each of them, creating clear and defined standards, if the case;

19.2.3. In line with the agility and precision required for communicating good results on social networks, these parameters will substantiate the technical framework previously formalized. Therefore, it will be a ready scope and capable of making the Contracting Party's approval of these advertising pieces to be sent for analysis with due agility and necessary advance. These will, therefore, be previously defined and agreed objective models that will establish a rapid and robust pace in the aforementioned process; It is

19.3. Marketing Fund

- 19.3.1. Investments in Advertising and Marketing will be financed with resources from the Marketing Fund, in accordance with with the Marketing Plan, previously submitted by the Contractor and approved by the Contractor.
- 19.4. Advertising and Marketing Expenses
- 19.4.1. The Contractor must submit a report on Advertising and Marketing expenses to the Contracting Party, duly proven (including, copy of Invoices, equivalent documents or proof of payment) for reconciliation, by Contractor, with the previously approved Marketing Plan. The frequency of this presentation will be quarterly.
- 19.4.2. Considering the need to provide due understanding regarding the reporting of expenses with Advertising and Marketing by the Contractor, it is defined that the Contractor must present a Marketing Plan, describing all the planned Advertising and Marketing activities, via the SEI process, specifying which strategies will be adopted for the disclosure and presenting an investment estimate.
- 19.4.3. The Contractor must present the Media Plans containing the set of advertising activities that will be developed or specific plans for each Game Plan request, aiming for analysis and approval by the Grantor. If this Plan is rejected (in full or in part), the Contractor must present a new Media Plan, with the corrections requested by the Contractor, who will have up to 05 (five) working days to evaluate the new proposal, and so on, until it is finally approved.
- 19.4.4. When rendering accounts, the Contractor must present all documentation proving the expenses arising from Advertising and Marketing activities (copy of invoices or equivalent document and proof of payment) for reconciliation, by the Contracting Party, with the activities described in the previously approved Media Plan. This reconciliation must be carried out along the lines of the example shown in Table 8, below, which is based on Game Plans with a gross value equal to R\$1,000,000.00 (One million reais).

Game Plan	Percentage of Advertising and Marketing the Plan or the set of activities advertising	Value for Investment in Advertising and marketing	Expense Proven	Balance Evolution Accumulated to prove
0001	X%	50,000.00	35,000.00	15,000.00
0002	X%	30,000.00	40,000.00	5,000.00
0003	X%	40,000.00	45,000.00	0.00

Table 8: Demonstrative example of Advertising and Marketing balance reconciliation

Service	Evidence Material
Creation/redesign of advertisements and materials several	Copy of the advertisement or material created in accordance with the OC, whether for television, radio, newspaper, magazine, backbus, gable, flyer, blimp, poster, folder, banner, banner electronic, packaging, shirt, sign, invitation, etc.
Production of various advertising materials	Photograph or copy of the piece produced, as applicable: flyer, blimp, poster, folder, banner, packaging, shirt, sign, invitation, pen, etc.
Print	Complete original copy in the case of a magazine; full original newspaper page which contains the vehicle data and date; original poster, etc.
Broadcasting on radio	Copy of the ad served and complete insertion map (rocket text, spot, jingle, calls, etc.)

Transport on backbus, gable, billboard and related	Photographic checking regarding broadcasting periods and/or addresses installation.
Broadcasting on television	Copy of the ad served and complete map of insertions (vt's, calls, vignettes, etc.) with show times and programs.
Trade Marketing materials and personnel	Copy of all competitions and sales campaigns and bonuses for the force trade marketing, point-of-sale promotions and other costs to support sales and communication.
Electronic banners	Copy of the piece, broadcast map, email address where it was broadcast, number of accesses when available.

Table 9: Examples of services to be proven in Advertising and Marketing accountability

19.4.5. Along with the Contractor's Marketing and Advertising Accountability processes, in addition to of tax and payment documents, supporting materials as per the examples described in Table 9.

19.4.6. Processes presented without the respective supporting materials or with incomplete information and/or inconsistent documents will not be accepted by the Contracting Party.

19.5. For calculation purposes, the minimum contractual investment commitment to be applied in Advertising and Marketing of 5% (five percent) of the amount of gross revenue. It should be noted that the total marketing investment will be verified as the sum of the values defined for each Game Plan at the end of the verification periods or whenever requested by the Grantor.

20. TRAINING

20.1. The Contractor must carry out training for the Contracting Party's Servers, as requested by the Contracting Party, providing all the necessary training to operate the Games Management System and the Report Generation Tool. They will be in charge of All costs related to training were contracted, including site infrastructure, materials used and instructors.

21. PROOF OF PROCEDURE OF EQUIPMENT USED

21.1. The Contractor must prove the legality of the origin of all equipment and materials used by games during the Concession.

22. AGREEMENTS PROMOTED BY THE CONTRACTING PARTY

22.1. During the Term of the Contract, LEMG, under the terms of Decree No. 47,902, of 04/30/2020, the basis of its regulations, with a view to combining efforts and achieving common objectives, it will be able to coordinate with similar institutions from other countries units of the Federation, assisting the Concessionaire in the operation of Lotteries in an Online/Real time System.

23. SUPPORT AND SERVICE TO RESELLERS AND BETTERS

23.1. Strategic Commitment to Target Audiences

23.1.1. All support to Resellers (Points of Sale - POS) and service to Bettors will be the responsibility of the Contractor, who must:

- a) provide supplies necessary to keep points of sale active;
- b) offer training to employees at points of sale, when necessary;
- c) carry out equipment maintenance;
- d) keep the entire Gaming System operational, including all hardware, software, networks and communication at points of sale; It is
- e) provide assistance to points of sale when requested by them, to answer questions or solve problems related to the operationalization of games.

23.2. **Provision of Adequate Infrastructure**

23.2.1. The Contractor must also offer a Teleservice, Sales and Marketing infrastructure to Resellers and Bettors.

23.2.2. This service must be available during business hours and make available to target audiences all available technological resources and recognized good practices, to:

- a) opening technical support tickets to Resellers;
- b) clarification of doubts from Bettors in general, with immediate assistance; It is
- c) assistance to winners whose prizes have not been paid at points of sale by Resellers.

23.3. **Process Management**

23.3.1. The Contractor must issue, whenever requested by the Contracting Party, consistent reports on the demands of Teleservice.

24. **PROVISION OF INFORMATION FOR MONITORING, CONTROL AND SUPERVISION**

24.1. **Optimal Sharing**

24.1.1. The Contractor must acquire and make available to the Contracting Party a REPORT GENERATION TOOL MANAGEMENT, personalized and configured in the Brazilian Portuguese language.

24.1.2. This Tool will be installed on a Contractor's computer, or on another means defined by the Contracting Party, without burden for this, with direct access to the Gaming System database for the purpose of extracting Reports.

24.2. **Tool Definition**

24.3. Indicate the integrator tool for generating reports extracted from the database.

24.3.1. The Management Report Generation Tool must be a PARAMETRIZABLE APPLICATION, in accordance with searching for requested information in the Gaming System database.

24.4. REPORTS CAN BE CHANGED TO COMPLY WITH DEMAND FOR SPECIFIC DATA at a certain time or period desired by Contract Supervision.

24.5. **Specifications for Quality**

24.5.1. The tool must provide the following MINIMUM FUNCTIONALITIES:

24.5.1.1. Definition and Generation of Flexible Reports from graphical user interfaces (no programming required) using source code or SQL), specifying the tables to be consulted, the filters to be used and the fields to be displayed in the Report.

24.5.1.2. Ability to specify queries directly in SQL (conforms to the 1999 ANSI SQL standard or later);

24.5.1.3. Ability to issue reports with data crossing contained in different tables (enabling potentially crossing data from all tables contained in the Gaming System in a single query);

24.5.1.4. Insertion of totalizing fields, as well as fields calculated from mathematical operations of addition, subtraction, multiplication and division;

24.5.1.5. Ability to generate graphs, including: bar, pie, dot and line; It is

24.5.2. User authentication through password and control of access permissions per user.

24.6. **Reporting Costing and Activity Period**

24.6.1. In addition to the Tool license, the Contractor must also cover support expenses, according to the support from the supplier of the offered Tool.

24.6.2. The Tool must be made available to the Grantor throughout the Term of the Contract until 01 (one) year after the expiration of the prize for the last valid draw in the Concession.

24.7. **Data Access Horizontality**

24.7.1. It must be possible to access, from queries made to the database through the Reporting Tool, ALL THE Gaming System DATABASE DATA, including:

24.7.1.1. Data on all sales made, including: identification of point of sale, date and time of the sale that was made registered in the database (time stamp), game identification, draw results, identification number of all tickets of bets that have been sold.

24.7.1.2. Data on all validations of winning bets and paid prizes: identification number and validation number of the winning betting ticket, date and time of payment, date and time that the payment was registered in the database (time stamp), amount paid, identification of the point of sale that paid the premium.

24.8. **Documentation Provision**

24.8.1. DATABASE DOCUMENTATION MUST ALSO BE PROVIDED IN THE LANGUAGE BRAZILIAN PORTUGUESE, including its data dictionary, describing the meaning of each table and each column. Will be set the meaning of each value for columns that use enumerations, in addition to any other aspect necessary for understanding of the values recorded in it.

- 24.9.

Helpdesk
- 24.9.1.

The Contractor must PROVIDE CLARIFICATIONS TO THE CONTRACTING PARTY, when requested by the latter, regarding questions regarding the meaning of tables, columns and records recorded in the database.
- 24.10.

Security and Control
- 24.10.1.

The Contractor must also make available the TRANSACTION RECORD OF THE MANAGEMENT SYSTEM DATABASE (LOG), for access by the Contracting Party, and must maintain a record of these transactions throughout the Term of the Contract until 01 (one) year after the expiration of the prize for the last valid draw in the Concession.
- 24.10.2.

Furthermore, any purging of data from the database used by the Gaming System will only be carried out through PRIOR AND EXPRESS AUTHORIZATION OF THE CONTRACTING PARTY.

25. PREPARATION AND AMENDMENT OF MANAGEMENT REPORTS

- 25.1.

Report Preparation
- 25.1.1.

To meet the Contracting Party's demands throughout the Term of the Contract and for up to 01 (one) year after the prescription of the award for the last valid draw in the Concession, the Contractor may be requested to change existing Reports of Game Management and Report Generation Tool functionalities, and even prepare new Reports, free of charge for the Contractor.
- 25.1.2.

The deadline for changing existing Reports or preparing new Reports cannot exceed 15 (fifteen) working days, counting from the date of the Contractor's request.
- 25.2.

Provision of Information After Termination of the Contract
- 25.2.1.

The Contractor must provide, at the end of the Contract, access to information about all movements carried out, maintaining such information for up to 01 (one) year after the expiration of the award for the last valid draw in the Concession.
- 25.2.2.

The Contractor must also maintain the System Reporting functionalities installed and operational. of Game Management and the Report Generation Tool, as well as all changed Reports and new Reports prepared, for use by the Contracting Party for up to 01 (one) year after the prescription of the prize from the last valid draw in the Concession.

26. GAMING SYSTEM IMPLEMENTATION

- 26.1.

Process and Flow
- 26.1.1.

The **Gaming System IMPLEMENTATION PROCESS** will take place in accordance with the schedule in the table below, the period being counted from the date of signing the **TERM OF ACCEPTANCE** of rights and duties relating to the implementation of the operation, prior to the Concession Agreement.
- 26.1.2.

The table below should include the steps necessary for the implementation of the Games as established in subitem 3.7 of Appendix 2 for approval of the Game System at the end of the Pilot. The schedule must present a brief description of each activity that must be developed by the Contractor and approved by the Contracting Party. This framework should be delivered, fully completed by the Contractor, according to the deadlines defined in the subitem below.
- 26.2.

Presentation of the Schedule of Operation Implementation Activities
- 26.2.1.

After signing the **TERM OF ACCEPTANCE** for the implementation of the operation, prior to the **CONTRACT OF CONCESSION**, the Contractor, within a period of up to 30 (thirty) days, must present the final **SCHEDULE** of the construction activities implementation of the Gaming System.
- 26.2.1.1.

The **SCHEDULE** must contain the activities, but not limited to, as per the model shown below and considering the details of general requirements for acceptance and approval tests presented in Annex I - Basic Project and Appendix 2.

SCHEDULE TEMPLATE IMPLEMENTATION ACTIVITIES				
FINAL SCHEDULE OF ACTIVITIES - PART I				
ACTIVITY SUB	ACTIVITY DESCRIPTION		DEADLINES TO BE DEFINED/ATTENDED BY THE CONTRACTOR	DEADLINES LEMG
Create User External at SEI! MG	Register user	Action as per oriented in Annex VI of Notice- "4. Model registration of external user in SEI-MG."	Up to 30 (thirty) days from signature of the Term of Acceptance	

<p>Present a schedule in the form of temporal flows corresponding to the MS PROJECT Software graphic pattern or similar.</p>	<p>Prepare and present project management time chart</p>	<p>Game system implementation process will be carried out in accordance as schedule to be defined by the future Concessionaire.</p>		
	<p>To approve</p>	<p>Contractor approves time flow schedule.</p>		<p>Up to 5 (five) days of receipt.</p>
<p>Signature of Term of Acceptance and Contract</p>	<p>homologation</p>	<p>Publication of the approval act in the Official Gazette of State of Minas general</p>	<p>The successful bidder will have a period of 10 (ten) working days, counting from the date of its call.</p>	
<p>Present Business Plan for initial implementation.</p>	<p>Prepare and present</p>	<p>Preparation, by the Contractor, of the Business Plan for initial implementation and its presentation to the Contracting Party within up to 30 (thirty) days of approval of the schedule.</p>		
	<p>To approve</p>	<p>Assessment and approval, by the Contracting Party, of the Business Plan for initial implementation sent by the Contractor.</p>		<p>Up to 30 (thirty) days after receipt at SEI! MG</p>
<p>Present initial set of game plans Land Based and Cyber Based</p>	<p>Prepare and submit for approval</p>	<p>Manufacturing, by Hired, of game plans for the games to be offered at the beginning of the contract, and presentation of these plans to the Contracting Party. The Contractor must submit game plans for the Contracting Party's approval.</p>		
	<p>To approve</p>	<p>Assessment and approval, by the Contracting Party, of the game plans contained in the initial set sent by the Contractor.</p>		<p>Up to 30 (thirty) days after receipt at SEI! MG</p>

Present Plan Operational implementation of points of sale in the market	Capture points of sale	Recruitment of points of sale throughout the State of Minas Gerais and formalization of contracts between these points of sale and the Contractor. New points of sale may be added after the end of this activity (as well as throughout the term of the contract).		
	To approve	Contractor approves Plan Operational		Up to 15 (fifteen) days of receipt.
Present Marketing Plan for first year of contract	Prepare and present	Preparation, by the Contractor, of the Marketing Plan for the first year of the contract, and its presentation to the Contracting Party.		
	To approve	Assessment and approval by Contractor, of the marketing plan for the first year of contract.		Up to 15 (fifteen) days of receipt.
FINAL ACTIVITY SCHEDULE - PART II				
ACTIVITY SUBACTIVITY DESCRIPTION			DEADLINES TO BE DEFINED/ATTENDED BY THE CONTRACTOR	DEADLINES LEMG
Define the hosting solution for the system Games	Assemble and configure	Present the Gaming System Hosting solution to the Contracting Party.		
	To approve	Approval of the solution Accommodation, by Contractor or third parties indicated by the latter, from the facilities of both Date Centers		Up to 30 (thirty) days of receipt.

Develop and/or adapt game software	To approve	<p>Development or adaptation of gaming software so that it meets all the requirements contained in this</p> <p>Basic Project and also the particularities of the games to be offered, as defined</p> <p>in</p> <p>game plans approved by the Contractor.</p>		Up to 30 (thirty) days of receipt.
Platform Digital on Web/Internet relating to Game Portal cyber space	Submit Trial Version	<p>Implementation of the platform that will bring together virtual games offered to bettors remotely.</p> <p>(Cyberspace)</p>		
	To approve			Up to 30 (thirty) days of receipt.
Develop and/or adapt validation system	To approve	<p>Development or adaptation of a Land Based game betting validation system, in accordance with the obligations described in this Basic Project as well as established requirements.</p>		Up to 30 (thirty) days of receipt.
Deploy reporting tool	To approve	<p>Installation of the report generation tool in the Contractor's environment, as well as carrying out all necessary configurations to enable the extraction of reports in accordance with the requirements established in this Basic Project.</p> <p>It also involves the installation of the gaming software components necessary for the Contractor to issue the reports described in this Basic Project.</p>		Up to 15 (fifteen) days of receipt.

Present schedule Tests Acceptance for compliance Proposal	Compliance Report	Carrying out tests to verify compliance with gaming system requirements by the Contractor.		
	To approve	Contractor approves schedule		Up to 5 (five) days of receipt.
Define and present teleservice solution	Develop and Deploy	Implementation of infrastructure for teleservice during operation.		
	To approve	Approval of the call center service, by the Contracting Party, regarding the quality of the service.		During the term of the Pilot
Present training program agenda	Train point-of-sale personnel	Training point-of- sale personnel on game policies and rules and point- of-sale management		Up to 15 (fifteen) days of receipt of the Agenda.
	Train the Contractor's servers (Report management)	Training the Contracting Party's team in using the report generation tool, and in obtaining management reports from the gaming system.		Up to 15 (fifteen) days of receipt of the Agenda.
Implementation of Pilot to launch the initial set of Business Plans Approved games	Activation in the System of the initial set of game plans approved in the Business Plan by the Contracting Party.	Activities to start the commercialization of land-based and cyber space games.	May 14, 2025	
	Regulation of Pilot	Publication of Ordinance of Marketing of Plans		Up to 10 (ten) days before the implementation of the Pilot.

Game system approval		<p>Execution of acceptance tests of the gaming system, to be carried out by Contractor or third parties indicated by the latter, with the aim of verifying whether the gaming system meets the following established requirements:</p> <p>The) Game management functionalities; B)</p> <p>Validation system functionalities; c) General usability; d)</p> <p>General security and integrity; e) Security and integrity of the validation system; f) Integration with report generation tool.</p> <p>For this activity to begin, the Contractor must offer all the Infrastructure necessary for acceptance tests for approval of the validation system and Infrastructure necessary for acceptance tests for approval of the gaming system.</p>		
	To approve	<p>Homologation of the gaming system by the Grantor or Third Party Contractor, at the end of the pilot period.</p>		<p>Up to 15 days from the completion of Acceptance Tests.</p>

Table 10: Final Schedule

26.2.2. THE 2 (two) Parts of this **FINAL ACTIVITY SCHEDULE MAY BE ADJUSTED AS USUAL AGREEMENT BETWEEN THE PARTIES.**

27. ABOUT THE CONCESSIONAIRE’S BUSINESS PLAN

27.1. Structured Presentation

27.1.1. After **APPROVAL OF THE SCHEDULE** of implementation activities (subitem 26.2.1.1) by the Contracting Party, **the**

Contractor, must present within a period of up to 60 (sixty) days, the Business Plan to begin formal implementation (Pilot) of games in person (Land Based) and digital/virtual (Cyber Space), as specified in Annex I - Project Basic/Appendix 2.

27.2. Scope of the Plan

27.2.1. The Business Plan must include, **not limited to, but mainly:**

27.2.1.1. The Proposition of Games in person (Land Based) and digital/virtual (Cyber Space) that will be developed for commercialization at the beginning of the Contractual Term and implementation schedule of these games in the On Line/Real Time Gaming System;

27.2.1.2. The Advertising Campaign, which will be implemented in accordance with the Game Plan issuance schedule, with Print and electronic media plan, campaign pieces and other communication actions;

27.2.1.3. The Strategy for creating the Distribution Network (Land Based) with the hiring of points of sale (capture of bets);

27.2.1.4. The Logistics Plan for servicing and supplying the points of sale network, detailing the form of material support and the personnel to be allocated to the project; It is

27.2.1.5. The Equipment Installation Project (Terminals) at sales points in Type "A", "B" and "C" Curve.

27.2.1.6. The Operational Scheme of the point of sale network.

27.2.1.7. Present the certificates provided for in subitem 29.2.1 of this Basic Project.

27.3. Implementing the Initial Set of Game Plans

27.3.1. After **APPROVAL OF THE BUSINESS PLAN** by the Contracting Party, **within 30 (thirty) days of its receipt at SEI/MG, the Contractor will have a period of up to 120 (one hundred and twenty) days to implement the games in the On Line/Real Time Lotteries**, for sale in person (Land Based), being a Keno-type game, with minimum draw intervals of up to 6 minutes and digital/virtual games (Cyber Space), at least 15 (fifteen) options of lottery games Instant. If necessary, this period may be extended for an equal period, for reasons duly justified by the Contracted and accepted by the Contracting Party.

27.4. Agreed Deadlines

27.4.1. The Contracting Party reserves, as a matter of duty, the right to renegotiate with the Contractor all deadlines inherent to the development and implementation of the Project in question.

28. CARRYING OUT ACCEPTANCE TESTS FOR APPROVAL OF GAME SYSTEM AND VALIDATION OF WINNING BET TICKETS

28.1. From acceptance tests

28.1.1. Acceptance tests are the technical verification of the conformity of the Contractor's proposal, in terms of meeting the technical requirements of: "Game Management Functionalities"; "Validation System Functionalities"; "General Usability"; "General Security and Integrity"; "Security and Integrity of Validation System" and "Integration with Data Generation Tool Reports", and will be carried out, after signing the **ACCEPTANCE TERM** of the rights and duties inherent to the Concession, prior to the **CONCESSION AGREEMENT**, for implementation of the applicable Gaming System, according to **the deadline to be defined by the Contractor** in the **IMPLEMENTATION SCHEDULE** according to the model in subitem 26.2.1.1.

28.1.2. Infrastructure necessary for acceptance tests for approval of the Gaming System (Software and Hardware)

28.1.2.1. To carry out acceptance tests for the Gaming System, the Contractor must offer the entire infrastructure necessary, including:

28.1.2.1.1. Test environment containing equipment, applications and database with simulated inputs, which allow reproduction of the production environment, to carry out tests;

28.1.2.1.2. Report Generation Tool, properly configured and operational, and at least 01 (one) user with permission to issue all types of Reports;

28.1.2.1.3. Manual for using the Report Generation Tool (mentioned in the previous item);

28.1.2.1.4. The provision, in person, of representatives with authority to respond to the Contractor, being accessible and with sufficient technical knowledge to support the carrying out of all tests necessary for acceptance;

28.1.2.1.5. Access to the database, directly or through a representative of the Contractor, to carry out operations directly in the database and checking these same operations in the logs provided by the database server;

28.1.2.1.6. Access to the Gaming System server (Hardware), directly or through a representative of the Contractor, to making changes to the server date and time and carrying out tests that depend on this change; It is

28.1.2.1.7. The infrastructure described here must be available throughout the testing period, until approval of the System by the Contracting Party, and must be the same for functional and non-functional requirements. The Contractor may require this same infrastructure to carry out tests whenever there are relevant changes to the Gaming System or when new means of making games available are offered.

28.2. Infrastructure necessary for acceptance tests for approval of the Betting Validation System Awarded

28.2.1. To carry out the ACCEPTANCE TESTS OF THE WINNING BETS VALIDATION SYSTEM, the Contractor must offer all necessary infrastructure, including:

28.2.1.1. Validation System installed and operational, to carry out functionality tests;

28.2.1.2. Users (ie, login and respective password) available for testing;

28.2.1.3. Validation System user manual;

28.2.1.4. The provision of representatives with authority to respond to the Contractor, availability and knowledge sufficient to support the performance of all tests necessary for acceptance;

28.3. Availability Period

28.3.1. The infrastructure described here must be available throughout the testing period, until approval formalization of the system by the Contracting Party.

28.3.2. The Contracting Party may require this same infrastructure to carry out tests whenever there are relevant changes in the Validation System for winning betting tickets.

28.4. Test compliance

28.4.1. In the event that any test result is considered "NOT COMPLIANT" and, therefore, FAILS BY THE CONTRACTING PARTY, the Contractor must PROVIDE A NEW TEST within the new established deadline.

29. TECHNICAL SPECIFICATIONS AND SAFETY REQUIREMENTS REQUIRED IN THE OPERATION OF THE SYSTEM

29.1. Critical Success Factors

29.1.1. In order to corroborate and qualify the Proposal to be presented by the Bidders to the Granting Authority, as stipulated in the Basic Project as well as that of guaranteeing the desired experience in the future execution of the Concession Contract of Lotteries in On Line/Real Time System, the specifications and requirements required in the operation of the System are indicated below, according to BEST PRACTICES:

- a) Information Security;
- b) Business Continuity;
- c) Operation Integrity; It is
- d) Responsible Gaming, guided by good measures to prevent Gaming Disorder or Pathological Gaming (commonly known as Gambling Addiction) and protection of the Gambling public.

29.2. Required Certifications

29.2.1. The Contractor must obtain the following CERTIFICATIONS or others that may update and/or replace them:

- a) By the Security Control Standard issued by the World Lottery Association Security Control Standard - WLA-SCS);
- b) Responsible Gaming issued by the World Lottery Association Responsible Gaming Framework, WLA-RFG) - level 4; It is
- c) ISO 27.001 relating to the Information Security Management System (ISMS - Information Security) standard Management System).

29.3. The certificates provided for in subitem 29.2.1. must be presented in the Business Plan.

30. COMPOSITION OF THE DOCUMENT ANNEX I - BASIC PROJECT:

30.1. This Annex I - Basic Project is accompanied by two Appendices of technical content, namely:

- a) Appendix 1: Business Modeling; It is
- b) Appendix 2: General Requirements for Operation.



Document signed electronically by **Ronan Edgard dos Santos Moreira, General Director**, on 03/22/2024, at 11:46, as per official Brasília time, based on art. 6th, § 1st, of [Decree No. 47,222, of July 26, 2017](#).



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