

Dispute Boards’ Cost Regulation

# Preliminary Provisions

* 1. The CBMA - Brazilian Center for Mediation and Arbitration (CBMA - “Centro Brasileiro de Mediação e Arbitragem”) shall set out the costs owed to it for the setting up and administration of proceedings related to the Dispute Prevention and Resolution Boards (“DPRB” or “Dispute Boards”), as well as the amount of fees to be paid to DPRB members in accordance with the Dispute Board Regulation (“Regulation”) and the Cost Regulation of the Dispute Boards (“Cost Regulation”).
	2. In accordance with Item VI of the Regulation, all expenses incurred from the establishment of the DPRB until its dissolution shall be divided equally among the Parties, unless otherwise agreed or by decision of the Board in the hypothesis outlined in the Regulation.
	3. Should any of the Parties fail to make a payment they are responsible for, the proceeding shall be suspended. The proceeding may resume its course if the other Party makes the deposit of the overdue amount, as provided for in Article 24 of the Regulation, and the future recovery or compensation of these amounts shall be guaranteed to them.

# Institution and Management Fees

* 1. Upon the first communication by the Parties to the CBMA requesting the establishment of the DPRB (“Request”), the Parties shall pay an Institution Fee as defined in Annex I hereof, subject to the provisions of Item 1.3 hereof.
		1. The Request shall be followed by the bank deposit receipt for the total Institution Fee, a required condition for the CBMA Office to process the Request.
		2. The Setting Up Fee covers the provision of the following services by the CBMA:
			1. support to the Parties for establishment of the DPRB;
			2. use of the CBMA facilities for pre-meeting purposes prior to the commencement of the DPRB’s activities, provided they are previously scheduled between the Parties and the CBMA.
	2. From the signing of the DPRB Setting Up Agreement and for the duration of the proceeding, the CBMA shall charge a Management Fee that shall be paid monthly by the Parties in the amount defined in Annex I hereof, subject to the provisions of Item 1.3 hereof.
		1. The Management Fee covers the rendering of the following services by the CBMA:
			1. centralization of communications between the Parties and the members of the DPRB (receipt of physical documents from the Parties and subsequent forwarding to the DPRB members);
			2. deadline control;
			3. communication with the Parties and with the members of the DPRB;
			4. payment and Expense Fund control, if applicable; and
	3. the Setting Up and Management Fees paid to the CBMA are non-refundable.
	4. During the DPRB’s operation, if exceptional circumstances arise, the CBMA may, at its sole discretion, increase the amounts of the Monthly Management Fee and the fees of the DPRB members to amounts beyond those provided in this Regulation, except when there is already an agreement entered into and between the Parties, the members, and the CBMA.

# Fees for DPRB Members

* 1. The remuneration of the DPRB members for the routine follow-up and study of the documentation provided by the Parties and preventive action is on a monthly basis and its amount is defined in Annex I hereof.

3.1.1 Depending on the complexity of the contract to be monitored, the Parties may determine the remuneration of the DPRB members in amounts above those set forth herein.

* 1. The monthly fees of the DPRB members shall be due from the month of the Board’s establishment until the month of its termination, and their payment shall be made by the Parties through the CBMA on the same date as the payment of the Management Fee, subject to the provisions of Item 1.3 hereof.
	2. DPRB members shall receive extraordinary fees for the issuance of a Recommendation or Decision, for conducting a Meeting or Diligence, in amounts defined in Annex I hereof.

3.3.1 The calculation of extraordinary fees due for the issuance of a Recommendation or Decision shall take into account the complexity of the dispute under review.

* 1. Unless otherwise agreed by the Parties in the Establishment Agreement, the DPRB shall stipulate the number of daily fees required for the conduct of the extraordinary proceeding, limiting the issuance of a Recommendation or Decision to a maximum of five (5) daily fees.
	2. The Parties may agree upon a value and/or form of remuneration for DPRB members beyond those stipulated herein, provided they do so by mutual agreement and up to the appointment of such members. The amounts of the Setting Up Fee and the Management Fee may not be changed.

# Other Expenses

* 1. In addition to the Initiation Fee, the Management Fee, and the fees defined herein, the Parties shall pay all other expenses

related to the activities of the DPRB, such as expenses incurred by members, fees of experts appointed by the DPRB (according to Article 11.1(e) of the Regulation), travel expenses, and costs of diligences and meetings outside the DPRB’s place of operation, and those required, subject to the provisions of Item

1.3 hereof.

4.2. In the event of the aforementioned expenses, the CBMA shall notify the Parties to deposit the due amounts within five (5) days, subject to the provisions of Item 1.3 hereof.

# General

* 1. Cases not provided for or specific situations shall be reviewed by the CBMA.
	2. If the Parties do not wish to request CBMA support in the DPRB Setting Up or for the Monthly Management of the proceeding, they may rely on CBMA assistance for the appointment and removal of members, fee definition, and other decisions related to the setting up of the DPRB, at the amounts defined in Annex I hereof.
	3. The possibility of creating an Expense Fund is envisaged, into which the Parties shall deposit in advance the amounts corresponding to at least three (3) months of the Monthly Management Fee and Monthly Fees herein. The amounts shall be held in a CBMA account, which shall be responsible for the transfer of Monthly Fees and for deducting from the fund any other possible costs incurred during the Board’s operation.
	4. If the need to supplement the Expense Fund or advance the Monthly Management Fees and Member Fees during the operation of the DPRB arises, the CBMA shall notify the Parties to make a new advance.
	5. Upon termination of the Board, the CBMA may return any excess amounts to the Party that paid them.

5.6 This Cost Regulation revokes the previous ones and comes into effect at the time the new Dispute Boards Regulation takes effect.

# ANNEX I

1. DPRB Establishment Fee - four thousand reais (BRL 4,000.00).
2. DPRB Monthly Management Fee - three thousand reais (BRL 3,000.00).
3. Appointment of Members - three thousand reais (BRL 3,000.00).
4. Decision on Removal of Members – three thousand reais (BRL 3,000.00).
5. Definition of the fees for the DPRB members – three thousand reais (BRL 3,000.00).
6. Other decisions related to the Establishment - three thousand reais (BRL 3,000.00).

# Remuneration Schedule for DPRB Members

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| Monthly Member Fees | ten thousand reais (BRL 10,000.00) |
| Daily Member Fees | five thousand reais (BRL 5,000.00) |
| Fees for Issuing a Recommendation or Decision (per Member) | From one to five times thedaily fee, to be determined by the DPRB at the time of each request. |

Note 1: If, during the DPRB’s operation, exceptional circumstances arise, the CBMA may, at its sole discretion, increase the amounts of the Monthly Management Fee and the remuneration of the DPRB members to amounts exceeding those set forth in the above table, in the absence of an agreement between the Parties and the DPRB members regarding the remuneration amount.

Note 2: In any hypothesis where the amounts are determined differently from those set forth in the schedule above, we suggest keeping the rationale of daily fees calculated at fifty percent (50%) of the monthly remuneration of the members and that the Fees for the Issuance of Recommendation or Decision be calculated based on a multiplier over the daily fee, according to the complexity of the dispute under review.