June 24, 2015

His Excellency
Mr. Luiz Fernando de Souza Pezão
Governor of the State of Rio de Janeiro
Rua Pinheiro Machado, S/N - Palácio Guanabara
22231-090 Rio de Janeiro – RJ
Brazil
Facsimile: (55-21) 2334-3559

Loan 8117-BR (Upgrading and Greening the Rio de Janeiro Urban Rail System Project - Additional Financing for the Rio de Janeiro Mass Transit 2 Project)

Amendment of the Loan Agreement

Excellency:

We refer to the Loan Agreement entered into between the International Bank for Reconstruction and Development (the “Bank”) and the State of Rio de Janeiro (the “Borrower”), with a Guarantee from the Federative Republic of Brazil (the “Guarantor”), dated September 5, 2012 (the “Loan Agreement”), for the above-captioned Project (the “Project”). Please note that capitalized terms used in this letter (the “Amendment Letter”) not defined herein have the meaning ascribed to them in the Loan Agreement.

We also refer to the letters of request and endorsement from: (a) the Borrower, dated July 7, 2014; and (b) the Guarantor, through the Commission for External Financing (COFIEX) letter of Recommendation No. 01/0260 dated April 8, 2015, and Parecer PGFN/COF/Nº728, dated June 9, 2015, wherein a request is made to amend the above-captioned Loan Agreement as to: (i) include the acquisition of additional trains (22 new trains and 7 new light rail trains); (ii) finance the price adjustment of the Contract 006/ASJUR/09 for the acquisition of 30 trains financed under Loan No. 7719-BR; (iii) include the design and implementation of an Integrated Center for Urban Mobility (“CIMU - Centro Integrado de Mobilidade Urbana”); (iv) reallocate proceeds under Category 2 of the table included in Section IV.A.2 of Schedule 2 to the Loan Agreement; (v) include the renovation and modernization of the State Secretariat of Transport administrative building; and (vi) change Part B of the Project to replace some of the policy development studies that will be carried out under the project.

We are pleased to inform you that the Bank acknowledges your requests and agrees to amend the Loan Agreement as follows:

1. Parts A and B of Schedule 1 to the Loan Agreement are hereby amended to read in their entirety as follows:

[Signature]
"Part A: Infrastructure and Equipment

1. Acquisition of trains and accessories to be operated by the Concessionaire on the lines of CENTRAL's System under the terms of the Concession Contract.

2. Design and implementation of a non-motorized transport and greening demonstration pilot program in selected stations of the CENTRAL System, through the acquisition of bicycles required therefor.

3. Implementation of a system to integrate, synthetize, analyze and present real time passenger information and other operational transport data in the RJMR, known as Integrated Urban Mobility Center.

4. Rehabilitation and modernization of the SETTRANS head office facilities.

5. Financing of a price readjustment for the Contract 006/ASJUR/09 for the acquisition of 30 trains financed under the Original Loan Agreement.

Part B: Institutional and Policy Development

1. Provision of technical assistance to SETTRANS for the carrying out of additional studies and projects on policy development, including, *inter alia*:

   (a) the design and implementation of a strategic plan for adapting the medium and high capacity public transportation systems in the RJMR to the impacts caused by natural disasters and climate change, as well as the preparation of a basic project for the implementation of a flood alert and monitoring system;

   (b) the preparation of a basic project for the transit-oriented urban restructuring of the areas surrounding the Queimados Station, along the Japeri Passenger line, part of the RJMR rail system;

   (c) the preparation of a strategic plan for the Borrower’s logistics management, including a strategy to improve the efficiency and to reduce the carbon footprint of the Borrower’s freight system;

   (d) the carrying out of an evaluation study to assess the social, economic and environmental impact of the Project, particularly on carbon emissions;

   (e) the carrying out of studies and designs to support Part A.2 of the Project;

   (f) the carrying out of studies and designs to support Part A.3 of the Project; and

   (g) the carrying out of studies and designs to support the implementation of Part A.4 of the Project.

2. Provision of technical assistance to CENTRAL for Project management and supervision, including the acquisition and reception of the trains.”
3. The table of Category of Eligible Expenditures of Section IV.A.2 of Schedule 2 to the Loan Agreement is amended and replaced to read in its entirety as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods and Non-Consulting Services (including warehousing of the trains for Parts A.1, A.2, A.3 and A.5 of the Project)</td>
<td>577,656,109.21</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultants' services for Parts B of the Project</td>
<td>11,832,852.00</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Works for Part A.4 of the Project</td>
<td>10,511,038.79</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>600,000,000</td>
<td></td>
</tr>
</tbody>
</table>

Please confirm your agreement with the foregoing amendment by signing and dating the two originals of this Amendment Letter in the spaces provided below.

The provisions set forth in this Amendment Letter shall become effective as of the date of the countersignature, upon receipt by the Bank of one fully executed original of this amendment letter.

Please also note that the attached Restructuring Paper as approved by the Bank on June 23, 2015, will be disclosed on the Bank's external website.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: Deborah L. Wetzel
Director
Brazil
Latin America and the Caribbean Region
2. Section III A. and B. of Schedule 2 to the Loan Agreement are hereby amended to include works, as follows:

"Section III. Procurement"

A. General

1. Works, Goods and Non-Consulting Services. All works, goods and Non-Consulting Services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Works, Goods and Non-Consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, works, goods and Non-Consulting Services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Works, Goods and Non-Consulting Service. The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for works, goods and Non-Consulting Services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding (including, in respect of goods and Non-Consulting Services, pregão eletrônico set forth in the Guarantor’s Law). Contracts awarded on the basis of National Competitive Bidding are subject to the following additional procedures, namely that the bidding documents shall be acceptable to the Bank.</td>
</tr>
<tr>
<td>(b) Shopping including in respect of goods and Non-Consulting Services, pregão eletrônico set forth in Guarantor’s Law.</td>
</tr>
</tbody>
</table>
AGREED:

STATE OF RIO DE JANEIRO

By: 

Authorized Representative

Name: 

Title: GOVERNOR OF RIO DE JANEIRO

Date: 29 de Julho 2015

By: 

Cc: Mr. Antonio Henrique Pinheiro Silveira, Executive Director for Brazil, The World Bank
Ms. Rosalia V. De Leon, Alternate Executive Director for Brazil, The World Bank
Mr. Jose Gilberto Scandiucci, Advisor to Executive Director, The World Bank
Mr. João Guilherme Machado, Secretary of International Affairs, SEAIN/MP,
seain@planejamento.gov.br
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Mr. Miriam Mara Miranda, Chief of Staff, MF, sec.chgabin.gmf@fazenda.gov.br
Ms. Adriana Queiroz de Carvalho, Attorney General, PGFN/MF, adriana.carvalho@pgfn.gov.br
Mr. Marcelo Barbosa Sainute, Secretary, National Treasury, gab.df.stn@fazenda.gov.br
Mr. Luis Antonio Balduino Carneiro, Secretary, SAIN/MF, gabinete.df.sain@fazenda.gov.br
Mr. Dyogo Henrique de Oliveira, Executive Secretary, MP, se@planejamento.gov.br
Mr. Carlos Osorio, State Secretary of Transport, Ororio@transportes.rj.gov.br
Mr. Julio Bueno, State Secretary of Finance, sefazgabinete@fazenda.rg.gov.br
Mr. Roberto Marques, CENTRAL, President, robertomarques@central.rj.gov.br
Mr. Jairo Favario, CENTRAL, Director of Administration and Finance,
jairo.favario@central.rj.gov.br
Mr. Helio Suevo, CENTRAL, Coordinator-CEGIP, helio.suevo@central.rj.gov.br

[Signature]