**This document presents a free translation into English of the original document written in Portuguese. In the event of discrepancy, inconsistency or conflict between this document and the original contract in Portuguese, the original contract in Portuguese shall prevail over this translation.**

**PRE-AUCTION NOTICE LE.PPSA.001/2021.**

AUCTION FOR SALE OF THE FEDERAL UNION’S OIL FROM THE BÚZIOS, SAPINHOÁ AND TUPI FIELDS AND FROM THE MERO DEVELOPMENT AREA

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**Public Inquiry**

This document is an Auction Notice for public inquiry. In this phase suggestions, criticisms and clarification requests are received in accordance with the **Schedule** in Item 10. **PPSA** hereby clarifies that it is not bound by the terms and conditions of this Notice, which may be amended through this procedure, whereas the provisions of the definitive **Notice** shallprevail for all effects.

The abovementioned contributions and clarification requests must be sent to **PPSA** by the deadline stated in the Schedule exclusively to [leilao3@ppsa.gov.br](mailto:leilao3@ppsa.gov.br) accompanied by the file with the questions asked in a “.doc” format. All answers will be disclosed on the **PPSA** Website under the provisions of the **Schedule**.

**PPSA** shall not assess questions asked in disagreement with the above item.

**PPSA** will disclose all communications made in this phase on its **Website** without identifying the source of the contribution or enquiry.

All correspondence relating to the **Notice** sent to **PPSA** will be deemed delivered on the date the recipient has received it except when received after 6:00 PM (Brasília time), including correspondence sent to the email address that will be deemed delivered on the immediately following business day.

Once all procedures deriving from this phase are completed, **PPSA** shall publish the final version of the **Notice**.

Part I - Introduction

PPSA engages, among others, in the direct commercialization of the Federal Union's Crude Oil, Natural Gas and other fluid hydrocarbons preferably through Auctions carried out according to the private law rules applicable to the matter (Article 4, Item II, Letter “a” of Law No. 12,304/2010, as amended by Law No. 13,679/2018 of June 14, 2018). In this sense, Ordinance No. 266 of June 22, 2018 issued by the MME governed the commercialization of Crude Oil, Natural Gas and other fluid hydrocarbons directly by PPSA.

The Federal Union hereby represented by PPSA makes this Notice public containing the direct Oil sale conditions in the Auction modality with the purpose of selecting the best bid to enter into Contracts for the Búzios, Sapinhoá, and Tupi Fields and the Mero Development Area.

The Notice and its Annexes can be obtained electronically on the PPSA Website.

Part II – Purpose

1. Purpose of the Notice
   1. The purpose of the Auction is the direct Sale of the Oil as described in the Búzios, Sapinhoá, Tupi and the Mero Development Area Lots under the terms and conditions set forth in the drafts of the Contracts and their Annexes.
   2. The Federal Union’s Oil will be purchased by the Auction winner FOB FPSO according to INCOTERMS 2010 as published by the ICC.
   3. The Bidder submitting the best differential bid for each Lot on the Reference Price set by ANP shall execute the Contract in accordance with the terms and conditions set forth in the drafts of the Contracts and their Annexes.
   4. The buyer shall make the payment in Brazilian Reals **Reais** (BRL) in two installments as provided for in the Contracts draft. The first installment is payable upon issuance by PPSA of a Brazilian Federal Revenue Collection Slip (GRU) for payment to the National Treasury Single Account managed by the National Treasury Office. The second installment is payable upon issuance by PPSA of a debit note to bank account open with Banco do Brasil as indicated in the Contracts draft and managed by PPSA to cover for commercialization expenses as per Annex 8 as provide for by Law No. 12,304/2010 amended by Law No. 13,679/2018 and in the Commercialization Policy (CNPE Resolution No. 15 of 2018).
      1. PPSA shall inform the installment amounts as set out in the Contracts and their Annexes.

Part III - General Information on the Auction

1. Obtention of the Auction Notice and Information Access
   1. PPSA shall not be liable for documents and clarifications obtained from places other than those described in this Notice with regard to Lots, loading conditions, vessel appointment, Oil quality, or information of any other nature, nor shall it be liable for clarifications obtained or found in a way or at a place other than specified herein.
   2. Obtaining the Notice is not a condition for participating in the Auction. However, it is indispensable that the Bidder learns about and accepts all its terms and conditions.
   3. Bidders shall be liable for direct analysis of all data and information on the Lot sale conditions.
   4. The Lot volumes described in this Notice are merely indicative and are not binding on PPSA incurring in no responsibility towards Bidders.
   5. The documentation relating to this Auction may neither be totally nor partially reproduced, disclosed or used for any other purposes than those expressed in the Notice.
   6. It is in Bidders’ own responsibility to keep track of any amendments and/or clarifications on the Notice by checking the Website regularly. PPSA shall in no way be liable for the Bidders’ failure to comply with the procedure described herein.
   7. Bidders shall address the Committee about any doubts concerning the Notice content under the provisions of Item 3 and its subitems also with regard to doubts clarified by the Committee.
   8. B3 may help clarify doubts on the operating procedures described in this Notice at the following email addresses [leilao3@ppsa.gov.br](mailto:leilao3@ppsa.gov.br) c/c [leiloes@b3.com.br](mailto:leiloes@b3.com.br) and/or by telephone on +55 11 2565-6500. It should be noted that the responses provided by B3 are only for instruction purposes and are not binding.
      1. Any instructions supplied by B3 within the scope of expert technical advice to the Committee are not deemed to be a clarification of the Notice as per Item 3.
      2. The email must state the Auction number and its subject-matter.
   9. The deadlines described in this Notice are those indicated in the Schedule.
      1. All deadlines shall fall on business days in the cities of Rio de Janeiro and São Paulo.
   10. All references to time in this Notice, in the announcement and during public sessions relate to the Brasília time.
   11. Boldface type terms are those bearing the meanings in the Glossary in Annex 4.
2. Questions and Representations
   1. If an interested party needs clarifications concerning this Notice. they shall request them from PPSA within the timeframes established in the Schedule Item 10 herein.
   2. Questions must be sent by email exclusively to leilao3[@ppsa.gov.br](mailto:comercializacao@ppsa.gov.br) and will be replied by PPSA within the timeframes established in the Schedule Item 10 herein.
   3. If any noncompliance or inconsistency is found in this Notice, any interested party may represent before PPSA within the timeframes established in the Schedule Item 10 herein on penalty of forfeiture of rights.
      1. Representations concerning the Notice must be sent to the Committee chairman at leilao3[@ppsa.gov.br](mailto:comercializacao@ppsa.gov.br).

Part IV - Auction Rules

1. Participation Conditions
   1. Legal entities may participate in the Auction individually or as a Consortium member in accordance with the terms and conditions stipulated in this Notice.
      1. The following shall be accepted as individual bidders:

(a) Brazilian Oil and Natural Gas producing and exporting companies having participation in any field or area from this auction, to be proved by means of the indication of ANP web site page (link). These companies do not need to prove logistical requirements.

(b) Brazilian Oil and Natural Gas producing and exporting companies and member of consortium holding contracts for the exploration and producing in the Brazilian pre salt basin, but not having participation in any field or area from this auction, to be proved by means of the indication of ANP web site page (link). These companies need to prove logistical requirements.

(c) Brazilian refining companies capable of proving the logistical requirements.

* + 1. In the event of Consortium members, the Notice establishes that the Consortium be made up of two or three companies, among which:
    2. One sole Brazilian Oil producing and exporting company that is a Consortium member holding contracts for the exploration and production of Oil and Gas in the Brazilian pre-salt basin. This company may or may not have participation in any field or area from this auction;
    3. One sole logistics company; and
    4. One sole Brazilian Oil refining company;
    5. The Consortium leader must be a Brazilian Oil producing and exporting company and a Consortium member holding contracts for the exploration and production of Oil and Gas in the Brazilian pre-salt basin, having or not having participation in any Field or area from this auction ;

(i) In the case of the Consortium not having a member which is a Brazilian company holding contracts for the exploration and production of Oil and Gas in the Brazilian pre-salt basin, the leading member will be the Brazilian Oil refining company.

* + 1. The logistic requirements do not need to be proved in the case of the Consortium includes a Brazilian Oil producing and exporting company having participation in any Field or area from this auction.
    2. The logistic requirements must be proven in the case of the Consortium does not include a Brazilian Oil producing and exporting company having participation in any Field or area from this auction.
    3. In the event a member company is disqualified or held ineligible, such company shall automatically be excluded from the Consortium so that the Consortium can meet the technical qualification requirements without the participation of the excluded Consortium member, under the penalty of disqualification or ineligibility of the Consortium.
    4. Proof of technical qualification for individual or Consortium-based participation as well as proof of legal, tax and economic-financial qualification is described in Annex 3.
  1. Double participation of one company, its affiliates, subsidiaries, holding company or companies under mutual control, individually or in a Consortium, shall not be permitted for the same Lot, even if participations or members are different from each other.
  2. The following may not participate in the Auction individually or as a Consortium member in accordance with the terms and conditions hereof:
     1. A legal entity declared disreputable by a Government act;
     2. A legal entity impeded or suspended to participate in a bidding process or holding contracts with the Public Administration;
     3. Legal entities that have been sentenced by a final court decision with loss of rights due to environmental crimes, as provided for in Article 10 of Federal Law No. 9,605/1998;
     4. A legal entity whose officers or other responsible persons either have held office at or were employed by PPSA, ANP or MME, or held a management, superior advisory or intermediate assistance position at the Federal Union in the last 180 (one hundred eighty) days prior to the publication of the Notice; and
     5. A company in bankruptcy proceedings or in composition with creditors.
  3. A company whose corporate purpose is not appropriate and compatible with the subject-matter of this Auction may not participate individually only within a Consortium.
  4. The participation in an Auction requires the full and unconditional acceptance of all terms, provisions and conditions of the Notice and its Annexes, of the Contracts drafts, and of further rules applicable to the Auction.
  5. In the event of a dispute, the terms and conditions set out in the Notice shall prevail over the provision of its Annexes.
  6. If the Bidder is a Consortium, the following rules must be followed without prejudice to other existing rules in the Notice:
     1. When forming and organizing a Consortium, Bidders shall observe Items 4.2 and 4.3;
     2. In Volume 1, a Commitment Instrument for Consortium Formation must be presented in the form of a public or private deed signed by the legal representatives of the Consortium members and in accordance with Item 5.12;
     3. If the Consortium is awarded the contract, it must establish and register the Consortium under the commitment instrument executed according to Item 4.7.2, with the timeframe defined in Item 12.4;
     4. In Consortiums formed among Brazilian and foreign private legal entities, the Consortium leadership shall always be incumbent upon the Brazilian private legal entity;
     5. The Qualification Documents must be submitted with regard to each of the Consortium members;
     6. Each Consortium member shall individually meet the requirements relating to legal, tax and labor good stand and to the economic-financial qualification contained in Annex 3 with due regard for the exceptions expressly set out in the Notice;
     7. The technical qualification requirements shall be met by the Consortium by any of the Consortium members individually or by the sum of the skills presented by the Consortium members;
     8. A Consortium member’s disqualification/ineligibility leads to its automatic exclusion from the Consortium, so that the Consortium can meet the technical qualification requirements without the participation of the excluded Consortium member on penalty of disqualification or ineligibility of the Consortium;
     9. If a Bidder participates individually or in a Consortium in a given Lot, they may only participate individually or in Consortium in a different Lot; and
     10. The inclusion, replacement, retirement or exclusion of Consortium members is not permitted, nor are changes to the proportion of the Consortium members’ interest even after the execution of the Contracts.
  7. Bidders’ acts in each Auction phase are subject to preclusion and the exercise of options relating to previously executed phases of the Auction is prohibited, except where admitted in the Notice.

1. Form of Document Submission
   1. The required documents must be delivered in two Volumes, each in two counterparts when delivered physically as described below:
      1. Volume 1:

One single Volume per Bidder in two counterparts when delivered physically, even when participating in more than one Lot. Such Volume must contain all Documents Applicable to Individual Bidders and Consortiums, where applicable, using the qualification for all Lots in which Bidders are interested.

If the Bidder is a Consortium, such Volume 1 must also contain a single Commitment Instrument for Consortium Formation that includes all Lots of the Bidder's interest.

* + 1. Volume 2:

In the Public Auction Session, separate Volumes 2 must be delivered for each Auction Lot. Such Volumes must contain the Bidder’s Written Bids representing a Premium higher than or equal to R$0.00 (zero), or lack of interest, for the 1st Phase - Highest Premium Offer for the contract with the longest term as per the table in Annex 7 to this Notice. In other words, Bidders shall submit Written Bids for each Lot.

Should a 2nd Phase - Highest Premium Offer for the shortest contractual term occur, Written Bids must be submitted for each Lot according to the template provided for in the Notice.

* 1. Volumes 1 may be delivered physically or electronically with due regard for the rules in Annex 8 - Instructions for Electronic Provision. Volume 2 must be delivered physically on the Public Auction Session Date. Each volume must be delivered on the exact dates stipulated in the Schedule for that.
     1. The Bidder must verify if the documents that make up their Volume 1 have a digital certificate and/or an electronic signature, as applicable, for assessment and choice of the delivery form.
     2. Only documents with a digital certificate and whose authenticity can be verified may be delivered electronically.
  2. When delivered physically, the Volumes must be delivered in 2 (two) counterparts each counterpart being a different book that makes up the same Volume and which must be duly sealed and identified on its cover as follows:
     1. VOLUME [1] – [QUALIFICATION DOCUMENTS]

AUCTION NOTICE LE.PPSA.001/2021.

[*BIDDER’S OR CONSORTIUM’S CORPORATE NAME INDICATING THEIR MEMBERS AND THEIR LEADER*]

[*NAME, TELEPHONE NUMBER AND EMAIL ADDRESS OF 2 (TWO) RESPONSIBLE PERSONS]*

* + 1. VOLUME [2] – [WRITTEN BID]

AUCTION NOTICE LE.PPSA.001/2021

[*BIDDER’S OR CONSORTIUM’S CORPORATE NAME INDICATING THEIR MEMBERS AND THEIR LEADER*]

[*NAME, TELEPHONE NUMBER AND EMAIL ADDRESS OF 2 (TWO) RESPONSIBLE PERSONS]*

Búzios LOT [ ] Sapinhoá LOT [ ] Tupi LOT [ ] Mero LOT[ ]

* 1. Delivery of Volumes 1 - Qualification Documents must follow the rules stated in Annex 8 - Instructions for Electronic Provision when delivered electronically, as stated in Item 5.1.
  2. In the case of physical delivery of Volume 1, the 2 (two) counterparts must be identical, separately bound with all sheets numbered sequentially from the first to the last sheet, separation sheets, catalogs, drawings or similar, if any, regardless whether more than one book is delivered, so that the number on the last sheet of the last book reflects the total quantity of sheets for each volume. Amendments, erasures, hand-written additions or remarks are not allowed.
  3. Volume 2 may only be delivered physically, as stipulated in Item 5.1, and must be accompanied by a USB stick containing the submitted documents in PDF format with identical content as the one submitted by physical means.
  4. In the event of any discrepancy between the information provided physically and electronically, the information provided physically shall prevail.
  5. In the case of any discrepancy between numbers and their written form, the written form shall prevail.
  6. All documents, where applicable, must contain notarized signatures except for the Written Bid. Electronic signatures within the Brazilian Public Keys - ICP-Brasil infrastructure that contain means to verify their authenticity, such as links and QR codes and/or dully signed original PDFs shall be admitted.
  7. All sheets in each counterpart of the Written Bids must be initialed by the Bidder’s legal representative.
  8. Documents must be presented according to the templates in the Notice, where applicable.
  9. Documents must be submitted in clear language without amendments, erasures, writings between the lines or caveats and must follow the language rules described below.
     1. All documents relating to the Auction must be presented in Portuguese, and all documentation is understood and interpreted in accordance with Brazilian Portuguese.
  10. Bidders shall bear all costs relating to the preparation and presentation of the Volumes, and PPSA shall under no circumstance be liable for such costs, whatever the procedures followed in the Auction or their results.
  11. Any and all document analyses will be carried out in a private environment.
  12. Open documents will be examined by publication on the Website following the opening of the respective volume under the terms and conditions of the Schedule.

Documents Applicable to Consortiums

* 1. Consortiums must in line with Items 4.72 and 5.1.1 and present in Volume 1 a Commitment Instrument for Consortium Formation .
     1. In Volume 1 and together with the Commitment Instrument for Consortium Formation sufficient documents must be provided to have the signatories’ powers verified, such as Articles of Organization/Bylaws, Election Minutes and Powers of Attorney. Also Simplified Certificates of the Consortium members are admitted.
     2. The Commitment Instrument for Consortium Formation must fulfill the following minimum requirements:
     3. Appointment of the Consortium leader;
     4. Granting of sufficient powers to the Consortium leader to execute the Contracts relating to the Lots awarded to the Winning Bidder; and
     5. Joint and liability among the Consortium members concerning the obligations assumed due to their participation in the Auction.
     6. Any clause, document, and/or provision of any nature that changes, reduces, limits, conditions, or adversely affects the efficacy of the clauses providing for the rules in Items i and ii of Subitem 5.12.2 shall be null by operation of law.

1. Volume 1 – Qualification Documents
   1. The Qualification Documents volume must contain the documents indicated in Annex 3 and must be delivered as set forth in Item 5.2.
2. Volume 2 - Written Bids
   1. In the Public Auction Session, eligible Bidders shall submit Volumes 2 containing the Written Bid or expression of lack of interest for each Lot for the 1st Phase - Highest Premium Offer for the contract with the longest term.
      1. In all phases, the Bidders shall submit bids with amounts in Brazilian Reals  **Reais** (BRL) per cubic meter with two decimal places.
      2. Each Volume 2 submitted by Bidders must contain only the Written Bid corresponding to the Lot for which it is identified.
   2. The Written Bid shall include the following assumptions:
      1. All investments, taxes, costs, expenses and risks, including, but not limited to financial expenses, that are necessary for the sale of the purchased Oil such as set forth in the Contract Drafts and the Contract Annexes; and
      2. The Written Bid shall include the execution of Contacts with longer terms than stated in Annex 7 counted from the Contract execution date.
   3. The Written Bid shall be valid for 40 (forty) days.
   4. Economic Bids are unconditional, irreversible and irrevocable.
   5. Two counterparts of Volumes 2 submitted for each Lot shall be delivered as one original and one single copy.
3. Committee Prerogatives
   1. The Auction shall be judged by the Committee upon which it is incumbent to conduct the works and take the necessary decisions for its execution.
      1. The Committee may request the assistance of B3, PPSA members and of the Public Administration that are not part of the Committee, whenever deemed necessary.
   2. Without prejudice to the scope of the prerogatives implicitly arising from its legal duty, the Committee may:
      1. Request from Bidders at any time to clarify documents submitted by them;
      2. Request from Bidders at any time to complement documents submitted by them if needed to meet a given notice requirement.
      3. Adopt criteria to remedy formal errors and to complement insufficiently fulfilled requirements during the Auction and set forth a deadline for the Bidder if necessary;
      4. Conduct diligence to clarify or complement the grounds of the procedure, also on public consultation websites and on PPSA files; and
      5. Extend deadlines established in the Notice.
   3. Within the scope of Item 8.2.3, a formal error or defect shall be considered where it does not materially change the substantial subject-matter of the document submitted and does not impede assessment of the information stated in the document with due assurance.
   4. Within the scope of Item 8.2.3, errors that can be remedied in the documents are those whose content contains a factual or legal situation existing on the Volume Receipt Date, or subsequent failures that change the Bidder’s factual or legal situation by the time of Volume delivery.
   5. Refusal to provide clarification and documents and to comply with the requirements set out by the Committee within the timeframe stipulated by them and in accordance with the terms and conditions stipulated in this Notice may lead to the Bidder's disqualification/ineligibility.
   6. The Bidder undertakes to immediately inform PPSA should any subsequent fact impeding their qualification occur.
4. Public Auction Session.
   1. After Volumes 1 have been accepted and within two days to the Public Auction Session, Bidders shall appoint to B3 by email sent to [leilao3@ppsa.gov.br](mailto:leilao3@ppsa.gov.br) c/c [leiloes@b3.com.br](mailto:leiloes@b3.com.br) at least 2 (two) legal representatives for any representation concerning the submission of bids by speaker phone in the Public Auction Session and the execution of the Instrument of Ratification for any representation regarding the submission of bids by speaker-phone in the Public Auction Session and execution of the Instrument of Ratification for the Winning Bid in the case of bids by speaker phone under the provisions of Item 9.16.
   2. On the date and time established in the Schedule, the Public Auction Session shall begin to receive Volumes 2 - Economic Bid for opening and qualification of Written Bids contained in the eligible Bidders’ Volumes 2 and potentially by speaker phone under the provisions of Item 9.8.
   3. The Chairman of the Public Auction Session shall observe the Lot order stipulated in Item 9.5 and request the delivery of Volumes 2 for each Lot at the time of their respective opening and declaring Bidders eligible to do so.
   4. The Public Auction Session may take place in three phases, namely, 1st Phase - Highest Premium Offer for the longest Contractual Term; 2nd Phase - Highest Premium Offer for the shortest Contractual Term; and 3rd Phase - Recap - Lowest Discount Offer, if any.
   5. The Public Auction Session will be conducted by B3 on behalf of the Committee in the following order: Búzios Lot, Sapinhoá Lot, Tupi Lot and Mero Development Area Lot.

1st Phase - Highest Premium Offer (longest term) and 2nd Phase - Highest Premium Offer (shortest term)

* 1. After the Economic Bids have been opened, the qualification takes place from the highest price to the lowest price, i.e. the first ranked is the Written Bid with the highest Premium differential on the Reference Price for the respective Oil.
     1. The Committee shall disqualify Bidders from this phase whose Written Bid fails to meet the requirements established in the Notice and Bidders submitting offers under conditions or terms not set forth herein.
  2. The Winning Bid for each of the Lots is the Bid with the Highest Premium Offer on the Reference Price of the phase in question and which meets all requirements in this Notice.
     1. The Bidder who wins the 1st Phase - Highest Premium Offer is entitled to execute a Contract whose term is set forth in the Table in Annex 7.
  3. If all Bidders express in their Written Bids a lack of interest in a certain Lot, such Lots will be reopened at the end of the bid qualification session for all Lots in the 1st Phase - Highest Premium Offer (longest term), for the submission of Written Bids for the 2nd Phase - Highest Premium Offer (shortest term) or expression of lack of interest.
     1. On that occasion, Bidders shall make Economic Bids considering the Premium on the Reference Price for the execution of Contracts with shorter terms or express lack of interest. Such Bids are submitted during the Public Auction Session within the timeframe informed by the Session Chairman by completing a form provided during the session.
     2. The procedure established for the 1st Phase - Highest Premium Offer will be repeated if a lack of interest is expressed and Item 9.7 applies.
     3. If a lack of interest is expressed in the 2nd Phase - Submission of Written Bids with the Highest Premium Offer (shortest Contractual Term), the 3rd Phase - Recap - Lowest Discount Offer is opened.
  4. In both phases for the submission of Written Bids with the highest Premium differential on the Oil Reference Price, the successive bid phase made by speaker phone starts after analysis of the Written Bids when there is more than one Premium Written Bid.
     1. If only one Premium offer is identified, it shall be immediately declared the Auction winner.
  5. In the event a draw due to the Bidders’ lack of interest in making bids by speaker phone, the draw will be decided by mean of a random draw in which the first Bidder drawn will be considered the winner.
     1. The random draw will be repeated until all Bidders have their rank defined.
  6. Bids by speaker phone must necessarily exceed the Highest Premium Offer presented in a Written Bid and speaker phone bids ascertained until then shall under no circumstance be identical to bids of any nature that have already been offered.
  7. Minimum amounts may be established to be offered by Bidders between one bid and the next to be stipulated by the Session Chairman. Such amounts shall be calculated on the highest bid offered until the time for the Lot in question.

3rd Phase - Recap - Lowest Discount Offer (shortest Contractual Term)

* 1. Under the provision of Item 9.8.2 and in the event the Lots are reopened for recap all Bidders may make offers by speaker phone to become winners on the requirement of the Lowest Discount Offer (shortest Contractual Term) of the Auction. In other words, the Bidder whose bid corresponds to the lowest negative differential on the Reference Price wins, provided all requirements in this Notice are met.
     1. The Committee shall indicate exclusively to the Session Chairman a maximum Discount value for offers to be announced pursuant to Item 9.11.
  2. In the speaker phone competition of the Recap Phase, the same rules apply as set forth in Items 9.11 and 9.12. However, speaker phone bids shall always be lower than the Lowest Discount Offer ascertained until then, so that the minimum variation described in Item 9.11 must apply on the Lowest Discount Offer made until then.
  3. Once the amount of zero R$0.00(zero Brazilian Real) is reached, the speaker phone dynamics continues until the Highest Premium Offer is made.
  4. Immediately after the end of the Public Auction Session, the winning Bidder for each Lot must ratify their offer through their legal representatives appointed pursuant to Item 9.1, execute the Instrument of Ratification for the Winning Bid issued by the Committee within the lines of Annex 5.

Negotiation with the Committee in the event of Recap or Single Bidder with Lack of Interest in Making a Premium Offer

* 1. In the event of Recap, Economic Bids, even those that are better ranked, shall only be declared winners after the decision and consent of the Committee who may start the negotiation procedure with best ranked Bidders.
  2. In the event of Recap, after the Discount bids are submitted, the Committee may make a counter proposal to the best ranked Bidder or the only Bidder in the Auction, which may be accepted and immediately made winner of the Public Auction Session.
     1. If the Bidder does not accept the Committee’s counter bid, both may negotiate in order to reach the commercial conditions applicable to the Lot in question under the provisions of Item 9.20.
     2. If the Bidder rejects the counter bid, the Committee may reassess the amount of the counter bid and offer a new counter bid.
     3. If the rejection continues after a new counter bid is made by the Committee, the Bidder shall be excluded but may be called up to exercise their preemptive right on the Lot if the Committee decides to improve its counter bid after negotiation (Item 9.18).
  3. The Committee may negotiate with second- and lower ranked Bidders according to the Economic Bid ranking when the Economic Bid of the first-ranked is excluded under the provisions of Item 9.18.3 even after negotiations.
  4. The negotiation shall take place in the Public Auction Session and shall be mediated by the Session Chairman.
  5. The Committee may reject Bidders that do not accept the counter bid made for the Lot under negotiation.

1. **Schedule**

Note: The forecast dates shall be included in the definitive Notice version after definition of the disclosure date by PPSA.

* 1. The forecasted schedule is found in the below table.

|  |  |  |
| --- | --- | --- |
| EVENT DESCRIPTION | | DATES |
| Public Consultation Phase | | |
| 1 | Publication of Pre-auction Notice | 09/14/21 |
| 2 | Claims about the Pre-auction Notice | 09/28/21 |
| 3 | Responses to the claims about the Pre-auction Notice | 10/08/21 |
| Auction Notice Phase | | |
| 1 | Publication of the Auction Notice | 10/26/211 |
| 2 | Claims about the Auction Notice | 11/03/21 |
| 3 | Responses to the claims about the Auction Notice | 11/08/21 |
| 4 | Document Submission – Volume 1 –Documents for the qualification of bidders, per detailed in the Auction Notice. | 11/09/21 |
| 5 | Publication of the result of Volume 1 analysis | 11/12/21 |
| 6 | Appeal timeframe | 11/18/21 |
| 7 | Appeal defense timeframe | 11/19/21 |
| 8 | Publication of the appeal judgement | 11/22/21 |
| 9 | Public Auction Section | 11/26/21 |
| 10 | Appeal timeframe | 11/29/21 |
| 11 | Appeal defense timeframe | 12/2/21 |
| 12 | Publication of the appeal judgement | 12/7/21 |
| 13 | Homologation of the bid result by the PPSA board | On PPSA criteria |
| 14 | Contract signature | On PPSA criteria |

10.2 After any appeals are judged, the result shall be disclosed on the PPSA **Website**.

1. **Examination and Appeals** 
   1. **Bidders** that participate in the **Auction** may examine the documents, as well as appeal decisions handed down by the **Committee** at the times and within the timeframe established in the **Schedule**.
   2. Appeals are only admitted when signed by legal representatives provided that they are accompanied by proof of powers. Furthermore, they must be recorded with the **PPSA** headquarters/head office and identified as follows:

|  |
| --- |
| ADMINISTRATIVE APPEAL  RELATING TO NOTICE No. [.] – [name]  Attn. **PPSA** Management, Finance and Commercialization Officer |

* 1. After any appeals are judged, the result shall be disclosed on the **PPSA** **Website** and published in the **Brazilian Official Gazette** (**DOU)**.

1. **Contract Homologation, Award and Execution** 
   1. The **Committee** shall submit the result of the Auction to the **PPSA** Executive Board for homologation and subsequent issuance of the **Contract**.
   2. The Winners are announced by means of a communication to be published on the **Website.**
   3. If the **Consortium** is not formed, **PPSA** shallsummon the Winner to execute the **Contract** on behalf of the lead manager under the provisions of the powers set forth in the **Commitment Instrument for Consortium Formation** pursuant to Subitem 5.12.2 and its items.
   4. If the **Consortium** is not formed, **PPSA** shallsets forth a period subsequent to the **Contract** execution to prove the Consortium formation by submitting the applicable certificate of business registration and the respective proof of enrollment with the Brazilian Corporate Registry under the provisions of the Commitment Instrument for Consortium Formation.
      1. If the **Consortium** is not able to prove its formation under the provisions of Item 12.4, the Commitment Instrument for Consortium Formation clause stated in Item 5.12.2 ii shall apply.
   5. In the event of refusal to execute the **Contract** within the timeframe and under the conditions established, if any of the preliminary requirements for the execution is not fulfilled, or if the obligation set forth in Item 12.4 is defaulted, **PPSA** may call the remaining **Bidder**s in the order of their ranking to do it under the same conditions presented by them.
   6. The nullity of the Auction may lead to the annulment of the Contract and does not constitute an obligation to indemnify on the part of **PPSA**.
      1. **PPSA** may revoke the Auction for reasons of public interest arising from a duly proven supervening fact that is apt and sufficient to justify such measure. An annulment may occur due to illegality, by official decision or caused by third parties and shall be backed and duly founded by a written opinion.
   7. **PPSA** may at any time postpone the **Auction** phases under the provisions of the applicable legislation without **Bidders** being entitled to indemnification or reimbursement for costs and expenses incurred on any grounds.
   8. After the qualification phase, if **PPSA** learns that any Qualification Document submitted by a Bidder was false or invalid at the time of submission of the Qualification Documents, it may disqualify such Bidder without the Bidder being entitled to indemnification or reimbursement for expenses incurred on any grounds. The rule of Item 12.5 shall then apply.
   9. The Winners are always bound by the provisions in the **Contract**, **Notice**, by the documents submitted by them and by the respective contractual documents, and by Brazilian laws and rules.
   10. **Venue**
   11. The Court of the city Rio de Janeiro is hereby elected to settle any dispute arising out of this Notice.

**Annexes**

Annex 1 – Purchase and Sale Contract Draft

Annex 2 - Written Bid Template and/or Expression of Lack of Interest for Each Lot

Annex 3 – Qualification Documents

Annex 4 – Glossary

Annex 5 – Instrument of Ratification for the Winning Bid

Annex 6 – Expenses Directly Related to Commercialization

Annex 7 – Estimated Sale Volumes

Annex 8 – Instructions for Electronic Provision

Annex 1 – Purchase and Sale Contract Draft

EMPRESA BRASILEIRA DE ADMINISTRAÇÃO DE PETRÓLEO E GÁS NATURAL - PRÉ-SAL PETRÓLEO S.A. – PPSA

This document presents a free translation into English of the original document written in Portuguese. In the event of discrepancy, inconsistency or conflict between this document and the original contract in Portuguese, the original contract in Portuguese shall prevail over this translation.

CRUDE OIL PURCHASE AND SALE CONTRACT

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CONTRACT FOR THE PURCHASE AND SALE OF THE FEDERAL UNION CRUDE OIL [.......] ENTERED INTO BETWEEN EMPRESA BRASILEIRA DE ADMINISTRAÇÃO DE PETRÓLEO E GÁS NATURAL - PRÉ-SAL PETRÓLEO S.A. – PPSA AND [.......]

FIELD OR AREA:

CONTRACT No.:

By this private instrument,

The Federal Union, herein represented by EMPRESA BRASILEIRA DE ADMINISTRAÇÃO DE PETRÓLEO E GÁS NATURAL SA - PRE-SAL PETRÓLEO SA - PPSA, a public company linked to the Brazilian Ministry of Mines and Energy, created by Decree No. 8,063 of August 1st, 2013, authorized to operate by Law No. 12,304 of August 2, 2010, and subject to the Brazilian Corporate Law, headquartered in Brasília/DF, registered with the Corporate Taxpayer Register of the Ministry of Finance (CNPJ/MF) under No. 18.738.727/0001-36 and Head Office located at Avenida Rio Branco, No. 1 – 4º andar - Centro, CEP: 20.090-003, Rio de Janeiro - RJ, registered with the Corporate Taxpayer Register of the Ministry of Finance (CNPJ/MF) under No. 18.738.727/0002-17, hereinafter referred to as "PPSA", hereby represented by the undersigned and, pursuant to Article 4, II, a, of Law No. 12,304/2010, as amended by Provisional Measure No. 811/2017, converted into Law No. 13.679, of June 14, 2018; and

[...], with headquarters in the city [...] CEP [...] State of [...], Brazil, registered with .... (CNPJ/ MF) under No. [...], hereby represented by its constitutive acts hereinafter referred to as “Buyer”;

Whereas:

pursuant to Article 4, II, a, of Law No. 12,304 of August 2, 2010 with wording amended by Law No. 13.679 of June 14, 2018, it is incumbent upon PPSA to perform all necessary acts for the management of contracts for commercialization of Crude Oil, Natural Gas and other fluid hydrocarbons owned by the Federal Union, in particular to enter into contracts, representing the Federal Union with commercialization agents or to directly market Crude Oil, Natural Gas and other fluid hydrocarbons owned by the Federal Union, preferably by auction;

the Resolution of the National Energy Policy Council ("CNPE") No. 15/2018, published in the Brazilian Official Gazette on November 7, 2018, established the Commercialization Policy (Annex V) setting forth the guidelines to be followed for commercialization of the Federal Union Crude Oil and Natural Gas;

the Government'sFederal Union's interest in selling Crude Oil originating from [....] which is allocated for it under the provisions of the Contract dated [....][....] entered into on [....], and the Buyer's interest in purchasing the aforementioned Federal Union Crude Oil;

the Buyer offered the best price in the auction number [....] held at Brasil, Bolsa, Balcão - B3, on [....] [....] 2021;

The Parties hereby agree to enter into this Crude Oil Purchase and Sale Contract (the "Contract") under the following terms and conditions:

1. **DEFINITIONS**
   1. The definitions contained in the Contract are valid for all its purposes and effects whenever used, whether in their singular or plural form.
   2. Capitalized terms used in this Contract shall have the meaning ascribed to them below, whether in their singular or plural form.
   3. For the purposes of this Contract, the following definitions of the Applicable Law apply:

Law No. 9,478/1997:

Crude Oil or Natural Gas, Natural Gas or Gas, Crude Oil Field

Decree No. 2,705/1998:

Reference Price

Law No. 12,351/2010:

Individualized Production, Production Sharing

Production Sharing Contracts entered into in Brazil:

Individualized Production Agreement, Applicable Law

As well as the abovementioned terms, the following terms are defined:

“ANP" means the National Petroleum Agency.

“Waiting Area” means an area designated by the FPSO Operator for the Shuttle Tanker to await berthing and/or to wait after loading.

"BS&W" stands for Basic Sediments and Water in suspension in Crude Oil.

"Cargo" means the volume of Federal Union Crude Oil included in the FPSO Final Loading Program to be loaded onto a given VPR.

"Quality Certificate" means a document issued by the FPSO with the quality of liquid hydrocarbons delivered to the Shuttle Tanker.

“Consortium Member” is any member of the Consortium for the XXXXX XXXX Field/Area.

"Day" means a calendar day unless specifically defined.

"Business Day" means a Day when banks in the city of Rio de Janeiro (Brazil) are open for business.

"Laytime" means the period contractually agreed upon to carry out the full loading.

"Estimated Time of Arrival" or "ETA" means the estimated date and time of arrival (local time) of the Shuttle Tanker at the location specified by the designated FPSO for transfer of liquid hydrocarbons under the respective FPSO Regulation.

"FPSO" means floating production storage and offloading platform with all the necessary facilities and services to collect, process, measure, store, and transfer liquid hydrocarbons to a Shuttle Tanker.

“Free on Board” or “FOB” has its meaning assigned to INCOTERMS 2010 as published by the International Chamber of Commerce (ICC).

“FOB FPSO” is a FOB sale loading from the FPSO.

“Expenses Directly Related to Commercialization” are expenses that can be deducted from the revenue referred to in item III of the *caput* of Article 49 of Law No. 12,351/2010, listed in clause 8.

"Gross Standard Volume" or "GSV" means the total volume of liquid hydrocarbons, sediments and water (BS&W) in suspension, excluding free water, adjusted to a 60ºF standard temperature when measured in Barrels or 20°C when measured in Cubic Meters and standard pressure of one atmosphere (1 atm).

“Group” means in relation to each Party, their holding companies, subsidiaries, and companies under common control, administrators, officers, employees, subcontractors, representatives and agents.

“Brazilian Federal Revenue Collection Slip” or “GRU” is a standardized slip for the collection of amounts to the National Treasury Single Account.

“In Default at Loading”: The Buyer shall be considered in default when in the event of a production loss risk PPSA needs to interact with the Production Operator to charter a further Shuttle Tanker, relieve the Cargo, divert the Cargo to another Consortium Member, exchange VPRs or sell the Cargo without the Buyer's intervention, even if there is no production loss.

"Shuttle Tanker" means any vessel equipped with a Dynamic Positioning (DP) System and a Bow Loading System (BLS) pursuant to Annex I (Basic Requirements for Dynamically Positioned Shuttle Tankers) or, when requested by any Party and approved by the Production Operator, any other vessel with a floating system equipped with an equivalent dynamic positioning (class notation DP-2) and loading system capable of performing tandem offloading without changes to the FPSO offloading system.

"Net Standard Volume" or "NSV" means the total volume of liquid hydrocarbons, excluding basic sediments and water (BS&W) in suspension and free water adjusted to a 60ºF standard temperature when measured in Barrels or 20°C when measured in Cubic Meters and standard pressure of one atmosphere (1 atm).

"Notice of Readiness" or "NOR" means the communication given by the Shuttle Tanker upon its arrival at a specific place designated for transfer of liquid hydrocarbons under the provisions of the FPSO Regulation, that it is fully ready and capable to begin docking and loading a Cargo.

“Production Operator” means the company responsible for the direct or indirect oversight and execution of all Crude Oil production and delivery activities as defined in the applicable lifting agreement.

“Standards” refer to the latest version of the American Petroleum Institute (API) and/or American Society for Testing and Materials (ASTM) standards in effect on the date of loading with the Institute of Petroleum (IP) and International Organization for Standardization (ISO) standards used as complementary rules when applicable.

“Parties” refer to the Buyer and PPSA

“Federal Union Crude Oil” is the share of Crude Oil produced under the Production Sharing Agreement or Individualized Production Agreement that belongs to the Federal Union pursuant to the above mentioned agreements.

“Final Loading Schedule” means the final loading schedule at the FPSO issued by the Production Operator containing the dates and volumes to be loaded.

“Claim” is the claim by one of the Parties for compensation for losses or costs arising from DemurrageDemurrage, the quantity or quality of the Crud e Oil.

"FPSO Rules" (Terminal Loading Manual) means the set of rules and procedures relating to the FPSO operation contained in Annex IV of this Contract which establishes the terms and conditions for the use of facilities and the provision of services specified in it.

Demurrage“Demurrage” is the penalty paid to the shipowner when the laytime period agreed upon in the Contract is exceeded.

"Total Calculated Volume" or "TCV" means the volume defined as GSV plus free water.

"Measure Units" means a quantity of liquid hydrocarbons expressed, as the case may be, in:

(A) "Barrel" means a quantity composed of 0.158980 m3 (one hundred and fifty-eight thousand, nine hundred and eighty millionth Cubic Meters), corrected at a temperature of 60ºF (sixty degrees Fahrenheit) pursuant to the ANP rules in force on the loading date under the absolute pressure of 0.101325 MPa (one hundred and one thousand, three hundred and twenty-five millionths of Megapascal); and

(B) "Cubic Meter" or "m3" means a quantity of one thousand liters (1,000 l) corrected at a temperature of 20°C (twenty degrees Celsius) pursuant to the ANP rules in force on the loading date under the absolute pressure of 0.101325 MPa (one hundred and one thousand, three hundred and twenty-five millionths of Megapascal).

"Vessel Experience Factor" or "VEF" means the factor that aims to correct the measurement of the quantity on board due to uncertainties in its tonnage table. It is a compilation of the vessel's TCV measurement history adjusted to the quantity on board before loading (On Board Quantity - OBQ) compared to TCV measurements, measured onshore or measured using calibrated flowmeters. The VEF must be calculated according to the API MPMS 17.9 standard.

"Vessel Presentation Range" or "VPR" means the period of 2 (two) consecutive Days during which the Shuttle Tanker must issue the NOR.

“Loaded Volume” is the NSV volume loaded on to the Shuttle Tanker and measured and reported as per paragraph 15.6.

1. **PRICE**
   1. The FOB FPSO unit price of Crude Oil to be paid by the Buyer in Brazilian Reais per Cubic Meter (R$/m3) will be obtained by the following formula:
   2. The FOB FPSO unit price = PRP 703 plus a Delta of Brazilian Reais (R$) XXX/m³,
   3. Where:

PRP 703 = Crude Oil Reference Price [XXX] of the loading month in Brazilian Reais per Cubic Meter calculated pursuant to ANP Resolution No. 703/2017; and

Delta = [....] R$/m3 [..........] Brazilian Real per Cubic Meter means the value offered by the bidder in the LL.xxxxxx/2021 auction fixed and valid throughout the contract to be added to the PRP 703 prices in Brazilian Reais per Cubic Meter.

* 1. The loading month shall be the month of the disconnection date of the Cargo loading hose as defined in the time sheet issued by the FPSO and reported in the Sailing Message and in the report issued by the independent inspector.
  2. Calculation of the Cargo value for billing purposes.
     1. Total Cargo Value in Brazilian Reais = FOB FPSO Unit Price multiplied by the Loaded Volume measured in accordance with clause 15.
     2. Taxes shall be added to the abovementioned price in accordance with the applicable tax legislation.

1. **CONTRACTUAL VOLUME**
   1. The Federal Union Crude Oil to be delivered to the Buyer under the aegis of this Contract is composed of the Cargoes programmedthat appear in the Final Loading Schedules for each FPSO issued during the term of the Contract.
   2. Scheduled Cargoes are part of the contractual volume, namely, they are included in the Final Loading Schedule issued throughout the term of the Contract, even Cargoes scheduled for after the end of the contractual term.in other words, all cargoes included in the Final Loading Programs issued throughout the term of the Contract, even if scheduled for after the end of the contractual term are part of the contractual volume.
   3. Cargoes that are scheduled throughout the contractual period and whose Final Loading Schedule is revised for after the contractual term with a change to the VPR are part of the contractual volume.
   4. The production volume provided for in this Contract is merely an estimate. The Federal Union Crude Oil to be delivered to the Buyer under the aegis of this Contract shall be restricted to the Cargoes contained in the Final Loading Schedules issued during the contractual period.
   5. PPSA shall provide by the last day of March each year the estimated future curve of Federal Union Crude Oil for a period of up to 4 (four) years, in addition to the current year’s curve for the purposes of the Buyer's logistics schedule. The production curves provided by PPSA shall represent its best estimate.
   6. Projection of fFuture productions may change their projections and, therefore, new curves will be presented each year, or in a shorter period, if available.
   7. [The Area] [The Field] XXXXX has XX (XXXX) FPSOs in production. Cargoes must be loaded in each of the XX (XXXX) FPSOs. It is not possible to transfer the stock from one FPSO to another.
   8. For loading purposes, for each shipment there will be an operational tolerance of plus or minus 5%, at the Buyer's option. However, it will always be subject to the acceptance of the Production Operator and the availability of Federal Union Crude Oil. The option for operational tolerance must be done together with the submission of the documentary instructionsupport, as provided for in clause 9.
   9. If the contractual term expires without schedule of any Cargo being indicated in any of the Final Loading Schedules issued by the Production Operator, then the Contract shall terminate on the scheduled date without any burden or right for the Parties.

1. **SALE AND DELIVERY MODE** 
   1. The sale mode shall be FOB according to INCOTERMS 2010.
   2. Ownership, legal responsibility and risks relating to the Cargo shall be transferred to the Buyer as the Crude Oil passes through the inlet flange of the Bow Loading System (BLS) of the dynamic positioning Shuttle Tanker that is used to receive the Crude Oil Cargo relieved from the FPSO.
   3. The Buyer shall load the Cargoes in the respective production FPSOs at the VPR set by the Production Operator.
2. **QUALITY**
   1. The quality of Federal Union Crude Oil delivered to the Buyer will be that produced in each FPSO and delivered available to the buyer during the lifting procedure.in the respective loading.
   2. PPSA makes no warranties, express or implied, of merchantability, fitness of the Crude Oil for a particular purpose or other warranties that exceed the descriptions contained in this Contract.
3. **CARGO PLANNING AND LINE-UP** 
   1. The loading ranges (VPR) and volumes shall be designated by PPSA to the Production Operator by the 8th (eighth) Day of the month “m-2” (where m is the loading month) and informed to the Buyer.
   2. By the 12th (twelfth Day of the month “m-2”), PPSA shall inform the Buyer of the provisional loading range accepted by the Production Operator.
   3. The Buyer shall have until the 13th (thirteenth) Day of the month “m-2” to present a suggestion to PPSA to review this schedule.
   4. By the 20th (twentieth) Day of the month “m-2”, PPSA shall inform the Buyer of the final loading range.
   5. The final VPR designated by the Production Operator represents the loading range to be fulfilled by the Buyer.
   6. CargoesLoadings shall have a minimum volume of 80,000 m³ (eighty thousand Cubic Meters) and a maximum volume of 160,000 m³ (one hundred and sixty thousand Cubic Meters), plus or minus 5% (five percent) of operational tolerance. Upon agreement between PPSA and the Buyer, volumes smaller than the minimum may be loaded subject to acceptance by the Production Operator.
      1. The Production Operator can change the abovementioned volume limits.

Note: At the Pioneiro de Libra FPSO the limits are 40,000 m³ (forty thousand cubic meters) and 80,000 m³ (eighty thousand cubic meters).

* 1. The Parties hereby represent that the Production Operator may for operational reasons change the loading ranges defined in paragraphs 6.1 to 6.5 above. If this is the case, PPSA shall immediately notify the Buyer of such change in the loading range promoted by the Production Operator, which will be considered the effective loading range for the purposes of this Contract, provided that there is a minimum range of 10 (ten) Days between such notice and the first Day of the new loading range. If this minimum interval is not adhered to, acceptance of the new range will be at the Buyer's discretion without resulting in any right to any form of reimbursement.
  2. In the event the Buyer is a producer in the Field that is the object of this Contract, the Buyer may choose to:

1. Load Crude Oil from its production by pooling with the Federal Union Crude Oil. In this case, the Buyer will be the pooling leader and the Parties shall designate the pooling option by the 1st (first) Business Day of the month "m-2", where “m” is the first pooling month in effect. In the pooling designation, the period in which the Buyer wishes to operate under this condition must be indicated and this period cannot be less than 3 (three) months.
2. Load Crude Oil from its production in a Cargo combined with Federal Union Crude Oil. For this option to be effective for the month "m", the designation of "Combined Load" also designating the quantity from the Parties and required loading range must be forwarded to the Production Operator by the Parties by the 8th (eighth day) of the month “m-2”. Each Combined Cargo designation will be valid only for the month defined in the designation sent to the Production Operator.
3. **BILLING, METHOD OF PAYMENT AND INTEREST** 
   1. Payment of the total amount of the Cargo shall be made in Brazilian Reais without any discounts, deduction, withholding, offset or counterclaim.
   2. The Electronic Invoice (XML file) and the Electronic Invoice Auxiliary Document (DANFE) which must accompany the Cargo shall be issued by PPSA in Brazilian Reals  **Reais** with the quantity in m³ (Cubic Meters) at 20°C (twenty degrees Celsius), measured in accordance with clause 15 and sent by email to the address and contacts informed by the Buyer within a maximum period of 3 (three) hours after disconnection of the cargo loading hose in question.
   3. The Reference Price that will make up the provisional FOB FPSO unit price to be used in the issuance of the Electronic Invoice (XML file) and the Electronic Invoice Auxiliary Document (DANFE) which must accompany the Cargo will be 60% (sixty per percent) of the last Reference Price published by the ANP for Crude Oil from the XXXX Field in R$/m3.
   4. The Buyer shall pay the amounts set out in paragraph 7.3 in accordance with the billing documents provided for in paragraph 7.11 (a) and (b) within 30 (thirty) Days after disconnection of the loading hose and the amount related to ICMS tax, if any, as per paragraph 7.11(c).
   5. The difference between the DANFE and its respective Electronic Invoice issued in accordance with paragraphs 7.2 and 7.3 and the total value of the Cargo calculated in accordance with paragraph 2.5 shall be subject to the issuance of a complementary DANFE and its respective Electronic Invoice.
   6. The amounts in the Electronic Invoice (XML file) and in the Electronic Invoice Auxiliary Document (DANFE) issued according to paragraphs 7.2 and 7.5 shall include the taxes levied on the Cargo under the provisions of the tax legislation in force.
   7. If the Day established for payment of billing documents falls on a Saturday or on a banking holiday other than Monday, the payment must be made on the 1st (first) previous Business Day. If the Day established for payment of billing documents falls on a Sunday or a banking holiday on Monday, the payment must be made on the 1st (first) subsequent Business Day. Banking holidays are days when banks do not open in the city of Rio de Janeiro – Brazil.
   8. In the event of ICMS tax levy, payment of the ICMS tax must be made by the 8th (eighth) day of the month following the disconnection of the Cargo loading hose, or 30 (thirty) Days from the date of disconnection of the hose, which should be considered as Day Zero whichever comes first. If this occurs, as provided in paragraph 7.11(c), the respective billing document must be issued by PPSA and received by the Purchaser within 1 (one) Business Day after the date of disconnection of the hose.
   9. The amount of the complementary DANFE must be paid within 10 (ten) Days after the date of receipt of the Electronic Invoice Auxiliary Document (DANFE) by the Buyer, whose date of receipt shall be considered as Day Zero, except as provided in paragraph 7.8, regarding the ICMS tax portion, whose billing document will be sent together with the complementary DANFE.
   10. In the event of adjustment of the sales operation arising from undue collection of taxes, PPSA hereby undertakes to return the amounts charged in excess and to correct the sales invoice if PPSA's failure is proven and identified before the due date of the respective taxes unduly collected. The Buyer, in turn, hereby undertakes to issue the necessary tax documents so that the correction process takes place in accordance with the current tax legislation and within the legal deadlines to enable recovery of the taxes unduly collected and/or overcharged by PPSA.
   11. The amounts owed by the Buyer relating to the initial invoice and the supplementary invoice may, at PPSA's discretion, be divided into installments and paid as follows:
4. By means of a Federal Revenue Collection Slip (GRU) to be provided by PPSA with a bar code for payment to the National Treasury Single Account collected at Banco do Brasil, as applicable. This billing document shall be received by the Buyer at least 10 (ten) Days before the respective due date, such due date being considered as Day Zero;
5. By means of a Debit Note in reference to the Electronic Invoice Auxiliary Document (DANFE) of the Cargo and indicating the bank account described in Clause 7.16 for deposit or transfer within the deadlines set out in paragraphs 7.4 and 7.9. This billing document shall be received by the Buyer at least 10 (ten) Days before the respective due date, such due date being considered as Day Zero.
6. For payment of ICMS tax, when applicable, the Buyer shall receive a Debit Note in reference to the Electronic Invoice Auxiliary Document (DANFE) of the Cargo and indicating the bank account described in Clause 7.16 for deposit or transfer within the timeframe established in Clause 7.8. Such billing document shall be received by the Buyer within 1 (one) Business Day after the date of disconnection of the hose, such date being considered as Day Zero.

* 1. In the event of delayed payment provided for in paragraphs 7.4 and 7.9 by the Buyer, the amounts due shall be subject to default interest calculated on the basis of interest compounded by the SELIC rate. Default interest shall be calculated pro rata die applicable from the due date of the billing document until the date of payment and shall be charged via a specific billing document for this purpose and with due date of 10 (ten) Days after the date of receipt by the Buyer which shall be deemed to be Day Zero.
  2. In case of delayed payment of this new billing document, the calculation provided for in paragraph 7.12 shall be adjusted pro rata die from the new due date on the final amount actually due.
  3. If the Buyer fails to make the payment provided for in 7.8, the amounts in arrears shall be subject to default interest calculated on the basis of interest compounded by the SELIC rate and a penalty of 0.33% per day limited to 20% of the ICMS tax amount to be collected, while the penalty provided for in paragraph 7.12 shall be maintained for the remainder of the payment in case of delay.
  4. All payments due under this Contract shall be made in Brazilian Reals  **Reais** (BRL).
  5. PPSA's tax and banking details are:

EMPRESA BRASILEIRA DE ADMINISTRAÇÃO DE PETRÓLEO E GÁS NATURAL - PRÉ-SAL PETRÓLEO S.A. – PPSA

AVENIDA RIO BRANCO, 1 – 4º ANDAR – CENTRO – RJ – 20.090-003

CNPJ: 18.738.727/0002-17

INSCRIÇÃO ESTADUAL: 87.007.847

Banking Details

Banco do Brasil - 001

Ag. 2234-9

C/C: 9563-X

CNPJ: 18.738.727/0001-36

1. **EXPENSES DIRECTLY RELATED TO COMMERCIALIZATION**
   1. The following expenses shall be considered as Expenses Directly Related to Commercialization pursuant to item II of § 3 of Article 4 of Law No. 12,304/2010 and § 2 of Article 3 of the Commercialization Policy established by CNPE Resolution No. 15/2018:

1. Expenses related to the independent inspector;
2. Transshipment at destination;
3. Costs related to chartering vessels for long-haul transportation of Crude Oil Allocated

for the Federal Union;

1. Costs related to the storage of Federal Union Crude Oil in earth tanks in Brazil or abroad;
2. Expenses with oversight of unloading operations;
3. Costs related to the provision of floating tank services;
4. Costs related to the storage of Federal Union Crude Oil in

earth tanks in Brazil or abroad;

1. Taxes levied on the Cargo;
2. Demurrage costs;
3. Payment of Claims accepted by PPSA:
4. Regarding costs directly related to the preparation of the Claim;
5. Buyer's volumetric losses;
6. Buyer’s quality losses;
7. Demurrage.
8. Fees and parafiscal contributions due under this Contract;
9. Costs related to arbitration, lawsuit, court or out-of-court settlement and fees;
10. Legal and expert costs;
11. Costs arising from legal liability by PPSA or by the Federal Union;
12. Costs arising from the Lifting Agreement;
13. Costs related to the hiring of agents for the operationalization of exports of

Federal Union Crude Oil and experts designated by the

Brazilian Internal Revenue Service;

1. Tax burden under the Federal Union’s responsibility;
2. Expenses with contracted services related to the analysis of Claims against

the Federal Union or Claims by the Federal Union (presented

by PPSA as its representative) against the Purchaser or the Production

Operator, including:

* 1. Independent inspector;
  2. Laboratory analyses prior to submitting the Buyer's Claims to the Production Operator;
  3. Laboratory analyses contracted jointly with the Production Operator for re-analysis of samples;
  4. Analysis of Demurrage of Relief Vessel; and
  5. Analysis of the Production Operator's Complaint in the event of delay in leaving the loading berth.

1. Expenses with storage, handling and transportation of samples; and
2. Costs related to chartering Relief Vessels or alternative means that may replace them for the relief of Federal Union Crude Oil of FPSOs, including Demurrage.
3. **DOCUMENTARY SUPPORT** 
   1. At least 4 (four) days prior to VPR start, the Buyer shall notify PPSA indicating the quantity it wishes to load up to the limit permitted by Contract, subject to the Production Operator approval and requesting reasonably necessary documents relating to the loading, including but not limited to:
4. Quality Certificate;
5. Quantity Certificate;
6. Operations Time Sheet;
7. FPSO’s ullage report before and after the Lifting Agreement.
   1. Upon Buyer’s request, PPSA shall electronically supply the latest information available on the quality of liquid hydrocarbons to be loaded (API, H2S, temperature and BS&W), as received from the Production Operator.
8. **LAYTIME AND DEMURRAGE**
   1. Laytime
      1. The maximum Laytime permitted is 36 (thirty-six) consecutive hours (SHINC). Where formal FPSO operation practices exist about Laytime, they will be applied.
      2. The Laytime includes any Day, holidays and hours of darkness, except when loading on holidays or hours of darkness are prohibited by the FPSO Regulation or Applicable Legislation.
      3. Except where provided otherwise in Clause 10.3, the Laytime starts in the moment when the conditions established below occur:
      4. If the Notice of Readiness (NOR) is issued within the VPR, the Laytime starts 6 (six) hours after the NOR issuance or when the vessel is fully moored at the FPSO, whichever occurs first.
      5. If the NOR is issued within the VPR, the Laytime starts 6 (six) hours after the VPR start or when the vessel is fully moored at the FPSO, whichever occurs first.
      6. If the NOR is issued after the VPR, the Laytime starts when the vessel is fully moored at the FPSO.
      7. Subject to the provision in Clause 10.3, the Laytime is continuous from the start on, except if prohibited by the FPSO Regulation and/or Applicable Legislation. The Laytime ends with the complete disconnection of loading hoses once loading has been completed.
   2. Demurrage
      1. Demurrage is defined when the Shuttle Tanker Laytime is above the allowed, as set forth in Paragraph 10.1 hereof.
      2. Demurrage is calculated and supported by applicable documentation and its cost is as follows:
9. The Demurrage fee pro rata die as specified in the valid charter agreement for the Shuttle Tanker, if any, where the Shuttle Tanker is a single voyage charter party; or
10. The rental fee pro rata die as specified in the time charter party agreement, if any, if the Shuttle Tanker is hired in this model.
    * 1. If loading is done by pooling or combined Cargoes and Laytime is single, then Laytime and Demurrage shall be allocated proportionally to the volumes of each Cargo.
      2. Expenses arising from the disconnection of the Shuttle Tanker before loading completion caused by the Shuttle Tanker shall be borne by Buyer, and any time consumed due to such disconnection shall not count as Laytime, unless the disconnection takes place at the Production Operator’s or PPSA’s request.
      3. When the Shuttle Tanker is hired for single voyage, the maximum Demurrage reimbursable under this Contract shall not exceed the actual Demurrage paid by or on behalf of Buyer to the Shuttle Tanker owner in relation to the loading carried out in accordance with what is proven and justified by the documents supplied by the Buyer,
    1. Laytime and Demurrage Exclusions
       1. Delays directly attributable to the following events shall not be accounted for as Laytime or, if the Shuttle Tanker is already in Demurrage as Demurrage time:
11. Passage of the Shuttle Tanker from the anchoring area to the berthing area;
12. Helicopter landing/refueling when simultaneously with berthing;
13. Shuttle Tanker’s defect of incapacity to load;
14. Clean-up of the Shuttle Tanker’s tank;
15. Unloading of slops or ballast when not simultaneously with the loading at the required rates;
16. Time waiting for customs clearance, immigration authorization, free pratique, pilot, tugboats, natural light or local administrative requirements;
17. Ullage and sampling;
18. Loading delays caused by the Shuttle Tanker’s incapacity to load at the required rates;
19. Delays due to meteorological or maritime conditions (including but not limited to wind, rugged sea, sea currents, and tides);
20. Cargo prohibition by the Buyer, the Shuttle Tanker owner, the forwarder, the master, and local and port authorities;
21. Delays or hindrance to deliver the total or partial Cargo resulting from force majeure.
    1. Demurrage Claim
       1. To make an Demurrage Claim, the Buyer shall notify PPSA within 80 (eighty) Days from the disconnection of the loading hose as indicated in the time sheet (time log) stated in the report issued by FPSO or by the independent inspector under Clause 15.
       2. All documents necessary to support a Claim must be supplied in writing.
       3. If Buyer fails to deliver the necessary notification or documentation within the specified timeframe they are deemed to automatically and irrevocably waive their right to Claim.
       4. The Federal Union and PPSA shall not be liable for direct or indirect damage, including loss of profits due to Demurrage.
    2. Claims due to failure to vacate FPSO.
       1. If the Shuttle Tanker fails to leave FPSO within 2 (two) hours after the disconnection of the loading hose, exclusively due to an act and/or omission of the Shuttle Tanker owner and/or of Buyer, and if the Federal Union or PPSA undergo actual losses, damage and other costs as a direct result of such vacating failure, including Demurrage reimbursable due to the consequent delay in FPSO operations or in berthing the next vessel waiting its turn to load at FPSO (but no other vessel), then the Buyer shall be liable for all such direct losses, damage and other costs borne by the Federal Union or PPSA, subject to the limit set forth in Paragraph 21.2.
       2. PPSA shall present documentary evidence to back such costs.
    3. Demurrage Payment
       1. Demurrage Claims favorable to PPSA shall be paid in Brazilian Reaiswithin 40 (forty) Days after the billing date using the buying exchange rate published by the Central Bank of Brazil (currency number220) on the date prior to submitting the invoice by PPSA.
       2. Demurrage Claims unfavorable to PPSA shall be paid in Brazilian Reais within 40 (forty) Days after the billing date using the buying exchange rate published by the Central Bank of Brazil (currency number 220) on the date prior to submitting the invoice by the Buyer.
22. **SHUTTLE TANKER DESIGNATION**
    1. The Shuttle Tanker shall be previously approved by the Production Operator as a qualified Shuttle Tanker accordance with Annex I - Basic Requirements for Dynamically Positioned Shuttle Tankers.
    2. Obligation to designate a Shuttle Tanker.
       1. Within 17 (seventeen) Days before the VPR start, the Buyer shall designate one or more Shuttle Tankers qualified to perform the loading. Regarding each Shuttle Tanker designation, Buyer shall ensure that Annex II - Vetting Questionnaire for Dynamically Positioned Shuttle Tankers be duly filled out and included in the designation of the Shuttle Tanker. Buyer shall also provide PPSA with further necessary information relating to the Shuttle Tanker as requested.
       2. Regarding each designated Shuttle Tanker, the Buyer shall ensure that:
23. All requested information provided in the Vetting Questionnaire in Annex II are true and correct;
24. The Shuttle Tanker has the capacity to carry liquid hydrocarbons with a minimum flow of 160,000 (one hundred sixty thousand m³ in 24 (twenty-four) hours on a proportional basis through a loading hose supplied by FPSO. PPSA may, at its discretion, accept a Shuttle Tanker that is not in conformity with this Paragraph 11.2.2 (b). If, however, the Shuttle Tanker does not have the expected loading performance, the extra time used will shall be considered as Laytime or Demurrage;
25. The Shuttle Tanker is in conformity with the FPSO Regulation (Annex IV) in accordance with the requirements and information to be provided by PPSA to the Buyer, and the Applicable Legislation including with regard to safety, environment, size, vessel movements, navigation and operation standards, documents on board and ballast discharge;
26. The Shuttle Tanker is a member of a Protection and Indemnity (P&I) Club which is member of the International P&I Clubs Group;
27. The Shuttle Tanker has insurance coverage for Crude Oil pollution in an amount not lower than the highest available standard Crude Oil pollution coverage under the rules of the International P&I Clubs Group; and
28. The Shuttle Tanker owners are members of the International Tanker Owners Federation Limited (ITOPF) and the Shuttle Tanker has an onboard valid certificate issued under the 1969 Civil Liability Convention (CLC) or under the 1992 Protocol, as amended.
    1. Shuttle Tanker acceptance
       1. After receipt of designation of one or more Shuttle Tankers within at most: (a) 72 (seventy-two) if the designation is received between Sunday and Thursday; or (b) 96 (ninety-six) hours if the designation is received between Friday and Saturday, PPSA shall notify Buyer informing if the designated Shuttle Tanker(s) was/were accepted or not.
       2. PPSA may reject one or more designated Shuttle Tankers with well-founded reasons if, among others:
29. The Shuttle Tanker fails to comply with the requirements hereof, with the FPSO Regulation or the Application Legislation;
30. The Shuttle Tanker, at the Production Operator’s discretion, puts FPSO, FPSO’s operations, the environment, or people’s health and safety at risk; or
31. The Shuttle Tanker is subject to international or domestic sanctions.
    * 1. If the Shuttle Tanker(s) designated by the Buyer is/are rejected under the provisions of this Paragraph, the reason for rejection shall only be disclosed to the Buyer by PPSA with the prior consent of the Shuttle Tanker owner and technical operator, as set forth below:
32. It is incumbent upon the Buyer to obtain the Shuttle Tanker owner’s and technical operator’s consent to meet the PPSA requirements.
33. Once the reasons for the Shuttle Tanker rejection are disclosed, the Buyer exempts the Federal Union and PPSA from any liability concerning losses and damage, arising from any act or omission by the Buyer, its employees or agents related to the disclosure to the Buyer of the reason for rejection of a Shuttle Tanker.
    1. Duty to designate an alternative Shuttle Tanker
       1. If a designated Shuttle Tanker is rejected, the Buyer shall designate one or more alternative Shuttle Tankers that may be other Shuttle Tanker(s) or the rejected Shuttle Tanker, provided that the reasons that led to the rejection have been remedied. The designation of alternative Shuttle Tankers must be made to PPSA within 72 (seventy-two hours) after the Buyer receives the information of rejection of the Shuttle Tanker designated under Paragraph 11.3.1.
    2. Right to designate an additional or substitute Shuttle Tanker
       1. Within 9 (nine) Days to the first VPR Day, the Buyer may designate an additional or substitute Shuttle Tanker, subject to PPSA’s and Production Operator’s acceptance.
    3. Acceptance of an alternative, additional or substitute Shuttle Tanker
       1. Up to 72 (seventy-two) hours after receipt of designation of an alternative, additional or substitute Shuttle Tanker, PPSA shall notify the Buyer if the alternative, additional or substitute Shuttle Tanker is accepted or rejected in accordance with the rules set forth, as amended, by Paragraph 11.3.
    4. Designation of a Shuttle Tanker among several approved Shuttle Tankers
       1. At least 4 (four) Days before the beginning of each VPR specified in the Final Loading Schedule, the Buyer shall send a notice to PPSA informing which Shuttle Tankers approved by PPSA will be the Shuttle Tanker used in the loading operation.
    5. Refusal to berth Shuttle Tanker
       1. The Production Operator is entitled to refuse the berthing at FPSO of any Shuttle Tanker that after results of an onboard inspection:
34. Does not fulfill the requirements set out in this Clause 11:
35. Has been approved as a qualified Shuttle Tanker, but upon arrival at FPSO does not comply with the requirements established above; or
36. In the Production Operator’s judgment is not adequate for shuttle due to a likely safety or environmental integrity hazard at FPSO or due to a likely adverse impact on the FPSO operating efficiency or capacity.
    1. PPSA shall give the Buyer the reasons for the berthing refusal and provide the report of onboard inspection conducted by the Production Operator, as soon as the Production Operator provides this information.
37. **SHUTTLE TANKER AND NOR REQUIREMENTS**
    1. Shuttle Tanker Requirements
       1. The Buyer shall ensure that the Shuttle Tanker meets technical requirements as approved by PPSA.
    2. ETA and NOR issuance
       1. The Buyer shall ensure that:
38. The Shuttle Tanker commander communicates ETA at FPSO to Production Operator within 72 (seventy-two), 48 (forty-eight) and 24 (twenty-four) hours prior to arrival. Such communication shall be made in accordance with the provisions in the FPSO Regulation;
39. The Shuttle Tanker commander timely communicates to Production Operator the time of arrival in the event it changes by over 3 (three) hours after the 24 (twenty-four) hour ETA; and
40. The Shuttle Tanker commander or the freight forwarder issues the NOR by email, radio, or telephone when the Shuttle Tanker reaches the Waiting Area and complies with the FPSO Regulation so it can be declared ready for loading.
    * 1. The NOR may be issued at any time of Day or night with the purpose of recording the Shuttle Tanker arrival within the VPR.
41. **DELIVERY OF REQUIRED DOCUMENTS**
    1. After loading has been completed, PPSA and the Production Operator shall supply the necessary documents under their respective responsibilities for the Shuttle Tanker’s departure.
    2. In the event the documents are not delivered within 3 (three) hours after the disconnection of the loading hose and if this restricts the Shuttle Tanker departure, the additional time to supply documents must be counted as Laytime or, if the Shuttle Tanker is in Demurrage it will be accounted for as Demurrage time, unless the delivery of such documents is delayed by events out of PPSA’s control.
    3. Notwithstanding the above, the Buyer may, at its discretion, allow the Shuttle Tanker departure before delivery of the documents under PPSA’s responsibility. In such case, the documents shall be delivered within 1 (one) hour after the voyage starts.
42. **LOADING DEFAULT**
    1. The Buyer and PPSA shall make the necessary efforts to prevent default situations and mitigate losses for any of the Parties.
    2. If the Buyer is considered to be in loading default, the Cargo that caused the default shall return to PPSA management who will negotiate with the Production Operator the measures necessary to mitigate the consequences.
    3. PPSA and the Production Operator shall consider solutions, such as charter another Shuttle Tanker, store the Cargo in a tank, send the Cargo to another Consortium member, change VPRs or even sell the Cargo without the Buyer's intervention.
    4. The Buyer in default at loading shall not be entitled to any compensation for the defaulted Cargo and no indemnification whatsoever for costs, commitments and responsibilities it has already assumed, even with another Buyer.
43. **INSPECTION, QUANTITY, QUALITY AND COMPLAINTS**
    1. Measurement and sampling execution or witnessing.

15.1.1. Quantity measuring, sample collection and analysis to determine the quality and quantity delivered to Buyer shall be made or witnessed:

1. By FPSO’s own technicians or by the independent inspector in accordance with the FPSO practices, and the independent inspector’s report shall be provided to both Parties; or
2. By the FPSO technicians in accordance with FPSO’s good practices, in the event the Production Operator refuses access to FPSO by the independent inspector designated by the Parties, or in the event the Parties fail to reach an agreement on an independent inspector. Certificates issued by FPSO must be provided to both Parties.
   1. If FPSO refuses the independent inspector's access but the independent inspector has access to the Shuttle Tanker, their report will be deemed valid only for measurements taken onboard the Shuttle Tanker, provided that they effectively witness or make the measurements.
   2. Choosing and designating an independent inspector and sharing their costs
      1. The independent inspector shall be chosen by mutual agreement between PPSA and Buyer and designated by PPSA.
      2. In the event FPSO authorizes access but the Parties fail to reach an agreement on the independent inspector's designation, if requested by the Buyer and authorized by the Production Operator PPSA shall allow the Buyer’s representative to witness the quantity measurement and sampling and carry out a laboratory analysis of such samples. All charges relating to Buyer’s representative shall be exclusively borne by Buyer and the information provided shall be deemed solely as a service to the Buyer.
      3. The independent inspection must act at FPSO and on the Shuttle Tanker
      4. The independent inspection costs shall be shared as shown below:
3. Where the Federal Union’s crude oil is loaded in a single lot without pooling or combined Cargo, each Party shall pay the independent inspector 50% (fifty percent) of the amount set forth in their agreement with the inspector.
4. In the case of pooling or combined Cargo, PPSA shall only bear the cost proportionally to the Federal Union's share. From such proportional cost, each party shall pay the independent inspector 50% (fifty percent) of the amount set forth in their agreement with inspector.
   1. Quantity and Quality Certificates for invoicing purposes
      1. The inspection report issued by the independent inspector shall record that the independent inspector has effectively witnessed or conducted the sampling, analysis of the samples and quantity measurement.
      2. To avoid doubts, the Parties agree that the inspection report issued under the provisions of Paragraph 15.4.1, except for cases of fraud or manifest error, be the Quantity and Quality Certificate that defines the Loaded Volume to be invoiced under the provisions of Paragraph 2.5.1 and without prejudice to the rights of any Party to make any Complaint under Paragraph 15.7.
      3. If any discrepancy between the inspection report issued by the independent inspector and the amounts stated in the certificates issued by FPSO are found, the FPSO certificates shall prevail.
      4. If for any reason the independent inspector fails to conduct or witness the quality measurement, the sampling or the sample analysis, the quantity certificate issued by FPSO shall be the Quantity and Quality Certificate that defines the Loaded Volume to be invoiced under the provisions of Paragraph 2.5.1 and without prejudice to the rights of any Party to make any Complaint under Paragraph 15.7.
      5. The Loaded Volume considered for invoicing purposes will be the NSV ascertained and certified in accordance with Paragraph 15.5.
   2. Loading quantity measurement procedure
      1. The volume and temperature of liquid hydrocarbons to be delivered by PPSA to the Buyer shall be determined by an automatic online measurement system located at FPSO.
      2. If that system is not available or functioning, the volume and temperature of the Federal Union Crude Oil shall be determined by the measurement in FPSO’s storage tanks from where loading is conducted immediately before and after loading.
      3. In the event of failure of the automatic measurement system and if FPSO’s storage tanks from where the loading is conducted cannot be measured, the quantity received and measured in the Shuttle Tanker and corrected by VEF, if any, shall be used for the final and binding definition of the volume to be invoiced.
      4. The volume shall be adjusted to a standard temperature of 20ºC (twenty degrees Celsius) for measurement in Cubic Meters and 60ºF (sixty degrees Fahrenheit) for measurement in Barrels according to the conversion tables for the correction of Crude Oil volumes as established in the ANP Standards and rules effective on the date of loading (Tables 6A for barrels at 60°F and 60A for liters at 20°C).
      5. If there is any difference in the TCV higher than 0.3% (three tenths of a percent) or than 0.5% (five tenths of a percent) and if the Shuttle Tanker does not have a valid VEF between:
5. The TCV quantity measured by FPSO’s flow meter and
6. The loaded TCV quantity measured on the Shuttle Tanker and adjusted by the application of the vessel’s VEF calculated in accordance with the Standards,

then the Loaded Volume onboard the Shuttle Tanker shall be measured again by the Buyer.

* + 1. The new measurement shall take place before the departure of the Shuttle Tanker, except where agreed otherwise between the Buyer and PPSA.
    2. If after re-measurement the difference between the measurements remain, the dispute and Complaint procedure established in this Contract may be initiated by the Buyer or by PPSA, and the results of the new measurement shall be estimated as being the TCV received by the Shuttle Tanker. The independent inspector shall report and deliver copies of the measurement results to PPSA and to Buyer.
  1. Procedure to collect samples and define the quality at loading
     1. The loaded Crude Oil quality shall be determined based on representative samples that will be collected in accordance with the rules that govern such operations, by an automatic sampling device at FPSO. If such device is not available or functioning, the representative samples of the Crude Oil to be loaded shall be collected in accordance with the applicable rules and regulations in the following priority order and in accordance with availability:

1. From the manual sampler for the unloading line at FPSO;
2. From the loading FPSO storage tanks before loading. In that case, a high, medium and low level sample for each tank shall be collected and a compound sample shall be prepared as established by the API standard - Chapter 8, Sections 3 and 4. An H2S test shall be conducted for each tank based on samples collected at medium level; and
3. From the loading FPSO storage tanks immediately after loading. In that case, a high, medium and low level sample for each tank shall be collected and a compound sample shall be prepared as established by the API standard - Chapter 8, Sections 3 and 4. An H2S test shall be conducted for each tank based on samples collected at medium level.
   * 1. The FPSO laboratory shall analyze and certify each sample in accordance with the API Standards: density, H2S, salt and BS&W. The independent inspector shall issue the inspection report and deliver authentic copies to the Buyer and PPSA.
     2. Without prejudice to the Complaint procedure set forth in Paragraph 15.7 and except in cases of proven fraud or manifest error, quality parameters certified by the FPSO laboratories and reported in accordance with Paragraph 15.4 shall be final and binding.
   1. Quantity or quality complaints
      1. In the event of Complaint concerning the quantity or quality of Crude Oil delivered to the Buyer on the Shuttle Tanker, both the Buyer and PPSA may file a Complaint with the other Party under the provisions described below:
      2. Complaints relating to quantity of loaded Crude Oil may only be made if the difference in the quantity measured by FPSO and by the Shuttle Tanker at the moment of loading is above the tolerance specified in Paragraph 15.5.5.
      3. Complaints relating to quality of the loaded Crude Oil may only be made if the Buyer or PPSA conducts its own laboratory analysis of sample taken at loading and the analysis result does not coincide with the analysis conducted under Paragraph 15.6.2 and with the reproducibility parameters of the method used for analysis.
      4. To be effective, each quality or quantity Complaint shall be delivered to PPSA or the Buyer within at most 50 (fifty) Days after the departure of the Shuttle Tanker as indicated in the time sheet issued by FPSO and reported by the independent inspector.
      5. Complaints shall be delivered in writing and accompanied by all necessary documentation. Complaints that fail to meet the criteria established herein shall be considered invalid.
   2. Absence of the independent inspector
      1. If for any reason the independent inspector is not present at FPSO to witness the measurements, samplings and sample analyses, the documents issued by FPSO shall be final and binding to attest to the quantity and quality of the unloaded Crude Oil except in the case of fraud or manifest error. Likewise, in the event of absence of the independent inspector on the Shuttle Tanker for whatever reason, the documents issued by the Shuttle Tanker commander shall serve as the basis for any Complaints.
4. **CONTRACTUAL TERM**
   1. This Contract is valid for [XX[ months from its execution date and may be extended by [xxx] months by mutual agreement between the Parties.

1. **FORCE MAJEURE**
   1. The Parties shall not be liable for the noncompliance with obligations or losses resulting from an act of god or force majeure pursuant to Article 393 of the Brazilian Civil Code.
   2. If the act of god or force majeure lasts longer than 30 (thirty) consecutive Days, both Parties are entitled to terminate the Contract by means of a written notice to the other Party. In the event of Contract termination based on this Clause 16, no Party shall have any rights towards the other Party except for the amounts due before the act of god or force majeure was declared.
   3. In the event of an act of god or force majeure, the Party unable to comply with its obligations shall immediately notify the other Party indicating the nature of the event and, to the extent possible, its estimated duration and consequences.
   4. While the effects of the act of god or force majeure last, the Parties shall bear their respective losses.
2. **CONTRACT TERMINATION**
   1. By means of a written notice sent to the other Party at least 90 (ninety) Days in advance, the Contract may be terminated by agreement between the Parties without that such termination generates towards any of the Parties the right to collect penalties, payments or indemnifications. The Parties hereby also undertake to comply with the obligations assumed and that are still outstanding at the termination date.
   2. This Contract may be terminated by any of the Parties without the other Party being entitled to any indemnification or retention in the following cases:
   3. Total or partial default of the obligation provided for in this Contract including, but not limited to confidentiality obligations;
   4. Total or partial assignment of its subject-matter without the other Party’s prior and express consent;
   5. Homologation of an out-of-court or approved recovery plan under the provisions of law or court-supervised reorganization if the Party fails to provide sufficient bond to ensure compliance with contractual obligations, at the other Party’s discretion.
   6. The other Party’s declaration of bankruptcy or dissolution, and in the event it has its articles of organization amended or its purpose or structure modified, which adversely affects the performance of the Contract;
   7. In case of termination of this Contract, (i) financial obligations assumed during the contractual term remain valid until their effective payment; (ii) confidentiality obligations remain valid for the period of time set forth in Clause 19 hereof; (iii) the provisions in Clauses 27 and 28 remain valid.
   8. When a Party is notified of a situation leading to the termination of the Contract, it shall have a period of 30 (thirty) Days to remedy such failure or default and to present its defense.
   9. If one of the Parties fails to exercise its option to terminate the Contract due to contractual default by the other Party as set forth in this Clause 18, the harmed Party may, at its own discretion, suspend the execution of its obligations until the breached contractual clause or clauses are fulfilled by the breaching Party without this leading to the suspension of the contractual term.
3. **CONFIDENTIALITY**
   1. For a period of 10 (ten) years counted from the execution of this Contract, the Parties hereby undertake to keep all information transmitted to them secret and confidential in connection with the performance of the Contract.
   2. Failure to comply with the confidentiality obligation leads to the adoption of measures and sanctions applicable under Law No. 9,279/1996 and the Applicable Legislation.
   3. Confidentiality obligations shall not apply to the following cases:
   4. Prior and express consent by the other Party;
   5. Information proven to stem from another legal and legitimate source;
   6. Court-supervised, arbitral or administrative determination to disclose the information, whereas confidentiality shall be requested during the court, arbitration or administrative proceedings, and such determination shall be immediately informed to the other Party prior to the disclosure of such information.
   7. Disclosure to companies belonging to the receiving Party’s Economic Group, and to its employees, agents or anyone to who, on any grounds, accesses information on its behalf in cases where such disclosure is strictly necessary for the performance of this Contract;
   8. Information that is already public domain or becomes public domain by an act or fact not imputable to any of the Parties;
   9. Information provided by PPSA to comply with the provisions of the Applicable Legislation.
   10. All documents provided by the Parties based on the provisions of the Applicable Legislation shall be classified as confidential.
4. **ASSIGNMENT**
   1. The Buyer is not allowed assign to third parties, wholly or in part, the obligations covenanted herein nor offer this Contract as bond without the prior PPSA approval.
5. **PARTIES LIABILITIES**
   1. In the event the Contract is terminated under the terms of Paragraph 18.2, the breaching Party shall be held accountable for its breach or inadequate performance, and shall compensate losses and damage to the innocent Party, excluding indirect damage and lost profits, that it may have caused until the termination date subject to the limit set forth in Paragraph 21.2.
   2. The Parties’ liability for losses and damage is limited to direct damage in accordance with the Brazilian Civil Code and the Applicable Legislation, excluding indirect damage and lost profits. Direct damage liability is limited to 100% (one hundred percent) of the total Contract value.
   3. Either Party is guaranteed the right of recovery against the other Party in the event any of the Parties is obliged to compensate, under the terms of Article 927, Sole Paragraph of the Brazilian Civil Code, any damage caused by the other Party to third parties, subject to the limit set forth in Paragraph 21.2.
   4. The Party that has not caused the damage shall be entitled to recover any amounts it has paid to third parties, in court or out of court, plus all expenses involved, such as court fees, attorney’s fees, out-of-court fees, among others.
   5. The right of recovery set forth in Paragraph 21.3 is exercised independently from the nature of the liability, be it a civil, criminal, tax, environmental or administrative liability.
   6. The defaulting Party hereby undertakes to hold the performing Party harmless against any claims, damage or losses arising from acts, facts or omissions under the responsibility of the defaulting Party, subject to the limit set forth in Paragraph 21.2.
6. **TAXES**
   1. Any dues (taxes, fees, dues, tax and tax-like contributions) that are due directly or indirectly under this Contract or its performance shall be exclusively paid by the taxpayer defined as such in the applicable tax rule according to the legislation in effect in Brazil.
   2. The ICMS – Circulation of Merchandise and Services Tax shall be highlighted in the Tax Invoice, where applicable. The selling price of Federal Union Crude Oil in the transaction from the Federal Union to the Buyer does not include the PIS/COFINS social security taxes.
7. **ANTI-CORRUPTION PRINCIPLES AND OBLIGATIONS**
   1. With regard to the operations, activities and services tied to this Contract, each of the Parties hereto:
      1. Represents and warrants that it and the members of its Group do not directly or indirectly make, offer, promise or authorize payment of any advantage such as cash, gifts, leisure, travel, promise or other advantage for the direct or indirect use or benefit of any public authority or employee, the latter as defined in Article 327 of the Brazilian Criminal Code, or of any Brazilian or foreign individual or entity that may or may not belong to the Brazilian or foreign public administration or is related thereto, including political parties, members of political parties, election candidates, when such payment, offer or promise of a gift, entertainment or travel, or any other advantage, constitute an unlawful act according to Brazilian laws including Law No. 12,846/2013. Additionally, in economic and financial activities relating to this Contract, each Party hereby represents and warrants that it and the members of its Group have not used and will not use goods, rights or amounts directly or indirectly resulting from unlawful activities, nor have they hidden or dissimulated the nature, origin, location, provision, circulation or ownership of such goods, rights or amounts, and that they will comply with all money-laundering rules including, but not limited to, the conducts described in Law No, 9,613.1998 and further laws applicable to the Party.
      2. Agrees and undertakes that the Party and the members of its Group have not paid and will not pay directly or indirectly by means of any individual or entity any fees, commissions, or reimbursements to the other Party or to members of the other Party’s Group, nor have they offered, promised, authorized or delivered and will not offer, promise, authorize or deliver to the other Party or to members of the other Party’s Group any gift or entertainment of significant cost or value in order to influence or induce any action or omission with regard to the subject-matter and/or performance of this Contract.
      3. Represents and warrants that it has not used or will use a broker, consultant, agent or any other intermediary to request, obtain, negotiate, structure or perform this Contract or in any matter related to this Contract, when the use of such broker, consultant, agent or intermediary cause the Party to violate the obligations assumed in Paragraphs 23.1.1 and 23.1.2 of this Clause or when the acts of such brokers, consultants, agents or intermediaries are deemed to be a violation of the obligation assumed in Paragraphs 23.1.1 and 23.1.2 of this Clause if such acts are carried out by the Party.
      4. Represents and warrants that it has policies and procedures in place intended to promote a culture of business integrity with due regard for Law No. 12.846/2013.
      5. Each Party (“Indemnifying Party”) shall defend, indemnify and hold the other Party harmless against liability regarding claims, damage, losses, fines, costs and expenses directly resulting from any failure to comply with the commitments and statements set forth herein by the Indemnifying Party and by members of the Group of the Indemnifying Party.
      6. Undertakes to (i) respond with reasonable detail to any reasonable Notice from the other Party with regard to commitments, representations and warranties under this Clause; and (ii) provide documentary support to its response upon request by the other Party. The Parties are not hereby obliged to share information protected by legal secrecy.
      7. Shall (i) develop and maintain adequate internal controls relating to the obligations set forth in Paragraphs 23.1.1 and 23.1.2 herein, (ii) draft and prepare books, records and reports in accordance with the generally accepted accounting principles applicable to the Party; (iii) draft appropriate books, records and reports for the Party’s transactions in such a way that they correctly and precisely reflect with reasonable level of detail the Party’s assets and liabilities; (iv) keep the above-mentioned books, records and reports for a minimum period of 5 (five) years after the end of the contractual term; and (v) comply with the Applicable Legislation.
      8. Each Party shall report any explicit or implicit request or offer concerning any personal advantage made by any member of the other Party’s Group to the other Party. Such requests shall be reported in writing to the (i) email address [xxxxxxxxxx], for the Buyer and to (ii) comercializacao@ppsa.gov.br for PPSA.
8. **NOTICES AND CONTACT**
   1. All notices required within the scope of this Contract must be made in writing and delivered personally or sent by registered mail (prepaid postage), email or telegram to the addresses below.
   2. If sent to PPSA:

Commercial Contacts and Operating Contacts:

Address: Avenida Rio Branco No. 1, fourth floor

Rio de Janeiro – RJ.

CEP 20090-003

Brazil

If sent to the Buyer:

Commercial Contacts

Operating Contacts:

* 1. Any notice shall be considered sufficiently delivered and received at the moment of receipt if delivered personally or by registered mail, email or telegram with acknowledgment of receipt by the recipient.

1. **GENERAL PROVISIONS**
   1. Any Party’s omission or tolerance in requiring strict compliance with the provisions of this Contract, as well as its acceptance of a performance other than the performance required under these provisions, shall not be construed as novation or limit such Party's right to impose at later occasions the strict compliance with such provisions or require performance in strict compliance with them.
   2. The description in the provision of the abovementioned Paragraph 25.1 above shall not be deemed as waiver, withdrawal or modification of the Parties’ rights hereunder, unless there is an express representation in writing by the Party about such waiver, withdrawal or modification.
   3. The titles of the Clauses hereof are for mere reference only and are not part of this Contract.
   4. The Annexes are an integral and inseparable part of this Contract. In the event of a conflict between the provisions of this Contract and its Annexes, the provisions in this Contract shall always prevail.
   5. 5 Any amendment to this Contract shall only be considered valid if made in an addendum and signed by the Parties’ legal representatives.
2. **PARTIES REPRESENTATIONS AND WARRANTIES**
   1. The Parties hereby represent and warrant that:
3. The payments assumed are recognized by both Parties as manifestly proportional;
4. The proportionality of the payments assumed derives from prices effective upon execution of this Contract;
5. They are aware of all circumstances and rules that guide this legal transaction and that they are experts in the activities they carry out under this Contract, whereas their attorneys have advised on the execution of this Contract;
6. Exercise their freedom to contract, with due regard to the provisions of public order and this Contract’s social function principles that also meets economicity principles;
7. The Contract’s reasonability and opportunity allowing for the achievement of the Parties’ respective commercial objectives and business activities, thus serving the entire society;
8. In the performance of this Contract they shall always abide by principles of honesty and good faith, both in its negotiation and execution;
9. If any stipulation in this Contract is declared null and void, the other contractual provisions remain valid and the legal transaction executed hereunder is not affected in its general terms;
10. Upon its execution, this Contract shall prevails and shall replace any prior written or oral dealings between the Parties regarding the subject-matter hereof;
11. They do not make mobilization investments for the purpose of application of Article 473, Sole Paragraph of the Brazilian Civil Code;
12. They are aware that the execution of this Contract does not result in the obligation to contract beyond the contractual term set forth herein, whether through addenda or new contractual instruments.
13. **APPLICABLE LAW**
    1. This Contract shall be governed and interpreted in accordance with the laws of the Federative Republic of Brazil.
14. **DISPUTE SETTLEMENT**
    1. The Parties hereby undertake to follow the principle of good faith and make their best efforts for an amicable solution as definitive settlement of any claim, controversy or dispute arising out of this Contract.
    2. Arbitration proceedings shall be conducted by a well-known and well-reputed arbitration institution with capacities to conduct arbitration according to the rules set forth in this Clause and preferably with a seat or office in Brazil.
    3. The Parties shall have 30 (thirty) days to agree on the choice of an arbitration institution. If such term elapses without consent in the choice of an institution, the provisions set forth in Paragraph 28.4 of this Clause shall apply..
    4. Any claim, controversy or dispute arising out of or relating to this Contract, including those relating to its validity, interpretation or performance shall be definitively settled by arbitration conducted by the Brazilian Mediation and Arbitration Chamber (“CBMA”) in accordance with its Arbitration Regulation effective on the date of filing for arbitration (“CBMA Regulation”).
    5. During such negotiation, any Party may request that a mediator for such claim, controversy or dispute be designated by the arbitration institution, after verifying potential names with the Parties. The mediator shall follow the arbitration institution's regulation. The first mediation meeting shall take place within 5 (five) Business Days after the mediator’s designation. The mediation costs shall be borne in equal share by the Parties.
    6. Considering the specific circumstances of the issue, any Party may refrain from seeking an amicable solution or interrupt at any moment ongoing negotiation or mediation proceedings and may opt instead to immediately file for arbitration proceedings by means of a written notice to the other Party under the provisions of this Clause.
    7. The arbitration proceeding shall be governed by Brazilian law and have its seat in Brasília, Federal District. The Parties may carry out procedural acts including hearings and executing procedural orders and decisions at venues other than the seat of Brasilia.
    8. The Parties hereby elect the Federal Justice Court in Brasília, Federal District, as competent legal venue to appraise requests for urgent, provisional or other remedies supporting the Arbitration Tribunal, without this meaning a waiver of the arbitration clause established herein by the Parties.
    9. The arbitration panel shall be made up of three arbitrators. Their designation shall follow the rules and conditions set out in the CBMA Regulation. The arbitrators’ designation by co-arbitrators or by CBMA shall be preceded by a consultation with the Parties with potential names.
    10. The procedural language shall be Portuguese. The Parties may produce contemporary English documents and hear witnesses whose mother tongue is not Portuguese, provided that they provide a simple translation.
15. **PAYMENT GUARANTEE** 
    1. Payment for the Federal Union revenue shall occur as set forth in Clause 7 without the need for a payment guarantee. However, PPSA is entitled to require a payment guarantee by notifying the Buyer to provide a guarantee within 10 (ten) Days. PPSA may exercise this right at any time during the contractual term, at its discretion, without the obligation of providing a justification to the Buyer
    2. The Buyer shall be deemed to be in default if it fails to provide the payment guarantee under the provisions and within the timeframe required by PPSA.
    3. In any case, if the Buyer fails to provide a payment guarantee within the timeframe established, PPSA shall not be obliged to maintain the supply, and the Cargo shall return to the management of PPSA, who will assign the sale to another buyer. In this case, the Buyer shall not be entitled to any compensation, fee or indemnification.

29.4. The follow guarantee models may be requested by PPSA.

29.4.1. Parent company guarantee

1. Buyer shall provide a parent company guarantee in a format that is acceptable for PPSA;

29.4.2. Letter of credit

1. PPSA may request an irrevocable documentary or standby letter of credit on behalf of PPSA issued by a first line bank authorized to operate in Brazil by the Central Bank of Brazil – BACEN (first line banks are those under segment 1 (S1) of Resolution No. 4,553/2017) which is not undergoing out-of-court liquidation or BACEN intervention.
2. The letter of credit shall be sufficient to cover 115% (one hundred fifteen percent) of the Estimated Cargo Value and 120% (one hundred twenty percent) of the nominal volume defined in the Final Loading Schedule.
3. If, for any reason, the loading VPR fails to occur within the forecast period, the Buyer shall obtain an extension or provide a new letter of credit under provisions acceptable for PPSA.

29.4.3. Performance Bond

1. The Insurance Policy shall be issued by an institution authorized by the Federal Insurance Commissioner (SUSEP) to operate in the Brazilian insurance market that is not under Tax Supervision, Intervention, Out-of-court Liquidation or Special Supervision and that is not undergoing the consequences of a suspension penalty imposed by SUSEP;
2. The Insurance Policy shall expressly provide for:
3. Insurer’s liability for any and all sanctioning penalties imposed upon the CONTRACTOR;
4. Expiration Date;
5. A period of 90 (ninety) Days upon the expiration date for the ascertainment of any CONTRACTOR’s default during the contractual term and for communication of expected loss or effective actual loss notice with due regard for the applicable statutes of limitation.

29.4.4. Bank Guarantee

1. The Bank Letter of Credit shall be issued by a first line bank authorized to operate in Brazil by the Central Bank of Brazil – BACEN (first line banks are those under segment 1 (S1) of Resolution No. 4,553/2017) which are not undergoing out-of-court liquidation or BACEN intervention.
2. The Bank Letter of Credit shall be issued by a first line Bank authorized by the Brazilian Central Bank - BACEN to operate in Brazil (banks categorized under segment 1 (S1) of Resolution No. 4,553/2017 are considered top banks) and that are not under out-of-court liquidation or BACEN intervention.
3. The Guarantee Instrument shall expressly provide for:

1. Express waiver by the guarantor of the benefit of order set forth in Article 827 of the Brazilian Civil Code;
2. Expiration Date;
3. A period of 90 (ninety) Days upon the expiration date for the ascertainment of any CONTRACTOR’s default during the contractual term and for communication of

default to the Financial Institution with due regard for the applicable statutes of limitation.

* 1. Early Payment.
     1. The Buyer may make early payments by mutual agreement with PPSA against a provisional invoice based on the prices available upon issuance of the provisional invoice and 120% (one hundred twenty percent) of the nominal quantity in the Final Loading Schedule.

In witness whereof, the Parties hereto execute this Contract on [month/day/year] in two counterparts of equal purport and form in the presence of two witnesses.

|  |  |
| --- | --- |
| Federal Union represented by Empresa Brasileira de Administração de Petróleo e Gás Natural - Pré-Sal Petróleo S.A. - PPSA  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Represented by:  Position: Chief Executive Officer  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Represented by:  Position: Technical and Supervisory Director | [Include Buyer’s name],  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Represented by:  Position:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Represented by:  Position: |
|  |  |
| Witnesses:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name:  ID: | Witnesses:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name:  ID: |

1. **LIST OF ANNEXES TO THE CRUDE OIL PURCHASE AND SALE CONTRACT**

Annex I - Basic Requirements for Dynamically Positioned Shuttle Tankers(\*)

Annex II - Vetting Questionnaire for Dynamically Positioned Tankers (\*)

Annex III - Information and Rules for Cargo Lifting at FPSOs (\*)

Annex IV - FPSO Regulation (\*)

Annex V – Federal Union Crude Oil and Natural Gas Commercialization Policy (Resolution CNPE No. 15/2018)

Annex VI - Area of XXXXXX of XXX (INCLUDE ONLY IF REQUIRED FOR CONTRACT AREA IDENTIFICATION)

(\*) The information contained in these documents required by the Buyer will be provided by PPSA when executing the Contract

Annex 2 - Written Bid Template and/or Expression of Lack of Interest for Each Lot

**(Delivery of this Annex 2 is mandatory for all Lots):**

***Mark item 1 or 2 as per the Bidder’s intention****.*

***The Bidder must complete the contract term field upon submission of the bid, 1st Phase or 2nd Phase.***

[place], [month] [day] [year]

LOT 1 – **BÚZIOS**

TERM: [ ] 36 (THIRTY-SIX) MONTHS OR [ ] 24 (TWENTY-FOUR) MONTHS

**TO PPSA**

**RE.: AUCTION NOTICE LE.PPSA.001/2021 – AUCTION FOR SALE OF FEDERAL UNION OIL EXTRACTED FROM THE FIELDS OF BÚZIOS, sapinhoá, TUPI AND MERO DEVELOPMENT AREA**

Dear Sirs,

1. [ ] We propose as a **Written Bid** for the aforementioned **Lot**, a **Premium** differential of BRL [●] ([full amount in words]) over the corresponding **Reference Price** as provided for in the **Notice**.
2. [ ] We express this **Bidder**'s lack of interest in submitting a proposal under the provisions of item 1 (Premium for the period of [*complete with XX*] months), for the aforementioned **Lot**.
3. We hereby expressly declare that:

* This **Written Bid** is valid for 40 (forty) days;
* We fully agree without any restriction whatsoever to the contracting terms and conditions set out in the **Notice**;
* We hereby confirm that we are fully aware of the auctioned area and its inherent conditions;
* We assume from now on full responsibility for the **PPSA** rules and other applicable legal acts; and
* We undertake to fully comply with all obligations and requirements contained in the **Notice**.

Yours faithfully,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[**Bidder**]

[Legal representative(s)]

***Mark item 1 or 2 as per the Bidder’s intention****.*

***The Bidder must complete the contract term field upon submission of the bid, 1st Phase or 2nd Phase.***

[place], [month] [day] [year]

LOT 2 – **SAPINHOÁ**

TERM: [ ] 60 (SIXTY) MONTHS OR [ ] 36 (THIRTY-SIX) MONTHS

**TO PPSA**

**RE.: AUCTION NOTICE LE.PPSA.001/2021 – AUCTION FOR SALE OF FEDERAL UNION OIL EXTRACTED FROM THE FIELDS OF BÚZIOS, sapinhoá, TUPI AND MERO DEVELOPMENT AREA**

Dear Sirs,

1. [ ] We propose as a **Written Bid** for the aforementioned **Lot**, a **Premium** differential of BRL [●] ([full amount in words]) over the corresponding **Reference Price** as provided for in the **Notice**.

2. [ ] We express this Bidder's lack of interest in submitting a proposal under the provisions of item 1 (Premium for the period of [*complete with XX*] months), for the aforementioned **Lot**.

3. We hereby expressly declare that:

* This **Written Bid** is valid for 40 (forty) days;
* We fully agree without any restriction whatsoever to the contracting terms and conditions set out in the **Notice**;
* We hereby confirm that we are fully aware of the auctioned area and its inherent conditions;
* We assume from now on full responsibility for the **PPSA** rules and other applicable legal acts; and
* We undertake to fully comply with all obligations and requirements contained in the **Notice**.

Yours faithfully,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[**Bidder**]

[Legal representative(s)]

***Mark item 1 or 2 as per the Bidder’s intention****.*

***The Bidder must complete the contract term field upon submission of the bid, 1st Phase or 2nd Phase.***

[place], [month] [day] [year]

LOT 3 – **TUPI**

TERM: [ ] 60 (SIXTY) MONTHS OR [ ] 36 (THIRTY-SIX) MONTHS

TO **PPSA**

**RE.: AUCTION NOTICE LE.PPSA.001/2021 – AUCTION FOR SALE OF FEDERAL UNION OIL EXTRACTED FROM THE FIELDS OF BÚZIOS, sapinhoá, TUPI AND MERO DEVELOPMENT AREA**

Dear Sirs,

1. [ ] We propose as a **Written Bid** for the aforementioned **Lot**, a **Premium** differential of BRL [●] ([full amount in words]) over the corresponding **Reference Price** as provided for in the **Notice**.

2. [ ] We express this Bidder's lack of interest in submitting a proposal under the provisions of item 1 (Premium for the period of [*complete with XX*] months), for the aforementioned **Lot**.

3. We hereby expressly declare that:

* This **Written Bid** is valid for 40 (forty) days;
* We fully agree without any restriction whatsoever to the contracting terms and conditions set out in the **Notice**;
* We hereby confirm that we are fully aware of the auctioned area and its inherent conditions;
* We assume from now on full responsibility for the **PPSA** rules and other applicable legal acts; and
* We undertake to fully comply with all obligations and requirements contained in the **Notice**.

Yours faithfully,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[**Bidder**]

[Legal representative(s)]

***Mark item 1 or 2 as per the Bidder’s intention****.*

***The Bidder must complete the contract term field upon submission of the bid, 1st Phase or 2nd Phase.***

[place], [month] [day] [year]

LOT 4 – **MERO DEVELOPMENT AREA**

TERM: [ ] 36 (THIRTY-SIX) MONTHS OR [ ] 24 (TWENTY-FOUR) MONTHS

**TO PPSA**

**RE.: AUCTION NOTICE LE.PPSA.001/2021 – AUCTION FOR SALE OF FEDERAL UNION OIL EXTRACTED FROM THE FIELDS OF BÚZIOS, sapinhoá, TUPI AND MERO DEVELOPMENT AREA**

Dear Sirs,

1. [ ] We propose as a **Written Bid** for the aforementioned **Lot**, a **Premium** differential of BRL [●] ([full amount in words]) over the corresponding **Reference Price** as provided for in the **Notice**.

2. [ ] We express this Bidder's lack of interest in submitting a proposal under the provisions of item 1 (Premium for the period of [*complete with XX*] months), for the aforementioned **Lot**.

3. We hereby expressly declare that:

* This **Written Bid** is valid for 40 (forty) days;
* We fully agree without any restriction whatsoever to the contracting terms and conditions set out in the **Notice**;
* We hereby confirm that we are fully aware of the auctioned area and its inherent conditions;
* We assume from now on full responsibility for the **PPSA** rules and other applicable legal acts; and
* We undertake to fully comply with all obligations and requirements contained in the **Notice**.

Yours faithfully,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[**Bidder**]

[Legal representative(s)]

Annex 3 – Qualification Documents

1. Certificates that do not state their validity period shall only be accepted if issued up to 120 (one hundred and twenty) days before the **Date of Receipt of Volumes**.
2. Certificates obtained electronically that contain digital authentication will be considered valid. Electronic certificates that do not contain digital authentication will be considered valid as long as they are issued on the official website of the competent body.
3. The Bidder’s Technical Qualification must be demonstrated pursuant to item 4.7.7 of the **Notice**.
4. Each Consortium Member must individually meet the requirements for economic and financial qualification, except as regards the net worth rule whereas proof shall be provided by the sum of the shareholders net worth for each Consortium Member in proportion to their respective participation in the Consortium.

**BIDDERS IN GENERAL**

|  |  |  |  |
| --- | --- | --- | --- |
| **ITEM 1**  **LEGAL QUALIFICATION** | **ITEM 2**  **ECONOMIC-FINANCIAL QUALIFICATION** | **ITEM 3**  **TAX REGULARITY** | **ITEM 4**  **TECHNICAL QUALIFICATION** |
| Corporate Bylaws or any Contract in force whose purpose contains the possibility of trading Oil.  Item 1a. | Audited Financial Statements for the immediately preceding fiscal year, required and presented by law, proving that the **Bidder** has a a net worth in excess of BRL75 million.  Item 2a. |  | **For individual bidders:**  4.a. Brazilian Oil and Natural Gas producing and exporting companies having participation in any field or area of this auction, to be proved by means of the indication of ANP web site page (link); or  Being a Brazilian Oil and Natural Gas producing and exporting companies and member of consortium holding contracts for the exploration and production in the Brazilian pre salt basin, not having participation in any field or area of this auction, to be proved by means of the indication of ANP web site page (link), per stated in item 4.b.: or  Being a Brazilian Oil refining company capable of proving to have processed more than 100 (one hundred) thousand barrels per day average in the last 06 (six) months before the auction date and be capable of proving the logistical requirements, stated in item 4.c.  . |
| 4.b Demonstrate the technical and operational capability to load Federal Union Crude Oil onto Dynamic Positioning Shuttle Tanker (“DPST”) authorized to operate at FPSO's in the Campos or Santos basins, as per items I or IV and II or III below:  I. Demonstration of ownership or control of a DPST vessel through a certificate of registration or charter contract valid for at least 02 (two) years after the auction public session;  II. Demonstration that the company regularly operates with DPST in the Campos or Santos basins, proven by means of an independent inspection certificate, or ship approval certificate issued by the FPSO operator, operating for a maximum of 02 (two) months prior to auction public session;  III. Declaration of an FPSO operator that has been lifted by a DPST vessel in the Campos or Santos basins, stating that the company performed lifting with a DPST vessel under its control in the last two (2) months prior to the auction public session.  IV. Contract for the supply of logistical service valid for at least 02 (two) years after the date of the auction public session, with a company that demonstrates that it meets the conditions set out in the first 3 (three) items.  **For Consortium bidders:**  4.c The Consortium must prove to be capable of loading onto FPSOs using DPST ships, as per item 4.b.  I. It is not necessary to prove the logistical requirement (4.b) if the consortium includes a Brazilian Oil producing and exporting company having participation in any Field or area from this auction.  II. Consortium that includes a Brazilian Oil producing and exporting company not having participation in any field or area from this auction must prove 4.b.  III. A consortium with a Brazilian refining company must prove that the refinery processed at least 100 (one hundred) thousand barrels per day, in the six months prior to the auction.  IV. Consortium with a logistics company must demonstrate item 4.b. except for the case described in item 4.c.I. above. |
| Proof of the administrators in office of delivery of a Simplified Certificate to meet this requirement.  Item 1b. |  | Regularity with the Severance Payment Fund (FGTS).  Item 3a. |
| Certificate Issued by the competent Board of Trade or Registry Office with updated information on the company's registration.  Item 1c. |
| Regularity with the Brazilian Inland Revenue Office by producing a joint RFB and PGFN debt certificate .  Item 3b |
|  |

Annex 4 - Glossary

For the purposes of this **Notice**, whether used in its singular or plural form, and without prejudice to other definitions established herein, the definitions contained in Laws No. 9,478/1997, 12,303/2010 and 12,351/2010 and their respective expressions also apply:

1. **ANP:** The Brazilian National Agency of Petroleum, Natural Gas and Biofuels headquartered in the city of Rio de Janeiro at Av. Rio Branco, 65 / 22º andar – Rio de Janeiro State.
2. **Auction**: A procedure prescribed by Article 4, item II, subitem "a" of Law No. 12,304/2010, amended by Provisional Measure No. 811 of December 21, 2017 as being eligible for direct commercialization of Crude Oil, Natural Gas and other fluid hydrocarbons owned by the Federal Union, which involves purchase and regular survey of relevant cargoes.
3. **B3**: B3 S.A. - Brasil, Bolsa, Balcão, the Brazilian Stock Exchange, headquartered in the city of São Paulo at Praça Antônio Prado, nº 48 - São Paulo State.
4. **Bidder**: Any legal entity, investment fund, pension fund, or **Consortium** participating in an **Auction**.
5. **Committee**: A representative group set up by **PPSA** responsible for examining and evaluating all documents and conducting procedures related to the **Auction**.
6. **Consortium**: A group of companies jointly responsible for the fulfillment of the obligations arising from this Auction and bound by the **Commitment to Consortium Constitution.**
7. **Contract:** The contract to be entered into between the **Federal Union**, which is represented by **PPSA**, and the **Bidder** and that will be governed by the laws in force in the Federative Republic of Brazil.
8. **Contractual Term**: The 24-, 36- or 60-month timeframe counted from the Contract date of signature.
9. **Discount:** Value in R$/m3 smaller than R$0.00$/m3.
10. **Federal Union**: A legal entity governed by public law that represents the interests of the Federative Republic of Brazil and is represented by **PPSA** within the scope of the **Auction**.
11. **Fields**:Oil producing areas named under the scope of this **Notice** as Búzios, Sapinhoá and Tupi.
12. **IBGE:** TheBrazilian Institute of Geography and Statistics headquartered in the city of Rio de Janeiro at Avenida Franklin Roosevelt, nº 166 – Rio de Janeiro State.
13. **ICC**: International Chamber of Commerce.
14. **IPCA:** Extended Consumer Price Index published by **IBGE.**
15. **Lot**: Refers to the **Fields** of Búzios, Sapinhoá, Tupi and the **Mero Development Area.**
16. **Mero Development Area**: The area for which there has not yet been definitive approval for Development Plans and which will be auctioned under the Libra Sharing Agreement.
17. **MME**: The Brazilian Ministry of Mines and Energy headquartered at Esplanada dos Ministérios - Brasília, Distrito Federal, Brazil.
18. **Notice**: The formal administrative procedure for contracting services or purchasing products by direct or indirect Public Administration bodies.
19. **PPSA**: Refers to Empresa Brasileira de Administração de Petróleo e Gás Natural - Pré-Sal Petróleo S.A. headquartered in Brasília, Setor Bancário Sul Quadra 02 Bloco E, Edifício Prime 206/14º andar with Head Office in the city of Rio de Janeiro, Avenida Rio Branco , 1 – 4º andar – Centro - Rio de Janeiro State.
20. **Premium:** Value in R$/m3 to two decimal places greater than or equal to R$0.00$/m3.
21. **Public Auction Session**: A public session for scoring bid prices as provided for in the **Bidding Schedule** to open **Volume 2**, which contains the **Written Bid** submitted by **Bidders**.
22. **Qualification Documents**: A set of documents listed in the **Notice** to be mandatorily submitted by **Bidders** as proof of their legal qualification, tax and labor good standing, technical capacity and economic-financial qualification.
23. **Reference Price**: Price per volume unit expressed in Brazilian currency (R$ or BRL) for Crude Oil, Natural Gas or condensate produced in each Field to be determined by ANP in accordance with the provisions in clauses 8 and 9 of Decree No. 2,705/1998.
24. **Schedule:** A timetable containing the dates the **Auction** phases will be held.
25. **Volume 1**: **Volume** **of** **Qualification Documents** and **Documents Applicable to Consortiums and Foreign Companies**.
26. **Volume 2**: **Volume** of the **Written Bid**.
27. **Volume Receipt Date:** The date established in the **Schedule** when the **Volumes** related to the **Bidders**’ participation in the **Auction** must be delivered at **B3**.
28. **Volume**: Set of documents.
29. **Website**: [www.presalpetroleo.gov.br](http://www.presalpetroleo.gov.br)
30. **Written Bid**: The **Premium** differential to be offered at **Auction** related to the **Lot Reference Price** quoted by **Bidders** at **Auction**.

Annex 5 - Instrument of Ratification for the Winning Bid

[place], [month] [day] [year]

To

**PPSA - Pré-Sal Petróleo S.A – Empresa Brasileira de Administração de Petróleo e Gás Natural**

**Re.: AUCTION Notice LE.PPSA.001/2021 – Letter of Ratification for the Winning Bid**

Dear Sirs,

The **Bidder** [●], registered with the Corporate Taxpayer Register of the Ministry of Finance (CNPJ/MF) under No. [●], headquartered at [●], for the purposes of the provisions of the **Notice** hereby ratifies the **Winning Bid** presented under the Auction irrevocably and irreversibly proposing as **Premium/Discount** on the **Reference Price** the amount of BRL [●] ([●] Brazilian Reals), valid until the signing of the **Contract** in accordance with the terms and conditions contained in the **Notice**.

1. We hereby expressly declare that:
   1. We fully agree without any restriction whatsoever to the contracting terms and conditions set out in the **Notice**;
   2. We hereby confirm that we are fully aware of the contract terms and conditions; and
   3. We undertake to fully comply with all obligations and requirements contained in the **Notice**.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
[Bidder’s Corporate Name]  
[Legal Representative(s)]

**Annex 6 – Expenses Directly Related to Commercialization**

* 1. The following expenses shall be considered as Expenses Directly Related to Commercialization pursuant to item II of § 3 of article 4 of Law No. 12,304/2010 and § 2 of article 3 of the Commercialization Policy established by CNPE Resolution No. 15/2018:

1. Expenses related to the independent inspector;
2. Transshipment at destination;
3. Costs related to chartering vessels for long-haul transportation of Oil Allocated

for the Federal Union;

1. Costs related to the storage of Oil Allocated for the Federal Union in earth

tanks in Brazil or abroad;

1. Expenses with oversight of unloading operations;
2. Costs related to the provision of floating tank services;
3. Costs related to the storage of Oil Allocated for the Federal Union in

earth tanks in Brazil or abroad;

1. Taxes levied on the Cargo;
2. Demurrage costs;
3. Payment of Claims accepted by PPSA:
4. Regarding costs directly related to the preparation of the Claim;
5. Buyer's volumetric losses;
6. Buyer’s quality losses;
7. Demurrage.
8. Fees and parafiscal contributions due under this Contract;
9. Costs related to arbitration, lawsuit, court or out-of-court settlement and fees;
10. Legal and expert costs;
11. Costs arising from legal liability by PPSA or by the Federal Union;
12. Costs arising from the Lifting Agreement;
13. Costs related to the hiring of agents for the operationalization of exports of

Oil Allocated for the Federal Union and experts appointed by the

Brazilian Internal Revenue Service;

1. Tax burden under the Federal Union’s responsibility;
2. Expenses with contracted services related to the analysis of Claims against

the Federal Union or Claims by the Federal Union (presented

by PPSA as its representative) against the Purchaser or the Production

Operator, including:

1. Independent inspector;
   1. Laboratory analyses prior to submitting the Buyer's Claims to the Production Operator;
   2. Laboratory analyses contracted jointly with the Production Operator for re-analysis of samples;
   3. Analysis of Demurrage of Relief Vessel; and
   4. Analysis of the Production Operator's Complaint in the event of delay in leaving the loading berth.
2. Expenses with storage, handling and transportation of samples; and
3. Costs related to chartering Relief Vessels or alternative means that may replace them for the relief of Oil Allocated for the Federal Union of FPSOs, including Demurrage.

Annex 7 – Estimated Sale Volumes

The table below shows the estimated accumulated volumes of the Union's production, by Lot and Contract Term, based on a contract starting in January 2022.

This is the best estimate available and does not represent a firm offer, but an indication of volume, as production can vary for different reasons. Changes will be informed throughout the contractual period, as per clause 3 of the Agreement.



(\*) The minimum cargo size is 500,000 barrels. Thus, the production volume does not correspond to the contractual volume, being an approximate value, as stated in clause 3.

(\*\*) At the time of signing the Contract, there will be accumulated production in the FPSOs, which is more relevant in the case of Tupi Area. On August 23, 2021, the 7 (seven) FPSOs in Tupi had a total of 290 thousand m³ in stock. This volume must be added to the forecasted accumulated volume showed in the table above.

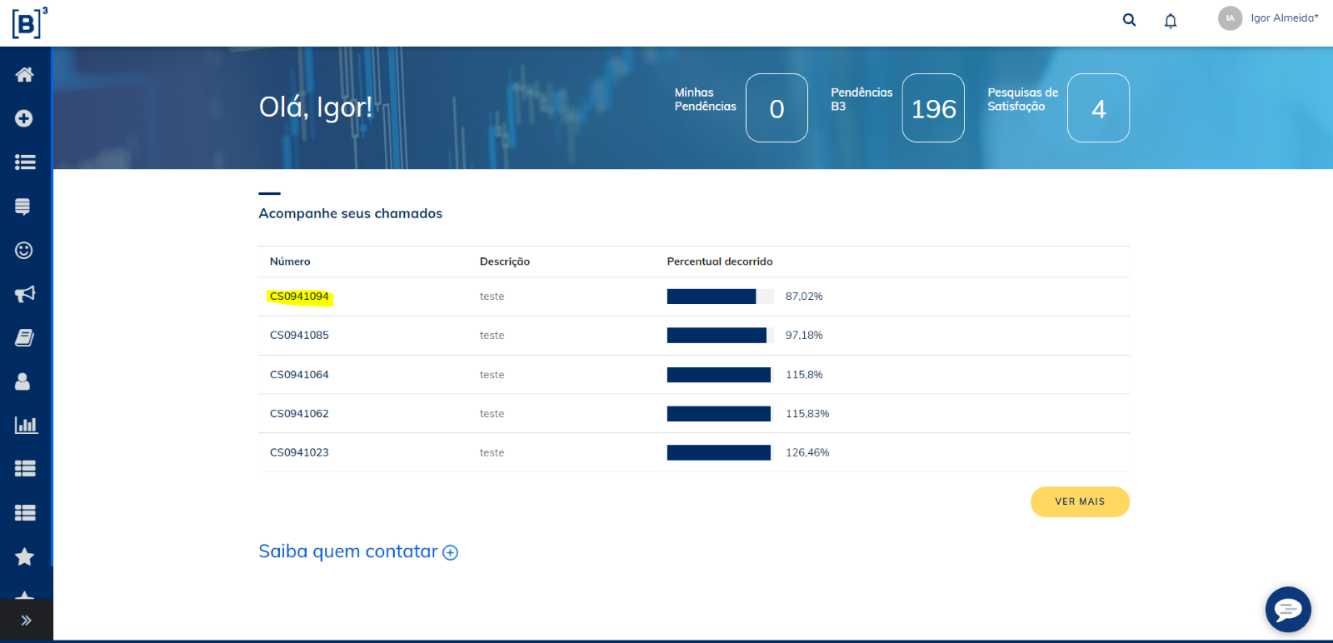
The table below shows the best estimate of the Union's annual production, not constituting a firm offer. The values will be periodically reviewed as per clause 3 of the Agreement. As noted above, in the case of Tupi Area there is relevant production accumulated in the 07 (seven) FPSOs in the field.

Tabela

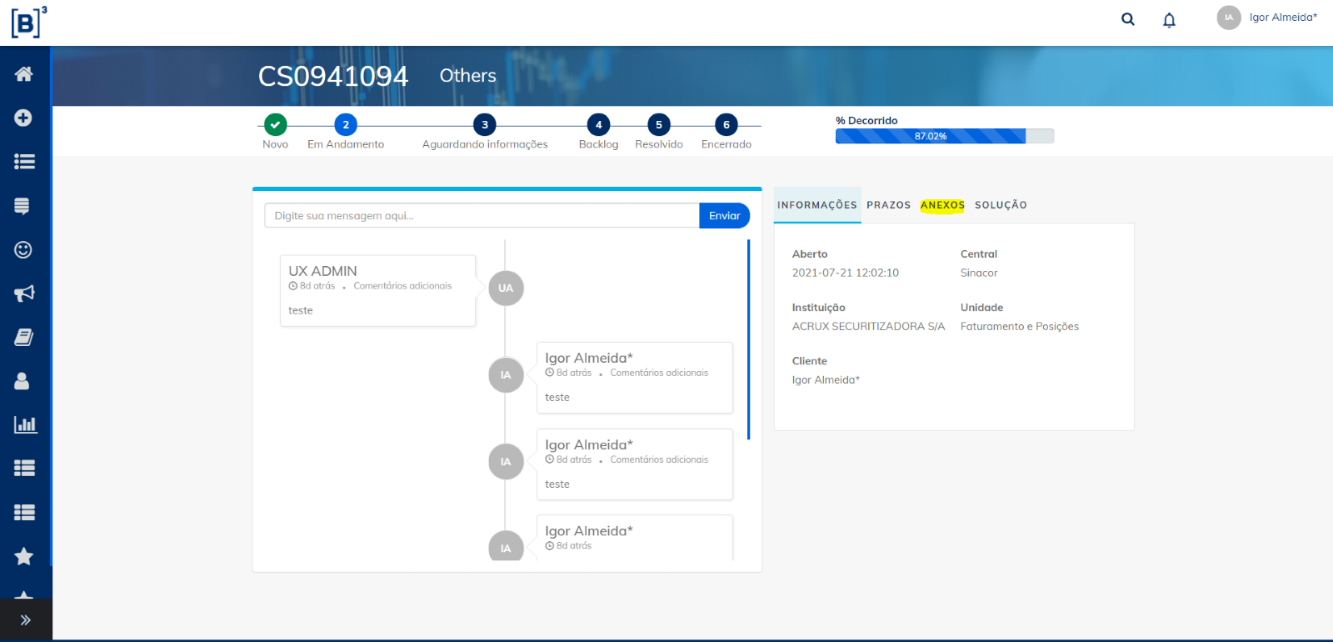
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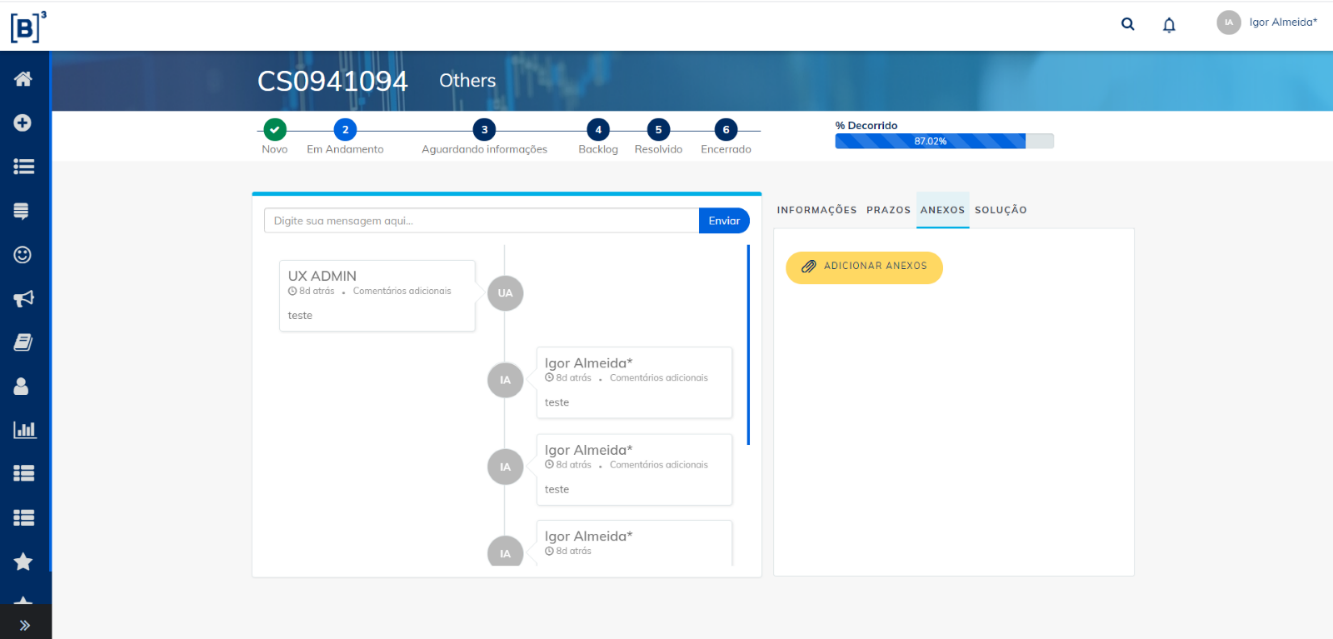
Annex 8 – Instructions for Electronic Provision

1. The delivery of documents by electronic means can only be carried out for the purpose of provision of Volume 1 - Volume of Qualification Documents and Documents Applicable to Consortiums.
2. The upload of Volume 2 - Economic Proposal is expressly forbidden when sending documents via electronic means under penalty of disqualification.
3. Delivery of documents by electronic means will be carried out exclusively through the website <https://atendimento.b3.com.br/atendeb3> (“Atende B3”). 3.
4. The Bidder must request B3 via the email leiloes@b3.com.br to create a username to log in to the Atende B3 platform.
   1. In their request for a username, the user must inform their full name and provide a corporate email.
5. Once a login is created, the user must access the platform and select the designated ticket to upload the documents. The ticket number will be informed together with the access confirmation.



1. After accessing the ticket, the user must access the Attachments tab and upload the documents.





1. Only PDF documents will be accepted, pursuant to item 5.5 of the Notice with a maximum size of 200mb.
2. After uploading the documents on the Atende B3 platform, the user will receive in the email linked to their login an e-mail sent by atendeb3@b3.com.br containing the ticket number.
   1. The Bidder must send an e-mail to leiloes@b3.com.br informing that their provision has been carried out and their respective ticket number, so that their provision can be validated and reported to the Committee.
3. The provision will be informed to the Committee, who will examine the documents and publish the result of their analysis in accordance with the Schedule.