

**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 document in Portuguese, the original document in Portuguese shall prevail over this translation.

BASIC PROJECT

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1. BASIC PROJECT

The purpose of this Basic Project is to present the technical requirements and the minimum requirements for carrying out the bidding process for the engagement of Trading Agent for Federal Union Crude Oil, acting through a specific business model called CONDITIONAL SALE, as per the terms of this instrument. The Crude Oil to be traded consists of the portion of the Federal Union from the Unitized Area of Tupi.

2. INTRODUCTION

2.1. Brief history of Pré-Sal Petróleo S.A. (PPSA)

- 2.1.1. Law 12,304/2010 authorized the Executive Branch to create Empresa Brasileira de Administração de Petróleo e Gás Natural S.A. - Pré-Sal Petróleo S.A. (PPSA), having as one of its purposes the management of agreements for the sale of Oil, Natural Gas and other fluid hydrocarbons of the Federal Union, according to the head provision of Article 2 of said Law.
- 2.1.2. Pursuant to Law 12,304/2010, PPSA is responsible for performing all the acts necessary for the management of agreements for the sale of Crude Oil, in particular: entering into agreements with trading agents, representing the Federal Union; complying with and ensuring that the Trading Agents comply with the Federal Union Oil and Natural Gas Trading Policy; and monitoring and auditing the operations, costs and sales prices of Oil, Natural Gas and other fluid hydrocarbons.
- 2.1.3. Additionally, the Resolution of the National Council for Energy Policy (CNPE) No. 15/2018, published in the Federal Official Gazette on November 7, 2018, reproduced in Exhibit I of this Basic Project, established the Trading Policy, setting the guidelines to be followed.
- 2.1.4. The Federal Union, represented by PPSA, is part of the Tupi Production Unitization Agreement (AIP), being entitled to the original acquisition of ownership of a portion of the Crude Oil produced in the Tupi Unitized Area; and
- 2.1.5. §1 of Article 5 of the PPSA's Bylaws, approved at the Special Shareholders' Agreement (AGE) of March 6, 2020 defines, among other purposes, the maximization of the economic result of the trading of Oil, Natural Gas and other fluid hydrocarbons of the Federal Union.

3. DEFINITIONS

3.1. For the purposes of this Basic Project, the following definitions of the Applicable Law apply:

- i) Law No. 9,478/1997:
Field, Natural Gas, Oil
- ii) Decree No. 2,705/1998:
Reference Price

- iii) Law No. 12,351/2010:
Production Individualization, Production Sharing
- iv) Production Sharing Agreements entered into in Brazil:
Production Unitization Agreement, Applicable Law
- v) ANP Resolution No. 25/2013:
Shared Deposit

3.2. In addition to these, the following terms are defined:

"Basic Sediments and Water" or "BS&W": sediments and water suspended in Crude Oil.

"Business day": Day when the banks of the city of Rio de Janeiro (Brazil) are open for business.

"Buyer": final buyer of the Federal Union Crude Oil, with which the Trading Agent or company from the same Economic Group will enter into a Crude Oil sales agreement.

"Cargo": specified amount of Federal Union Crude Oil to be traded by the Trading Agent, according to the Final Lifting Schedule.

"Claim": Claim by one of the Parties for compensation for losses or costs arising from Demurrage, quantity or quality of Oil.

"Consortium Member": any member of the Tupi Unitized Area consortium.

"Dated Brent" means the value of the Brent dated as published in Platts Crude Oil Marketwire

"Day": calendar day, unless specifically defined otherwise in the body of the agreement.

"Default in Loading": the Selling Agent will be considered in Default in Loading when, with the risk of loss of production, PPSA needs to interact with the Production Operator to charter another Lifting Vessel, put the Cargo into storage, divert the Cargo to another Consortium Member, perform an exchange of VPRs or sell the Cargo without the intervention of the Trading Agent, even if there is no loss of production.

"Demurrage": penalty paid to the owner when the contractually agreed laytime is exceeded.

"DPST": Dynamic Positioning Shuttle Tanker.

"Economic Group": in relation to the Trading Agent, its parent companies, subsidiaries, and companies under common control.

"Estimated Time of Arrival" or "ETA": estimated date and time of arrival (local time) of the Shuttle Tanker to the specific FPSO location designated for the transshipment of liquid hydrocarbons under the respective FPSO Regulation.

"Expenses Directly Related to Trading": expenses that can be deducted from the revenue referred to in item III of the head provision of article 49 of Law No. 12,351/2010, listed in item 14.

“Federal Union Crude Oil”: portion of the Crude Oil produced under the Production Sharing Agreement or Production Unitization Agreement that is intended to the Federal Union, under the terms of the aforementioned instruments.

“Federal Union Payment Form” or “GRU”: standardized payment form, for the payment of amounts to the Treasury Single Account.

“Final Lifting Schedule”: final shipment schedule on the FPSO, issued by the Production Operator, containing the date and volume to be loaded.

“FOB FPSO”: FOB sale modality loading at the FPSO.

“FOB Transshipment”: FOB sale modality with loading from the transshipment.

“FPSO CAR”: FPSO Cidade de Angra dos Reis.

“FPSO Regulation” or “Terminal Loading Manual”: set of rules and procedures related to the operation of the FPSO(s), which sets the terms and conditions for the use of facilities and the provision of services specified therein.

“FPSO”: Floating Production Storage and Offloading Unit, a floating platform for production, storage and offloading, with all the facilities and services necessary to collect, process, measure, store and transfer liquid hydrocarbons to a Shuttle Tanker.

“Free on Board” or “FOB”: meaning attributed by INCOTERMS 2010.

“Government Procurement”: bidding procedure carried out by PPSA to engage the Trading Agent.

“Gross Standard Volume” or “GSV”: total volume of liquid hydrocarbons, BS&W, excluding free water, at standard pressure of one atmosphere, adjusted at standard temperature of 60 °F (sixty degrees Fahrenheit) when measured in Barrels, or 20 °C (twenty degrees Celsius) when measured in Cubic Meters.

“Insurance, Independent Inspection and Price Hedge” or “SIP”: sum of the costs with insurance, independent inspection, unloading supervision and price hedge of the Cargo, in USD/Barrel, under this Basic Project.

“Laytime”: period agreed upon under the agreement to carry out the entire loading.

“Lifting Agreement”: an agreement to make production available specific to each FPSO.

“Lifting and Transshipment Cost” or “CAT”: costs with lifting on the FPSO and transshipment to the long-haul vessel.

“Loaded Volume”: volume loaded on the DPST and measured according to item 20.6.

“Loading Month” or “M”: month in which the loading hose is disconnected on the FPSO.

“Long Haul Freight”: unit cost, in US dollars per barrel, resulting from the ratio between the total cost of the round trip and the total transported cargo.

“Net Standard Volume” or “NSV”: total volume of liquid hydrocarbons, excluding BS&W and free water, at standard pressure of one atmosphere, adjusted at standard temperature of 60 °F (sixty

degrees Fahrenheit) when measured in Barrels, or 20 °C (twenty degrees Celsius) when measured in Cubic Meters.

“Notice of Readiness” or “NOR”: communication given by the Shuttle Tanker, upon its arrival at the specific place designated for the transfer of liquid hydrocarbons under the terms of the FPSO Regulation, that it is ready and able, in all aspects, to start docking and loading a Cargo.

“Price FOB FPSO in BRL/m³”: unit price FOB FPSO in BRL/m³, calculated using the FOB net back formula, after the application of the performance premium.

“Price FOB FPSO in USD/Barrel”: unit price FOB FPSO in USD/Barrel, calculated using the FOB net back formula, after the application of the performance premium.

“Price FOB FPSO without Premium”: unit price FOB FPSO in USD/Barrel, calculated using the FOB net back formula, before applying the performance premium.

“Production Operator”: leading company of the consortium and operator of the Field that produces Federal Union Crude Oil under the Production Sharing Agreement or Production Unitization Agreement.

“Quality Certificate”: document issued by the independent inspector hired by the Trading Agent with the official quality of the Oil delivered to the Shuttle Tanker.

“Quantity Certificate”: document issued by the independent inspector hired by the Trading Agent, with the official quantity of Oil delivered to the Shuttle Tanker.

“SELIC”: adjusted average rate of daily financing calculated in the Special Settlement and Custody System for federal securities.

“Shuttle Tanker”: any vessel equipped with a dynamic positioning system (DPST) and Bow Loading System (BLS), in accordance with Exhibit II - Basic requirements for dynamic positioning shuttle tankers or, when requested by any Party and approved by PPSA, any other vessel with a floating system equipped with equivalent dynamic positioning (class notation DP-2) and loading system capable to operate in tandem (DPST vessel positioned with the bow aligned with the FPSO).

“Standard Cargo”: Cargo with a volume between an upper limit of one hundred and sixty thousand (160,000) m³ and a lower limit of eighty thousand (80,000) m³.

“Standards”: most current version of the standards American Petroleum Institute (API) and/or American Society for Testing and Materials (ASTM) in effect on the date of shipment, with the standards Institute of Crude Oil (IP) and International Organization for Standardization (ISO) used as supplementary rules, where applicable.

“Supporting Documentation”: documentation necessary to demonstrate the calculation of the sale price of Federal Union Crude Oil by the Trading Agent.

“Total Calculated Volume” or “TCV”: volume defined as GSV plus free water.

“Trading Agent” or “AC”: company to be hired for trading of Federal Union Crude Oil from the Unitized Area of Tupi.

“Trading Agent’s Fee” or “RAC”: Trading Agent’s fee under this Basic Project.

“Trading”: for the purposes of this Basic Project, Oil trading activity and freight.

Unitization

“Trading Policy”: policy for the trading of Crude Oil and Natural Gas of the Federal Union, as defined by the National Council for Energy Policy, in accordance with article 9 of Law No. 12,351/2010, and embodied in CNPE Resolution No. 15/2018 (Exhibit I).

“Treasury Single Account”: a mechanism that allows the online movement of funds from the agencies and entities linked to the Integrated Financial Administration System (SIAFI) in a unified account.

“Tupi Unitized Area”: surface projection of the Shared Deposit addressed under the Shared Deposit Production Unitization Agreement among the BM-S-11 Concession Agreement, the Onerous Assignment Agreement, and the Tupi Leste Area.

“Units of Measure”: quantity of liquid hydrocarbons expressed, as applicable, in:

(i) **“Barrel”**: quantity equivalent to 0.158980 m³ (one hundred and fifty-eight thousand, nine hundred and eighty millionths of Cubic Meter), adjusted at a temperature of 60 °F (sixty degrees Fahrenheit), according to the Standards and rules of National Agency of Petroleum, Natural Gas and Biofuels (ANP) in force on the date of shipment, at absolute pressure of 0.101325 MPa (one hundred and one thousand, three hundred and twenty-five millionths of Megapascal);

(ii) **“Cubic Meter”** or **“m3”**: quantity equivalent to 1,000 L (one thousand liters) adjusted at a temperature of 20 °C (twenty degrees Celsius), in accordance with the Standards and ANP rules in force on the date of shipment, at absolute pressure of 0.101325 MPa (one hundred and one thousand, three hundred and twenty-five millionths of Megapascal);

(iii) **“Metric Ton”**: quantity equivalent to 1,000 kg (one thousand kilograms), according to the metric measurement system.

“Vessel Experience Factor” or **“VEF”**: a factor that aims at correcting the measurement of onboard quantity due to uncertainties in its tonnage table. It is a compilation of the vessel's TCV measurement history, adjusted for the onboard quantity before loading (On Board Quantity - OBQ), compared with TCV measurements onshore or through gauged flow meters. The VEF shall be calculated according to standard API Manual of Petroleum Measurement Standards (MPMS) 17.9.

“Vessel Presentation Range” or **“VPR”**: period of two (2) consecutive days during which the Shuttle Tanker must issue the NOR.

“Vetting”: process of approval of Shuttle Tankers.

“Waiting Area”: area designated by the FPSO Operator, for the Shuttle Tanker to wait for mooring and/or after loading.

3.3. Rules of Interpretation:

- i. Unless otherwise stated, any reference to items or Exhibits will be considered a reference to the items or Exhibits of this Basic Project.
- ii. The titles used in this Basic Project are inserted for convenience only and should not influence the interpretation of their provisions.
- iii. Unless the context requires otherwise, the singular will be considered to include the plural and vice versa.
- iv. The term "including" or its variations will mean including, without limiting the generality of the description that precedes such term.

4. ASSUMPTIONS CONSIDERED

- 4.1. The Trading Policy to be used for the purposes of the bidding process and contracting will be the one in force on the date of publication of the Invitation to Bid.
- 4.2. This Basic Project covers only Federal Union Crude Oil of the Unitized Area of Tupi, in its several FPSO's.
- 4.3. The activities of the Trading Agent include the sale of Crude Oil to a Buyer and all operations provided for in this Basic Project, such as:
- i. identification of the Buyer;
 - ii. sale of Federal Union Crude Oil;
 - iii. FPSO lifting operation;
 - iv. transport to the transshipment point or delivery by cabotage;
 - v. long haul transportation;
 - vi. insurance;
 - vii. nomination of independent inspection; and
 - viii. oil price hedge.

5. RATIONALE

- 5.1. The Federal Union has production in the Unitized Area of Tupi to be loaded on the FPSO's installed in the Field, which are currently seven (7), which must be marketed in accordance with current legislation. In this regard, PPSA intends to engage a Trading Agent to sell this portion of Federal Union Crude Oil, under the terms of this Basic Project.

6. PURPOSE

- 6.1. The purpose of the CONDITIONAL SALE AGREEMENT is the sale of Federal Union Crude Oil from the Unitized Area of Tupi, whose ownership and possession will be transferred to the Trading Agent, in FOB mode, on the loading FPSO, for sale to the Buyer, under the terms and conditions defined herein, and in accordance with the Trading Policy, including:
- 6.2. The object of the contract comprises:
- i. development of trading strategies in the short, medium and long term;
 - ii. submittal to PPSA of Oil market diagnoses; and
 - iii. trading in the national and international market, according to the conditions set forth in the agreement of the Federal Union Crude Oil in the Unitized Area of Tupi, for the purpose of maximizing the Federal Union revenue from Crude Oil sales.

7. CONTRACTUAL TERM

- 7.1. The agreement will have a term of five (5) years, counting from the date of its signature.
- 7.2. All obligations assumed throughout the agreement will remain in force until their fulfillment.

8. BUSINESS MODEL

- 8.1. Under the terms of the Trading Policy, PPSA is the representative of the Federal Union for the purpose of transferring ownership of its Crude Oil.
- 8.2. The title and risk of the Federal Union Crude Oil will be transferred to the Trading Agent at the entry flange of the Shuttle Tanker, together with all the associated risks and responsibilities, for the Trading Agent to market it under the terms set forth in the Applicable Law and this Basic Project.
- 8.3. The delivery of the Federal Union crude oil to the Trading Agent, will be FOB FPSO.
- 8.4. Exceptionally, upon agreement between PPSA and the Trading Agent, Federal Union Crude Oil may be delivered to it under a modality other than FOB FPSO.
- 8.5. The Trading Agent will sell the Cargo to the Buyer in the foreign or domestic market, and may, therefore, use a Trading company from the same Economic Group, in which case it is obliged to make sure that said Trading company fully complies with the terms and conditions of this Basic Project.
- 8.6. The Trading Agent will sell Federal Union Crude Oil, preferably in Combined Cargoes with Tupi or other crude oils or, should it have Crude Oil in the Unitized Area of Tupi, in pooling with its own Crude Oil.
- 8.7. The Trading Agent may refine the Federal Union Crude Oil in its own system.
- 8.8. Cargoes cannot be resold, unless previously and exceptionally authorized by PPSA.
- 8.9. The sale price of Federal Union Crude Oil to the Trading Agent will be calculated according to the FOB net back methodology described in item 12.

9. TRADING AGENT'S FEE (RAC)

- 9.1. As a result of acts of trade performed for the sale of Federal Union Crude Oil, the Trading Agent will be entitled to the Trading Agent's Fee, in USD per Barrel of Crude Oil, calculated as follows:

$$\text{RAC} = \text{RAC}_0 + 0.10 \times (\text{Price FOB FPSO without Premium} - \text{Reference Price in USD/Barrel of the Loading Month})$$

- 9.1.1. In the formula provided for in item 9.1, the following is defined:

- i. RAC_0 : will be USD [•]/Barrel, with two (2) decimal places, fixed throughout the contractual period;
- ii. Reference Price in USD/Barrel of the Loading Month: means the price for the Tupi Field Crude Oil published by ANP, in USD per Barrel, valid for the Loading Month;
- iii. Price FOB FPSO without Premium: is calculated as per item 12; and
- iv. the portion of $0.10 \times (\text{Price FOB FPSO without Premium} - \text{Reference Price in USD/Barrel})$ corresponds to the premium to which the Trading Agent is entitled for maximizing the price.

- 9.2. The RAC_0 value will be that offered by the winning bidder, as described in item 26.

10. LIFTING AND TRANSHIPMENT COST (CAT)

10.1. CAT, in USD dollars per barrel, will be recalculated monthly, using the formula below:

$$CAT = CAT_0 \times (1 - Z\% - Y\%) + CAT_0 \times Z\% \times (Dbk/Dbk_0) + CAT_0 \times Y\% \times (Dmg/Dmg_0)$$

10.1.1. In the formula provided for in item 10.1, the following is defined:

- i. CAT_0 : USD [•]/Barrel;
- ii. $Z\%$: percentage of the bunker in CAT_0 in the amount of [•]%;
- iii. $Y\%$: percentage of the MGO (Marine Gasoil) in CAT_0 in the amount of [•]%;
- iv. Dbk : Bunker climber equal to the monthly average of the month prior to the offloading trip of Bunker Platts Port of Rio de Janeiro (Platts Code PUAVB03) in USD/Metric Ton;
- v. Dbk_0 : monthly average of the month prior to the bidding process of Bunker Platts Port of Rio de Janeiro (Platts Code PUAVB03) in USD/Metric Ton;
- vi. Dmg : MGO climber equal to the monthly average of the month prior to the offloading trip of MGO PLATTS Port of Rio de Janeiro (Platts Code PBABU03) in USD/Metric Ton; and
- vii. Dmg_0 : monthly average of the month prior to the bidding process of MGO PLATTS Port of Rio de Janeiro (Platts Code PBABU03) in USD/Metric Ton.

10.2. The values of CAT_0 , $Z\%$ and $Y\%$ will be offered by the Trading Agent and will be fixed over the contractual period, with two decimal places.

10.3. CAT will have its value determined every month during the contractual period and will be valid for all Barrels raised in the same month, on the different FPSOs, with two decimal places.

10.4. Dbk , Dbk_0 , Dmg and Dmg_0 will be used with the number of decimal places provided by Platts.

11. INSURANCE, INDEPENDENT INSPECTION AND PRICE PROTECTION (SIP)

11.1. In order to meet the costs with Cargo insurance, independent inspection, unloading supervision, and price hedge, the Trading Agent will consider SIP with two (2) decimal houses in the price formulas of item 12.

11.2. When defining the SIP to be offered, the Trading Agent must estimate an average of the costs of inspection, insurance, supervision, and costs with hedge, since the value of the SIP will be unique for the four sales modalities.

12. CALCULATION OF THE PRICE FOR CONDITIONAL SALE OF FEDERAL UNION CRUDE OIL TO TRADING AGENT

12.1. The price FOB FPSO associated to the transfer of ownership of Crude Oil to the Trading Agent will be calculated using net back methodology, in which all costs incurred by the Trading Agent will be deducted from the final sale price to the Buyer, including the Trading

Agent's Fee and the taxes directly falling on the Cargo, as per the formulas presented in this item 12.

12.2. Equalization of term among bids:

12.2.1. In the market, the Trading Agent may identify several bids with different payment terms. The different bids must be equalized and compared using the interest rate defined by the Trading Agent.

12.2.2. The choice of the Buyer of Federal Union Crude Oil must consider the maximization of economic result, with due regard for moderation in the assumption of risks inherent to the trading activity.

12.3. Price hedge and pricing period:

12.3.1. Hedge must be carried out in order to protect the differential estimated at the time of closing between the sale price to the Buyer and the Reference Price of the Loading Month.

12.3.2. The hedge of the Reference Price shall preferably be carried out based on the Dated Brent.

12.3.3. Hedge operations will be reported to PPSA as set forth in item 23.

12.4. Price formulas:

12.4.1. The price formulas provided for in item 12 consider four (4) possibilities of sale to the Buyer, in the following modalities:

- i. delivery to the Buyer with logistics;
- ii. FOB Transshipment;
- iii. FOB FPSO; and
- iv. cabotage delivery.

12.4.2. The Crude Oil unit price after calculated must be rounded to four (4) decimal places. The rounding criteria will be mathematical, that is, (a) if the fifth (5th) decimal place is from zero (0) to four (4), the fourth (4th) place will keep its value; (b) if the fifth (5th) decimal place is from five (5) to nine (9), the fourth (4th) place will have a unit added to its value.

12.4.3. All elements of the price formulas, which are not defined to two decimal places, must be rounded up to 4 (four) decimal places. The rounding criterion will be mathematical, that is, (a) if the 5th (fifth) decimal place is from 0 (zero) to 4 (four), the 4th (fourth) place will keep its value; (b) if the 5th (fifth) decimal place is from 5 (five) to 9 (nine), the 4th (fourth) place will have a unit added to its value.

12.4.4. All prices will be calculated in USD dollars per barrel, and ultimately, they will be converted into reais per Cubic Meter, for payment purposes, as per item 12.11.

12.5. Situation in which the Trading Agent sells Crude Oil to the Buyer in a modality of delivery to the Buyer with logistics

12.5.1. **Calculation formula:**

Price FOB FPSO without Premium = Price to the Buyer - CAT - RAC₀ - SIP - Long Haul Freight - costs with consultation of panel of brokers - losses + price hedge result - additional Cargo costs

12.5.1.1. In the formula provided for in item 12.5.1, the following is defined:

- i. Price to the Buyer: means the unit price billed to the Buyer by the Trading Agent, without taxes;
- ii. CAT: amount calculated according to item 10;
- iii. RAC₀: amount offered in the Bidding Process and according to item 9;
- iv. SIP: amount offered in the Bidding Process and according to item 11;
- v. Long Haul Freight: unit cost, in US dollars per barrel, resulting from the ratio between the total cost of the round trip and the total cargo transported.
The Trading Agent must present the amounts of the charter party referring to fees and Demurrage. In case an owned tanker or a tanker under a Time Charter Party (TCP) is used, the Trading Agent must submit a report from a panel of brokers accepted by PPSA, of the London Tanker Brokers Panel type, with the fees and Demurrage for the tanker and equivalent route, on a date that reflects the period in which the charter was entered into;
- vi. *costs from consultation with the panel of brokers*: costs with consultation divided by the Loaded Volume;
- vii. losses: total loss in percentage multiplied by the price to the Buyer, calculated according to item 12.13;
- viii. price hedge result: positive or negative hedge result, divided by the Loaded Volume; and
- ix. Additional Cargo costs: Costs defined in item 14, and directly related to the Cargo, divided by the Loaded Volume.

12.5.2. Performance premium

12.5.2.1. The Trading Agent is entitled to a premium for maximizing the price obtained, which shall be calculated as follows:

Premium = 0.10 x (Price FOB FPSO without Premium - Reference Price in USD/Barrel of the Loading Month)

12.5.2.2. In cases where the premium is a negative amount, it will be considered by the Parties as equivalent to zero.

12.5.3. Price FOB FPSO in USD/Barrel

12.5.3.1. The Price FOB FPSO in USD/Barrel will be:

Price FOB FPSO in USD/Barrel = Price FOB FPSO without Premium - premium

12.5.4. RAC

12.5.4.1. The total fee of the Trading Agent is represented by:

RAC = RAC₀ + premium

12.5.5. Other costs

12.6.5.1. Other costs, including Demurrage and result of Claims, will not be deducted in the price formula of item 12.5.1, and will be paid by the Federal Union, represented by PPSA.

12.6. Situation in which the Trading Agent sells Crude Oil to the Buyer in a modality FOB Transhipment

12.6.1. Calculation formula:

Price FOB FPSO without Premium = Price to the Buyer - CAT - RAC_0 - SIP - losses + price hedge result - additional Cargo costs

12.6.1.1. In the formula provided for in item 12.6.1, the following is defined:

- i. Price to the Buyer: means the unit price billed to the Buyer by the Trading Agent, without taxes;
- ii. CAT: amount calculated according to item 10;
- iii. RAC_0 : amount offered in the Bidding Process and according to item 9;
- iv. SIP: amount offered in the Bidding Process and according to item 11;
- v. losses: total loss in percentage multiplied by the price to the Buyer, calculated according to item 12.13;
- vi. price hedge result: positive or negative hedge result, divided by the Loaded Volume; and
- vii. Additional Cargo costs: Costs defined in item 14, and directly related to the Cargo, divided by the Loaded Volume.

12.6.2. Performance premium

12.6.2.1. The Trading Agent is entitled to a premium for maximizing the price obtained, which shall be calculated as follows:

Premium = $0.10 \times (\text{Price FOB FPSO without Premium} - \text{Reference Price in USD/Barrel of the Loading Month})$
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12.6.2.2. In cases where the premium is a negative amount, it will be considered by the Parties as equivalent to zero.

12.6.3. Price FOB FPSO in USD/Barrel

12.6.3.1. The Price FOB FPSO in USD/Barrel will be:

Price FOB FPSO in USD/Barrel = Price FOB without Premium - premium

12.6.4. RAC

12.6.4.1. The total fee of the Trading Agent is represented by:

RAC = RAC_0 + premium

12.6.5. Other costs

12.6.5.1. Other costs, including Demurrage and result of Claims, will not be deducted in the price formula of item 12.6.1, and will be paid by the Federal Union, represented by PPSA.

12.7. Situation in which the Trading Agent sells Crude Oil to the Buyer in a modality FOB FPSO

12.7.1. Calculation formula:

Price FOB FPSO without Premium = Price to the Buyer - RAC_0 - SIP - losses - price hedge result - additional Cargo costs

12.7.1.1. In the formula provided for in item 12.7.1, the following is defined:

- i. Price to the Buyer: means the unit price billed to the Buyer by the Trading Agent, without taxes;
- ii. RAC_0 : amount offered in the Bidding Process and according to item 9;
- iii. SIP: amount offered in the Bidding Process and according to item 11;
- iv. losses: total loss in percentage multiplied by the price to the Buyer, calculated according to item 12.13;
- v. price hedge result: positive or negative hedge result, divided by the Loaded Volume; and
- vi. Additional Cargo costs: Costs defined in item 14, and directly related to each Cargo, divided by the Loaded Volume.

12.7.2. Performance premium

12.7.2.1. The Trading Agent is entitled to a premium for maximizing the price obtained, which shall be calculated as follows:

Premium = $0.10 \times (\text{Price FOB FPSO without Premium} - \text{Reference Price in USD/Barrel of the Loading Month})$

12.7.2.2. In cases where the premium is a negative amount, it will be considered by the Parties as equivalent to zero.

12.7.3. Price FOB FPSO in USD/Barrel

12.7.3.1. The Price FOB FPSO in USD/Barrel will be:

Price FOB FPSO in USD/Barrel = Price FOB FPSO without Premium - premium

12.7.4. RAC

12.7.4.1. The total fee of the Trading Agent is:

RAC = RAC_0 + premium

12.7.5. Other costs

12.7.5.1. Other costs, including Demurrage and result of Claims, will not be deducted in the price formula of item 12.7.1, and will be paid by the Federal Union, represented by PPSA.

12.8. Situation in which the Trading Agent sells Crude Oil to the Buyer for cabotage delivery

12.8.1. Calculation formula:

Price FOB FPSO without Premium = Price to the Buyer - RAC₀ - SIP - cabotage freight - losses + price hedge result - additional Cargo costs

12.8.1.1. In the formula provided for in item 12.8.1, the following is defined:

- i. Price to the Buyer: means the unit price billed to the Buyer by the Trading Agent, without taxes;
- ii. cabotage freight: Cabotage freight must be presented via invoice or spreadsheet, considering:
 - a. the total Loaded Volume, in several FPSOs;
 - b. effective consumption;
 - c. the monthly average of Platts prices in the port of Rio de Janeiro for bunker and MGO, in the month prior to the loading; and
 - d. a route from loading into the FPSO to the point of unloading and returning to the FPSO;
- iii. RAC₀: amount offered in the Bidding Process and according to item 9;
- iv. SIP: amount offered in the Bidding Process and according to item 11;
- v. losses: total loss in percentage multiplied by the price to the Buyer, calculated according to item 12.13;
- vi. price hedge result: positive or negative hedge result, divided by the Loaded Volume; and
- vii. Additional Cargo costs: Costs defined in item 14, directly related to each Cargo, divided by the Loaded Volume.

12.8.2. Performance premium

12.8.2.1. The Trading Agent is entitled to a premium for maximizing the price obtained, which shall be calculated as follows:

Premium = 0.10 x (Price FOB FPSO without Premium - Reference Price in USD/Barrel of the Loading Month)

12.8.2.2. In cases where the premium is a negative amount, it will be considered by the Parties as equivalent to zero.

12.8.3. Price FOB FPSO in USD/Barrel

12.8.3.1. The Price FOB FPSO in USD/Barrel will be:

Price FOB in USD/Barrel = Price FOB without Premium - premium

12.8.4. RAC

12.8.4.1. The total fee of the Trading Agent is given by:

RAC = RAC₀ + premium

12.8.5. Other costs

12.8.5.1. Other costs, including Demurrage and result of Claims, will not be deducted in the price formula of item 12.8.1, and will be paid by the Federal Union, represented by PPSA.

12.9. Information for the calculation of the price

- 12.9.1. To verify the price calculation, the Selling Agent must provide the calculation memory, as well as the basic information, demonstrating the values of each element, according to the formulas defined in items 12.5, 12.6, 12.7 and 12.8 above, at least 10 (ten) days before the date of payment by the Buyer or as early as possible.

12.10. Refining by the Trading Agent Economic Group:

- 12.10.1. The four (4) pricing possibilities listed in item 12.4.1 may be adopted if the Trading Agent is interested in refining the Federal Union Crude Oil at a refinery of its Economic Group.
- 12.10.2. In the case of item 12.10.1, the Trading Agent must present the alternatives available on the market, justifying the price it is willing to pay, for PPSA review with twenty-four (24) hours.

12.11. Calculation of the Cargo value for billing purposes:

- 12.11.1. The total value of Cargo in USD will be given by:

$$\text{Total value of Cargo in USD} = [\text{Price FOB FPSO in USD/Barrel}] \times [\text{Loaded Volume in Barrels}]$$

- 12.11.2. The amount to be billed by PPSA and which will appear on the invoice must be in reais, and it is necessary to convert the total value of Cargo in USD to the total value of Cargo in BRL. For that, the value of Cargo in BRL will be given by:

$$\text{Total value of Cargo in BRL with taxes} = \text{Total value of Cargo in USD} \times [\text{exchange rate (BRL/USD)}] \text{ with the inclusion of taxes in accordance with tax legislation.}$$

- 12.11.3. The exchange rate will be the average monthly purchase rate for the Loading Month, published by the Central Bank of Brazil (currency 220).
- 12.11.4. The Price FOB FPSO in BRL/m³ with taxes will be given by:

$$\text{Price FOB FPSO in BRL/m}^3 \text{ with taxes} = \text{Total value of Cargo in BRL with taxes} / \text{Loaded Volume in m}^3$$

12.12. Adjustment of the amount to be paid for Claim or review of the price FOB FPSO

- 12.12.1. The result of the Claims is usually known after the billing of the Cargo, in the same way as any adjustments in the costs adopted in the calculation of the FOB FPSO Price.
- 12.12.2. In view of the above, at the time of payment of the Claim or review of costs, it is necessary to adjust the performance premium and the amount to be paid should be defined as follows.
- 12.12.3. If PPSA owes to the Trading Agent, the amount to be paid for the Claim or cost review will be calculated as follows:

- 12.12.3.1. The performance premium is recalculated:

$$\text{Recalculated Premium} = 0.10 \times (\text{FOB FPSO Price without Premium} - \text{claim amount} - \text{Reference Price in US \$ / Barrel of the Loading Month})$$

The claim amount being equal to the total claim amount divided by the loaded volume.

- 12.12.3.2. The difference between the Recalculated Premium and the Premium is calculated:

$$\text{Delta} = \text{recalculated premium} - \text{premium}$$

Note: in this case, delta will be negative or zero.

- 12.12.3.3. The amount to be paid by PPSA to the Trading Agent will correspond to the [amount of the claim added to the delta] multiplied by the Loaded Volume.

- 12.12.4. If PPSA is the creditor of the Trading Agent, the amount to be received for the Claim or cost review will be calculated as follows:

- 12.12.4.1. The performance premium is recalculated:

$$\text{Recalculated Premium} = 0.10 \times (\text{FOB FPSO Price without Premium} + \text{claim amount} - \text{reference price in US \$ / Barrel of the Loading Month})$$

The claim amount being equal to the total claim amount divided by the Loaded Volume.

- 12.12.4.2. The difference between the Recalculated Premium and the Premium is calculated:

$$\text{Delta} = \text{recalculated premium} - \text{premium}$$

Note: delta will always be positive or zero.

- 12.12.4.3. The amount to be received by the PPSA from the Trading Agent will correspond to the [claim amount minus delta] multiplied by the Loaded Volume.

- 12.12.4.4. The payment due date of the adjusted value will be 30 days after invoicing, whether favorable to the Trading Agent or favorable to PPSA.

12.13. Limits on losses in price formulas:

- 12.13.1. The losses to be considered in PPSA's sales price formulas for the Trading Agent will be the total losses between the volume billed to the Buyer and the Loaded Volume, calculated as follows:

$$\text{Losses \%} = ((\text{Loaded Volume} - \text{volume actually billed to the Buyer}) / \text{Loaded Volume}) \%$$

- 12.13.2. The Trading Agent must file a Claim in case the limits on losses as specified in the transportation, chartering, transshipment and delivery agreements with the Buyer are exceeded.

13. MINIMUM LIMIT OF THE SALE PRICE FOR FEDERAL UNION CRUDE OIL

- 13.1. All information necessary for the management of agreements for the sale of Federal Union Crude Oil will be provided to PPSA by the Trading Agent during the monitoring of the trading process.
- 13.2. Based on the number of potential buyers, in logistics and in the fair value practiced for Crude Oil of similar quality, PPSA may authorize possible sale at a price below the Reference Price for the Tupi Oil Field, pursuant to § 2nd of article 4th of the Trading Policy.
- 13.3. Federal Union Crude Oil shall be sold at a positive price FOB FPSO.
- 13.3.1. In exceptional situations, the Trading Agent shall submit the matter to PPSA for review.

14. EXPENSES DIRECTLY RELATED TO TRADING

- 14.1. The following expenses will be considered Expenses Directly Related to Trading, pursuant to item II of § 2nd of article 4th of Law No. 12,304/2010 and §§ 2nd and 3rd of article 3rd of the Trading Policy:
 - i. expenses with the hiring of independent inspector to measure the quantity and quality of liquid hydrocarbons, and monitor the loading, unloading and transshipment operations;
 - ii. losses in percentage multiplied by the price to the Buyer, calculated according to item 12.13;
 - iii. costs with price and exchange hedge;
 - iv. costs with the engagement of a panel of brokers for freight calculation;
 - v. transshipment at destination;
 - vi. Financial result of price hedge operation, represented by the difference between the sale price and the purchase price of futures or derivatives contracts;
 - vii. amounts related to RAC, CAT and SIP;
 - viii. costs with the engagement of a Brazilian shipping company;
 - ix. costs related to the chartering of vessels for long-haul transportation of Federal Union Crude Oil;
 - x. Cargo insurance costs;
 - xi. expenditures with supervision in unloading operations;
 - xii. costs related to the procurement of floating tanking services in Brazil or abroad;
 - xiii. costs related to the storage of Federal Union Crude Oil in onshore tanks in Brazil or abroad;
 - xiv. taxes levied on the Cargo;
 - xv. Demurrage costs;
 - xvi. expenditures resulting from item 13.3.;
 - xvii. payment of Claims accepted by PPSA:
 - a) referring to costs directly related to the preparation of the Claim;
 - b) volumetric losses of the Trading Agent;
 - c) quality losses of the Trading Agent; and
 - d) Demurrage;
 - xviii. levies and quasi-fiscal contributions due as a result of the agreement;
 - xix. costs related to arbitration, lawsuit, judicial or extrajudicial settlement, and fees;
 - xx. experts' and attorneys' fees;
 - xxi. costs arising from PPSA or Federal Union legal liability;
 - xxii. costs arising from the Lifting Agreement;
 - xxiii. costs related to the hiring of forwarding agents for operationalization of the export of Federal Union Crude Oil and experts appointed by the Receita Federal;
 - xxiv. tax burden under the responsibility of the Federal Union;

- xxv. expenditures with procured services related to the analysis of Claims against the Federal Union, or Claims of the Federal Union (filed by PPSA as representative) against the Trading Agent or Production Operator, including:
 - a) independent inspector;
 - b) laboratory analyses prior to the forwarding of Claims from the Trading Agent to the Production Operator;
 - c) laboratory analyses procured together with the Production Operator for re-analysis of samples;
 - d) analysis of the Shuttle Tanker Demurrage;
 - e) analysis of the Production Operator's Claims in case of delay in leaving the loading berth;
 - xxvi. expenditures with custody, handling and transportation of samples; and
 - xxvii. costs related to the charter of DPST or alternative means that may replace them, for lifting of Federal Union Crude Oil from the FPSOs, including Demurrage.
- 14.2. The expenditures listed in items i to xiv of item 14.1 above are deducted in the formula for calculating the Price FOB FPSO without Premium.
- 14.3. Expenditures listed in items xv to xvii shall be reimbursed by the Federal Union, represented by PPSA, after proper review.
- 14.4. Expenditures listed in items xviii to xxvii are the responsibility of the Federal Union, represented by PPSA, and shall not be paid by the Trading Agent.
- 14.5. Expenses Directly Related to Trading incurred in reais shall be converted into US dollars at the purchase PTAX published by the Central Bank of Brazil (currency 220) as of the date of issuance of the billing document by the service provider to the Trading Agent.

15. SCHEDULING OF CARGOES

- 15.1. Please find below the instructions and deadlines applicable to all FPSOs in the Unitized Area of Tupi, except for FPSO CAR, to which specific rules detailed in item 15.2 apply. Items 15.3, 15.4 and 15.5 are common to all FPSOs.
- 15.1.1. By the third (3rd) Day of the month “m-2”, where “m” is the Loading Month, PPSA will indicate to the Trading Agent an estimation of Cargoes of the Federal Union for the month “m”. The desired VPR and volumes will be indicated by the Trading Agent by the seventh (7th) Day of the month “m-2”.
- 15.1.2. PPSA will inform the Trading Agent, by the eleventh (11th) Day of the month “m-2”, the provisional VPRs and volumes indicated by the Production Operator.
- 15.1.3. The Trading Agent will have until the thirteenth (13th) Day of “m-2” to submit a request for review of this schedule.
- 15.1.4. PPSA must inform the Trading Agent of the VPR and respective volumes by the eighteenth (18th) Day of the month “m-2”.
- 15.1.5. If the Trading Agent is a producer in the Unitized Area of Tupi, he may load Crude Oil from its production in pooling with Federal Union Crude Oil, in which case it shall be the leader of the pooling. The Trading Agent must inform the Production Operator and PPSA of the option for pooling as well as the conditions associated with it by the first (1st) Business Day of the month “m-2”, where “m” is the first (1st) month of effectiveness of the pooling.

- 15.1.6. In case the proposed pooling involves a third company, PPSA must be consulted at least five (5) Days prior to the deadlines set forth in item 15.1.5 for authorization.
- 15.1.7. The Trading Agent may also opt for combined Cargoes, with determination up to the seventh (7th) Day of the month “m-2”, subject to acceptance by the Production Operator.
- 15.2. Please find below the instructions and deadlines applicable solely to FPSO CAR:
- 15.2.1. By the seventh (7th) Day of the month “m-2”, where “m” is the Loading Month, PPSA will indicate to the Trading Agent an estimation of Cargoes of the Federal Union for the month “m”. The desired VPR and volumes will be indicated by the Trading Agent by the eleventh (11th) Day of the month “m-2”.
- 15.2.2. PPSA will inform the Trading Agent, by the fifteenth (15th) Day of the month “m-2”, the provisional VPRs indicated by the Production Operator.
- 15.2.3. The Trading Agent will have until the seventh (7th) Day of “m-1” to submit a request for review of this schedule.
- 15.2.4. PPSA must inform the Trading Agent of the VPR by the tenth (10th) Day of “m-1”.
- 15.2.5. If the Trading Agent is a producer in the Unitized Area of Tupi, he may load Crude Oil from its production in pooling with Federal Union Crude Oil, in which case it shall be the leader of the pooling. The Trading Agent must inform the Production Operator and PPSA of the option for pooling as well as the conditions associated with it by the eleventh (11th) Day of “m-2”, where “m” is the first (1st) month of effectiveness of the pooling.
- 15.2.6. In case the proposed pooling involves a third company, PPSA must be consulted at least five (5) Days prior to the deadlines set forth in item 15.2.5 for authorization.
- 15.2.7. The Trading Agent may also opt for combined Cargoes, with determination up to the eleventh (11th) Day of “m-2”, subject to acceptance by the Production Operator.
- 15.3. Unless mutually agreed between PPSA and the Trading Agent, the minimum volume of each Cargo determined for loading on each FPSO must be 80,000 m³ (eighty thousand cubic meters), and the maximum 160,000 m³ (one hundred and sixty thousand cubic meters). Each Cargo will have a maximum operational tolerance of more or less five percent (5%), according to the option of the Trading Agent, subject to acceptance by the Production Operator.
- 15.4. If the Trading Agent does not participate in the Cargo determination process, as shown above, PPSA will follow the Cargo determination procedures, in order to preserve the interests of the Federal Union, and the Trading Agent undertakes to follow the loading procedures, as planned by the Production Operator.
- 15.5. The Production Operator may, for operational reasons, make changes to the VPRs defined in items 15.1.2, 15.1.4, 15.2.1 and 15.2.4 above. If such changes take place, PPSA will immediately notify the Trading Agent of any change in the VPR made by the Production Operator, and the amended VPR will be considered as the effective VPR for the purposes of this Basic Project, provided that the minimum interval of ten (10) days between the said notification and the first day of the new loading range is respected. If this minimum interval

is not obeyed, the acceptance of the new VPR will be at the discretion of the Trading Agent, who must, however, make the best efforts to arrive within the new VPR informed.

16. REQUIREMENTS AND PROCEDURES FOR NOMINATION OF THE SHUTTLE TANKER

16.1. Shuttle Tanker Requirements

- 16.1.1. The Trading Agent will make sure that the Shuttle Tanker meets the technical requirements and be approved by PPSA, if approved by the Production Operator, pursuant to this item 16.

16.2. Issuance of ETA and NOR

- 16.2.1. The Trading Agent must ensure that:
- i. the captain of the Shuttle Tanker informs the Production Operator of the ETA at the FPSO within seventy-two (72) hours, forty-eight (48) hours, and twenty-four (24) hours before arrival. This notice must be given in accordance with the provisions of the FPSO Regulation.
 - ii. the captain of the Shuttle Tanker notifies the Production Operator in a timely manner of the arrival time, in case it is changed more than three (3) hours after the ETA of twenty-four (24) hours; and
 - iii. the captain of the Shuttle Tanker or maritime agent issues the NOR by email, radio or telephone when the Shuttle Tanker arrives at the Wating Area, and complies with the FPSO Regulation so that it is declared ready for loading.
- 16.2.2. The NOR can be issued at any time of the day or night, to register the arrival of the Shuttle Tanker within the VPR.

16.3. Delivery of Required Documents

- 16.3.1. Upon completion of loading, PPSA must provide the necessary documents under its responsibility, for the departure of the Shuttle Tanker.
- 16.3.2. If the documents are not delivered within three (3) hours after disconnection of the loading hose, and such occurrence restricts the departure of the Shuttle Tanker, the additional time to provide documents must be counted as Laytime or, if the Shuttle Tanker is in Demurrage, it will be counted as Demurrage, unless the delivery of such documents is delayed for events beyond PPSA's control.
- 16.3.3. Notwithstanding the foregoing, the Trading Agent may, at its discretion, allow the departure of the Shuttle Tanker prior to the delivery of the documents under PPSA's responsibility. In this case, these documents must be delivered within one (1) hour after the voyage starts.

16.4. Shuttle Tanker Nomination

- 16.4.1. The Shuttle Tanker must be previously approved by the Production Operator as a qualified Shuttle Tanker in accordance with Exhibit II - Basic Requirements for Dynamically Positioned Shuttle Tankers.

16.5. Obligation to nominate the Shuttle Tanker

16.5.1. Within seventeen (17) days before the start of the VPR, the Trading Agent must nominate one or more qualified Shuttle Tankers to carry out the loading. With respect to each nomination of Shuttle Tanker, the Trading Agent must ensure that the vetting questionnaire in Exhibit III (Vetting Questionnaire for Dynamically Positioned Shuttle Tankers) is duly completed and included in the nomination of the Shuttle Tanker. The Trading Agent must also provide PPSA with other necessary information related to the Shuttle Tanker that is requested. For each Shuttle Tanker nominated, the Trading Agent will ensure that:

- i. all requested information, provided in the vetting questionnaire of Exhibit III, is true and correct;
- ii. the Shuttle Tanker is capable of receiving liquid hydrocarbons with a minimum flow of one hundred and sixty thousand (160,000) m³ in twenty-four (24) hours *pro rata* through the loading hose provided by the FPSO. At its sole discretion, PPSA may accept for loading a Shuttle Tanker that does not comply with this item 16.5.1.ii . However, if the Shuttle Tanker does not deliver the expected loading performance, the extra time used will not be considered as Laytime or Demurrage;
- iii. the Shuttle Tanker is in compliance with the FPSO Regulation (Exhibit V), in accordance with the requirements and information to be provided by PPSA to the Trading Agent, and the Applicable Law, including in relation to safety, environment, size, vessel movements, navigation and operation standards, documentation on board, and ballast discharge;
- iv. the Shuttle Tanker is a member of a Protection and Indemnity (P&I) Club, which is a member of the International P&I Club Group;
- v. the Shuttle Tanker has insurance coverage for Oil pollution in an amount no lower than the highest standard Oil pollution coverage available, in accordance with the rules of the International P&I Club Group; and
- vi. Shuttle Tanker owners are members of the International Tanker Owners Pollution Federation Limited (ITOPF), and the Shuttle Tanker has on board a valid certificate issued in accordance with the 1969 Civil Liability Convention (CLC) or the 1992 Protocol, as amended.

16.6. Acceptance of the Shuttle Tanker

16.6.1. Upon receipt of appointments of one or more Shuttle Tankers, and within: (a) seventy-two (72) hours, if the nomination is received between Sunday and Thursday; or (b) ninety-six (96) hours, if the nomination is received between Friday and Saturday, PPSA will notify the Trading Agent informing whether the nominated Shuttle Tanker(s) was(were) accepted or not.

16.6.2. PPSA may reject one or more Shuttle Tankers nominated, in a substantiated manner if, including, but not limited to:

- i. the Shuttle Tanker does not comply with the requirements of this Basic Project, the FPSO Regulation, or the Applicable Law;
- ii. the Shuttle Tanker, at the discretion of the Production Operator, endangers the FPSO, the operations of the FPSO, the environment, or the health or safety of people; or
- iii. the Shuttle Tanker is subject to international or national sanctions.

16.6.3. If the Shuttle Tanker(s) nominated by the Trading Agent is(are) rejected under this item, the reason for the rejection will only be disclosed to the Trading Agent by PPSA with the prior consent from the owner and technical operator of the Shuttle Tanker, as provided for below:

- i. it shall be incumbent upon the Trading Agent to obtain consent from the owner and technical operator of the Shuttle Tanker, to meet the requirements of PPSA.
- ii. once the reasons for the rejection of the Shuttle Tanker are disclosed, the Trading Agent exempts the Federal Union and PPSA from any liability related to losses and damages arising from any act or omission of the Trading Agent, its employees or agents, related to the disclosure to the Trading Agent of the reason for the rejection of a Shuttle Tanker.

16.7. Duty to nominate an alternative Shuttle Tanker

- 16.7.1. If a nominated Shuttle Tanker is rejected, the Trading Agent will nominate one or more alternative Shuttle Tankers, which may be other Shuttle Tanker(s) or the rejected Shuttle Tanker, provided the reasons for the rejection have been remedied. The nomination of alternative Shuttle Tankers must be made to PPSA, within seventy-two (72) hours after receiving by the Trading Agent information on the rejection of the Shuttle Tanker appointed in accordance with item 16.6.

16.8. Right to nominate an additional or substitute Shuttle Tanker

- 16.8.1. Within nine (9) days before the first Day of the VPR, the Trading Agent may nominate an additional or substitute Shuttle Tanker, subject to the acceptance of PPSA and the Production Operator.

16.9. Acceptance of alternative, additional or substitute Shuttle Tanker

- 16.9.1. Within seventy-two (72) hours after receiving the nomination of the alternative, additional or substitute Shuttle Tanker, PPSA will notify the Trading Agent if the alternative, additional or substitute Shuttle Tanker has been accepted or rejected, according to the rules established *mutatis mutandis* by item 16.6.

16.10. Nomination of Shuttle Tanker among multiple accepted Shuttle Tankers

- 16.10.1. Within four (4) days before the start of each VPR specified in the Final Lifting Schedule, the Trading Agent must send a notice to PPSA informing which of the qualified Shuttle Tankers accepted by PPSA will be the Shuttle Tanker used in the loading operation.

16.11. Refusal to berth the Shuttle Tanker

- 16.11.1. The Production Operator shall be entitled to refuse berthing at the FPSO of any Shuttle Tanker that, after the results of an inspection on board:
- i. does not comply with the requirements set forth in this item 16;
 - ii. has been approved as a qualified Shuttle Tanker, but upon arrival at the FPSO, does not meet the requirements set out above; or
 - iii. in the judgment of the Production Operator, it is not suitable for lifting due to probable compromise in the safety or environmental integrity of the FPSO, or probable negative impact on the efficiency or operational capacity of the FPSO.
- 16.11.2. PPSA will provide the Trading Agent with the reasons for refusal of berthing and the report of the inspection carried out on board by the Production Operator, as soon as the Production Operator provides this information.

17. FAILURE TO LIFT

- 17.1. The Trading Agent and PPSA shall use their best efforts to prevent situations of default and mitigation of consequences and losses.
- 17.2. If the Trading Agent is considered to be in Default in Loading, the Cargo that originated the default will return to the management of PPSA, which will negotiate with the Production Operator the necessary measures to mitigate the consequences.
- 17.3. PPSA and the Production Operator will take the necessary measures to mitigate the risks and losses for the Federal Union and the other Consortium Members, such as chartering another Shuttle Tanker, storing the Cargo in a tank, diverting the Cargo to another Consortium Member, carrying out an exchange of VPRs, or even selling the Cargo without the intervention of the Trading Agent.
- 17.4. The Trading Agent in Default in Loading will not be entitled, regarding the Cargo that caused the default, to RAC, CAT and SIP, and it shall have no right to any indemnity for costs, commitments and responsibilities that it has already undertaken, including with the possible Buyer.
- 17.5. The Trading Agent in Default in Loading, in case of fault or deceit, will also be subject to the payment of a fine equivalent to the value of RAC₀ multiplied by the nominal volume of the programmed Cargo.

18. REQUIRED DOCUMENTATION

- 18.1. Within five (5) Days before the start of the VPR contained in the Final Lifting Schedule, the Trading Agent will inform PPSA of the volume that it wants to load, which must be the nominal volume, more or less five percent (5%) of tolerance, subject to the Production Operator's agreement, and will request the necessary documents for loading, including, but not limited to:
- i. Quality Certificate;
 - ii. Quantity Certificate (including the ullage report);
 - iii. operation time sheet.
- 18.2. Upon request from the Trading Agent, PPSA will provide by email the most recent information available on the quality of the liquid hydrocarbons to be loaded (API, hydrogen sulfide (H₂S), temperature, and BS&W), as received from the Production Operator.

19. LAYTIME AND DEMURRAGE

- 19.1. In operations of transshipment and delivery to the Buyer, Laytime and Demurrage shall be regulated by the respective transportation, chartering and transshipment agreements entered into by the Trading Agent. In case of Demurrage, the Trading Agent must submit the claim to PPSA within a maximum period of thirty (30) Days after receiving the Claim from the Buyer or Shipowner.
- 19.2. **Laytime**
- 19.2.1. The maximum Laytime for Standard Cargo loading operations on the FPSO shall be thirty-six (36) consecutive hours, including Sundays, holidays and hours of darkness, except if loading during holidays and hours of darkness is prohibited by the FPSO Regulation or the Applicable Law.

- 19.2.2. Laytime will start:
- i. if the NOR is issued within the VPR, six (6) hours after the issuance of the NOR, or when the Shuttle Tanker is moored to the FPSO, whichever comes first;
 - ii. if the NOR is issued before the VPR, six (6) hours after the start of the VPR, or when the Shuttle Tanker is moored to the FPSO, whichever comes first; and
 - iii. if the NOR is issued after the VPR, when the Shuttle Tanker is moored to the FPSO.
- 19.2.3. Subject to the provisions in this item 19, Laytime will be continuous from the beginning, unless prohibited by the FPSO Regulation or Applicable Law. Laytime will be completed with full disconnection of the loading hoses, after its completion.
- 19.3. **Demurrage**
- 19.3.1. Demurrage will be characterized when the Shuttle Tanker Laytime is longer than allowed.
- 19.3.2. Demurrage will be calculated and supported by relevant documentation and its value shall be:
- i. the *pro-rata die* Demurrage fee, as specified in the valid charter party for the Shuttle Tanker, if any, when the Shuttle Tanker is under a single voyage charter party; or
 - ii. the *pro rata die* lease rate specified in the time charter party, if any, plus the effective fuel costs if the Shuttle Tanker is hired under this modality.
- 19.3.3. If loading is carried out in the pooling or combined cargoes mode, and both cargoes share the same Laytime, then Laytime and Demurrage will be allocated in proportion to the volumes of each cargo.
- 19.3.4. Expenses resulting from disconnection of the Shuttle Tanker prior to loading completion caused by the Shuttle Tanker will be borne by the Trading Agent, and any operating time consumed by such disconnection will not count as Laytime, unless the disconnection occurs at the request of the Production Operator or PPSA;
- 19.3.5. When the Shuttle Tanker is chartered on a single voyage basis, the maximum Demurrage refundable under this Basic Project will not exceed the actual Demurrage paid for or on behalf of the Trading Agent to the owner of the Shuttle Tanker in relation to the loading carried out, according to what is evidenced and justified by the documentation provided by the Trading Agent.
- 19.4. **Exclusions of Laytime and Demurrage**
- 19.4.1. Delays directly attributable to the events listed below will not be counted as Laytime or, if the Shuttle Tanker is already in Demurrage, as Demurrage:
- i. displacement of the Shuttle Tanker from the Wating Area for berthing;
 - ii. helicopter landing/refueling when concurrent with berthing;
 - iii. Shuttle Tanker's defect or inability to load;
 - iv. Shuttle Tanker tank cleaning;
 - v. discharge of slops or ballast when not concurrent with loading at the required rates;
 - vi. time waiting for customs clearance, immigration authorization, free circulation, pilot, tugs, natural light, or local administrative requirements;
 - vii. ullage and sampling;
 - viii. loading delays caused by the Shuttle Tanker's inability to load at the required rates;
 - ix. delays due to weather or sea conditions (including, but not limited to, wind, rough seas, currents and tides);
 - x. prohibition of loading by the Trading Agent, owner of the Shuttle Tanker, charterer, captain, local and port authorities; and

- xi. delay or impediment to deliver Cargo, totally or partially, because of force majeure.

19.5. Demurrage Claim

- 19.5.1. In order to file a Claim for Demurrage, the Trading Agent will notify PPSA and gather all the necessary documentation within eighty-five (85) Days after the disconnection of the loading hose(s), as indicated in the time sheet (time log) contained in the report issued by the independent inspector.
- 19.5.2. All documentation necessary to support a Claim must be provided in writing.
- 19.5.3. Failing to deliver the notice and the necessary documentation within the period specified in the paragraphs above, the Trading Agent will automatically and irrevocably waive the right of Claim.
- 19.5.4. The Federal Union and PPSA will not be responsible for direct or indirect losses and damages resulting from Demurrage.

19.6. Claims for Failure to Vacate the FPSO

- 19.6.1. The Trading Agent is responsible for any direct losses, damages and other costs incurred by the Federal Union or PPSA, as a direct result of failure to vacate the FPSO, so understood as the fact that the Shuttle Tanker does not leave the FPSO within three (3) hours from disconnection of the loading hose(s) solely for an act or omission of the owner, charterer, captain or crew member of the Shuttle Tanker or the Trading Agent.

19.7. Payment for Demurrages

- 19.7.1. After settling the Claim, the Trading Agent must present the result to PPSA within fifteen (15) Days.
- 19.7.2. Claims with a favorable result to PPSA must be paid within thirty (30) Days from invoicing, in reais, using the purchase exchange rate published by the Central Bank of Brazil (currency 220) on the date the Claim is received by the Trading Agent.
- 19.7.3. Claims unfavorable to PPSA will be paid in reais, within 30 (thirty) days after invoicing, using the purchase exchange rate published by the Central Bank of Brazil (currency 220) on the date prior to the presentation of the invoice by the Trading Agent.
- 19.7.4. The amount to be paid or received by PPSA will be adjusted according to the performance premium, as provided for in item 12.2.

20. INSPECTION, QUANTITY, QUALITY AND CLAIMS

- 20.1. The quality of the Federal Union Crude Oil delivered to the Trading Agent is that effectively produced on each FPSO and made available in the respective shipment.
- 20.2. PPSA does not provide any guarantees, express or implied, including of merchantability and fitness of Crude Oil for a particular purpose.
- 20.3. In all operations, the independent inspector will be chosen by mutual agreement between PPSA and the Trading Agent and appointed by the Trading Agent.

- 20.4. Inspection costs are included in the SIP factor, according to item 11.
- 20.5. The Independent Inspector must certify and deliver copies of the measurement certificates to PPSA and the Trading Agent, who must ensure that all reports and information issued and provided by the Independent Inspector are forwarded concurrently.
- 20.6. **Determination of quantity**
- 20.6.1. The volume and temperature of liquid hydrocarbons that will be delivered by PPSA to the Trading Agent will be determined by an automatic online measurement system located on the FPSO.
- 20.6.2. If this system is not available or in operation, the volume and temperature of Federal Union Crude Oil will be determined by measuring the FPSO storage tanks from which the loading is conducted, immediately before and immediately after loading.
- 20.6.3. In the event of failure of the automatic measurement system and the impossibility of measuring the FPSO storage tanks from which the loading is made, the quantity received and measured on the Shuttle Tanker, corrected by the VEF, if any, will be used for final and binding determination of the volume.
- 20.6.4. The volume must be adjusted to a standard temperature of 20 °C (twenty degrees Celsius) for measurement in Cubic Meters, and 60 °F (sixty degrees Fahrenheit) for measurement in Barrels, according to the conversion tables for the correction of volumes of Crude Oil established in the ANP Standards and rules in force on the date of shipment (Tables 6A for Barrels at 60°F and 60A for liters at 20°C).
- 20.6.5. In observance of the provisions in item 20.8 regarding the Claim procedures, the GSV and NSV specified in the Quantity Certificate issued by the independent inspector will constitute evidence of the volume delivered.
- 20.6.6. The volume shall be measured again by the captain of the Shuttle Tanker and certified by the independent inspector if there is a difference in the TCV greater than three tenths percent (0.3%), if the Shuttle Tanker has a valid VEF, or greater than five tenths percent (0.5%), if the Shuttle Tanker does not have a valid VEF, considering the difference between the TCV measured by the FPSO flow meter and the loaded TCV, measured on the Shuttle Tanker and calculated according to the Standards.
- 20.6.7. The new measurement must take place before the departure of the Shuttle Tanker, unless otherwise agreed between PPSA and the Production Operator. The results of the new measurement will be deemed as the TCV received by the Shuttle Tanker.
- 20.6.8. If the difference between the measurements remains after the new measurement, the Claim process defined in item 20.8 can be started by the Trading Agent or PPSA.
- 20.6.9. The independent inspector must certify and deliver copies of the measurement results to PPSA and the Trading Agent, who must ensure that all reports and information issued and provided by the independent inspector are forwarded concurrently.
- 20.6.10. The Loaded Volume used in the price calculations of item 12 will be the NSV determined in accordance with this item 20.
- 20.7. **Determination of quality**

- 20.7.1. The quality of the loaded Oil will be determined from representative samples that will be collected, according to the rules that govern these operations, by an automatic sampling device. If this device is not available or in operation, representative samples of the Oil to be loaded must be collected in accordance with the applicable rules and regulations, in the following order of priority:
- i. from the manual sampler of the FPSO discharge line;
 - ii. from the storage tanks of origin of the loading, before loading. In this case, a sample of the upper, middle and lower levels of each tank must be collected and a composite sample must be prepared as established by the API standard - Chapter 8, sections 3 and 4. The H2S test shall be performed for each tank, based on samples collected at the medium level; and
 - iii. from the Shuttle Tanker compartments immediately after loading. In this case, a sample of the upper, middle and lower levels of each tank of the Shuttle Tanker must be collected and a composite sample must be prepared as established by the API standard - Chapter 8, sections 3 and 4. The H2S test shall be performed for each tank, based on samples collected at the medium level.
- 20.7.2. The FPSO laboratory must analyze and certify each sample according to the Standards for API grade, density, H2S, salt and BS&W, and the independent inspector must certify and deliver authentic copies of the results to the Trading Agent and PPSA.
- 20.7.3. The results of the analyses presented in the Quality Certificate issued by the independent inspector will be final and binding. The Quality Certificate about the Cargo must contain the number of samples and their respective seals.
- 20.7.4. Without prejudice to the Claim procedure set forth in item 20.8, and except for cases of proven fraud or manifest error, the quality parameters certified by the independent inspector must be conclusive evidence of the quality of the Oil delivered to the Trading Agent.
- 20.8. **Claims about quantity or quality loaded on the FPSO**
- 20.8.1. In the event of a Claim regarding the quantity or quality of the Oil delivered to the Trading Agent on the Shuttle Tanker, both the Trading Agent and PPSA may file a Claim with the other Party, in accordance with the provisions below.
- 20.8.2. Claims regarding the quantity of Crude Oil loaded can only be made if the difference in the quantity measured by the FPSO and the Shuttle Tanker at the time of loading is greater than the tolerance specified in item 20.6.6.
- 20.8.3. Claims regarding the quality of the loaded Oil can only be made if the Trading Agent performs its own laboratory analysis of the sample taken at the time of loading, and the result of the analysis does not match the analysis carried out in accordance with item 20.7.2 and with the reproducibility parameters of the method used for the analysis.
- 20.8.4. To be effective, each Claim of quality or quantity must be delivered to PPSA or the Trading Agent within a maximum period of fifty (50) Days after the date of departure of the Shuttle Tanker, as indicated in the Quality Certificate and the Quantity Certificate, as appropriate, issued by the independent inspector.
- 20.8.5. Claims must be submitted in writing, accompanied by all necessary documentation. Claims that do not meet the criteria set forth herein will be considered invalid.
- 20.9. **Absence of independent inspector:**

20.9.1. If the independent inspector is not exceptionally present to accompany the loading operations, the procedures provided for in items 20.6, 20.7 and 20.8 are still applicable, and the documents issued by the FPSO will be adopted in place of the inspection certificate. The documents issued by the captain of the Shuttle Tanker will serve as a basis for any Claims.

20.10. Claims about Quantity or Quality in transshipment and delivery to the Buyer

20.10.1. Claims of quality and quantity in transshipment and delivery to the Buyer must follow the limits and procedures set out in the Trading Agent's agreements for transshipment, chartering and transportation, as well as in the agreement with the Buyer.

20.10.2. The Claim process must be presented by the Trading Agent to PPSA within thirty (30) Days after the Claim has been filed.

20.11. Payment of Claims of quality and quantity

20.11.1. After settling the Claim, the Trading Agent must present the result to PPSA within fifteen (15) Days.

20.11.2. Claims with a favorable result to PPSA must be paid within thirty (30) Days from invoicing, in reais, using the purchase exchange rate published by the Central Bank of Brazil (currency 220) on the date the Claim is received by the Trading Agent.

20.11.3. Claims unfavorable to PPSA will be paid in reais, within thirty (30) Days after invoicing, using the purchase exchange rate published by the Central Bank of Brazil (currency 220) on the date prior to the presentation of the invoice by the Trading Agent.

20.11.4. The amount to be paid or received by PPSA will be adjusted according to the performance premium, as provided for in item 12.12.

21. VOLUME TO BE TRADED

21.1. The Federal Union Crude Oil to be traded under the agreement with the Trading Agent is composed of the Cargoes that are included in the Final Lifting Schedule of each FPSO of the Unitized Area of Tupi, issued throughout the term of the agreement.

21.2. Only Cargoes that have been scheduled will be sold, that is, cargoes appearing in the Final Lifting Schedule issued throughout the term of the agreement with the Trading Agent, even if scheduled for after the end of the term of said agreement.

21.3. Cargoes that are scheduled over the contractual period and whose Final Lifting Schedule is revised, with a change to the VPR, will be traded under the terms of the agreement to be signed with the Trading Agent.

21.4. The production volume provided for the Unitized Area of Tupi is a mere estimation, being certain that the Federal Union Crude Oil to be traded under the agreement to be signed with the Trading Agent will be restricted to Cargoes contained in the Final Lifting Schedules issued during the contractual period.

- 21.5. Usually, shipments have minimum volume of eighty thousand (80,000) m³, and maximum volume of one hundred and sixty thousand (160,000) m³, depending on the FPSO. Volumes smaller than the minimum may be loaded upon mutual agreement between PPSA and the Trading Agent.
- 21.6. PPSA will make available, by the last Day of the month of March of each year, the estimated future production curve for the subsequent years of the contract, in addition to the current year curve, for the purposes of logistical scheduling by the Trading Agent.
- 21.7. The production curves provided by PPSA will present its best estimate for the subsequent years of the contract and for the current year.
- 21.8. Future productions may change in their projections and, therefore, new curves will be presented each year, or in a shorter period, if available.
- 21.9. The Unitized Area of Tupi has seven (7) FPSOs in production. The Cargoes must be loaded on the seven (7) FPSOs, and it is not possible to transfer Production from one FPSO to another.
- 21.10. For informational purposes only, the Federal Union production in the total of seven (7) FPSOs to date has fluctuated around two thousand and eight hundred (2,800) Barrels/day.
- 21.11. The table below shows the best PPSA projections for the earliest dates of availability of shipments of (five hundred thousand (500.000) Barrels on each FPSO:

PROJECTION OF THE EARLIEST DATE TO LOAD A LOT OF 500.000 BARRELS (estimate only)							
	Cidade de Angra dos Reis	Cidade de Maricá	Cidade de Paraty	Cidade de Saquarema	P-66	P-67	P-69
Lot of 500,000 Barrels	AUG/ 26	JAN/23	APR/24	JAN/23	APR/23	MAY/24	JAN/23

22. REQUIRED LOGISTICS

- 22.1. The Trading Agent must provide the necessary logistics, including Shuttle Tankers and transshipment or tank capacity, to meet the expected demand for Federal Union Crude Oil in the Unitized Area of Tupi.
- 22.2. **Tank capacity in Brazil or abroad:**
- 22.2.1. The storage of Federal Union Crude Oil in onshore or floating tanks may occur in Brazil or abroad, as agreed between PPSA and the Trading Agent. Its costs will be treated as Expenditures Directly Related to Trading.

23. MONITORING

- 23.1. PPSA will monitor the operations, costs and prices of Federal Union Crude Oil, as provided for in subitem “c”, of item II, of article 4th of Law No. 12,304/2010 and in the Trading Policy.

- 23.2. Pursuant to article 4th of the Trading Policy, strict confidentiality will be conferred on the documents and information provided by the Trading Agent for the fulfillment of PPSA's obligation to monitor and audit the operations, costs, and sales prices.
- 23.3. Monitoring will take place through the continuous monitoring of the trading procedure, and the Trading Agent must inform PPSA, through electronic means or telephone:
- i. the sales strategy, including target markets;
 - ii. possible buyers contacted and price indications obtained;
 - iii. estimated costs for delivery to different destinations;
 - iv. FOB FPSO price calculations for potential buyers;
 - v. the Buyer;
 - vi. the vessel selected for delivery to the Buyer and estimate of freight charges;
 - vii. logistical and operational information for loading, transshipment and delivery;
 - viii. all information with an impact on the Federal Union's revenue, which is considered in the price formulas, as well as those related to Claims;
 - ix. time when hedge was implemented and canceled, the contracts used, and the prices obtained.
- 23.4. For purposes of monitoring the hedge, the Trading Agent will inform PPSA of the contracts, as well as volumes, to the extent they are bought or sold.
- 23.5. Business opportunities that require an urgent decision may be authorized by telephone, or closed without PPSA's authorization, provided that in this case a report is presented to PPSA within one (1) Day.
- 23.6. Within three (3) Days after the closing of each deal, the Trading Agent will inform PPSA of the summary regarding all sales conditions for each Cargo, including price formula, pricing period, and payment term.

24. AUDIT

- 24.1. PPSA will audit the operations, costs, and sale prices of Crude Oil, as provided for in subitem "c", item II, of article 4th of Law No. 12,304/2010 and in the Trading Policy.
- 24.2. The audits may be carried out directly by PPSA or by a contractor that will be subject to the obligations of confidentiality defined in the agreement to be signed.
- 24.3. The performance of the audit must be notified to the Trading Agent at least thirty (30) Days in advance. The frequency will be a maximum of one (1) per year.
- 24.4. The Trading Agent will give PPSA access to the Supporting Documentation and all information necessary for the performance of its audit obligation, which will be given strict confidentiality.
- 24.5. The information and documents include, but are not limited to, proposals received from the market, conditions for closing the sale, price calculation spreadsheets, charter party amounts, publications that prove the value of Long Haul Freight, invoices and receipts, among others, necessary to prove the sale price as well as the sale at the best price.
- 24.6. A reference term will be adjusted between PPSA and the Trading Agent for the performance of the audit, in which conditions typically applied in auditing will be provided, aimed at checking compliance by the Trading Agent with the terms of this Basic Project

and the agreement to be signed. The reference term will include scope, coverage, sampling, duration, and other pertinent issues.

- 24.7. The audit will have a period of sixty (60) Days after the completion of the fieldwork to issue the audit report. The Trading Agent will have a period of ninety (90) Days to submit its counterarguments before the issuance of the final audit report.

25. PAYMENT OF THE FEDERAL UNION'S REVENUE

25.1. Sales in the domestic market - (Trading Agent and Buyer based in Brazil)

- 25.1.1. The payment of the total amount of the Cargo will be made in reais, without any rebates, deduction, withholding, offset or counterclaim.
- 25.1.2. The electronic Invoice – NFe - (XML file) and the auxiliary document of electronic invoice - DANFE, which will accompany the Cargo will be issued by PPSA in reais with the quantity in Cubic Meters, and sent by electronic mail, to the address and contacts informed by the Trading Agent, within a maximum period of 3 (three) hours after disconnection of the cargo loading hose in question, to the address and contacts informed by the Trading Agent.
- 25.1.3. The provisional unit price to be used in the issue of the electronic invoice - NFe (XML file) and the auxiliary document of electronic invoice (DANFE), which will accompany the Cargo, will be 50% (fifty percent) of the last published Reference Price by the ANP for the Oil of the Tupi Field in R \$ / m³.
- 25.1.4. The difference between DANFE, and its respective electronic Invoice - NFe, issued according to items 25.1.2 and 25.1.3 and the total price of the Cargo calculated according to item 12.11.2 will be subject to the issuance of a complementary DANFE , and its respective electronic invoice - NFe.
- 25.1.5. The trading Agent will make the payment to the Union or PPSA, according to the invoice documents according to item 25.4 , within 5 (five) days after the due date for payment of the Buyer to the Trading Agent.
- 25.1.6. Taxes that are due as a direct result of the sale of Federal Union Crude Oil will be included in the DANFE amounts.
- 25.1.7. If the Day set for payment of billing documents is Saturday or a bank holiday other than Monday, payment must be made on the first previous Business Day. If the Day set for payment of billing documents is Sunday or bank holiday on Monday, payment must be made on the first subsequent Business Day. A bank holiday means the Days when banks do not operate in the city of Rio de Janeiro - Brazil.
- 25.1.8. In the event of a delay in payment provided for in item **Erro! Fonte de referência não encontrada.** by the Trading Agent, the amounts due will be subject to default interest, calculated on the basis of the SELIC interest rate. The default interest will be calculated *pro rata die*, applicable from the due date of the billing document to the date of the actual payment and will be charged via a specific billing document for that purpose, and with a due date of ten (10) Days after the date of receipt by the Trading Agent (which will be considered Day zero).

25.1.9. In case of delay in payment of this new billing document, the calculation provided for in item 25.1.8 will be performed pro rata die, from the new maturity on the last face value due.

25.2. Sales in the international market - (Trading Agent based in Brazil and Buyer based abroad)

25.2.1. The payment of the total amount of the Cargo will be made in reais, without any rebates, deduction, withholding, offset or counterclaim.

25.2.2. The DANFE, which will accompany the Cargo, will be issued by PPSA in reais with the quantity in Cubic Meters, and sent by electronic mail, to the address and contacts informed by the Trading Agent, within a maximum period of 3 (three) hours after disconnecting the hose from the loading of the cargo in question, to the address and contacts informed by the Trading Agent.

25.2.3. The provisional unit price to be used in the electronic invoice - NFe (XML file) and the electronic document invoice auxiliary document (DANFE), which will accompany the Cargo, will be 50% (fifty percent) of the last published Reference Price by the ANP for the Oil of the Tupi Field in R \$ / m³.

25.2.4. The difference between DANFE, and its respective electronic invoice, issued in accordance with items 25.2.2 and 25.2.3 and the total price of the Cargo calculated in accordance with item 12.11.2 will be subject to the issuance of a complementary DANFE, and respective electronic invoice – Nfe.

25.2.5. The Trading Agent will make the payment to the Federal Union or PPSA, according to the billing documents provided for in item 25.4, within five (5) Days after the due date for payment from the Buyer to the Trading Agent.

25.2.6. The taxes that are due as a direct result of the sale of the Union Crude Oil will be included in the DANFE values.

25.2.7. If the Day set for payment of billing documents is Saturday or a bank holiday other than Monday, payment must be made on the first previous Business Day. If the Day set for payment of billing documents is Sunday or bank holiday on Monday, payment must be made on the first subsequent Business Day. A bank holiday means the Days when banks do not operate in the city of Rio de Janeiro - Brazil.

25.2.8. In the event of a delay in payment provided for in item 25.2.5 by the Trading Agent, the amounts in arrears will be subject to default interest, calculated on the basis of the SELIC interest rate. The default interest will be calculated pro rata die, applicable from the due date of the DANFE to the date of the actual payment, and will be charged via a specific billing document for that purpose, and with a due date of ten (10) Days after the date of receipt by the Trading Agent (which will be considered Day zero).

25.2.9. In case of delay in payment of this new billing document, the calculation provided for in item 25.2.8 will be performed pro rata die, from the new maturity on the last face value due.

25.3. Tax and bank details:

25.3.1. Tax data:

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
STATE REGISTRATION: 87.007.847

- 25.3.2. Bank Details:
Banco do Brasil - 001
Branch 2234-9
C/A: 9563-X
CNPJ: 18.738.727/0001-36

25.4. Billing documents:

- 25.4.1. For the operations provided for in items 25.1 and 25.2, the payments of the Trading Agent will be divided into two parcels to be informed by PPSA and paid on the same date through the following billing documents:
- i. GRU, to be paid at Banco do Brasil; and
 - ii. debit note, to be paid through deposit in the current account informed in item 25.3.2.

26. CRITERIA FOR DETERMINATION OF THE WINNER OF THE BIDDING PROCESS

- 26.1. The winner of the Bidding Process will be the bidder who has the lowest Base Price Value (VBP), in USD dollars/Barrel, for the sum of the portions Trading Agent's Fee (RAC_0), Lifting and Transshipment Cost (CAT_0) and the costs of Insurance, Inspection, Supervision and Price Hedge (SIP), as defined in items 26.2 I, ii and iii:

$VBP = \text{SUM} (RAC_0 + CAT_0 + SIP)$
--

- 26.2. In the formula provided for in item 26.1, the following is defined:
- i. RAC_0 is determined according to item 9 of this Basic Project;
 - ii. CAT_0 is determined according to item 10 of this Basic Project; and
 - iii. SIP is determined according to item 11 of this Basic Project.
- 26.3. In case the winning Base Price Value - VBP has been offered by more than one Bidder, the following methodology will be applied for the classification of proposals and the determination of the winner:
- I. lower RAC_0 , and if equality remains in this parameter
 - II. lower CAT_0 , and if equality remains in this parameter
 - III. lower SIP, and
 - IV. if the tie persists after the sequential application of the criteria established in the previous subitems, the tiebreaker will be decided in the manner determined in Art. 55 of Law N°. 13,303 / 2016.
- 26.4. The maximum acceptable VBP is confidential, as recommended by Law N°. 13,303/2016.

27. VALUE OF THE AGREEMENT

- 27.1.** At the estimated price for the average value of Dated Brent in February 2021 of US\$ 62.22/ Barrel (Sixty two US dollars and twenty two cents per Barrel), the total estimated value of the contract is US \$ 217,770,000.00 (two hundred and seventeen million, seven hundred and seventy thousand US dollars), or, considering the average exchange rate of Central Bank purchase (currency 220) in February 2021 of R\$ 5.4159, of R\$ 1.18 billion (one billion and one hundred eighty million reais).

28. SCHEDULE OF THE TRADING PROCESS

Event	Person in Charge	Term
Boarding schedule	PPSA	M - 2
Trading	AC	M - 2 / M - 1
Loading	AC	M
Transfer of ownership and possession	PPSA	Passage of Oil through the DPST loading flange
Approval of FOB FPSO price calculation	PPSA	(M + 1) / (M + 2)
Deposit in the Treasury Single Account and in the Federal Union account at PPSA	AC	As per item 25

29. QUALIFICATION OF THE BIDDER APPLYING FOR TRADING AGENT

29.1. Technical qualification

- 29.1.1. Individual Bidders
Brazilian oil producing and exporting companies, and members of the Consortium of Oil and Natural Gas Exploration and Production Agreements in the pre-salt area.
- 29.1.2. Consortium Bidders
Limited to three (3) participants, the leader of which must be a Brazilian oil producer and exporter and a member of a Consortium of Oil and Natural Gas Exploration and Production Agreements in the pre-salt area, and the other members of the Consortium they may be a Trading company from the same Economic Group as the leading company, and a logistics company, which may be from the same Economic Group (or not) as the leading company.
- 29.1.3. How to prove the technical qualification:
- 29.1.3.1. For a Brazilian oil producer and exporter and a member of the Oil and Natural Gas Exploration and Production Contracts Consortium in the pre-salt, to have participation in any field or area in the pre-salt, proven through the indication of a page (link) of the ANP website; OR
- 29.1.3.2. Technical and operational capacity to load Union Oil on DPST (Dynamic Positioning Shuttle Tanker) vessels qualified to operate in FPSO's in the Campos and Santos basins, through:
- 29.1.3.2.1. Recent independent inspection certificate (maximum six months) of loading with DPST vessel under its control (ownership, charter, or service provision) in the Campos or Santos basins; or
- 29.1.3.2.2. Demonstration of ownership of the DPST vessel that has operated in the Santos or Campos basins in the last three months, proven through an independent inspection certificate, or a ship approval certificate issued by the FPSO operator; or

- 29.1.3.2.3. DPST charter contract that has operated in the Campos or Santos basins in the last three months, proven through an independent inspection certificate, or a ship approval certificate issued by the FPSO operator; or
- 29.1.3.2.4. Declaration by an FPSO operator stating that the company has carried out relief with a DPST vessel under its control in the last three months; or
- 29.1.3.2.5. Contract for the provision of logistical services with a company that demonstrates meeting the conditions set out in the first four items.

29.1.3.3. The following technical qualification will also be required for the logistics company:

- 29.1.3.3.1. Proof of having already performed similar operations (presenting contracts, certificates or declarations by the contracting parties); or
- 29.1.3.3.2. List of DPST ships in the existing fleet (present the ship's contracts or records); or
- 29.1.3.3.3. List of ships that are under construction (submit construction contracts or shipyard declaration).

29.1.3.4. The following technical qualification will be required for a trading company:

- 29.1.3.4.1. Proof, through the annual report, of Trading activity involving at least 100 thousand barrels per day of oil.

29.2. Economic and financial qualification

- 29.2.1. Balance Sheet and Statements of Income - DRE from the last accounting period, due and presented in accordance with the Law, which prove that the bidder has, or the sum of the Equity of the Consortium members reaches, Equity greater than R\$ 118.000.000,00 (one hundred and eighteen million reais), being prohibited the substitution by interim balance sheets or provisional balance sheets;

Total Assets - (Current Liabilities + Non-Current Liabilities) > BRL 118,000,000.00

- 29.2.2. Clearance bankruptcy and reorganization certificate issued by the distributor at the legal entity's headquarters.

- 29.2.2.1. In the event that the main office of the bidder is located in a city other than Rio de Janeiro, the Bidder may be required to submit the list of the Distribution Offices of the Judicial District that issue the certificate mentioned in this item, issued by the competent body.

- 29.2.3. In the case of the disqualification of a Consortium member company, this company will be automatically excluded from the Consortium, so that the Consortium must meet the economic and financial qualification requirements without the participation of the excluded consortium member, under penalty of disqualification of the Consortium.

30. NOTICES

- 30.1. During the bidding process, all notice or information in relation to this Basic Project is valid only if sent in writing and will be delivered (i) in person, (ii) by mail; or (iii) by electronic means, to the following addresses:

The place of delivery of physical documents will be the PPSA Central Office, located at Avenida Rio Branco, nº 1, 4th floor, Centro, Rio de Janeiro - RJ - CEP 20090-003, from 9:00 am to 6:00 pm, on the days when there is work at PPSA.

The scanned documents shall be delivered to editais@ppsa.gov.br.

- 30.2. Notices by means of personal delivery, mail or electronic means will be considered delivered on the date of receipt.

31. TAX OBLIGATIONS

- 31.1. The taxes resulting from the Contract are the exclusive responsibility of the parties, as defined in the applicable tax legislation. The parties will pay all taxes directly to the appropriate governmental authority, committing themselves to exempt the other party from any and all claims that result from failure to pay such taxes, including fines.
- 31.2. The taxes levied on the Cargo will be deducted from the price formula, pursuant to item 12.
- 31.3. If new taxes, charges or parafiscal contributions are created, after the base date of the proposal, or there is a change in the calculation base and / or rate of the current ones, in order to increase or decrease the burden of the Trading Agent, with repercussions on the contractual balance, proper adjustment will apply.
- 31.4. Notwithstanding the provisions of paragraph 31.2, the Trading Agent will be obliged, in the event that it is fined by the Federal, State or Municipal Treasury, with regard to the object of the Contract, to defend itself with diligence and zeal before the competent authorities.
- 31.5. PPSA is not responsible for the reimbursement of any fines, monetary correction, penalties, interest and other expenses resulting from the failure to comply with tax, labor and social security obligations by the Selling Agent.

32. PAYMENT GUARANTEE

- 32.1. PPSA will have the right to demand a payment guarantee by notifying the Trading Agent for opening in no less than (ten) 10 Days.
- 32.2. The Trading Agent will be in default in accordance with Clause **Erro! Fonte de referência não encontrada.**, in case it does not provide the payment guarantee under the terms and time required by PPSA.
- 32.3. In any case, if the Trading Agent does not provide the payment guarantee within the established deadline, PPSA will have no obligation to maintain the supply and the Cargo will return to the management of PPSA, which will arrange for the sale to another buyer, with the Trading Agent being entitled to no compensation, remuneration or indemnity.

32.4. Guarantee modalities that may be required by PPSA:

32.4.1. Parent company guarantee:

- 32.4.1.1. The Trading Agent must provide a parent company guarantee in a format acceptable to PPSA;

32.4.2. Letter of credit

- 32.4.2.1. PPSA may request a standby letter of credit or irrevocable document in favor of PPSA opened in a first-rate bank authorized by the Central Bank of Brazil - BACEN to operate in Brazil (considered as first-tier bank that fall under segment 1 (S1) of resolution No. 4,553 / 2017) and that are not in the process of extrajudicial liquidation or intervention by BACEN.
- 32.4.2.2. The letter of credit must be sufficient to cover 115% (one hundred and fifteen percent) of the estimated value of the Cargo, and 120% (one hundred and twenty percent) of the nominal volume defined in the Final Lifting Schedule.
- 32.4.2.3. If the VPR of the shipment, for any reason, does not occur within the scheduled period, Buyer shall obtain an extension or provide a new letter of credit on terms acceptable to PPSA.

32.4.3. Insurance Guarantee

- 32.4.3.1. The Insurance Policy must be issued by an institution authorized by SUSEP to operate in the insurance market, which is not under the tax management (direção fiscal), intervention, extrajudicial liquidation or special inspection (fiscalização especial) regime, and which is not fulfilling the suspension penalty imposed by SUSEP;
- 32.4.3.2. The insurance policy instrument must expressly provide for:
- I. liability of the insurer for any and all penalties of a sanctioning nature applied to the contractor;
 - ii. term for the contractual term;
 - iii. 90 (ninety) days, counted from the end of the contractual term, for the determination of any default by the contracted party - occurred during the contractual term - and for the communication of the expectation of the claim or the effective notice of the claim, observing the statutory deadlines pertinent.

32.4.4. Bail Guarantee:

- 32.4.4.1. The Bail Guarantee must be issued by a first-tier bank authorized by the Central Bank of Brazil - BACEN to operate in Brazil (considered as a first-tier bank, banks that fall under segment 1 (S1) of resolution No. 4,553 / 2017) and that do not is in the process of extrajudicial liquidation or intervention by BACEN.
- 32.4.4.2. The Guarantee Instrument must expressly provide for:
- I. express waiver, by the guarantor, of the benefit of the order provided for in art. 827 of the Civil Code;
 - II. term for the contractual term;
 - III. term of 90 (ninety) days, counted from the end of the contractual term, for the determination of any default by the CONTRACTED PARTY - occurred during the contractual term -, and for the communication of the default to the Financial Institution, in compliance with the relevant statutory terms.

32.4.5. Payment in Advance

32.4.5.1. The Trading Agent can make the payment in advance, by mutual agreement with PPSA, against a provisional invoice that shall have the value based on the prices available at the time of issuance of the provisional invoice, and 120% (one hundred and twenty percent) of the nominal amount contained in the Final Lifting Schedule.

33. RISK MATRIX

In addition to the risks already addressed throughout this Basic Project, the risk matrix below presents risks that must be considered by the bidders.

RISK CATEGORY	DESCRIPTION	CONSEQUENCE	MITIGATING MEASURES	RISK ALLOCATION
Risk related to the performance of the contractual object (including delays)	General delays in the performance of the contractual object by the Trading Agent's fault.	Total or partial nonperformance of the agreement.	Diligence of the Trading Agent in the performance of the agreement.	Trading Agent
	Facts delaying or impeding the performance of the agreement, which are typical of the ordinary risk of trading activities.	Partial or total nonperformance of the agreement.	Business planning.	Trading Agent
	Facts delaying or impeding the performance of the agreement, which do not constitute an ordinary risk of the agreement, such as "factum principis", act of God, or force majeure, as well as the delay determined by PPSA, which has a proven impact on the Trading Agent's costs.	Increased costs.	Price review.	PPSA
Risk in business activity	Change to the tax framework, due to the result or change in business activity, and due to error or misunderstanding by the Trading Agent in assessing the case of taxation.	Increase or decrease in the profit of the Trading Agent.	Business planning.	Trading Agent
	Exchange rate variation.	Minor variation of the Cargo value.	Foreign exchange hedge financial instruments.	Trading Agent
	Increased operating costs for the development of business activities in general, and for the performance of the contracted object.	Increased costs.	Business planning.	Trading Agent

	Creation of new taxes, charges or quasi-fiscal contributions or change to the tax base and/or rate of existing taxes when the agreement is signed, with a proven effect on the increase or decrease of burden to the Trading Agent, during the performance of trading activities pertaining to the Federal Union Crude Oil.	Excessive burden of the Trading Agent.	Price review.	PPSA
Technical execution risk	Absence of skills or technical knowledge of the professionals allocated by the Trading Agent.	Partial or total nonperformance of the agreement.	Temporary replacement of professionals for training, or permanent replacement.	Trading Agent
Specific risks in the activities of loading, marketing and transportation of Oil	Shuttle Tankers fail to issue NOR before or in VPR for lifting scheduled Cargoes.	Financial loss and/or harm to the image of PPSA and the Federal Union derived from possible loss (partial or total) of production, or the value of the Cargo, including taxes.	Business planning and diligence of the Trading Agent in the performance of the agreement and a fine in case of guilt or deceit.	PPSA
	Problems and delays in the loading operation, including the disconnection of the Shuttle Tanker.	Increase in costs, with possible loss (partial or total) of the value of the Cargo.	Diligence of the Trading Agent in the performance of the agreement.	Trading Agent
	Absence of available logistical capacity, including transshipment and tank capacity, for the demand for surveys related to the Agreement.	Increase in costs, with possible loss (partial or total) of the value of the Cargo.	Business planning and diligence of the Trading Agent in the performance of the agreement.	Trading Agent
	Buyer's failure to pay.	Loss (partial or total) of the value of the Cargo.	Analysis of credit by the Trading Agent, and requirement for financial payment guarantees.	Trading Agent
	Buyer's failure to provide payment guarantee.	Cancellation of Sale and new negotiation with possible loss (partial or total) of the value of the Cargo.	Previous analysis by the Trading Agent of the Buyer's history, including bank references, audited balance sheets, and	Trading Agent

			commercial references.	
	Operational, navigation and environmental accidents (including oil spills).	Financial damage and/or harm to the image of PPSA and the Federal Union, in addition to the legal consequences in the country where the event occurs.	Vetting analysis and insurance contracting.	Trading Agent
Risks of technological changes	Increased technical requirements for logistical activity for safety reasons.	Increased costs.	Renegotiation of the CAT value.	PPSA

34. EXHIBITS

Exhibit I - Federal Union's Oil and Natural Gas Trading Policy (CNPE Resolution N°. 15/2018)

Exhibit II - Basic Requirements for Dynamically Positioned Shuttle Tankers. (Basic Requirements for Dynamically Positioned Shuttle Tankers) (*)

Exhibit III - Vetting Questionnaire for Dynamically Positioned Shuttle Tankers (*)

Exhibit IV - Information and rules for lifting of Cargoes on FPSOs (*)

Exhibit V - FPSO Regulation (*)

(*) The documents and information contained in exhibits N°. II, III, IV and V will be made available to the Trading Agent only after signing the agreement.

INDEX OF REVISIONS									
REV.	DESCRIPTION								
0	Original								
	ORIGIN AL	REV. 1	REV. 2	REV. 3	REV. 4	REV. 5	REV.61	REV. 7	REV. 8
DATE	06/19/20								
PREPARED BY:									
REVIEWED BY:									
APPROVED BY:									

Prepared by: Nilo Carvalho Vieira Filho Trading Coordinator	Revised by: Nelson de Farias Almeida Oil Trading Superintendent	Approved by: Samir Passos Awad
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		Chie Management, Control and Financial Officer
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Exhibit I
Federal Union's Oil and Natural Gas Trading Policy (CNPE Resolution No. 15/2018)



NATIONAL COUNCIL FOR ENERGY POLICY - CNPE

RESOLUTION No. 15. OF OCTOBER 29, 2018.

Defines the Federal Union's oil and natural gas trading policy.

THE CHAIRMAN OF THE NATIONAL COUNCIL FOR ENERGY POLICY - CNPE, in the use of his powers, in view of the provisions of article 2 of Law No. 9,478, of August 6, 1997, in article 9, items VI and VII, of Law No. 12,351, of December 22, 2010, in article 2 of Law No. 13,679, of June 14, 2018, in article 1, item L, and article 2, § 3, item III of Decree No. 3,520, of June 21, 2000, in article 14, head provision, of CNPE's Internal Regulations, approved by Resolution No. 7, of November 10, 2009, which is contained in Proceeding No. 48380.000370/2017-01, and whereas

Empresa Brasileira de Administração de Petróleo e Gás Natural S.A. - Pré-Sal Petróleo S.A. - PPSA, created by Decree No. 8,063, of August 1, 2013, has as one of its corporate purposes management of agreements for the sale of Federal Union oil and natural gas, pursuant to article 2, head provision, of Law No. 12,304, of August 2, 2010;

Federal Union oil and natural gas will be traded according to the rules of private law, pursuant to article 45, head provision, of Law No. 12,351, of December 22, 2010;

PPSA has the jurisdiction to enter into agreements with trading agents, representing the Federal Union, or directly trade Federal Union oil and natural gas, preferably by auction, as provided for in article 4, item E, subitem "a", of Law No. 12,304, of 2010;

pursuant to article 45, sole paragraph, of Law No. 12,351 of 2010, bidding procedure is waived for the engagement of Petróleo Brasileiro S.A. - Petrobras as trading agent for the Federal Union oil and natural gas; and

the revenues from the trading of Federal Union oil and natural gas must be allocated to the Social Fund, created by article 47 of Law No. 12,351, 2010, resolves the following:

Article 1. To define the Federal Union oil and natural gas trading policy, in accordance with the clauses and conditions approved by this Resolution.

Article 2. The following are the guidelines of the Federal Union oil and natural gas trading policy:

I- meeting the purposes of the national energy policy;

II - maximization of the economic result of the trading of Federal Union oil and natural gas, observing the moderation in the assumption of risks inherent to the activity:

III - consideration of logistical and market aspects at the time of the transactions in the formation of the sale price of Federal Union oil and natural gas;

IV - the priority of supply to the domestic market;

V - the use of the Federal Union natural gas for the integrated development of the domestic market of the product, on sustainable economic bases;

VI - the adoption of parametric market references as a way of minimizing monitoring and auditing the expenses inherent to the activity of trading of Federal Union oil and natural gas, especially when exercising the option of engaging the trading agent:

VII - the trading of Federal Union oil and natural gas must be characterized by simplicity, transparency, traceability, and adoption of the best practices in the industry, observing the confidentiality of information when exercising the option of engagement of trading agent:

VIII - motivation for the decision to trade Federal Union oil and natural gas, according to one of the available legal options; and

IX - the adoption of rules on dispute settlement that include conciliation, mediation and arbitration.

Article 3. The revenue from the sale of Federal Union oil and natural gas, after deducting the taxes levied and expenses directly related to the sale, must be deposited directly in the Treasury Single Account for legal destination.

§ 1. Taxes levied and expenditures directly related to the sale of Federal Union oil and natural gas shall be deposited in an account informed by PPSA, which shall obligatorily account for them clearly and separate from its own accounting.

§ 2. Expenditures directly related to the trading of the Federal Union oil and natural gas shall be provided for in an agreement entered into by PPSA with the buyer or with the trading agent, as well as in the invitation to bid when applicable.

Article 4. Agreements with trading agents, when executed, will confer strict confidentiality to the documents and information provided by such agents for the fulfillment of PPSA's obligation to monitor and audit the operations, costs and sales prices, as provided for in article 4, item E, subitem "c" of Law No. 12,304. of August 2, 2010.

§ 1. The agreements will state that the sale of Federal Union oil and natural gas performed by the trading agent shall use as a basis the reference price set by the National Agency of Petroleum, Natural Gas and Biofuels - ANP.

§ 2. Considering the characteristics of the hydrocarbons sold, the logistical conditions for trading, and the number of potential buyers, PPSA may authorize, upon justification, any sales at a price below the reference price.

§ 3. The sales referred to in § 2 must be audited by PPSA's Internal Audit, at intervals established by its Board of Directors.

§ 4. The Federal Union will be responsible for the appropriation of the appreciation of oil and natural gas resulting from the performance of trading acts by the trading agent, under the terms of an agreement.

Article 5. PPSA will use the reference prices set by ANP, as a basis for the trading of Federal Union oil and natural gas, in case no trading agent is engaged.

§ 1. In the trading referred to in the head provision, PPSA will offer, preferably by auction, Federal Union oil for a price at least equal to the reference price set by the ANP.

§ 2. If there are no interested parties, PPSA may, upon justification, accept offers below the reference price set by the ANP, provided they are compatible with the fair value, considering the characteristics of the hydrocarbons sold, the logistical conditions for trading, and the number of potential buyers.

§ 3. The sales referred to in § 2 must be audited by PPSA's Internal Audit, at intervals established by its Board of Directors.

§ 4. The auction notices may use international references of oil and natural gas prices, such as Brent and WTI, but not limited to these, provided they are related to the reference price set by the ANP.

§ 5. In the trading of Federal Union natural gas, the specific market conditions in relation to the flow and processing infrastructure, third-party access to this infrastructure, as well as the number of potential buyers in the Country shall be additionally considered when negotiating the sale price.

Article 6. PPSA will be the representative of the Federal Union for the purpose of transferring ownership of oil and natural gas.

Article 7. PPSA shall include, in the agreements entered into, a clause that, within the legal limits and industry best practices, enables the trading of Federal Union oil and natural gas in the event of failure in lifting cargoes.

Article 8. The Ministry of Mines and Energy shall establish, in the Compensation Agreement with PPSA, mechanisms for annual accountability of the trading activity referred to in this Resolution, including, for example:

I - independent audit of financial statements, covering analysis of compliance of the quantities and amounts involved:

II - approval by the Board of Directors of PPSA;

III - approval of the accountability result, provided for in the head provision, with the respective transparency and publicity of the information contained therein, except for information that may be of a strategic corporate nature; and

IV - measurement of PPSA efficiency, as manager of agreements for the sale of oil, natural gas and other fluid hydrocarbons of the Federal Union.

Article 9. Assessment by CNPE of the convenience and opportunity of holding the auctions referred to in article 3 of Law No. 13,679, of June 14, 2018, will depend on the preparation of an integrated industrial policy to be developed within the scope of the Federal Union.

Article 10. CNPE Resolution No. 12 of December 14, 2016 is hereby repealed.

Article 11. This Resolution enters into force on the date of its publication.

W. MOREIRA. FRANCO

This text does not replace the text published in the Official Gazette (DOU) of Nov 7, 2018

Exhibit II