

PRODUCTION SHARING BIDDING ROUND
(WITHOUT PETROBRAS OPERATION)

**FEDERATIVE REPUBLIC OF BRAZIL
MINISTRY OF MINES AND ENERGY**



**PRODUCTION SHARING AGREEMENT FOR OIL AND NATURAL GAS
EXPLORATION AND PRODUCTION**

No. [insert contract number]

ENTERED INTO BY AND BETWEEN

THE FEDERAL GOVERNMENT

and

[insert corporate name of the Contractors]

**BRAZIL
2022**

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PRODUCTION SHARING AGREEMENT FOR OIL AND NATURAL GAS EXPLORATION AND PRODUCTION

entered into by and between:

as the Contracting Party

The **FEDERAL GOVERNMENT**, in the use of the competence conferred on it by art. 177, §1, of the Constitution of the Federative Republic of Brazil, through the **MINISTRY OF MINES and ENERGY – MME**, pursuant to Law No. 12.351, of December 22, 2010, registered in the National Register of Legal Entities (CNPJ/MF) under No. 37.115.383/0001-53, headquartered at Esplanada dos Ministérios, Block “U”, Brasília, DF, Zip Code 70065-900, herein represented by the Minister of State of Mines and Energy [insert name];

as Regulator and Supervisor,

The **NATIONAL AGENCY OF PETROLEUM, NATURAL GAS and BIOFUELS - ANP**, a special agency created by Law No. 9.478, of August 6, 1997, a member of the Indirect Federal Administration, linked to the Ministry of Mines and Energy, headquartered at SGAN Block 603, Module I, 3rd floor, in the city of Brasília, DF, and Central Office at 65 Rio Branco Avenue, Centro, Rio de Janeiro, RJ, herein represented by its Director General, [insert name];

as Manager,

The **EMPRESA BRASILEIRA DE ADMINISTRAÇÃO DE PETRÓLEO E GÁS NATURAL S.A. – PRÉ-SAL PETRÓLEO S.A. - PPSA**, a public company in THE form of a privately-held corporation, created by Decree No. 8,063, of August 1, 2013, based on the legislative authorization granted by Law No. 12,304, of August 2, 2010, headquartered in Setor Bancário Sul, Block 02, Bloco E, 206 Prime Building , 14th floor, office 1404, in Brasília, DF, and Central Office at 65 Rio Branco Avenue, nº 1, 4 th floor, Centro, Rio de Janeiro, RJ, enrolled with the National Registry of Legal Entities (CNPJ/MF) under No. 18.738.727/0001-36, herein represented by its President, [insert name];

and, as Contractors,

[insert corporate name of the Contractor], a company incorporated under the laws of Brazil, headquartered at [insert full address], enrolled with the National Register of Legal Entities (CNPJ/ME) under No. [insert CNPJ registration number], herein represented by its [insert position of the signatory representative], [insert name of the signatory representative].

WHEREAS

pursuant to article 20, V and IX, of the Constitution of the Federative Republic of Brazil and art. 3 of Law No. 9.478, of August 6, 1997, belong to the Federal Government the Oil and Natural Gas Deposits existing in the national territory, on the continental shelf and in the exclusive economic zone;

pursuant to article 177, I, of the Constitution of the Federative Republic of Brazil and art. 4 of Law No. 9.478/1997, constitute a monopoly of the Federal Government the Research and Mining of Oil and Natural Gas Deposits existing in the national territory, on the continental shelf and in the exclusive economic zone.

pursuant to article 177, §1, of the Constitution of the Federative Republic of Brazil and art. 5 of Law No. 9,478/1997, the Federal Government may contract with state or private companies, incorporated under Brazilian laws with headquarters and administration in the Country, to carry out Oil and Natural Gas Exploration and Production activities;

pursuant to article 21 of Law No. 9.478/1997, all rights of Exploration and Production of Oil and Natural Gas in the national territory, on the continental shelf and in the exclusive economic zone, belong to the Federal Government, and ANP is responsible for their administration, except for the powers of other agencies and entities expressly established by law.

pursuant to article 3 of Law No. 12.351, of December 22, 2010, the Exploration and Production of Oil and Natural Gas in the Pre-Salt Area and in Strategic Areas will be contracted by the Federal Government under the Production Sharing scheme.

pursuant to article 8 of Law No. 12.351/2010, it is incumbent upon the MME, representing the Federal Government, to enter into Production Sharing Agreements with the Contractors in accordance with the provisions set forth in said Law;

pursuant to articles 8, §1, and 45 of Law No. 12.351/2010 and art. 2 of Law No. 12.304, of August 2, 2010, it is up to PPSA, representing the interests of the Federal Government, the management of Production Sharing Agreements entered into by the MME and the management of agreements for the marketing of Oil and Natural Gas intended for the Federal Government;

pursuant to article 11 of Law No. 12.351/2010 and art. 8 of Law No. 9.478/1997, the ANP is responsible for regulating and supervising the activities carried out under the Production Sharing regime;

pursuant to article 42, II, of Law No. 12.351/2010, the Contractors made the payment of the Signature Bonus in the amount and in the manner provided for in Annex V;

This Production Sharing Agreement for the Block identified in Annex I is entered into by and between the Federal Government, through MME, and the Contracted Party under the following terms and conditions.

CAPÍTULO I - BASIC PROVISIONS

CLAUSE ONE - DEFINITIONS

Legal Definitions

1.1. All definitions provided for under article 6 of Law No. 9.478/1997, in art. 2 of Law No. 12.351/2010, 3 of Decree No. 2.705, of August 3, 1998, and in art. 2 of ANP Resolution No. 25, of July 8, 2013, are incorporated into this Agreement and, consequently, will be valid for all their purposes and effects, whenever they are used in the singular or plural, male or female.

Contractual Definitions

1.2. For the purposes and effects of this Agreement, the definitions contained in this paragraph shall also apply insofar as the following words and expressions are used herein, either singular or plural, male or female:

- 1.2.1. **Agreement for the Availability of Oil or Natural Gas Production:** an agreement entered into between the Consortium Members to regulate the availability of the Oil and Natural Gas produced to the original owners.
- 1.2.2. **Affiliate:** any legal entity governed by private law that carries out a controlled or controlling business activity, pursuant to arts. 1,098 to 1,100 of the Civil Code, as well as those that are directly or indirectly controlled by the same legal entity.
- 1.2.3. **Agreement Area:** Block area whose surface projection is delimited by the polygon defined in Annex I or the portions of the Block area that remain retained by the Contractors after the partial returns provided for in this Agreement.
- 1.2.4. **Development Area:** any portion of the Agreement Area retained for the Development Phase.
- 1.2.5. **Audit of Cost and Oil Surplus:** procedure for verifying the legitimacy of expenses and Production conducted by the Operator and recognized by the Manager as Cost in Oil and Oil Surplus.
- 1.2.6. **Expenditure Authorization:** authorization prepared by the Operator and submitted to the Operating Committee, pursuant to Annex IX, to conduct expenses necessary for the execution of Operations in the Agreement Area.
- 1.2.7. **Evaluation:** exploratory activity that aims to investigate a Discovery in the Agreement Area in order to verify its commercial viability, using technologies that may be accepted by ANP, in accordance with the Best Practices of the Oil Industry.
- 1.2.8. **Well Evaluation:** logging and formation testing activities performed between the Completion of Drilling and Well Completion that, associated with other activities previously performed in the well, will allow the verification of the occurrence of areas of interest for the presentation of any Oil or Natural Gas Discovery Evaluation Plan.
- 1.2.9. **Assignment:** transfer, in whole or in part, of the ownership of rights and obligations arising from the Agreement; merger, spin-off and incorporation, when the corporate reorganization results in a change of any of the Contractors; change of Operator; and exemption and replacement of performance guarantee.

- 1.2.10. **Operating Committee:** entity managing the Consortium, composed of representatives of the Manager and the Contractors, pursuant to Annex IX.
- 1.2.11. **Well Completion:** moment of completion of activities directly related to the drilling of a well (including, when applicable, logging, coating and cementing) that had the final depth reached, from which all Operations refer exclusively to the disassembly, demobilization or movement of the unit. For cases in which the Well Evaluation and/or completion is started within 60 (sixty) days after the end of the activities directly related to the drilling of the well or its temporary abandonment, the moment when the disassembly, demobilization or handling of the unit used to carry out the Well Evaluation and/or completion will be considered.
- 1.2.12. **Consortium:** consortium formed by the Manager and the Contractors.
- 1.2.13. **Consortium members:** members of the Consortium.
- 1.2.14. **Contractors:** Consortium members, excluding the Manager.
- 1.2.15. **Agreement:** main body of this document and its annexes.
- 1.2.16. **Consortium Agreement:** contractual instrument entered into between the Manager and the Contractors, according to Annex VIII.
- 1.2.17. **Declaration of Commercial Viability:** formal and written notification submitted to ANP in which one or more Deposits are declared as Commercial Discovery in the Agreement Area.
- 1.2.18. **Statement for Determination of Oil Surplus:** information sent by the Contractors to the Manager through which the portion of the Oil Surplus to be shared between Contractors and Contracting Party will be extracted.
- 1.2.19. **Discovery:** any occurrence of Oil or Natural Gas in the Agreement Area, regardless of quantity, quality, or commercial viability, verified by at least two detection or Evaluation methods.
- 1.2.20. **Decommissioning of Facilities:** set of activities associated with the definitive interruption of the Operation of the facilities, the permanent abandonment and demolition of wells, the removal of facilities, the proper disposal of materials, waste and tailing and the environmental recovery of the area.
- 1.2.21. **Development Phase:** contractual phase initiated with the approval by ANP of the Development Plan and which continues during the Production Phase while investments are necessary in wells, equipment and facilities for the Production of Oil and Natural Gas in accordance with the Best Practices of the Oil Industry.
- 1.2.22. **Extraction of the First Oil:** date of the first measurement of volumes of Oil and Natural Gas at one of the Production Measurement Points, in each Development Module.
- 1.2.23. **Exploration Phase:** contractual period in which the Exploration and Evaluation must occur.
- 1.2.24. **Production Phase:** contractual period in which Development and Production must occur.
- 1.2.25. **Brazilian Supplier:** any manufacturer or supplier of goods produced or services provided in Brazil, through companies incorporated under Brazilian laws or those that

make use of goods manufactured in the Country under special customs regimes and tax incentives applicable to the Oil and Natural Gas Industry.

- 1.2.26. **Applicable Law and Regulations:** set of laws, decrees, regulations, resolutions, ordinances, normative instructions or any other Brazilian normative acts that affect or will affect the Parties and other signatories, or on the activities of Exploration and Production of Oil and Natural Gas, as well as on the Decommissioning of Facilities.
- 1.2.27. **Macro-group:** set of goods and services acquired or contracted by the Contractors for the execution of the activities in the segments defined in this Agreement with specific commitments of Local Content.
- 1.2.28. **Best Practices in the Oil Industry:** the best and safest procedures and technologies available in the Oil and Natural Gas Industry worldwide, which allow: (i) to guarantee the operational safety of the facilities, preserving life, physical integrity and human health; (ii) to preserve the environment and protect adjacent communities; (iii) to avoid or reduce as much as possible the risks of leakage of Oil, Natural Gas, derivatives and other chemical products that may be harmful to the environment; (iv) the conservation of oil and gas resources, which implies the use of adequate methods and processes to maximize the recovery of hydrocarbons in a technically, economically and environmentally sustainable way, with the corresponding control of the decline of reserves, and the minimization of losses on the surface; (v) to minimize the consumption of natural resources in the Operations. In order to implement the Best Practices in the Oil Industry, the Contractors must take the rules issued by ANP and other Brazilian public agencies as a starting point, incorporating technical standards and recommendations from internationally recognized agencies and associations of the Oil Industry, whenever such measures increase the chances that the objectives listed above will be achieved.
- 1.2.29. **Development Module:** individualized module, composed of facilities and infrastructure for Oil and Natural Gas Production of one or more Deposits of a given Field, according to the Development Plan approved by ANP.
- 1.2.30. **New Reservoir:** accumulation of Oil and Natural Gas other than those already in Production or under Evaluation.
- 1.2.31. **Operation:** any activity of Exploration, Evaluation, Development, Production or Decommissioning of Facilities, conducted in sequence, jointly, or separately by the Consortium Members, for the purposes of this Agreement.
- 1.2.32. **Exclusive Risk Operation:** operation carried out without the participation of all Contractors, pursuant to Annex IX.
- 1.2.33. **Emergency Operation:** Operation that requires immediate actions by the Operator aiming at the protection of human life, as well as the conservation of oil resources and other natural resources, heritage and the environment.
- 1.2.34. **Party:** the Contracting Party or the Contractor.
- 1.2.35. **Parties:** the Contracting Party and the Contractors.
- 1.2.36. **Oil or Natural Gas Discovery Evaluation Plan:** document specifying the work program and respective investments necessary for the Evaluation of a Discovery or set of Oil or Natural Gas Discoveries in the Agreement Area.

- 1.2.37. **Development Plan:** document specifying the work program, schedule and respective investments necessary for the Development and Production of a Discovery or set of Oil and Natural Gas Discoveries in the Agreement Area, including its abandonment.
- 1.2.38. **Exploratory Work Plan:** instrument in which the activities and the respective schedules and budgets for each block under Exploration and Production agreement are specified, as well as for the moment when the remaining obligations are executed.
- 1.2.39. **Principle of No Loss or Gain:** principle to be observed by the Consortium Members that the Operator will not make a profit or suffer a loss concerning the other Consortium Members when conducting and executing Operations on behalf of the Consortium.
- 1.2.40. **Annual Production Program:** a document that discriminates the forecasts of Production and movement of Oil, Natural Gas, water, special fluids, and residues from the Production process of each Development Area or Field.
- 1.2.41. **Annual Work and Budget Program of the Production Phase:** document specifying the set of activities to be conducted by the Consortium Members for the next five years, including the details of the investments necessary to conduct the activities in the Production Phase.
- 1.2.42. **Decommissioning of Facilities Program:** document presented by the Consortium Members whose content must incorporate the information, projects and studies necessary for the planning and execution of the Decommissioning of Facilities.
- 1.2.43. **Minimum Exploration Program:** work program provided for in Annex II, to be fulfilled by the Consortium Members during the Exploration Phase.
- 1.2.44. **Internal Regulations of the Operating Committee:** set of rules of a complementary nature to the Agreement, intended to regulate the activities of the Operating Committee and the relationship between its members.
- 1.2.45. **Local Content Report:** document to be delivered by the Consortium members to ANP in which the amounts spent for the purpose of determining Local Content are detailed.
- 1.2.46. **Decommissioning of Facilities Report:** document submitted by the Contractors that describes all activities performed during the Decommissioning of Facilities and the associated costs.
- 1.2.47. **Local Content Inspection Report:** technical opinion issued by ANP, which evaluates the fulfillment of the contractual commitments declared by the Operator in the Local Content Report, prior to the initiation of any sanctioning process.
- 1.2.48. **Final Report on the Evaluation of Oil or Natural Gas Discoveries:** document that describes the Oil or Natural Gas Discovery Assessment Operations, under the terms of the Oil or Natural Gas Discovery Assessment Plan approved by ANP, presents its results and, if approved by ANP, confers effectiveness to the Declaration of Commercial Viability.
- 1.2.49. **Social Responsibility:** responsibility of Contractors for the impacts of their decisions and activities on society and the environment, through ethical and transparent behavior that (i) contributes to sustainable development, including the health and well-being of society, and considers the expectations of stakeholders; (ii) is in compliance with the Best Practices of the Oil Industry; and (iii) is integrated into Contractors and is practiced in their relations, which refer to the activities of Contractors within their sphere of influence.

- 1.2.50. **Production Collection System:** set of facilities and equipment intended to transfer the fluids produced from the wells to the Production units, as well as to transfer the fluids for injection in the Field.
- 1.2.51. **Production Outflow System:** set of facilities and equipment intended to move Oil and Natural Gas from the Production units to facilities not belonging to the Agreement Area or to other Production units in the same Agreement Area.
- 1.2.52. **Early Production System:** temporary installation, of limited capacity, aiming at anticipating Production and obtaining data and information for better characterization of the Reservoir, for the purpose of adapting the Development Plan.
- 1.2.53. **Drilling Termination:** moment when the final depth of the well is reached, with no prospect of continuity of subsequent advance.
- 1.2.54. **Extended Well Test:** test in a well with a total free flow time greater than 72 (seventy-two) hours, carried out with a view to obtaining data that allow interpretations in order to subsidize Deposit Assessment.
- 1.2.55. **Gross Production Value:** monetary expression, in national currency, of the Supervised Production Volume.

CLAUSE TWO - OBJECT

Exploration and Production of Oil and Natural Gas

- 2.1. The purpose of this Agreement is the execution, in the Agreement Area, at the Contractors' risk and expense:
- a) Exploration Operations committed in the Minimum Exploration Program or additional to it, under the terms of an Exploration Work Plan approved by ANP;
 - b) Discovery Assessment activities, in case of Discovery, at the discretion of the Consortium Members, under an Oil or Natural Gas Discovery Assessment Plan approved by ANP and additional to it under an Exploratory Work Plan approved by ANP;
 - c) Oil and Natural Gas Development and Production Operations, if the Consortium members verify the commercial viability of the Discovery, under the terms of a Development Plan approved by ANP.

Exclusivity and Costs

- 2.2. The Consortium Members have the exclusive right to carry out the Operations in the Agreement Area, and the Contractors, at their own risk, shall contribute the investments and bear the necessary expenses, including equipment, machinery, personnel, services and appropriate technology.
- 2.3. Expenses incurred in exploratory activities, including those arising from exploratory failures, will only be recovered as Oil Cost if there is at least one Commercial Discovery in the Agreement Area.

Losses, Risks and Liability Associated with the Execution of Operations

- 2.4. The Contractors are fully, jointly and objectively liable for losses and damages caused, directly or indirectly, to the environment, third parties, the Contracting Party, ANP or the Manager due to the execution of the operations.
 - 2.4.1. The Contractors shall reimburse third parties, the Contracting Party, ANP or the Manager for any and all losses arising from an action, appeal, demand or judicial challenge, arbitration award, audit, inspection, investigation or controversy of any kind, as well as for any indemnities, compensations, punishments, fines or penalties of any nature, related to the execution of the Agreement.
- 2.5. The Contractors shall bear all losses they may incur, including those resulting from acts of God or force majeure, as well as accidents or events of nature that affect the Exploration and Production of Oil and Natural Gas in the Agreement Area.
- 2.6. The Contractors shall be fully responsible for the product of the Mining until its individualized physical availability, in a pipeline or relief ship, to the Contractors and the Manager, regardless of the location of the Measurement Point and the Sharing Point, thus departing from any hypothesis of liability of the Contracting Party, the Manager and ANP.
- 2.7. The Contracting Party, the Manager and the ANP will not assume any operational risks or losses, nor will they bear the costs and investments related to the execution of the Operations and their consequences, except, in relation to the Contracting Party, the hypothesis provided for in art. 6, sole paragraph, of Law No. 12.351/2010.

Oil and Natural Gas Ownership

- 2.8. The Contracting Party belongs to the Oil and Natural Gas Deposits existing in the national territory, on the continental shelf and in the exclusive economic zone, in accordance with arts. 20, V and IX, of the Constitution of the Federative Republic of Brazil and 3 of Law No. 9.478/1997.
- 2.9. The Contractors and the Contracting Party shall be responsible for the original appropriation of the volume corresponding to the portion of the Oil Surplus, in the proportion, conditions and deadlines established in the bidding notice and in this Agreement.
 - 2.9.1. In case of Commercial Discovery of Oil and Natural Gas, the Contractors shall be responsible for the original appropriation of the volume corresponding to the Royalties due and the Oil Cost.
- 2.10. The ownership of the portion of Oil and Natural Gas to which the Contractors and the Contracting Party are contractually entitled will be conferred on them, originally, at the Measurement Point.

Other Natural Resources

- 2.11. The Consortium Members must not use, enjoy or dispose, in any way and in any capacity, in whole or in part, of any other natural resources that may exist in the Agreement Area other than Oil and Natural Gas, except when authorized by the competent agencies, in accordance with the Applicable Law.

- 2.11.1. The fortuitous encounter of natural resources other than Oil and Natural Gas must be notified to ANP within a maximum period of 72 (seventy-two) hours.
- 2.11.2. The Consortium Members shall comply with the instructions and allow the execution of the relevant measures determined by ANP or other competent authorities.
- 2.11.3. Until such instructions are presented to them, the Consortium Members shall refrain from any measures that may pose a risk or in any way harm the discovered natural resources.
- 2.11.4. The Consortium Members shall not be obliged to suspend their activities, except in cases where they endanger the discovered natural resources or Operations.

CLAUSE THREE - AREA OF AGREEMENT

Identification

- 3.1. The operations shall be performed exclusively in the Agreement Area, described and delimited in Annex I.

Voluntary Returns

- 3.2. The Contractors may make, at any time, during the Exploration Phase, voluntary returns of areas that are part of the Agreement Area.
 - 3.2.1. Voluntary returns must be communicated in writing.
 - 3.2.2. Voluntary returns shall not relieve the Contractors of the liability for compliance with the Minimum Exploration Program, the Oil or Natural Gas Discovery Assessment Plan and the activities for the Decommissioning of Facilities.
 - 3.2.3. The Decommissioning of Facilities Program must be submitted to ANP for approval together with the area return notification, under the terms of the Applicable Legislation.
 - 3.2.4. Upon completion of the Exploration Phase, the Consortium Members may only retain, as Agreement Area, the Development Areas.

Return due to the termination of the Agreement

- 3.3. The total or partial termination of this Agreement, for any reason, will oblige the Contractors to return the Agreement Area immediately to the Contracting Party, in whole or in part.

Conditions for Returning

- 3.4. Any return of areas or Fields that are part of the Agreement Area, as well as the consequent reversal of assets, will be definitive and will be made by the Contractors without charge of any nature to the Contracting Party, to the Manager or to ANP, pursuant to arts. 29, XV, and 32,

§§ 1 and 2, of Law No. 12.351/2010, and the Contractor is not entitled to any right to reimbursement.

3.4.1. The return of areas or fields that are part of the Agreement Area does not exempt the Contractors from the liability provided for in paragraph 26.11.

Arrangement by the Contracting Party of the Returned Areas

3.5. The Contracting Party may dispose of the returned areas, at its sole discretion, including for new bids.

Data Collection on Non-Exclusive Bases

3.6. ANP may, at its sole discretion, authorize third parties to perform, in the Agreement Area, geology, geochemistry, geophysics and other works of the same nature, aiming at the collection of technical data intended for commercialization on a non-exclusive basis, pursuant to art. 8, III, of Law No. 9.478/1997 and Applicable Law.

3.6.1. The performance of these services, unless exceptional situations adopted by ANP, cannot affect the normal course of operations.

3.7. The Consortium Members shall have no liability in relation to the performance of said services by third parties or related damages.

CLAUSE FOUR - TERM AND EFFECTIVENESS

Term and Effectiveness

4.1. This Agreement will last for 35 (thirty-five) years, effective as of the date of its signature.

Phased Division

4.2. This Agreement shall be divided into two phases:

- a) Exploration Phase, for the entire Agreement Area, with duration defined in paragraph 10.1; and
- b) Production Phase, with duration defined in paragraph 14.1.

CAPÍTULO II - PRODUCTION SHARING SCHEME

CLAUSE FIVE - RECOVERY AS COST IN OIL

Entitlement to Recovery as Cost in Oil

5.1. Exclusively in case of Commercial Discovery, the Contractors shall be entitled to receive, as Oil Cost, a portion of the Oil and Natural Gas Production, according to the terms, criteria and conditions established in Annex VI.

Calculation and Recovery as Cost in Oil

5.2. Costs in Oil, according to the methodology and procedures established in Annex VI, will be recovered as expenses that have been:

- a) previously approved by the Operating Committee or whose approval is waived by this Agreement; and
- b) recognized by the Manager.

5.2.1. The expenses incurred by the Contractors in the period prior to the signing of the Agreement and until the constitution of the Operating Committee may be recovered as Oil Cost, which are, cumulatively:

- a) directly related to the acquisition of data and information, obtaining licenses, authorizations and government permissions.
- b) recoverable in accordance with the criteria set out in Annex VI; and
- c) ratified by the Operating Committee, prior to its effective recovery as Oil Cost.

Recovery as Cost in Oil

5.3. The expenses to be recovered as Oil Cost will be recorded in their own account, called Oil Cost account.

5.4. During the Production Phase, the Contractors, each month, will appropriate the portion of the Production corresponding to the Oil Cost, respecting the limit of the Gross Production Value defined in Annex X.

5.4.1. Costs that exceed the defined limits and are not recovered as Oil Cost in a given calendar year will be accumulated for appropriation in subsequent years.

5.4.2. Between its entry in the Cost in Oil account and its recovery as Cost in Oil, the expenses recognized as Cost in Oil will have the treatment provided for in § 6 of art. 3 of CNPE Resolution No. 26/2021.

5.4.2.1. Expenses in Exploration and Production incurred and posted to the Oil Cost account in Reais will be adjusted for inflation annually between the date of its entry in the Oil Cost account and the date of its recovery as Oil Cost, preferably by the Broad National Consumer Price Index - IPCA of

the Brazilian Institute of Geography and Statistics - IBGE, or by another index that, at the discretion of the Manager, best reflects the costs of the sector, the capital remuneration being prohibited.

5.4.2.2. Exploration and Production expenses incurred in another currency or entered in the Oil Cost account in US Dollars will be adjusted for inflation annually between the date of their entry in the Oil Cost account and the date of their recovery as Oil Cost, preferably by the Consumer Price Index, of the Bureau of Labor of the United States of America, or by another index that, at the discretion of the Manager, best reflects the costs of the sector, the capital remuneration being prohibited.

- 5.5. The management of the process of calculating, recognizing and recovering the Oil Cost will be the sole responsibility of the Manager, who will also manage the Oil Cost account.
- 5.6. . Any positive balance of the Oil Cost account at the end of the contractual term will not generate the right to indemnities or refunds to the Contractors.

CLAUSE SIX - ROYALTIES

- 6.1. . The amount of Royalties due each month in relation to each Development Area or Field will be determined by multiplying the equivalent of 15% (fifteen percent) of the Total Volume of Oil and Natural Gas Production of the Development Area or Field during that month by their respective Reference Prices, defined pursuant to Annex VI.
- 6.2. Royalties are due as a result of the Production of Oil and Natural Gas from Extended Well Tests.
- 6.3. In case of Commercial Discovery, the Contractors will be entitled to the volume of Production corresponding to the Royalties due, being prohibited, in any event, the reimbursement in cash.

CLAUSE SEVEN- EXPENSES QUALIFIED AS RESEARCH, DEVELOPMENT AND INNOVATION

- 7.1. The Contractors shall be obliged to allocate resources for research, development and innovation activities in the areas of interest and topics relevant to the Oil, Natural Gas and Biofuels sector, in an amount equivalent to at least 1% (one percent) of the Gross Value of the Annual Production of Oil and Natural Gas, when the Volume of Supervised Production of the Field for Production in bathymetric depth above 400 (four hundred) meters, in any quarter of the calendar year, is greater than the following volumes established in Decree No. 2.705/1998:

Year of Production from the Start Date of Production	Supervised Quarterly Production Volume (in thousands of cubic meters of oil equivalent)
First year	1,350
Second year	1,050
Third year	750
After the third year	450

- 7.1.1. In the event of a change in the volumes established in Decree No. 2.705/1998, the Volumes of Supervised Production provided for in the table of paragraph 7.1 may be reviewed by ANP.
- 7.1.2. The Contractors have until June 30 of the year following the year of calculation of the Gross Production Value to carry out the application of these resources.
- 7.1.3. The Contractors shall provide ANP with a complete report of the expenses qualified as research, development and innovation carried out within the deadlines and formats defined in the Applicable Legislation.
- 7.1.4. Expenses qualified as research, development and innovation will not be recoverable as Oil Cost.
- 7.2. The resources provided for in paragraph 7.1, the Contractors shall invest:
- a) a) from 30% (thirty percent) to 40% (forty percent) in universities or national research and development institutes accredited by ANP; and
 - b) b) from 30% (thirty percent) to 40% (forty percent) in research, development and innovation activities that aim to result in products or processes with technological innovation with Brazilian Suppliers.
- 7.3. The remaining balance of expenses qualified as research, development and innovation, after compliance with paragraph 7.2, may be invested in research, development and innovation activities carried out at the premises of the Contractors or their Affiliates located in Brazil, or in Brazilian Suppliers or in universities or research and development institutes accredited by ANP.
- 7.4. Failure to comply with the obligations set forth in this Clause Seven shall be subject to the sanctions provided for in the Applicable Law.

CLAUSE EIGHT- TAXES

Tax Regime

- 8.1. Income taxes, as well as taxes that encumber acquisitions and generate credits usable by the Contractor, will not be recoverable as Oil Cost.

- 8.1.1. Credits arising from non-cumulativeness that aim to recover the tax burden levied in the previous step will be considered as usable by the Contractor, except for credits that must be canceled or reversed as a result of the Applicable Law.
- 8.2. The Contractor shall demonstrate the values of non-useable tax credits, so that they can be recognized as Oil Cost.

Certificates and Proof of Good Standing

- 8.3. Whenever requested by the Contracting Party or ANP, the Contractors shall submit all certificates, registration acts, authorizations, proof of registration in taxpayer registrations, proof of fiscal regularity, proof of regular status in the fulfillment of the social charges established by law, registrations in professional entities or associations, and any other similar documents or certificates.

CLAUSE NINE- SHARING OF OIL SURPLUS

Sharing of Oil Surplus

- 9.1. The Contracting Party and the Contractors shall share monthly the Oil and Natural Gas volume corresponding to Oil Surplus produced in the Agreement Area.
- 9.2. The portion of the Oil Surplus applicable to the Contracting Party will vary depending on the average price of Brent Oil and the average daily Oil Production of the wells producing the Development Area or the Field, as shown in the table in Annex X.
- 9.2.1. The oil price will be the monthly average of the daily prices of *Brent Dated*, according to the quotation published daily by *Platt's Crude Oil Marketwire*.
- 9.2.2. The volume of natural gas produced shall be shared with the same percentage applied to the sharing of the volume of oil.
- 9.2.3. 9.2.3. Wells with Oil Production restricted by technical and operational issues and that are computing loss, at the Manager's discretion, will not be considered for calculating the average.
- 9.3. The measurement and availability of the volume of Oil and Natural Gas corresponding to the Oil Surplus will be carried out in accordance with the guidelines of Annex VI and Clause Seventeen.

Statement for Determination of Oil Surplus

- 9.4. From the Start Date of Production or during the performance of Extended Well Tests in the Evaluation stage, the Contractors shall forward to the Manager the Statement for Determination of the Oil Surplus, in the format and periodicity determined by it.

Price Adjustment

9.5. The prices in the table in Annex X shall be adjusted using the following formula:

$$\text{Updated Price} = \text{Base Price} * (I_m / I_0)$$

Where,

Adjusted_{price}: Adjusted price, in US dollars;

Base_{price}: Price contained in the bidding notice, in US dollars;

I_m: Index number of the "*Consumer Prices Index*" published by the U.S. Department of Labor, *Bureau of Labor Statistics*, corresponding to the month of the price adjustment;

I₀: Index number of the "*Consumer Prices Index*" published by the U.S. Department of Labor, *Bureau of Labor Statistics*, corresponding to the month of signature of the Agreement.

- 9.5.1. The first adjustment of the prices of the bidding notice will be carried out in the month prior to the Start Date of Production, with the last published index number.
- 9.5.2. The following updates will be made with a periodicity of 12 (twelve) months from the month of the last update.
- 9.5.3. In order to carry out the calculations established in paragraph 9.5, three (3) exact decimal places must be adopted, disregarding the other digits from the fourth place, inclusive.
- 9.5.4. The adjusted price values shall be rounded to the nearest two (2) decimal places of monetary value.
- 9.5.5. The table with the updated price values in the month following the publication of the index numbers necessary for the calculations shall be adopted.
- 9.5.6. In the event of the extinction of the "*Consumer Prices Index*", another official index that replaces it will be adopted and, in the absence thereof, another with a similar function.

CAPÍTULO III - EXPLORATION

CLAUSE TEN - EXPLORATION PHASE

Duration

- 10.1. The Exploration Phase will consist of a single period, lasting seven (7) years.
- 10.2. The Exploration Phase shall begin on the date of signature of this Agreement; and will be closed:
- a) with the expiry of the period provided for in paragraph 10.1;
 - b) with the total return of the Agreement Area; or
 - c) in the case of an area previously retained for Discovery Assessment:
 - i. with the submission of the Declaration of Commercial Viability; or
 - ii. with the return of the area.

Minimum Exploration Program

- 10.3. The Consortium Members shall perform the obligations related to the Minimum Exploration Program within the terms and conditions described in Annex II.
- 10.3.1. In order to comply with the Minimum Exploration Program, the wells drilled must achieve the exploratory objective, at a depth sufficient to establish their potential in Oil and Natural Gas, as defined in Annex II.
- 10.3.1.1. ANP may accept other exploratory objectives with Prospectuses, upon presentation of technical justification.
- 10.4. The partial or complete non-performance of the Minimum Exploration Program implies the termination of the Agreement and the execution of the compensatory liquidated damages clause provided for in Clause Eleven, and no other penalties are applicable due to said non-performance.
- 10.4.1. Except for the provision above, the Development Areas eventually retained by the Consortium Members.
- 10.5. In case of non-compliance with the Minimum Exploration Program, the Contractors may not proceed to the Production Phase.

Exploratory Work Plan

- 10.6. The Exploratory Work Plan shall be defined by the Operating Committee.
- 10.7. The Consortium Members shall submit to ANP the first shipment of the Exploratory Work Plan within 180 (one hundred and eighty) days from the date of signature of this Agreement, under the terms of the Applicable Law.

- 10.8. The Consortium Members shall submit to ANP the annual shipment of the Exploratory Work Plan scheduled for October of each year, under the terms of the Applicable Legislation.
- 10.9. The Consortium Members shall submit to ANP the annual shipment of the Exploratory Work Plan carried out in March of each year, under the terms of the Applicable Legislation.
- 10.10. The Consortium Members shall submit to ANP the remittances for review of the planned Exploratory Work Plan and the Exploratory Work Plan carried out under the terms of the Applicable Legislation.
- 10.11. ANP will express its opinion on the approval of the shipment of the Exploratory Work Plan within 30 (thirty) days from the receipt of the shipment, under the terms of the Applicable Legislation.
- 10.12. The execution of the activities of the Minimum Exploration Program may be initiated before the approval of the Exploratory Work Plan, provided that ANP is previously notified.
- 10.13. At its sole discretion, ANP may authorize the start of the execution of the activities additional to the Minimum Exploration Program before the approval of the Exploration Work Plan.
- 10.14. During the period of analysis and approval of the Exploratory Work Plan, the execution of Exploration activities already started may be interrupted, if justified by ANP.

Extension of the Exploration Phase

- 10.15. The Exploration Phase may be extended at the discretion of ANP.
 - 10.15.1. If the extension of the Exploration Phase is approved, ANP will inform the Contracting Party of the decision.
 - 10.15.2. In return for the extension of the Exploration Phase provided for in paragraph 10.15, the Consortium Members may be required to perform exploratory activities in addition to the Minimum Exploration Program.
 - 10.15.3. The Consortium Members shall propose, at least 120 (one hundred and twenty) days before the end of the Exploration Phase, a revision of the Exploration Work Plan in which the exploratory activities additional to the Minimum Exploration Program required by ANP as a counterpart to the extension of the Exploration Phase are explained and justified.
 - 10.15.4. If the revision of the Exploratory Work Plan referred to in paragraph 10.15.3 is not approved, the Exploration Phase will be closed without the requested extension.
 - 10.15.5. Once the proposal for the execution of exploratory activities additional to the Minimum Exploration Program has been approved as a counterpart to the extension of the Exploration Phase, the Contractors shall submit the corresponding financial guarantees under the terms of Clause Eleven.
- 10.16. If at the end of the Exploration Phase the drilling of an exploratory well is in progress without the Well Evaluation having been completed, the Exploration Phase will be extended until the Well Completion date with an increase of 60 (sixty) days for the presentation of a possible proposal for an Oil or Natural Gas Discovery Evaluation Plan.

10.16.1. The hypothesis provided for in paragraph 10.16 shall be communicated by the Consortium members to ANP until the end of the Exploration Phase.

10.17. If the Consortium Members conduct a late Discovery during the Exploration Phase at a time such that they have not been able to carry out the Discovery Assessment before the end of this phase, the Consortium Members may request ANP to extend the Exploration Phase for the necessary period to conduct the Evaluation stage and eventual Declaration of Commercial Viability, according to an Oil or Natural Gas Discovery Assessment Plan approved by ANP.

10.17.1. The extension referred to in paragraph 10.17 is limited to the retention area of the Oil or Natural Gas Discovery Assessment Plan approved by ANP.

10.17.2. As a condition for the Exploration Phase to be extended pursuant to paragraph 10.17, the time elapsed between the Discovery notification referred to in paragraph 12.1 and the presentation, by the Consortium Members, of the proposed Oil or Natural Gas Discovery Assessment Plan to ANP may not exceed six (6) months, except in exceptional cases previously authorized by the Contracting Party, after hearing ANP.

Contractors' Options at the End of the Exploration Phase

10.18. Upon completion of the Exploration Phase, the Contractors may:

- a) proceed to the Production Phase, meeting the contractual requirements and the Applicable Legislation;
- b) fully return the Agreement Area.

Return of the Agreement Area at the End of the Exploration Phase

10.19. Within 60 (sixty) days after the end of the Exploration Phase, the Contractors shall forward to ANP a Decommissioning Program for Facilities of areas not retained, under the terms of the Applicable Legislation.

10.19.1. The delivery of said plan does not imply any recognition or discharge by ANP, nor does it exempt the Consortium Members from complying with the Minimum Exploration Program.

CLAUSE ELEVEN - COMPENSATORY LIQUIDATED DAMAGES CLAUSE FOR NON-COMPLIANCE WITH THE MINIMUM EXPRORATION PROGRAM

Compensatory liquidated damages clause for Non-compliance with the Minimum Exploration Program

11.1. As a compensatory liquidated damages clause for non-compliance with the Minimum Exploration Program, the Contractors shall be subject to the payment of a contractual fine equivalent to the Minimum Exploration Program not complied with, as provided for in paragraphs 11.14 and 11.15.

Minimum Exploration Program Financial Guarantee

- 11.2. The Contractors shall provide ANP with one or more financial guarantees for the Minimum Exploration Program according to the amount set forth in Annex II, within the period established in the tender protocol.
- 11.3. The financial guarantees presented must be accompanied by a letter signed by all Contractors expressing full knowledge of paragraphs 20.2 and 20.2.1 and that the obligations of the Minimum Exploration Program are indivisible, and each Contracted Party shall be jointly and severally liable for reimbursement in case of non-compliance.
- 11.4. If the Contractors do not provide the appropriate financial guarantees, the Agreement will be terminated concerning the areas not under Development.

Modalities of Financial Guarantees

- 11.5. The Contractors may provide ANP with the following financial guarantee modalities of the compensatory penalty clause for non-compliance with the Minimum Exploration Program:
- a) letter of credit;
 - b) guarantee insurance; and
 - c) Oil and Natural Gas pledge agreement.
- 11.6. The financial guarantees may be cumulated in order to total the guaranteed amount.
- 11.7. The financial guarantees must comply with the form indicated in the bidding documents.
- 11.8. The financial guarantees may only be replaced or changed after approval by ANP.

Adjustment of Financial Guarantees

- 11.9. The amount of the PEM financial guarantee will be automatically adjusted for inflation on January 1st of each calendar year by the variation of the General Price Index - Internal Availability (IGP-DI), published by Fundação Getúlio Vargas, of the immediately preceding year, except on January 1st immediately after the publication of the tender protocol, when there will be no adjustment.
- 11.10. The Contractors shall submit the update of the financial guarantees to ANP by January 31st of each calendar year.
- 11.10.1. The annual presentation of the guarantee update is waived if the guarantee modality presented already contains in its instrument automatic monetary adjustment clause by the IGP-DI.

Validity of Financial Guarantees

- 11.11. The validity of the financial guarantee shall exceed by at least 180 (one hundred and eighty) days the date scheduled for the end of the Exploration Phase.

- 11.11.1. The financial guarantees shall be renewed whenever necessary, already in the amount adjusted for inflation, subject to the provisions of paragraph 11.9.
- 11.12. In case of deterioration of the financial guarantees, the Contractors shall replace them or provide additional guarantees.
- 11.12.1. If the guarantee has been presented pursuant to an Oil and Natural Gas pledge agreement, ANP may notify the Contractors to, under the terms of the tender protocol and the pledge agreement signed between the parties, make a call for a guarantee margin or, alternatively, request that a new guarantee be presented to ANP in order to cover any difference between the required guarantee and the effective guarantee, within 60 (sixty) days from the receipt of the notification.

Return of Financial Guarantee

- 11.13. If there are no pending issues, ANP will issue the certificate of completion of the Minimum Exploration Program within 30 (thirty) days after its completion and then return the respective financial guarantees.

Execution of the Compensatory Liquidated-Damages Clause

- 11.14. In the event of non-compliance with the Minimum Exploration Program, ANP shall order the Contractors to pay, as a compensatory liquidated-damages clause, within thirty (30) days, the amount updated by the IGP-DI corresponding to the unfulfilled portion of the Minimum Exploration Program, without incurring any discount for voluntary payment.
- 11.14.1. In case of voluntary non-payment, ANP shall execute the amount due up to the limit ensured by the financial guarantees and shall record the remaining debt as overdue tax liability, plus the applicable legal charges.
- 11.14.2. The amount equivalent to the Unfulfilled Minimum Exploration Program will be adjusted by the IGP-DI until the date on which the actual payment is made.
- 11.14.3. ANP's declaration of breach of agreement is effective immediately and constitutes sufficient cause for the execution of the guarantee offered, including guarantee insurance.
- 11.14.4. The suspension of the execution of the financial guarantee by decision of ANP, pursuant to item "m" of paragraph 36.5, or of an arbitration or judicial decision in force, does not prevent the communication of the claim by ANP to the insurer, within the term of the respective guarantee.
- 11.14.5. When the suspension is terminated without reversing the administrative decision referred to in paragraph 11.14.3, the effective execution of the financial guarantee will occur when the suspension is terminated, even if the original term of the guarantee has expired.
- 11.15. The receipt of the amount corresponding to the compensatory penalty clause for the non-execution of the Minimum Exploration Program:
- a) a) does not exempt the Contractors from the fulfillment of the other obligations derived from the Agreement;

- b) does not affect the ANP's right to seek other reparations and apply any applicable sanctions for acts other than the mere non-performance of the Minimum Exploratory Program; and
- c) does not entitle the Contractors to move to the Production Phase.

CLAUSE TWELVE- DISCOVERY AND EVALUATION

Notice of Discovery

- 12.1. Any Discovery in the Agreement Area must be notified by the Consortium Members to ANP, on an exclusive basis, within a maximum period of 72 (seventy-two) hours.

Assessment, Oil or Natural Gas Discovery Assessment Plan and Final Oil or Natural Gas Discovery Assessment Report

- 12.2. The Consortium Members may, at their discretion, proceed with the Evaluation of a Discovery at any time during the Exploration Phase.
- 12.3. If the Consortium Members decide to proceed with the Evaluation of a Discovery, they must submit to ANP approval an Oil or Natural Gas Discovery Evaluation Plan, under the terms of the Applicable Legislation.
- 12.4. The Consortium Members shall be authorized to start the execution of the Oil or Natural Gas Discovery Assessment Plan after its approval or upon authorization by ANP.
- 12.5. Once the Evaluation of a Discovery is completed, the Consortium Members shall submit to ANP for approval a Final Report on the Evaluation of Oil or Natural Gas Discoveries, which shall indicate and justify any proposal to retain the Commercial Discovery Development Area, under the terms of the Applicable Legislation.

Discovery Assessment through Extended Well Test

- 12.6. If the Oil or Natural Gas Discovery Assessment Plan contemplates the performance of a Extended Well Test, the Consortium Members shall request ANP specific authorization to perform it.
- 12.7. The Oil Cost for the Extended Well Test will be recovered in the Production Phase.
- 12.8. The execution of the Extended Well Test without the use or reinjection of Natural Gas shall be limited to a period of 180 (one hundred and eighty) days, except in exceptional cases, at the discretion of ANP.

CLAUSE THIRTEEN - DECLARATION OF COMMERCIAL LIABILITY

Declaration of Commercial Viability

- 13.1. Following the Oil or Natural Gas Discovery Assessment Plan approved by ANP, the Operating Committee may, at its discretion, make the Declaration of Commercial Viability of the Discovery.
 - 13.1.1. If the Final Report for the Evaluation of Oil or Natural Gas Discoveries has not yet been submitted to ANP, it must accompany the Declaration of Commercial Viability.
 - 13.1.2. The Declaration of Commercial Viability will only be effective after the approval of the Final Report for the Evaluation of Oil or Natural Gas Discoveries by ANP.
- 13.2. Failure to submit the Declaration of Commercial Viability by the end of the Exploration Phase will imply the termination of the Agreement in full in relation to the respective area retained for Discovery Evaluation.
- 13.3. The presentation of one or more Declarations of Commercial Viability shall not exempt the Consortium Members from compliance with the Minimum Exploration Program.

Postponement of the Declaration of Commercial Viability

- 13.4. If the main accumulation of hydrocarbon discovered and evaluated in the Contract Area is Natural Gas, the Consortium Members may request authorization from ANP to postpone the Declaration of Commercial Viability within five (5) years, in the following cases:
 - a) Inexistence of a market for Natural Gas to be produced, with the expectation of its creation in less than five (5) years;
 - b) lack or insufficiency of Transport infrastructure for the movement of Natural Gas to be produced by the Consortium Members, with expectation of its implementation in less than five (5) years.
- 13.5. If the main accumulation of hydrocarbon discovered and evaluated in the Agreement Area is Oil, the Consortium Members may request authorization from ANP to postpone the Declaration of Commercial Viability for up to five (5) years, in the following cases:
 - a) lack of technology for Production, Flow or Refining with the expectation of its emergence in less than five (5) years;
 - b) the volume of the Discovery is such that its commerciality depends on additional discoveries to be made in the Block itself or in adjacent Blocks, aiming at the Joint Development of the Operations.
- 13.6. The Consortium Members may request ANP that the period for the postponement of the delivery of the Declaration of Commercial Viability extend for up to five (5) additional years.
- 13.7. The postponement of the term for submission of the Statement of Merchantability shall be applied exclusively to the area previously held for Discovery Evaluation.
- 13.8. The postponement of the term for submission of the Statement of Merchantability shall be applied exclusively to the area previously held for Discovery Evaluation.

13.9. If ANP understands that the reason for the postponement referred to in paragraphs 13.4 and 13.5 is exceeded, it shall notify the Consortium Members to submit, at its discretion, a Declaration of Commercial Viability within 30 (thirty) days.

13.9.1. If they decide to submit a Declaration of Commercial Viability, the Consortium Members shall submit a Development Plan to ANP for approval within a maximum period of 180 (one hundred and eighty) days from the said notification, and the provisions of paragraph 15.1 shall not apply.

CAPÍTULO IV - DEVELOPMENT AND PRODUCTION

CLAUSE FOURTEEN - PRODUCTION PHASE

Beginning and Duration

14.1. The Production Phase will start on the date of submission of the Declaration of Commercial Viability and duration limited by the term of this Agreement.

Return of the Agreement Area

14.2. The Agreement Area must be returned to the Federal Government at the expected end of Production.

14.3. The Consortium Members shall submit to the Contracting Party and ANP, up to 36 (thirty-six) months before the end of the term of the Agreement or the estimate of exhaustion of commercially extractable volumes, whichever occurs first, a report with information on:

- a) mechanical situation of the wells;
- b) Production Flow System lines;
- c) Production plants;
- d) equipment and other assets;
- e) perspective of additional Production;
- f) prospect of exhaustion of the Field;
- g) agreements with current suppliers; and
- h) other relevant considerations.

14.4. The Consortium Members shall submit to ANP a Decommissioning of Facilities Program in accordance with the Applicable Legislation and the Best Practices of the Oil Industry.

14.5. The total or partial termination of this Agreement or the closing of the Production Phase does not exempt the Contractors from the obligations related to the Decommissioning of Facilities, in particular the fulfillment of the Decommissioning Program of Facilities, until ANP approves the respective Decommissioning Report of Facilities.

14.6. At its discretion, ANP may adopt the necessary measures for the continuation of the Field Operation, and may even promote a new hiring over the last five (5) years before the date scheduled for the end of Production.

14.6.1. The Contractors shall make every effort and take all appropriate measures to properly transfer the Operations to the new Contractor, so as not to prejudice the administration and Production of the Field.

14.7. If there is any prospect of additional Production after the end of the term of the Agreement, the Contracting Party, after hearing ANP, may determine actions to ensure the continuity of Production Operations.

- 14.7.1. In this case, the Operator shall propose to the Operating Committee an operational continuity plan, which shall include:
- a) the possibility of assignment of agreements with suppliers of the Consortium;
 - b) the possibility of acquisition of goods whose useful life extends after the term of the Agreement.
- 14.8. Upon termination of the Agreement and with commercially extractable reserves, the Contracting Party may determine that the Contractors do not permanently abandon certain wells or deactivate or remove certain facilities and equipment, without prejudice to their right to return the area.

CLAUSE FIFTEEN - DEVELOPMENT PLAN

Deadlines

- 15.1. The Consortium Members shall submit the Development Plan to ANP within 180 (one hundred and eighty) days from the submission of the Declaration of Commercial Viability or the receipt of the communication of approval of the Final Report on the Assessment of Oil or Natural Gas Discoveries, whichever occurs last.
- 15.2. The untimely delivery of the Development Plan shall subject the Operator to the application of the sanctions provided for in Clause Thirty-One and in the Applicable Law.
- 15.3. If the Development Plan is not delivered within the established period, ANP shall notify the Operator to present it within a maximum period of thirty (30) days, after which the Agreement shall be terminated in full in relation to the respective Development Area.

Development Area

- 15.4. The Development Areas shall cover all Deposits to be produced.
- 15.4.1. The Development Area shall be delimited based on the data and information obtained during the Exploration Phase and the Discovery Assessment, in accordance with the Applicable Legislation and with the Best Practices of the Oil Industry.
 - 15.4.2. During the Development Phase, the Consortium Members may request ANP to modify the Development Area in order to incorporate other portions of the Agreement Area, provided that, cumulatively:
 - a) it is found that one or more Deposits go beyond the Development Area; and
 - b) the installments intended to be incorporated have not been returned by the Contractors in compliance with the provisions of the Agreement.
- 15.5. The Development Area to be retained will be that contained in the Final Report on the Assessment of Oil or Natural Gas Discoveries approved by ANP.

15.6. The Consortium Members shall retain from the Development Area only the Field Area approved by ANP under the Development Plan.

15.6.1. The Contractors shall immediately return to ANP the remaining installments, subject to the provisions of paragraphs 3.4 and 3.5.

Approval and Implementation of the Development Plan

15.7. ANP shall have a period of 180 (one hundred and eighty) days from the receipt of the Development Plan to approve it or request the Consortium Members to make such modifications as it deems appropriate.

15.7.1. If ANP does not give its opinion within this period, the Development Plan will be considered approved, and the power and duty of ANP to require revisions whenever necessary.

15.7.2. If ANP requests modifications, the Consortium Members shall submit the modified Development Plan within the period determined by ANP, repeating the procedure provided for in paragraph 15.7.

15.8. The non-approval of the Development Plan by ANP, after the exhaustion of the appropriate administrative resources, will imply the termination of the Agreement in full in relation to the respective Development Area.

15.9. Until the Development Plan is approved, any works, Operations, or anticipation of Production will depend on prior authorization from ANP, according to Applicable Law.

15.9.1. Possible anticipation of production shall be requested in a manner based on application in which the precepts of conservation of oil resources should be observed, ensuring the operational safety and environmental preservation.

15.10. Operations shall be conducted in accordance with the Development Plan approved by ANP.

Revisions and Changes

15.11. The provisions of paragraphs 15.7 to 15.9 shall apply to revisions of the Development Plan, as applicable, including with regard to the non-approval of revisions by ANP.

Constructions, Facilities and Equipment

15.12. The Consortium Members shall be responsible for all constructions and facilities and the supply of equipment for the extraction, primary processing of Natural Gas, Production Collection System, storage, measurement, and Production Transfer.

15.12.1. The definition by the Consortium Members of the actions related to paragraph 15.12, including concerning the contribution of the necessary resources, will be mandatory for the characterization of commercial viability and the Development of Discovery.

CLAUSE SIXTEEN - STARTING DATE OF PRODUCTION AND ANNUAL PROGRAMS

Start Date of Production

- 16.1. The Start Date of Field Production shall occur within a maximum period of five (5) years, extendable at the discretion of the Contracting Party, after hearing ANP, counted from the date of submission of the Declaration of Commercial Viability.
 - 16.1.1. The Consortium Members shall notify ANP of the Start Date of Production within a maximum period of 72 (seventy-two) hours after its occurrence.
- 16.2. The Production of Oil and Natural Gas in a Production facility can only be started after the completion of the installation of a system for the use or reinjection of Natural Gas, except in cases expressly authorized by ANP, to minimize Natural Gas burns.

Annual Production Program

- 16.3. The Consortium Members shall deliver to ANP the Annual Production Program for the calendar year in which the Production begins at least 60 (sixty) days in advance of the expected Start Date of Production, under the terms of the Applicable Legislation.
- 16.4. The Consortium Members shall deliver to ANP the Annual Production Program of the subsequent year until October 31st of each calendar year, under the terms of the Applicable Legislation.

Approval of the Annual Production Program

- 16.5. ANP shall have thirty (30) days from the receipt of the Annual Production Program to approve it or request the Consortium Members any modifications it deems appropriate.
 - 16.5.1. If ANP requests modifications, the Consortium Members shall resubmit the Annual Production Program contemplating such changes within thirty (30) days from the request, repeating the procedure provided for in paragraph 16.5.
 - 16.5.2. If the Consortium members disagree with the proposed modifications, they may discuss them with ANP, in order to adjust the modifications to be implemented in the Annual Production Program, in what ANP deems pertinent and in accordance with the Best Practices of the Oil Industry.
- 16.6. The Consortium Members shall be obliged to comply with the Annual Production Program with any modifications determined by ANP.
- 16.7. If, at the beginning of the period to which a given Annual Production Program refers, ANP and the Consortium Members are discussing any modifications proposed by ANP due to the application of the provisions of paragraph 16.5, the lowest level of Production among those proposed by the Consortium Members and ANP shall be used in any month until the final definition of the Annual Production Program.

Revision

- 16.8. ANP and the Consortium Members may adjust, at any time, the review of an ongoing Annual Production Program, provided that such revision complies with the provisions of paragraphs 16.3 and 16.4.
- 16.9. When ANP proposes the review, the Consortium Members will have 30 (thirty) days from the receipt of the notification to discuss it with ANP and present a revised Annual Production Program.
- 16.9.1. Any reviews shall apply, as appropriate, the provisions of paragraph 16.5.

Variation of the Volume Produced

- 16.10. Each month, the volume produced in the Field cannot suffer variation more significant than 15% (fifteen percent) concerning the volume referred to the Production level foreseen for the corresponding month in the Annual Production Program.
- 16.10.1. If there is a variation greater than said percentage, the Consortium Members shall submit justification to ANP by the 15th (fifteenth) of the month following the variation.
- 16.10.2. Variation greater than that percentage resulting from technical reasons, acts of God or force majeure to be evaluated by ANP shall be allowed.

Temporary Interruption of Production

- 16.11. The Consortium Members may request ANP to voluntarily interrupt the Production of a Field for a period of one (1) year, extendable at ANP's discretion.
- 16.11.1. ANP shall evaluate the request within 60 (sixty) days, renewable for the same period, and may request clarification from the Consortium Members.
- 16.11.2. The deadline for evaluation will be restarted after the requested clarifications have been presented.
- 16.12. The voluntary interruption of Production will not imply the suspension of the term of the Agreement.

Annual Work and Budget Program of the Production Phase

- 16.13. The same provisions regarding the Annual Production Program regarding delivery, approval and review procedures apply to the Annual Work and Budget Program of the Production Phase.
- 16.14. The first Annual Work and Budget Program of the Production Phase must contemplate the remainder of the current year and be presented by the Consortium Members within a maximum period of 60 (sixty) days from the date of the Declaration of Commercial Viability.
- 16.14.1. If there are more than six (6) months to the end of the year, the Annual Work and Budget Program of the Production Phase must be sent, whose reference year is the current year.

- 16.14.2. If there are less than six (6) months to the end of the year, only the Annual Work and Budget Program of the Production Phase that has as reference year the subsequent year must be sent by October 31st of that year, or by the deadline established in paragraph 16.14, if it exceeds October 31st.
- 16.14.3. An exception to paragraph 16.14.2 may be made if there are activities to be effectively carried out by the Consortium Members in the second half of the current year, provided that the presentation of the Annual Work and Budget Program of the Production Phase is preceded by a prior consultation with ANP as to its real need.

CLAUSE SEVENTEEN - MEASUREMENT AND AVAILABILITY OF PRODUCTION SHARING

Measurement

- 17.1. From the Start Date of Production of each Development Area or Field, the Consortium Members shall, periodically and regularly, measure the volume and quality of Oil and Natural Gas produced at the Measurement Point.
- 17.1.1. The methods, equipment and measuring instruments provided for in the respective Development Plan and in accordance with the Applicable Legislation shall be used.

Sharing Point

- 17.2. The Oil and Natural Gas Sharing Points will be defined for each Module of the Development Phase in the Development Plan. They will coincide with where the Consortium will physically make available the portion of Production corresponding to each Consortium Member or to whom it indicates.
- 17.2.1. ANP will carry out the inspection of the measurement at the Sharing Points.
- 17.3. Any difference in volume between the Measurement Point and the Sharing Point will be considered an operational loss of exclusive responsibility of the Contractors, not recoverable as Oil Cost, except as provided in paragraph 17.8.

Monthly Production Bulletins

- 17.4. The Consortium Members shall submit to ANP a monthly Production Bulletin for each Development Area or Field.
- 17.4.1. The bulletin must be submitted by the 15th (fifteenth) of each month, starting from the month following the month in which the Start Date of Production occurs.

Availability of Production

- 17.5. The Contractors are assured the free availability of the volumes of Oil and Natural Gas granted to them, except as provided in paragraph 17.7.
- 17.6. The availability of the volumes of Oil and Natural Gas produced will be carried out in accordance with the Oil or Natural Gas Production Availability Agreement to be entered into between the Consortium Members before the start of Production, including Extended Well Tests.

National Market Supply

- 17.7. In emergencies that may endanger the national supply of Oil and Natural Gas, as well as its derivatives, ANP may determine the Contractors to limit their exports of these hydrocarbons.
- 17.7.1. It is considered emergency situation the one decreed by President of the Republic.
- 17.7.2. The portion of production with limited export should be directed to the Brazilian market or the composition of strategic stocks for the Country.
- 17.7.3. ANP shall notify the Contractors of the limitation of exports at least thirty (30) days in advance.
- 17.7.4. The portion of Production on which the restriction on free availability applies will be, each month, determined in relation to the proportion of the Contractors' share in the national Production of Oil and Natural Gas relative to the immediately preceding month.
- 17.7.5. The limit for the export of hydrocarbons by Contractors shall also apply to the participation of the Federal Government in the Oil Surplus.

Consumption in Operations

- 17.8. The Consortium Members may use, as fuel in the execution of Operations, Oil and Natural Gas produced in the Agreement Area, provided that in quantities authorized by ANP.
- 17.8.1. The Consortium Members shall inform ANP, upon reasoned notification, of any variation above 15% (fifteen percent), in relation to the Annual Production Program in the amount of Oil and Natural Gas consumed in the Operations and the purpose of use.
- 17.8.2. The Consortium Members shall include such information in the monthly Production bulletins.
- 17.8.3. The volumes of Oil and Natural Gas consumed in the Operations shall be computed for the purpose of calculating the Royalties referred to in Clause Six.

Test Results

- 17.9. The data, information, results, interpretations, static and dynamic Reservoir models and flow regimes obtained from the formation tests, Extended Well Tests or Early Production Systems during the execution of the Operations of this Agreement shall be sent to ANP and

the Manager immediately after its obtaining, completion or according to the term defined in the Applicable Law.

17.9.1. The information shall include, in addition, the volumes of Oil, Natural Gas and water produced.

17.9.2. In the case of Extended Well Tests, the information must be sent to ANP according to the periodicity established in the approved Discovery Assessment Plans.

17.9.3. Production and movements from Extended Well Tests and Early Production Systems shall be reported through the monthly production bulletin.

17.10. The Oil Cost related to Extended Well Tests will only be recovered in case of Commercial Discovery.

17.11. Royalties are due as a result of the Production of Oil and Natural Gas from Extended Well Tests

17.12. The original appropriation, by the Contractors, of the volume of Production corresponding to the Royalties due, in the case of Extended Well Tests, will occur, if applicable, in the Production Phase.

Losses of Oil and Natural Gas and Burning of Natural Gas

17.13. Oil or Natural Gas losses occurring under the responsibility of the Contractors, as well as the burning of Natural Gas *in flares*, shall be deducted from the portion of the Oil Surplus that is applicable to the Contractors after the Production Sharing.

17.13.1. Only the burning of Natural Gas in *Flares* for reasons of safety, emergency and commissioning will be allowed, the maximum volume being specified in the Applicable Law.

CLAUSE EIGHTEEN - INDIVIDUALIZATION OF PRODUCTION

Production Individualization

18.1. The Procedure for the Individualization of Oil and Natural Gas Production must be established, under the terms of the Applicable Legislation, if it is identified that a Deposit extends beyond the Area of the Agreement.

18.2. The Manager will be a signatory to the Production Individualization Agreement as a Consenting Intervening Party, except in the case of art. 4 of Law No. 12.304 / 2010.

**CLAUSE NINETEEN - DISCOVERY, EVALUATION AND DEVELOPMENT OF NEW
RESERVOIR IN THE PRODUCTION PHASE**

- 19.1. Any Discovery of a New Oil or Natural Gas Reservoir must be notified by the Consortium Members to ANP, on an exclusive basis, within a maximum period of 72 (seventy-two) hours. The notification shall be accompanied by all relevant data and information available.
- 19.2. The Consortium Members may, at their discretion, carry out the Assessment of the Discovery of a New Reservoir at any time during the Production Phase.
 - 19.2.1. If the Consortium members decide to carry out the Assessment of the Discovery of a New Reservoir, they must present the Assessment activities in the Annual Work and Budget Program of the Production Phase, following the procedures of Clause Sixteen.
- 19.3. If the Contractors decide to proceed with the Development of a New Reservoir, they must notify ANP and, within 180 (one hundred and eighty) days after the communication, submit to ANP a Development Plan, in accordance with the Applicable Legislation.
- 19.4. The Development or Production of a New Reservoir will only be authorized after approval by ANP, under the terms of the Applicable Legislation.

CHAPTER V -EXECUTION OF OPERATIONS

CLAUSE TWENTY - EXECUTION OF OPERATIONS BY THE CONSORTIUM MEMBERS

Operator

20.1. The Operator is designated by the Contracted Parties to, on their behalf:

- a) conduct and execute the Operations provided for in this Agreement;
- b) submit plans, programs, guarantees, proposals and communications to ANP;
- c) receive responses, requests, proposals and other communications from ANP.

20.2. The Operator shall be responsible for fully complying with all obligations of the Contractors outlined in this Agreement relating to any aspect of the Operations and the payment of the Government Interests.

20.2.1. In the event of more than one Contractor, all shall be jointly and severally liable for the full compliance with all obligations of the Agreement.

Diligence in the Conduct of Operations

20.3. The Contractors shall plan, prepare, execute and control the Operations in a diligent, efficient and appropriate manner, in accordance with the Applicable Law and with the Best Practices of the Oil Industry, respecting the provisions of this Agreement and not practicing any act that constitutes or may constitute an infringement of the economic order.

20.3.1. The Contractors shall, in all Operations:

- a) adopt the necessary measures for the conservation of petroleum resources and other natural resources and for the protection of human life, property and the environment, pursuant to Clause Twenty-six;
- b) comply with the relevant technical, scientific and safety rules and procedures, including the recovery of fluids, aiming at the rationalization of Production and the control of the decline of reserves;
- c) employ, whenever appropriate and economically justifiable, at the discretion of ANP, more advanced technical experiences and technologies, including those that best increase the economic performance and Production of the Deposits.

20.4. The duties of the Operator are:

- a) maintain a minimum staff domiciled in Brazil, fluent in Brazilian Portuguese and capable of efficiently and effectively conducting day-to-day operations, as well as responding to incidents in an appropriate and immediate manner;
- b) continuously monitor all activities that involve operational, environmental or human health risks through a monitoring center necessarily located in Brazil;

- c) participate in the preparation and formally approve the emergency response procedures and risk analysis studies of the activities conducted within the scope of this Agreement, according to the Best Practices of the Oil Industry;
 - d) establish an organizational structure and resources in Brazil that have personnel responsible for operational safety, in order to create an equalization of forces between decisions related to operational activities and the management of operational safety risks, in order to ensure that operational risks are considered as a priority in the Consortium's decision-making process.
- 20.4.1. The staff referred to in item "a" of paragraph 20.4 shall be designed in accordance with the Best Practices of the Oil Industry and be directly proportional to the operational and environmental risks assumed by the Operator.
 - 20.4.2. The monitoring center referred to in item "b" of paragraph 20.4 shall be located onshore and equipped with technology and size compatible with the risks assumed by the Operator, according to the Best Practices of the Oil Industry.

Licenses, Authorizations and Permissions

- 20.5. The Contractors shall, at their own risk, obtain all licenses, authorizations and permissions required under the Applicable Law.
 - 20.5.1. If the licenses, authorizations and permissions depend according to third parties, the negotiation and execution of such agreements will be the sole responsibility of the Contractors, and the Contracting Party and ANP may provide assistance according to paragraph 21.6.
- 20.6. The Contractors shall be liable for the infringement of the right to use materials and execution processes protected by trademarks, patents or other rights, and shall bear the payment of any obligations, liens, commissions, indemnities or other expenses arising from said infringement, including judicial ones.

Free Access to the Agreement Area

- 20.7. During the term of this Agreement, the Consortium Members shall have free access to the Area of the Agreement and the facilities located therein.

Drilling and Abandonment of Wells

- 20.8. The Operator shall notify ANP in advance of the start of drilling of any well in the Agreement Area.
- 20.9. The Consortium Members may interrupt the drilling of the well and abandon it before reaching the expected exploratory objective, following the Applicable Legislation and in accordance with the Best Practices of the Oil Industry.
 - 20.9.1. If the well is part of the Minimum Exploration Program and does not achieve the exploratory objective established in Annex II, its drilling will not be computed for the purpose of complying with the Minimum Exploration Program, unless ANP, at its sole discretion, so decides.

20.10. ANP may, exceptionally, authorize the drilling of wells in a location external to the Agreement Area, due to Production Individualization Agreements or environmental issues.

Additional Work Programs

20.11. The Contractors may, at any time, propose the execution of additional work programs in the Agreement Area, which shall be provided for in the Exploratory Work Plan.

Acquisition of Data outside the Agreement Area

20.12. Upon detailed request of the Consortium Members, ANP may authorize Operations outside the limits of the Agreement Area.

20.13. Operations outside the limits of the Agreement Area will not be considered for the purpose of complying with the Minimum Exploration Program, but may be recognized as Oil Cost.

20.14. Data acquired outside the boundaries of the Agreement Area will be classified as public immediately after its acquisition.

20.15. The Consortium Members shall deliver to ANP the data and information acquired outside the limits of the Agreement Area under the terms of the Applicable Legislation.

CLAUSE TWENTY-ONE - CONTROL OF OPERATIONS AND ASSISTANCE BY ANP AND THE CONTRACTING PARTY

Monitoring and Supervision by ANP

21.1. ANP, directly or through agreements with agencies of the Federal Government or States or of the Federal District, shall carry out the permanent monitoring and inspection of Operations.

21.1.1. The action or omission in the monitoring and supervision will not exclude or reduce the responsibility of the Contractors for the faithful fulfillment of the obligations assumed in this Agreement.

Follow-up by the Contracting Party

21.2. The Contracting Party, at any time, may monitor the Operations.

Access and Control

21.3. The Contracting Party and ANP shall have free access to the Agreement Area and ongoing Operations, equipment and facilities, as well as all available records, studies and technical data.

- 21.3.1. The Contractors shall provide the representatives of the Contracting Party and ANP with transportation, food, personal protective equipment, and accommodation in the locations under identical conditions to those provided to their personnel.
- 21.3.2. For the purpose of collecting data, information or determining responsibilities for operational incidents, access will be provided by the Contractors through the unrestricted and immediate supply of transportation, food, personal protective equipment and accommodation to ANP representatives.
- 21.4. The Contractors shall allow free access to the authorities that have competence over any of their activities.
- 21.5. The Contractors shall provide, within the term and in the manner established, the information requested by ANP.

Assistance to Contractors

- 21.6. The Contracting Party and ANP, when requested, may assist the Contractors in obtaining the licenses, authorizations, permissions and rights referred to in paragraph 20.5.

Exemption of Liability of the Contracting Party and ANP

- 21.7. The Contractors, at their own risk, are fully responsible for the execution of the Operations, and the Contracting Party and ANP shall not be liable for any assistance requested and eventually provided.

CLAUSE TWENTY-TWO - DATA AND INFORMATION

Provision by Contractors

- 22.1. The Contractors shall keep ANP informed about the progress, results and deadlines of the Operations.
- 22.1.1. The Operator shall send to the Manager and ANP, in the form and within the stipulated deadlines, copies of maps, sections, profiles, studies, interpretations, other geological, geochemical and geophysical data and information, including well data, static and dynamic reservoir models and flow regimes obtained from tests, as well as reports or any other documents defined in specific regulations and obtained as a result of the Operations and this Agreement that contain information necessary to characterize the progress of the works and the geological knowledge of the Agreement Area.
- 22.1.2. Pursuant to article 22 of Law No. 9.478/1997, the technical collection consisting of data and information on the Brazilian Sedimentary Basins is an integral part of the national oil resources, and such data and information, including those related to the geological, geophysical and geochemical modeling of the Agreement Area, must be delivered by the Contractors to ANP.

22.1.3. ANP shall ensure compliance with confidentiality periods, under the terms of the Applicable Legislation.

22.2. The quality of copies and other reproductions of the data and information referred to in paragraph 22.1.1 shall maintain absolute fidelity and standard equivalent to the originals, including color, size, legibility, clarity, compatibility, and other relevant characteristics.

Processing or Analysis Abroad

22.3. The Contractors may, with the prior and express authorization of ANP, send samples of rocks and fluids abroad, for the purposes of analysis and other studies, under the terms of the Applicable Legislation.

CLAUSE TWENTY-THREE - GOODS

Goods, equipment, plant and materials

23.1. It is the exclusive obligation of the Contractors to directly provide, purchase, rent, lease, charter or otherwise obtain all property, furniture and real estate, including facilities, constructions, systems, equipment, machinery, materials and supplies, that are necessary for the execution of the Operations.

23.1.1. The purchase, rent, lease or acquisition may be made in Brazil or abroad, under the terms of the Applicable Law.

Facilities or Equipment outside the Agreement Area

23.2. ANP may authorize the positioning or construction of facilities or equipment outside the Agreement Area, with a view to complementing or optimizing the logistical structure related to the Operations.

23.2.1. The Consortium Members shall submit to ANP a reasoned request to position facilities or equipment outside the limits of the Agreement Area.

23.2.1.1. The reasoning must include technical and economic aspects, as well as the positioning or construction project, as the case may be.

23.2.1.2. If the facility or equipment needs to be located in another area under agreement, there must be consent from the right's holder of that area for the authorization to be requested, in addition to other authorizations from other agencies and consents from entities possibly impacted by the facility.

23.2.2. The provisions of Clause Twenty-Six apply to equipment and facilities located outside the Agreement Area.

Reversal of Goods

- 23.3. If pre-existing wells or infrastructure are used, the Contractors shall assume, in relation to them, the responsibilities provided for in the Agreement and the Applicable Legislation.
- 23.4. In the case of a Field, the planning of the Decommissioning of Facilities and the mechanisms to make available the necessary funds will be provided for in the respective Development Plan and periodically reviewed throughout the Production Phase through the Annual Work and Budget Programs of the Production Phase.
- 23.4.1. The cost of Decommissioning of Facilities Operations shall be established to cover the activities of permanent abandonment of wells, deactivation and removal of lines and facilities, and rehabilitation of areas under the terms of the Applicable Legislation.

Guarantees for Decommissioning of Facilities

- 23.5. The Contractors shall submit a Guarantee of Decommissioning of Facilities within 180 (one hundred and eighty) days from the Start Date of Production, and may, therefore, use the guarantees or term to ensure the decommissioning provided for in the Applicable Legislation, at the discretion of ANP.
- 23.5.1. The guarantees and the term presented to ensure decommissioning shall comply with the requirements set forth in the Applicable Law.
- 23.5.2. The Contractors shall maintain the guarantee or the term valid throughout the term of the Agreement and shall renew them 180 (one hundred and eighty) days before its expiration.
- 23.5.3. ANP may, at any time, determine the replacement of the guarantee or the term whenever the technical analysis concludes for its inefficiency or inadequacy in the specific case.
- 23.6. The value of the Guarantee for Decommissioning of Facilities of a Development Area or Field will be progressively contributed throughout the Production Phase pursuant to, within the terms and at the periodicity of updating provided for in the Applicable Legislation, and the amount sufficient to cover the total cost foreseen for the Decommissioning of Facilities must be contributed as a guarantee at the time indicated in the Applicable Legislation.
- 23.7. Notwithstanding the provisions of the previous clause, ANP may require that the total amount to be guaranteed, corresponding to the cost foreseen for the Decommissioning of Field Facilities, be fully contributed to a guarantee at any time of the Agreement provided that, motivated, in cases of serious risks and difficult repair.
- 23.8. The value of the Guarantee for Decommissioning of Facilities of a Development Area or Field may be revised, at the request of the Contractors or at the request of ANP, when events occur that change the cost of Operations for Decommissioning of Facilities, respecting the limit provided for in the Applicable Law.
- 23.9. In the case of guarantee by means of provisioning fund:
- a) the Contractors shall submit to ANP, each year, documentation proving the contributions made, as well as inform the updated balance of the fund;
 - b) ANP may audit the procedures adopted by the Contractors in the management of the financial provisioning fund;

c) the balance determined after the completion of all Operations necessary for the Decommissioning of Field Facilities will revert exclusively to the Contracting Party.

23.10. The presentation of a guarantee for Decommissioning of Facilities does not relieve the Contractors from performing all Operations necessary for the Decommissioning of Field Facilities.

Goods to be Reversed

23.11. Pursuant to articles 23.11. 29, XV, and 32, §§ 1 and 2, of Law No. 12.351/2010, any and all real and personal property, principal, and accessories, which are part of the Area of the Agreement and which, at the sole discretion of the Contracting Party, after hearing ANP, are necessary to allow the continuity of operations or whose use is considered to be in the public interest shall revert to the possession and ownership of the Contracting Party and the administration of ANP in the event of termination of this Agreement or return of portions of the Area of the Agreement.

23.11.1. The goods used in the operations that are the subject of a rental, lease or charter agreement whose useful life does not exceed the duration of the Agreement shall not revert to the possession and ownership of the Contracting Party or to the administration of ANP.

23.11.2. In relation to goods whose useful life exceeds the duration of the Agreement, the Contractors shall use their best efforts to include, in the rental, charter or lease agreement, a clause that allows their assignment or renewal with a future Contractor, in order to guarantee the continuity of the operations, as provided in paragraph 14.7.

23.12. In case of sharing of assets for the operations of two or more Fields, such goods might be retained until the close of all operations.

Removal of Not Reverted Goods

23.13. Goods that will not be reverted, including those that are unserviceable, shall, under the terms of the Applicable Legislation and the Best Practices of the Oil Industry, be removed or given appropriate disposal by the Contractors, at their own risk, subject to the provisions of this Agreement.

CLAUSE TWENTY-FOUR - PERSONNEL, SERVICES AND SUBCONTRACTS

Personnel

24.1. The Contractors shall recruit and hire, directly or indirectly, at their own risk, all labor necessary for the execution of the operations, being, for all purposes of this Agreement, the sole and exclusive employers.

24.1.1. Recruitment and hiring may be carried out in Brazil or abroad and according to the selection criteria of the Contractors, under the terms of the Applicable Legislation, including with regard to the minimum percentage of Brazilian labor used.

- 24.2. The Contractors shall be exclusively and fully responsible, in Brazil and abroad, for the measures regarding the entry, exit and permanence in the Country of their foreign personnel.
- 24.3. The Contractors shall follow, with regard to the hiring, maintenance and dismissal of personnel, work accidents and industrial safety, which provides for the Applicable Law, being exclusively and fully responsible for the collection and payment of social, labor, social security contributions and other relevant additional charges, due in any capacity, in the form of Brazilian law.
- 24.4. The Contractors shall ensure adequate food, personal protective equipment and accommodation for their personnel when in service or on the move, specifically with regard to quantity, quality, hygiene, safety and health care conditions, under the terms of the Applicable Legislation.
- 24.5. The Contractors shall promote, at any time, the withdrawal or replacement of any of their technicians or team members due to improper conduct, technical deficiency or poor health conditions.

Services

- 24.6. The Contractors shall directly perform, contract, or otherwise obtain, at their own risk, all services necessary for the performance of this Agreement.
- 24.6.1. . The contracting of services may be carried out in Brazil or abroad, under the terms of the Applicable Legislation, including with regard to the minimum percentage of Brazilian labor used.
- 24.6.2. If the services provision are contracted with its Affiliates, prices, deadlines, quality and other terms adjusted shall be competitive and consistent with market practices, observed the provisions of clause Twenty.
- 24.7. The Contractors shall enforce on all their subcontractors and suppliers the provisions of this Agreement and the Applicable Law.
- 24.8. The Contractors shall be fully and objectively liable for the activities of their subcontractors that result, directly or indirectly, in damage or damage to the environment, the Contracting Party, the Manager or ANP.
- 24.9. . The Contractors shall keep updated the inventory and records of all services referred to in paragraphs 24.1 and 24.6, under the terms of the Applicable Legislation.

CLAUSE TWENTY-FIVE - LOCAL CONTENT

[LOCAL CONTENT PROVISIONS FOR ÁGUA MARINHA BLOCK]

Contractor's Commitment to Local Content

- 25.1. The Contractors shall comply with the following mandatory minimum percentages of Local Content:
- a) in the Exploration Phase: Global Local Content of 18% (eighteen percent).

- b) in the Development Phase or for each Development Module, in the case of Modular Development, for the following Macrogroups:
 - b.1) Well Construction: 25% (twenty-five percent);
 - b.2) Production Collection System and Production Flow System: 40% (forty percent);
 - b.3) Stationary Production Unit: 25% (twenty-five percent).
- 25.2. The Contractors shall ensure preference to the hiring of Brazilian Suppliers whenever their offers present conditions of price, term and quality more favorable or equivalent to those of non-Brazilian suppliers.
- 25.3. Hiring procedures for goods and services directed to the object of this Agreement shall:
 - a) include Brazilian Suppliers among the suppliers invited to submit proposals;
 - b) make the same specifications available in Portuguese or English to all companies invited to tender. If requested by any invited Brazilian company, the Contractors shall arrange for the translation of the documentation into Brazilian Portuguese;
 - c) accept equivalent specifications from Brazilian Suppliers, provided that the Best Practices of the Oil Industry are met.
- 25.3.1. The contracting of goods and services provided by Affiliates is also subject to the specifications of paragraph 25.3, except in cases of services that, in accordance with the Best Practices of the Oil Industry, are usually performed by Affiliates.
- 25.4. . The Contractors shall submit to ANP, for monitoring, Reports of Local Content in Exploration and Development, under the terms of the Applicable Legislation.

Assessment of Local Content

- 25.5. The Local Content of the goods and services must be proven to ANP through the submission of the respective Local Content certificates or a document that may replace it, under the terms of the Applicable Law.
 - 25.5.1. For purposes of verification, the Local Content of the goods and services shall be expressed in percentage terms in relation to the value of the goods or services purchased or contracted.
- 25.6. For the determination of the Local Content, the monetary values corresponding to the contracting of goods and services will be updated for the month and year in which the verification of compliance with the provisions of this clause is carried out, using the IGP-DI or another index that may replace it.
- 25.7. The milestones for the measurement of the Local Content by ANP will be as follows:
 - a) the closure of the Exploration Phase;
 - b) the closure of each Development Module; and
 - c) the closure of the Field Development Phase that does not contemplate Modular Development.

- 25.8. To measure Local Content, the Development Phase shall start on the Statement of Merchantability submission date. It will end, for each Module of the Development Phase, with the first of the following occurrences:
- a) ten (10) years after the First Oil Extraction;
 - b) withdrawal, by the Contractors, of the Development Module Development; or
 - c) the realization of the investments foreseen in the Development Plan, except those relating to abandonment of the field.
- 25.9. In the case of agreements provided for in item "b.3" of paragraph 25.1, the expenses related to the unit's operation rate shall not be accounted for the purposes of calculating the Local Content.

Surplus of Local Content

- 25.10. If the Contractors exceed the required Local Content, in the Exploration Phase or in a Development Module, the excess value, in national currency, may be transferred to the Development Modules to be subsequently implemented.
- 25.10.1. The Operator must indicate the Macrogroup to which the surplus of the Exploration Phase will be directed.
- 25.10.2. Any surpluses verified in the Development Modules may be transferred only between the same Macrogroups.
- 25.11. The request for transfer of surplus must be submitted to ANP within 30 (thirty) days from the first business day following the receipt by the Operator of the Local Content Inspection Report of the Production Development Phase, or subsequent modules in the case of modular Development.
- 25.11.1. The surplus monetary value will be adjusted by the IGP-DI or other index that may replace it.

Fine for the Breach of Local content

- 25.12. Failure to comply with the Local Content will subject the Contractors to the application of a fine, which will be calculated on the defaulted monetary value, applying the following percentage, as the case may be:
- a) if the percentage of unrealized Local Content is less than 65% (sixty-five percent) of the minimum Local Content, the fine will be 40% (forty percent) on the value of the unrealized Local Content;
 - b) if the percentage of unrealized Local Content is equal to or greater than 65% (sixty-five percent), the fine will be increased from 40% (forty percent), reaching 75% (seventy-five percent) of the minimum Local Content value, in the case of 100% (one hundred percent) of unrealized Local Content, in order to comply with the formula:

$$M (\%) = NR (\%) - 25\%.$$

Where,

M (%): percentage of fine to be calculated on the defaulted monetary value; and

NR (%): percentage of Local Content not performed.

- 25.13. If there is a simultaneous non-compliance with more than one commitment for the Macrogroups of item "b" of paragraph 25.1, the amount of the fine shall correspond to the sum of the fines for each Macrogroup.
- 25.14. The amount of the fine will be adjusted by the IGP-DI until the date on which the actual payment is made.

[LOCAL CONTENT PROVISIONS FOR NORTE DE BRAVA BLOCK]

Contractor's Commitment to Local Content

- 25.1. All conditions, definitions and requirements relating to the Local Content clause of the Exploration and Production Agreement adjacent to the area of this Agreement are maintained, as detailed in Annex VII.
- 25.2. If the Local Content of the Exploration and Production Agreement adjacent to the area of this Agreement is changed through an amendment under ANP Resolution No. 726/2018, the new Local Content commitments will be applied to this Agreement.

CLAUSE TWENTY-SIX- OPERATIONAL SAFETY AND ENVIRONMENT

Environmental Control

- 26.1. The Contractors shall have an operational safety and environmental management system that meets the Best Practices of the Oil Industry and the Applicable Legislation.
- 26.2. The Contractors shall, among other obligations:
- a) ensure the preservation of the ecologically balanced environment;
 - b) minimize the occurrence of impacts and / or damage to the environment;
 - c) c) ensure the safety of Operations in order to protect human life, the environment and the assets of the Contracting Party;
 - d) ensure the protection of Brazilian historical and cultural heritage;
 - e) e) recover degraded areas in accordance with Applicable Law and Best Practices of the Oil Industry.
- 26.3. ANP may, at any time, request a copy of the environmental licenses and studies submitted to the approval of the competent environmental agency if the knowledge of their content becomes necessary for the instruction/management of the Agreement signed herein.
- 26.4. Suppose there is an environmental licensing process in which the competent body deems it necessary to hold a public hearing. In that case, the Consortium Members shall send to ANP a copy of the studies prepared to obtain the licenses at least thirty (30) business days before the hearing.

- 26.5. The Contractors shall submit to ANP a copy of the environmental licenses and their respective renewals, in accordance with the deadlines defined in the specific regulations issued by ANP or, before that, when necessary to instruct the authorization procedure that requires such documents.
- 26.6. During the term of this Agreement, the Contractors shall send to ANP by May 31st of each year the inventory of greenhouse gas emissions. The inventory should discriminate the gases by type of emitting source and include their destination.
- 26.7. The Contractors shall submit to ANP and other competent agencies the contingency plan related to accidents due to leakage of Oil and Natural Gas and its derivatives.
- 26.8. The Contractors shall immediately inform ANP and the competent authorities of any occurrence, arising from an accidental fact or intentional act, involving risk or damage to the environment or human health, material damage to its own or third parties' assets, fatalities or serious injuries to its own personnel or to third parties or unscheduled interruptions of Operations, under the terms of the Applicable Law and in accordance with the guidelines set forth in interpretative manuals issued by ANP, when they exist.
- 26.9. The Contractors shall immediately inform the competent authorities of the occurrence of any spillage or loss of Oil and Natural Gas and other incidents, as well as the measures already taken to solve the problem.

Social Responsibility

- 26.10. The Contractors must have a Social Responsibility and sustainability management system adhering to the Best Practices of the Oil Industry.

Liability for damage and loss

- 26.11. Notwithstanding the provisions of paragraph 26.1, the Contractors shall assume full and objective responsibility for all damages to the environment that result, directly or indirectly, from the execution of the Operations.
- 26.11.1. The Contractors shall reimburse the damages resulting from the Operations.
- 26.11.2. The Contractors shall reimburse the Federal Government and ANP, according to paragraphs 2.4 to 2.7, for any and all legal actions, appeals, demands or challenges, arbitration, audit, inspection, investigation or controversy of any kind, as well as for any indemnities, compensations, punishments, fines or penalties of any nature related to or arising from such damages and losses.

CLAUSE TWENTY-SEVEN - INSURANCE

Insurance

- 27.1. The Contractors shall contract and maintain in force, throughout the term of this Agreement, insurance coverage for all cases required by the Applicable Law, without this implying a limitation of their liability under this Agreement.

27.1.1. The coverage of such insurance shall cover:

- a) assets;
- b) staff;
- c) extraordinary expenses in the operation of wells;
- d) cleaning due to accident;
- e) decontamination resulting from an accident; and
- f) f) civil liability for damage to the environment and property of the Contracting Party.

27.1.2. The Contractors shall include the Contracting Party and ANP as co-insured in the civil liability coverage policies, which shall not affect the right of the Contracting Party and ANP to obtain full compensation for losses and damages that exceed the indemnity received due to the coverage provided for in the policy.

- 27.2. At the sole discretion of ANP and provided that it is previously authorized, self-insurance may be admitted.
- 27.3. The Contractors shall obtain from their insurers the inclusion, in all policies, of a clause by which they expressly waive any rights, implicit or explicit, of subrogation against ANP or the Federal Government.
- 27.4. Insurance through Affiliates is accepted provided that it is provided by a company authorized to carry out this activity by the Superintendence of Private Insurance (Susep, Superintendência de Seguros Privados) and previously authorized by ANP.
- 27.5. The Contractor's global insurance policies and programs may be used for the purposes of this Clause Twenty-Seven, provided that it is previously authorized by ANP.
- 27.6. The Contractors shall deliver to ANP, when requested, within five (5) business days, a copy of all policies and agreements related to the insurance referred to in paragraph 27.1, as well as any and all amendments, changes, endorsements, prolongations or extensions thereof, and any and all occurrences, claims or notices of losses related thereto.

CAPÍTULO V - GENERAL PROVISIONS

CLAUSE TWENTY-EIGHT- CURRENCY

Currency

28.1. The currency unit, for all purposes and effects of this Agreement, shall be the Brazilian Real.

CLAUSE TWENTY-NINE - ACCOUNTING AND FINANCIAL AUDIT BY ANP

Accounting

29.1. The Contractors shall, under the terms of the Applicable Legislation:

- a) keep all documents, books, papers, records and other parts;
- b) maintain supporting documents necessary for the measurement of Local Content and Government and Third-Party Ownership that support accounting books;
- c) make the appropriate entries;
- d) submit the accounting and financial statements; and
- e) submit to ANP the Local Content Report under the terms of the Applicable Legislation.

Audit

29.2. ANP may carry out an audit, including the statements of verification of Government Participations, under the terms of the Applicable Legislation.

29.2.1. The audit may be carried out directly or through contracts and agreements, according to the Applicable Law.

29.2.2. The Contractors shall be notified at least thirty (30) days in advance of the performance of the audits.

29.2.3. ANP shall have wide access to books, records and other documents referred to in paragraph 29.2, including contracts and agreements signed by the Contractors and related to the acquisition of goods and services for the operations, for the last 10 (ten) years.

29.2.4. The Contractors are responsible for the information provided by third parties.

29.2.5. The Contractors shall keep at the disposal of ANP the respective documents proving Local Content, in addition to agreements, tax documents and other supporting records, corresponding to the good or service acquired, for a period of 10 (ten) years after the benchmark of Local Content.

29.2.6. ANP may require from the Contractors any documents necessary to resolve any doubts.

29.2.7. Any lack of audit or omission of its conclusions will not exclude or reduce the responsibility of the Contractors for the faithful fulfillment of the obligations of this Agreement, nor will it represent tacit agreement with methods and procedures in disagreement with this Agreement or with the Applicable Law.

CLAUSE THIRTY - ASSIGNMENT OF THE AGREEMENT

Assignment

30.1. The rights and obligations of the Contractors under this Agreement may be, in whole or in part, the subject of an Assignment, subject to the prior and express authorization of the Contracting Party, after hearing ANP.

30.1.1. Applications for authorization to perform the following acts shall be subject to the Assignment procedure provided for in the Applicable Law:

- a) transfer, in whole or in part, of the ownership of rights and obligations arising from the Assignment, including as a result of the execution of a guarantee on the contractual position;
- b) change of Contractors due to merger, spin-off or incorporation;
- c) change of Operator; and
- d) exemption or replacement of performance guarantee.

30.2. The Parties shall keep the terms and conditions of the agreement unaltered until the respective amendment is signed, and before signing any form of:

- a) transfer of rights relating to the Exploration and Production Agreement, the subject of the Assignment or execution of any lien thereon; and
- b) influence of the assignee on the management of the Exploration and Production Agreement and its execution.

30.3. Failure to comply with the provisions of paragraph 30.2 constitutes an Assignment without the prior and express approval of the Contracting Party.

30.4. In any case of Assignment, the preemptive right granted to the other Contractors shall be followed, as provided in Annex IX.

30.5. The Operator and the other Contractors shall hold, respectively, at least 30% (thirty percent) and 5% (five percent) interest in the Agreement throughout its term.

30.6. The Contractors shall notify ANP of the change in their direct corporate control or their departure from the corporate group to which they originally belonged, within 30 (thirty) days from the filing of the corporate act in the competent registry, the annotation of the transfer of

shares in the corporate books or, in the case of foreign companies, the execution of the act in accordance with local law, under the terms of the Applicable Law.

Undivided Participation in Rights and Obligations

30.7. The Assignment in whole or in part of the Agreement Area will always be an undivided participation in the rights and obligations of the Contractors, respecting the joint and several liability between the assignor and the assignee, under the terms of the Applicable Legislation.

Partial Assignment of Areas in the Exploration Phase

30.8. If the Contracting Party, after hearing ANP, authorizes an Assignment that results in the division of the Agreement Area, the area to be assigned and the remaining area must be circumscribed, each, by a single polygonal line drawn according to criteria established by ANP.

30.8.1. The resulting areas will become independent for all purposes, including the calculation of government revenues.

30.8.2. ANP shall define a Minimum Exploration Program for each of the areas resulting from the division. The sum of the resulting Minimum Exploration Programs shall be equal to or greater than the original Minimum Exploration Program.

Assignments of Area in the Production Phase

30.9. The Assignment of part of a Field shall not be allowed, except as an alternative to an Unrealized Production Individualization Agreement, provided that it is approved by the Contracting Party under the terms of the Applicable Legislation, after hearing ANP.

Nullity of Assignment of Rights and Obligations and Need for Prior and Express Approval

30.10. Any Assignment that does not comply with the provisions of this Clause Thirty or in the Applicable Law shall be null and void and subject to the penalties provided for in this Assignment and in the Applicable Law.

Assignment Approval

30.11. ANP shall forward to the Contracting Party an opinion on the authorization required within 90 (ninety) days from the presentation of the complete documentation and as required, under the terms of the Applicable Law.

30.11.1. After receiving ANP's opinion, the Contracting Party shall express its opinion on the request within 60 (sixty) days.

30.12. The Assignment of the Agreement shall only be authorized, except in the case of paragraph 32.4.2, when:

- a) in compliance with the technical, economic-financial and legal requirements established by ANP;
- b) preserving the subject and other contractual conditions;
- c) in compliance with the provisions of art. 88 of Law No. 12.529, of November 30, 2011, if applicable;
- d) the obligations of the Exploration and Production Agreement, the subject of the request are being fulfilled;
- e) the assignor and the assignee, or the guarantor, in cases of exemption or replacement of performance guarantee, are in compliance with all their obligations related to Government and third-party interests before all concession or Production Sharing Agreements to which they are parties; and
- f) the obligations related to any Decommissioning of Facilities activities are defined in accordance with the Applicable Legislation.

30.12.1. If the assignor is in default and the Assignment is not voluntary, determined by ANP or resulting from the execution of a contractual clause with third parties, the Assignment will be allowed if the assignee or the executor of the guarantee makes the payment of the obligations related to the agreements to be assigned, provided that they undertake to pass on any amount eventually due to the assignor on account of the Assignment directly to ANP, until the totality of the assignor's debt to ANP is paid.

30.12.1.1. In the event of paragraph 30.12.1, the Assignment to Affiliate shall not be accepted.

Term and Effectiveness of the Assignment

30.13. After the approval of the Assignment by the Contracting Party, the Agreement shall be amended so that the act is consummated, except in cases of exemption or replacement of performance guarantee and in the case provided for in paragraph 30.17, under the terms of the Applicable Law.

30.14. The amendment to the Agreement shall become effective and effective as of its signature, under the terms of the Applicable Legislation.

30.14.1. The transfer by the assignor to the assignee of the data, documents and operational safety and environmental information related to the contracted area and the exploration and production facilities included in the Assignment and defined by ANP is a condition for the signing of the amendment to the Agreement, except in the event of a non-voluntary Assignment.

30.15. Within 45 (forty-five) days after signing the addendum, the Contractors shall deliver to ANP a copy of the Consortium Agreement or its amendment filed with the competent trade register.

30.16. From the signing of the amendment, the former contractor will have a period of 90 (ninety) days to transfer to the new contractor all exclusive data related to the assigned Agreement, regardless of whether they are public or confidential.

- 30.16.1. The new contractor will become the holder of the rights to the exclusive data, and the counting of the confidentiality periods already in progress will remain unchanged, under the terms of the Applicable Legislation.

New Production Sharing Agreement

- 30.17. In the event of division of the Agreement Area provided for any reason, a new Production Sharing Agreement must be signed for each area resulting from the division, maintaining the same terms, obligations, programs and terms of the original Agreement.
- 30.18. After the approval of the Assignment, the Contracting Party shall call ANP and the consortium members to enter into the new Production Sharing agreements within 30 (thirty) days.
- 30.19. The new Production Sharing agreements signed by the parties will acquire validity and effectiveness from their signature, under the terms of the Applicable Legislation.
- 30.20. The Contractors are entitled to provide, within the scope of credit operations or financing agreement, security over the rights arising from this Agreement, under the terms of the Applicable Law.
- 30.21. The Contractors shall notify ANP of the guarantee operation provided for in paragraph 30.20, forwarding a copy of the respective guarantee instrument, within thirty (30) days from the date of its signature.
- 30.22. The execution of the guarantee will be made under the terms of the Applicable Law and upon notification to ANP under the terms of the guarantee instrument, observing that the transfer of ownership resulting from the execution of the guarantee constitutes an Assignment and depends on the prior and express consent of the Contracting Party, after hearing ANP.

CLAUSE THIRTY-ONE - RELATIVE DEFAULT AND PENALTIES

Legal and Contractual Sanctions

- 31.1. In the event of non-compliance with the obligations established in this Agreement or its fulfillment in a place, time or form other than that agreed, the Contractors shall incur the specific sanctions provided for in this instrument and in the Applicable Law, notwithstanding the liability for any losses and damages resulting from the default.

CLAUSE THIRTY-TWO - TERMINATION OF THE AGREEMENT

Termination by Operation of Law

- 32.1. This Agreement is terminated, by operation of law:

- a) for the duration of the term established in Clause Four;
- b) upon termination of the Exploration Phase without the Minimum Exploration Program having been fulfilled;
- c) at the end of the Exploration Phase if no Commercial Discovery has occurred;
- d) if the Contractors fully return the Agreement Area;
- e) if the Contractors exercise their right of withdrawal during the Exploration Phase, provided that the Minimum Exploration Program is fulfilled or the amount corresponding to the unfulfilled portion is paid, as provided for in Clause Eleven of this Agreement;
- f) failure to deliver the Development Plan within the term set by ANP;
- g) for non-approval of the Development Plan by ANP provided for in Clause Fifteen;
- h) in whole or in part, by the refusal of Concessionaires to sign the Production Individualization Agreement, after ANP decision; or
- i) for the lack of renewal of the financial guarantees within 30 (thirty) days before their validity period; or
- j) for the declaration of bankruptcy or non-approval of a request for judicial reorganization of any Contractor by the competent court, except as provided in paragraph 32.4.2.

Termination by Will of the Parties: Bilateral and unilateral termination

32.2. This Agreement may be terminated at any time, by mutual agreement between the Parties, notwithstanding the fulfillment of contractual obligations.

32.3. During the Production Phase, the Contractors may only terminate this Agreement by notifying the Contracting Party at least 180 (one hundred and eighty) days in advance of the intended date for the termination of the Agreement or other term defined in supervening regulations.

32.3.1. The Consortium Members may not interrupt or suspend the Production committed in the Annual Production Programs during the minimum period of 180 (one hundred and eighty) days from the date of notification of the intention to terminate or another period to be defined in supervening regulations.

Termination due to Absolute Default: Resolution

32.4. This Agreement will be resolved in the following cases:

- a) non-compliance, by the Contractors, with the contractual obligations, in the event of termination by operation of law;
- b) judicial or extrajudicial reorganization, without presenting an approved reorganization plan capable of demonstrating to ANP the economic and financial capacity to fully comply with all contractual and regulatory obligations.

32.4.1. In the case of paragraph "a" of paragraph 32.4, prior to the termination of the Agreement, ANP shall notify the Consortium Members to comply with the breached

obligation within a period of not less than ninety (90) days, except in cases of extreme urgency.

32.4.2. Upon the finding of absolute default, a period of 90 (ninety) days, or less, will be granted in cases of extreme urgency, so that the defaulting Contractor formalizes before ANP the request for Assignment of its undivided participation in the rights and obligations of this Agreement, under penalty of application of the penalties provided for in this Agreement in addition to the contractual resolution.

32.4.3. If there is more than one Contractor and if the Assignment provided for in paragraph 32.4.2 is not made, the Contracting Party shall only terminate this Agreement in relation to the defaulting party, with its undivided participation in the rights and obligations of this Agreement divided among the other non-defaulting Contractors, in proportion to their interest, upon prior and express approval by the Contracting Party, after hearing ANP.

Consequences of Termination

32.5. In any of the cases of extinction provided for in this Agreement or in the Applicable Law, the Contractors shall not be entitled to any reimbursements.

32.6. In any of the cases of extinction provided for in this Agreement or in the Applicable Law, the provisions of paragraphs 14.5 to 14.8 shall be followed for the return of the area.

32.7. Upon termination of this Agreement, the Contractors shall be liable for losses and damages arising from its default and termination, bearing all applicable indemnities and compensations, in accordance with the law and this instrument.

CLAUSE THIRTY-THREE - ACTS OF GOD, FORCE MAJEURE AND SIMILAR CAUSES

Total or Partial Discharge of Contractual Obligations

33.1. The exemption from the obligations assumed in this Agreement will only occur in the event of acts of God, force majeure and similar causes that justify non- performance, such as the fact of administration, the fact of the prince and unforeseen interference.

33.1.1. The exoneration of the obligations will occur exclusively in relation to the obligations of this Agreement whose performance becomes impossible due to the incidence of acts of God, force majeure or similar causes, recognized by the Contracting Party, after hearing ANP.

33.1.2. The Contracting Party's decision, after hearing ANP, that recognizes the occurrence of acts of God, force majeure or similar causes will indicate the portion of the Agreement whose performance will be waived or postponed.

33.1.3. The recognition of the incidence of acts of God, force majeure or similar causes does not exempt the Contractors from the payment of Government Revenues.

33.2. The notification of events that may be considered acts of God, force majeure or similar causes shall be immediate and specify such circumstances, their causes and consequences.

33.2.1. Similarly, the cessation of the events must be notified.

Amendment, Suspension and Termination of the Agreement

33.3. Once the acts of God, force majeure or similar causes has been overcome, it will be up to the Consortium Members to fulfill the obligations affected, extending the deadline for the fulfillment of these obligations for the period corresponding to the duration of the event.

33.3.1. . Depending on the extent and severity of the effects of acts of God, force majeure or similar causes:

- a) the Parties may agree to amend the Agreement or terminate it;
- b) the Contracting Party, after hearing ANP, may suspend the course of the contractual term in relation to the affected portion of the Agreement.

33.3.2. During the suspension of the contractual term, all obligations of the Parties that have not been affected by acts of God, force majeure and similar causes remain in force and enforceable.

Environmental Licensing

33.4. The Contracting Party, after hearing ANP, may suspend the course of the contractual term if there is a proven delay in the environmental licensing process.

33.4.1. The contractual suspension may be granted upon reasoned request of the Contractors.

33.4.2. In order for the course of the contractual term to be suspended, the regulatory deadline for decision of the licensing agency, in the environmental licensing process, must have been exceeded.

33.4.3. The Contractors must prove that they did not contribute to the extension of the environmental licensing process and that the delay was the sole responsibility of the competent public entities.

33.4.4. Once the Contracting Party has granted the request for suspension of the Agreement, after hearing ANP, the course of the contractual term will be considered suspended until the final manifestation of the environmental agency.

33.4.5. Once the Contracting Party has granted the request for suspension of the Agreement, after hearing ANP, the restitution of the term due to delay by the environmental agency will be accounted for from the finding of delay by the environmental agency until the date of suspension of the Agreement.

33.4.6. The suspension of the contractual term will be interrupted at any time, if ANP deems it unjustified.

33.4.7. The final manifestation of the environmental agency shall be immediately communicated to ANP by the Contractors.

33.5. As long as requested by the Contractors, the suspension of the course of the contractual term for a period exceeding five (5) years may give rise to contractual termination, without the Consortium Members being entitled to any type of indemnity.

33.5.1. The Contractors shall prove that, in the period between the suspension of the course of the contractual term and the request for termination of the Agreement, they did not contribute to the extension of the environmental licensing process.

33.6. As long as requested by the Contractors, the definitive rejection by the competent environmental agency of essential licensing for the execution of the activities may give rise to contractual termination, without the Contractors being entitled to any type of indemnity.

33.6.1. In order for the rejection of environmental licensing to be classified as acts of God, force majeure and similar causes, the Contractors shall prove that they did not contribute to the rejection of the environmental licensing process.

Losses

33.7. The Contractors shall assume, individually and exclusively, all losses arising from acts of God, force majeure or similar causes.

CLAUSE THIRTY-FOUR - CONFIDENTIALITY

Obligation of the Consortium Members

34.1. All data and information acquired, processed, produced, developed or, in any way, obtained as a result of the Operations and the Agreement are confidential.

34.2. The data and information referred to in paragraph 34.1 may be disclosed by the Consortium Members, and their commercialization is prohibited.

34.3. In the event of disclosure of the data and information referred to in paragraph 34.1, the Consortium Members shall send ANP notification within thirty (30) days from the disclosure.

34.3.1. The notification must be accompanied by the data and information disclosed, the reasons for the disclosure and the relationship of the third parties who had access to such data and information.

34.3.2. In case of disclosure of data and information to Affiliates, the Consortium Members shall be exempt from sending notification to ANP.

34.4. The provisions of paragraphs 34.1 to 34.3 shall remain in force and survive the termination of this Agreement.

Commitment of the Contracting Party and ANP

34.5. The Contracting Party and ANP undertake not to disclose data and information obtained as a result of the Operations.

34.5.1. Such provision shall not apply if the disclosure is due to legal or judicial imposition.

CLAUSE THIRTY-FIVE - NOTIFICATIONS, REQUESTS, COMMUNICATIONS AND REPORTS

Notifications, requests, plans, programs, reports, and other communications

35.1. Notifications, requests, submission of plans, programs, reports, and any other communications provided for in this Agreement shall be made in writing and formally, pursuant to the Applicable Law.

35.1.1. If there is no specific provision in the Applicable Legislation, the communications provided for herein must be delivered personally, by protocol, or sent by post, with proof of receipt.

35.1.2. The acts and communications related to this Agreement shall be written in Brazilian Portuguese, signed by a legal representative of the Consortium Members or by an attorney-in-fact with specific powers.

Addresses

35.2. In the event of a change of address, the signatory undertakes to notify the other signatories of the new address at least 30 (thirty) days in advance of the change.

Validity and Effectiveness

35.3. The notifications provided for in this Agreement shall be considered valid and effective on the date they are actually received.

Amendments of the Articles of Incorporation

35.4. The Consortium Members shall notify ANP of any changes to their articles of incorporation, bylaws or articles of association, forwarding copies of these, the documents of election of their managers or evidence of the board of executive officers in office within thirty (30) days after their execution.

CLAUSE THIRTY-SIX - LEGAL REGIME

Applicable Law

36.1. This Agreement shall be governed and construed in accordance with the Brazilian laws.

36.1.1. The Parties shall comply with the Applicable Law in the execution of the Agreement.

Conciliation

36.2. The Parties and other signatories to this Agreement undertake to make every effort to amicably resolve any and all disputes or controversies arising from or related to this Agreement.

36.2.1. Such efforts must include at least the request for a specific conciliation meeting by the dissatisfied signatory, accompanied by its demand and its reasons of fact and law.

36.2.2. The request must be met with the scheduling of the meeting by the other party within 15 (fifteen) days of the request, at the offices of the Contracting Party, ANP or the Manager, as the case may be. The representatives of the signatories should be empowered to compromise on the matter.

36.2.3. After the meeting is held, if no agreement has been reached immediately, the signatories will have at least 30 (thirty) days to negotiate an amicable solution.

Mediation

36.3. The Parties may, by written agreement and at any time, submit the dispute or controversy to the mediation of an entity authorized to do so, under the terms of its regulations and in accordance with the Applicable Law.

Independent Expert

36.4. The Parties and other signatories may, by written agreement, use an independent expert to obtain a reasoned opinion that may lead to the termination of the dispute or controversy.

36.4.1. If such an agreement is signed, the arbitration appeal may only be exercised after the opinion has been submitted by the expert.

Arbitration

36.5. After the procedure provided for in paragraph 36.2, if one of the Parties or one of the signatories considers that there are no conditions for an amicable settlement of the dispute or controversy referred to in such paragraph, such question shall be submitted to arbitration.

a) The arbitration procedure shall be administered by a notoriously recognized arbitration institution with an unblemished reputation, with the capacity to administer arbitration in accordance with the rules of this Clause Thirty-Six and preferably with headquarters or case management office in Brazil;

b) The parties to the dispute shall choose the arbitral institution by mutual agreement. If they do not reach an agreement on the choice of the arbitral institution, ANP will indicate one of the following institutions: (i) International Court of Arbitration of the International Chamber of Commerce; (ii) London International Court of Arbitration; or (iii) The Hague Permanent Court of Arbitration. If ANP does not make the indication within the term of paragraph 36.2.3, the other party in dispute may avail itself of any of the three institutions mentioned in this paragraph.

- c) The arbitration shall be conducted in accordance with the rules of the chosen arbitral institution, insofar as it does not conflict with this Clause Thirty-Six. Rapid or single arbitrator procedures will only be adopted in case of express agreement between the parties.
- d) three arbitrators should be chosen. Each disputing party shall choose one arbitrator. The two arbitrators so chosen will designate the third arbitrator, who will act as president;
- e) The city of Rio de Janeiro, Brazil, shall be the venue of the arbitration and the place of delivery of the arbitration award;
- f) The language to be used in the arbitration process shall be the Portuguese. The parties to the dispute may, however, instruct the process with testimonies or documents in any other language, as decided by the arbitrators, without the need for official translation;
- g) The arbitrators shall decide based on Brazilian substantive laws;
- h) The arbitration award shall be final and its content shall bind the signatories. Any amounts that may be due by the Contracting Party or ANP will be settled through judicial registered warrant, except in case of administrative recognition of the request;
- i) The expenses necessary for the installation, conduct and development of the arbitration, such as costs of the arbitration institution and advance of arbitration fees, will be advanced exclusively by the signatory that requests the installation of the arbitration. The defendant will only reimburse such amounts in proportion to the result of the arbitration, as decided in the arbitration award;
- j) If there is a need for expert evidence, the independent expert will be appointed by mutual agreement between the litigating signatories or, in the absence of agreement, by the Arbitral Tribunal. The costs of such expertise, including expert fees, shall be advanced by the signatory requesting it or by the requester of the arbitration, if proposed by the Arbitral Tribunal. Such costs will be borne, at the end, by the expired signatory, pursuant to the preceding paragraph. The parties to the dispute may appoint expert assistants of their trust on their own account, but such costs shall not be subject to reimbursement;
- k) The Arbitral Tribunal shall order the fully or partially unsuccessful signatory to pay attorney's fees, pursuant to arts. 85 and 86 of the Brazilian Code of Civil Procedure, or rule that succeeds them. No further reimbursement of expenses of a signatory with its own representation shall be due;
- l) If there is a need for precautionary or urgent measures before the arbitration is instituted, the interested signatory may request them directly to the Judiciary, based on the Applicable Law, ceasing its effectiveness if the arbitration is not requested within 30 (thirty) days from the date of effectiveness of the decision;
- m) ANP may, at the request of the Contractors and at its sole discretion, suspend the adoption of enforceable measures such as execution of guarantees and registration in debtor registers, provided that the Contractors maintain the guarantees in force for the periods provided for in this Agreement, for a sufficient period for the installation of the Arbitral Tribunal, in order to avoid the unnecessary filing of the judicial measure provided for in the previous paragraph;
- n) The arbitration procedure shall comply with the principle of publicity and the Applicable Law, and confidential data shall be safeguarded under the terms of this Agreement. The disclosure of information to the public will be the responsibility of the arbitral institution that manages the procedure and will preferably be done electronically.

36.6. The signatories hereby declare to be aware that the arbitration referred to in this Clause Thirty-Six refers exclusively to disputes arising from or related to the Agreement and is only possible to settle disputes relating to available property rights, under the terms of Law No. 9.307/1996.

36.6.1. Controversies over available property rights are considered, for the purposes of this Clause Thirty-Six:

- a) the incidence of contractual penalties and their calculation, and disputes arising from the execution of guarantees;
- b) the calculation of indemnities resulting from the termination or transfer of the Agreement;
- c) the default of contractual obligations by any of the parties; and
- d) demands related to contractual right or obligation.

Judicial District Court

36.7. For the provisions of item "I" of paragraph 36.5 and for issues that do not deal with available property rights, under the terms of Law No. 9.307/1996, the Parties elect the jurisdiction of the Federal Court - Judicial Section of Rio de Janeiro, Brazil, as the only competent court, expressly waiving any other, however privileged it may be.

Suspension of Activities

36.8. ANP shall decide on the suspension or not of the activities on which the dispute or controversy are related.

36.8.1. The criterion to base the decision shall be the need to avoid personal or material risk of any nature, in particular with respect to Operations.

Justifications

36.9. ANP undertakes to, whenever it exercises its discretionary power, expose the justifications of the act, observing the Applicable Law and complying with the Best Practices of the Oil Industry.

Continuous Application

36.10. The provisions of this Clause Thirty-Six shall remain in force and shall survive the termination of the Agreement.

CLAUSE THIRTY-SEVEN - FINAL PROVISIONS

Execution of the Agreement

37.1. The Contractors shall maintain all the qualification and qualification conditions required in the bidding process throughout the execution of the Agreement, in accordance with the obligations assumed by it.

Modifications and Amendments

37.2. The omission or tolerance by either Party of the requirement to comply with the provisions of this Agreement and the acceptance of performance other than the contractually required shall not entail any novation and shall not limit the right of such Party to impose, on subsequent occasions, the compliance with such provisions or require performance consistent with the contractual requirement.

37.3. Any modifications or amendments to this Agreement shall comply with the Applicable Law and will only be valid if formally carried out, in writing and signed by the representatives of the Parties.

Publicity

37.4. The Contracting Party shall publish the full text or extract of the terms of this Agreement in the Federal Official Gazette, for its validity *erga omnes*.

IN WITNESS WHEREOF, the Parties sign this Agreement in [insert number of counterparts] counterparts, of equal content and form, and for a single purpose, in the presence of the witnesses indicated below.

Date, Place, Signatories

ANNEX I - AGREEMENT AREA

CARTOGRAPHIC PARAMETERS USED FOR COORDINATES

(Add Sedimentary Basin and Exploration Block information, following ANP's Grid standard)

ANNEX II - MNIMUM EXPLORATION PROGRAM

The Exploration Phase will last for «duration» years.

Minimum Exploration Program and its Financial Guarantees

Block Designation	Area (km²)	Exploration Well	Minimum Well Depth (age)	Value of the Financial Guarantee of the Exploration Phase (BRL)
				XX (insert amount in words)

ANNEX III -FINANCIAL GUARANTEE OF THE MINIMUM EXPLORATION PROGRAM

(Attach copy of the financial guarantee for the Minimum Exploration Program.)

ANNEX IV - PERFORMANCE GUARANTEE

(Attach copy of the document delivered, if applicable)

ANNEX V - GOVERNMENT REVENUE

Pursuant to Law No. 12.351/2010, the Contractors shall pay the following Government Revenues:

- a) Signature Bonus in the amount of BRL XXX (insert amount in words); and
- b) Royalties in the amount corresponding to 15% (fifteen percent) of the Total Volume of Oil and Natural Gas Production carried out in the Agreement Area.

ANNEX VI - PROCEDURES FOR CALCULATING THE COST AND OIL SURPLUS

SECTION I - PRELIMINARY PROVISIONS

- 1.1. The portion of the Contracting Party's Oil Surplus, which will not be affected by operational losses, will be fixed at the Measurement Point.
- 1.2. The Oil Cost and Oil Surplus shall be calculated in relation to each Field arising from the Agreement Area.

SECTION II - CALCULATION OF GROSS PRODUCTIVE VALUE

The Gross Value of Production

- 2.1. The Gross Value of Production, from which the Oil Surplus will be defined, will be calculated for the Field or, when applicable, for each Development Module, according to the following formula:

$$VBP_m = VPF_{p,m} \cdot PR_{p,m} + VPF_{g,m} \cdot PR_{g,m}$$

Where,

VBP_m : Gross Value of Production of the month "m";

$VPF_{p,m}$: Volume of Oil Supervised Production for month "m", in cubic meters;

$PR_{p,m}$: Oil Reference Price in the month "m";

$VPF_{g,m}$: Volume of Natural Gas Supervised Production for the month "m", in cubic meters;

$PR_{g,m}$: Reference Price of Natural Gas in the month "m".

The Oil Reference Prices

- 2.2. The Oil Reference Price in the month "m" will be calculated as recommended by Decree No. 2.705/1998 or in the legislation that may succeed it.

The Reference Prices of Natural Gas

- 2.3. The Reference Price of Natural Gas in the month "m" will be calculated in the manner recommended by Decree No. 2.705/1998 or in the legislation that may succeed it.

SECTION III - OIL COST CALCULATION

General Provisions of Cost in Oil

- 3.1. The Oil Cost, regardless of the location of the Measurement Point and the Sharing Point, includes the expenses incurred by the Contractors in the Agreement Area, approved by the Operating Committee, when applicable, and recognized by the Manager, related to the activities of:
- a) Exploration and Assessment;
 - b) Development;
 - c) Production, including Production Flow System; and
 - d) Decommissioning of Facilities, including the amount deposited in the provisioning fund.
- 3.2. As long as related to the activities listed in paragraph 3.1, the expenses incurred with:
- a) acquisition of inputs consumed in the Operations;
 - b) rental, chartering and leasing of goods and equipment used in the Operations;
 - c) acquisition, processing and interpretation of geology, geophysics and geochemistry data;
 - d) assets incorporated into the fixed assets used in the Operations;
 - e) conservation, maintenance and repair of goods, equipment and facilities;
 - f) replacement and repair of goods and equipment lost or damaged in the routine execution of Operations;
 - g) acquisition and maintenance of insurance;
 - h) Vessel and aircraft operations;
 - i) inspection, storage, handling and transportation of materials and equipment;
 - j) obtaining permits, easements and expropriation of real estate and the like;
 - k) training related to the activities listed in paragraph 3.1;
 - l) personnel directly related to the activities listed in paragraph 3.1, observing that:
 - l.1) such expenses will be composed exclusively of the following installments:
 - l.1.1) salaries (among them: vacation);
 - l.1.2) benefits (among them: overtime, additional - including vacations -, commissions, bonuses - including Christmas -, bonuses, premiums, variable remuneration, insurance - including medical, life and health -, aid - including housing and transportation);
 - l.1.3) charges (including: FGTS payments, mandatory and complementary social security contribution, and payroll taxes); and
 - l.1.4) costs of supporting personnel directly related to the activities listed in paragraph 3.1, provided that such costs are easily identifiable.

- I.2) 1.2) the expenses will be appropriated by recording the hours worked by the personnel directly related to the activities listed in paragraph 3.1 based on the average cost of expenses listed in item "I.1" per employee, considering each category and work regime;
 - 1.2.1) the average cost of expenses listed in item "I.1.4" per employee must be proven by presentation, by the Operator, in detail and format approved by the Manager, of the calculation memory of the support costs per job used in the composition of the man-hour cost table.
 - I.3) the man-hour cost table will be reviewed annually and its effectiveness for the purpose of recognizing personnel expenses such as Oil Cost will be conditioned on the express approval of the calculation memory by the Manager;
 - 1.3.1) the calculation memory of such costs is confidential and proprietary information of the Operator and their use, disclosure and/or access must be limited to the Operator and the Manager.
 - I.4) notwithstanding the provisions of item "I.2.1", the Operator shall provide, during the process of Audit of Cost and Oil Surplus, the demonstration that the average value of personnel expenses directly related to the activities listed in paragraph 3.1 corresponds exclusively to the costs incurred, not including any element of profit or duplication of costs. Such demonstration may, at the discretion of the Manager, be made through a report issued by an independent external auditor on the composition of the man-hour cost.
- 3.2.1. Expenses incurred by the Operator that are not easily identifiable and are not directly associated with the operations will be recovered according to the following percentages on the total monthly expenses recognized as Oil Cost:
- a) Exploration Phase:
 - a.1) 3% (three percent), for expenses up to BRL 5,000,000.00 (five million Brazilian Reais);
 - a.2) 2% (two percent), for expenses greater than BRL 5,000,000.00 (five million Brazilian Reais) up to BRL 15,000,000.00 (fifteen million Brazilian Reais);
 - a.3) 1% (one percent), for expenses greater than BRL 15,000,000.00 (fifteen million Brazilian Reais).
 - b) Production Phase
 - b.1) 1% (one percent) of the expenses of the Production Phase.

Exploration and Evaluation Activities

3.3. The Exploration and Evaluation activities referred to in item "a" of paragraph 3.1 include:

- a) acquisition, processing, reprocessing and interpretation of geology, geochemistry and geophysics data;
- b) drilling, completion and abandonment of exploratory wells;
- c) execution of training tests, Extended Well and Production Tests for Discovery Assessment; and

- d) implementation of facilities used to support the listed activities, including civil engineering services and works.

Development Activities

3.4. The Development activities referred to in item "b" of paragraph 3.1 include:

- a) studies and projects for the implementation of the Production facilities;
- b) drilling and completion of Production and injection wells; and
- c) installation of equipment and extraction vessels, Production Collection System, primary processing, storage and Transfer of Oil and Natural Gas.

3.4.1. The facilities referred to in item "c" of paragraph 3.4 include, but are not limited to, offshore platforms, pipelines, primary oil and natural gas processing units, equipment and facilities for measuring supervised production, wellhead equipment, production pipes, flow lines, tanks and other facilities exclusively for extraction, as well as oil and gas pipelines of the Production Flow System and their respective compression and pumping stations.

Production Activities

3.5. The Production activities referred to in item "c" of paragraph 3.1 include:

- a) Routine Production Operations, comprising the Production of Oil and Natural Gas, both by natural and artificial elevation, primary processing, compression, control, measurement, testing, Production Collection System, Production Flow System, storage and Transfer of Oil and Natural Gas; and
- b) interventions in the Production and injection wells and routine maintenance and repair of Production equipment and facilities.

Rentals, Charter and Leases

3.6. Expenses with rents, charters and leases are recoverable as Oil Costs, exclusively during the period in which the good or right is at the service or available for Operations, including costs and expenses of mobilization and demobilization.

Payments to Affiliated Companies

3.7. The expenses incurred by the Contractors in transactions with Affiliated legal entities that have complied with the approval and proof procedures provided for in paragraphs 3.26 to 3.36 of Annex IX, will be recognized as Oil Cost.

Expenses that are not part of the Oil Cost

3.8. It will not be recognized as Oil Cost the following expenses incurred with:

- a) Royalties;
- b) Signature Bonus
- c) commercial royalties paid to Affiliates;
- d) additional information obtained pursuant to paragraph 2.5 of Annex IX;
- e) financial charges and amortizations of loans and financing;
- f) research, development and innovation contracted under the terms of Clause Seven of this Agreement;
- g) fixed assets that are not directly related to the activities provided for in paragraph 3.1;
- h) judicial and extrajudicial costs, conciliation, arbitration, expertise, attorney's fees, loss of suit and indemnities arising from a judicial or arbitral decision, even if merely ratifying a judicial agreement, as well as an extrajudicial agreement when arising from disputes involving, in different poles, the Contracting Party, ANP or the Manager;
- i) fines, penalties and penalties of any nature;
- j) replacement of goods, equipment and supplies that are lost, damaged or unusable due to unforeseeable circumstances, force majeure or similar causes, as well as intent, malpractice, negligence or recklessness on the part of the Operator, its agents, contractors, Affiliates or associates and related services;
- k) waiting time due to item "j";
- l) taxes on income, as well as the taxes that encumber the acquisitions and generate credits usable by the Contractors;
- m) marketing or Transportation of Oil and Natural Gas;
- n) items covered by the percentage defined in paragraph 3.2.1;
- o) tax credits that can be used by the Contractors arising from non-cumulativity that aim to recover the tax burden in the previous stage, except for credits that must be canceled or reversed;
- p) performance guarantees, financial guarantees for compliance with the Minimum Exploration Program and for the counterparts to the extension of the Exploration Phase and guarantees for Decommissioning of Facilities, except for the provisioning fund; and
- q) premium paid by Contractors who do not initially adhere to Exclusive Risk Operations.

SECTION IV - SYSTEMATIZATION OF OIL COST

- 4.1. The control of the Oil Cost will be carried out through an information system, managed and conceived by the Manager and loaded by the Operator, called the Production Sharing Cost Management System - SGPP.
- 4.2. The SGPP will also be the instrument for managing compliance with Local Content.
- 4.3. The Operator shall load the SGPP in the format, detail and periodicity determined by the Manager, with all expenses incurred in the immediately preceding period.

- 4.3.1. The SGPP loading periodicity must be at most monthly.
 - 4.3.2. By the 25th (twenty-fifth) of the month following the occurrence of the entries, the Operator shall load the SGPP with said entries.
 - 4.3.3. Monetary data shall be uploaded to the SGPP in national currency or in US Dollars in the manner prescribed in paragraph 5.4.2 et seq. of the Agreement.
 - 4.3.4. . In the case of purchase of goods and services and payments in another foreign currency, the loading in the SGPP will be in US Dollars, converted from the official exchange rates for purchase fixed by the Central Bank of Brazil on the date of the expense.
- 4.4. The Manager shall have fifteen (15) days from the receipt of the consolidated database with the expenses incurred to request additional information from the Operator.
- 4.4.1. Upon receipt of the requested information, the Manager will have 15 (fifteen) days to justify any non-recognition of expenses such as Oil Cost.
 - 4.4.2. Releases not questioned within 15 (fifteen) days will be recognized as Oil Cost.
 - 4.4.3. The Contractors may request the revision of the Manager's decision, as stipulated in the Operating Committee's Bylaws.
- 4.5. The Manager's acts in recognizing or not the expenses will become definitive after the expiration of the statute of limitations of five (5) years or its verification by Audit of the Cost and Oil Surplus.
- 4.6. The Operator shall keep at the disposal of the Manager and ANP, for a period of ten (10) years after the end of the term of the Agreement, all records proving the values loaded to the system.

Determination of Oil Surplus of the Federal Government

- 4.7. The Operator must load in the SGPP, until the 5th (fifth) business day of each month, the following Production data for the immediately preceding month, among others:
- a) production Volume;
 - b) Reference Prices for Oil and Natural Gas;
 - c) amounts of Royalties due;
 - d) Production of each producing well, highlighting the wells that presented production restriction; and
 - e) average daily productivity of the wells of the Agreement Area, as well as the specification of the producing wells, excluding wells with production restricted by technical and operational issues and that are computing loss, at the discretion of the Manager.
- 4.8. Until the last business day of each month, the Manager, through the SGPP, will forward to the Contractors the report of calculation of the Oil Surplus of the Contracting Party of the month "m+1", referring to the Production in the previous month "m", containing the following information:
- a) accumulated balance of the Oil Cost account in the month "m": CO_m;

- b) total Royalties due by the Contractors in the month "m": Roy_m ;
 - c) Gross Production Value in the month "m": VBP_m ;
 - d) Oil Surplus (EO_m) in month "m", equivalent to: $EO_m = VBP_m - Roy_m - MINOR [CO_m; NN\% * VBP_m]$;
 - e) rate of the sharing of the Oil Surplus in the month "m": Ali_m (calculated based on the table in Annex X of the Agreement);
 - f) monthly limit for recovery of Oil Cost in the month "m": $NN\%$;
 - g) Oil Surplus of the Contracting Party in the month "m": $EOU_m = Ali_m * EO_m$;
 - h) fraction of sharing of the Contractor's Oil in the month "m+2": $Share_{m+2} = EOU_m / VPB_m$
- 4.9. Each month, the Oil produced in the Agreement Area shall be shared in the proportion defined in the report of calculation of the Oil Surplus of the Federal Government of the immediately preceding month, and such rule shall be included in the Agreement for the Availability of Oil or Natural Gas Production to be entered into between the Consortium Members.

SECTION V - GOODS AND AGREEMENT REGISTER

- 5.1. The Contractors shall maintain with the Manager:
- a) registration of all goods employed in the activities listed in paragraph; and 3.1
 - b) registration of all agreements signed to achieve the activities listed in paragraph 3.1.
- 5.1.1. The content of these registrations will be defined by the Manager and will be included in the SGPP manual.

SECTION VI - AUDIT AND COST OF OIL SURPLUS

- 6.1. The Operator shall keep at the disposal of the Manager, for a period of ten (10) years after loading in the SGPP, all supporting documents of the expenses incurred.
- 6.2. The Audit of Cost and Oil Surplus will be carried out by the Manager at any time, directly or through specialized consulting, requiring prior notification to the Operator at least thirty (30) days in advance.
- 6.2.1. The maximum periodicity for carrying out the Audit of the Cost and Oil Surplus is five (5) years.
- 6.3. In relation to expenses previously recognized as Oil Cost, the Audit of Cost and Oil Surplus will result in:
- a) reversal of unduly recognized expenses; or
 - b) final acceptance of recognized expenses.

6.4. In relation to the Supervised Production Volume, the Audit of Cost and Oil Surplus will result in:

- a) correction of the unduly computed Supervised Production Volume; or
- b) final acceptance of the Supervised Production Volume computed.

ANNEX VII - COMMITMENT TO LOCAL CONTENT

[Local Content Provisions for Água Marinha block]

Minimum Local Content (%)		
Exploration Phase		18
Development Phase	Well Construction	25
	Production Collection and Flow System	40
	Stationary Production Unit	25

[Local Content Provisions for the Norte de Brava block]

The commitment of Local Content corresponds to that of the Marlim agreement, arising from the Zero Round:

Minimum Local Content (%)	
Exploration Phase	-
Development Phase	-

CONSORTIUM AGREEMENT

[name]

CONCERNING THE PRODUCTION SHARING AGREEMENT

No.

[areas covered by the consortium]

BASIN

by and between

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

and

Brasília - DF

_____, 20__

CONSORTIUM AGREEMENT

PARTIES

The following are Parties to this Consortium Agreement, hereinafter jointly referred to as Parties or Consortium Members, or individually as Party or Consortium Member,

EMPRESA BRASILEIRA DE ADMINISTRAÇÃO DE PETRÓLEO E GÁS NATURAL S.A. -PRÉ-SAL PETRÓLEO S.A. - PPSA, a company incorporated under the Brazilian laws, headquartered at Setor Bancário Sul, Quadra 02, Bloco E, 206 Edifício Prime, 14 th floor, room 1404, Brasília, DF and Central Office at 1 Rio Branco Avenue, 4th floor, Centro, Rio de Janeiro, RJ, enrolled with the National Registry of Legal Entities (CNPJ/MF) under No. 18.738.727/0001-36, as Manager of the Production Sharing Agreement pursuant to Article 2 of Law No. 12.304/2010, hereinafter referred to as Manager, herein represented by _____;

_____, a company incorporated under the laws of Brazil, headquartered at _____, enrolled with the National Register of Legal Entities (CNPJ/MF) under No. _____, hereinafter referred to as Contractor, herein represented by _____.

1. CLAUSE ONE - NAME OF THE CONSORTIUM

1.1. The Consortium will be called "Consortium _____".

2. CLAUSE TWO - PURPOSE OF THE CONSORTIUM

2.1. The purpose of this Consortium Agreement is the association of the Parties to comply with the Production Sharing Agreement for the Exploration and Production of Oil and Natural Gas No. _____, hereinafter referred to as "Production Sharing Agreement".

2.2. The Consortium Members have established and will establish, in specific documents, without prejudice to documents and commitments assumed in the Production Sharing Agreement particular rules and conditions to internally regulate individual relationships, considering their quality as Consortium Members, as well as the conduct of the Consortium's Operations.

3. CLAUSE THREE - FORMATION OF THE CONSORTIUM

3.1. The Consortium will be headquartered in the City of _____ (Brasília-DF or Rio de Janeiro-RJ), Brazil.

3.2. The Consortium, as well as the performance of the purpose of the Consortium Agreement and the use of the Common Assets shall not cause the Parties to form a company.

4. CLAUSE FOUR - OPERATIONAL ADMINISTRATION - OPERATOR AND OPERATIONS COMMITTEE

- 4.1. The parties elect _____ as leader of the Consortium and Operator, who accepts to work as such.
- 4.2. The Operator is responsible for conducting and executing the Operations, performing acts, entering into legal business and representing the Consortium before ANP, the Federal, State and Municipal Governments, as well as before third parties, from the date of entry into force of this Consortium Agreement.
- 4.3. The Operating Committee shall be responsible for resolutions concerning the administration of the Consortium, whose formation, competence, powers, areas of operation, composition, periodicity of meetings, voting procedures and matters specifically subject to its resolution shall be defined in specific documents to be signed between the Parties insofar as they do not conflict with the terms of the Production Sharing Agreement.
- 4.4. Annex IX of the Production Sharing Agreement is an integral part of this Consortium Agreement.
- 4.5. The decisions of the Consortium will be approved by vote as established in Annex IX of the Production Sharing Agreement and in accordance with criteria, forms and procedures that will be established in specific documents, as they do not conflict with the terms of the Production Sharing Agreement and its annexes.

5. **CLAUSE FIVE - INTERESTS AND CONTRIBUTIONS OF THE CONSORTIUM MEMBERS**

- 5.1. The Consortium Members shall have undivided participation in the rights and obligations arising from the Contractors in the Production Sharing Agreement, according to the proportions set forth below, hereinafter referred to as Proportional Interests or Proportional Interest:

PPSA	0%
_____	_____%

- 5.1.1. Contractors may agree distinct percentages in the event of operations with Exclusive Risks.
- 5.1.2. Consortium members shall keep their own accounting records and financial statements, with express reference to their Proportional Interests.
- 5.2. The Common Assets shall only be used and/or consumed in the Operations of the Consortium
- 5.3. The Manager shall have 0% (zero percent) of undivided participation in the rights and obligations of the Consortium and 50% (fifty percent) of the votes in the resolutions of the Operating Committee, in addition to a casting vote and veto power, as stipulated in the Production Sharing Agreements and its annexes.

5.3.1. The vote of the representatives of the other Consortium Members will weigh 50% (fifty percent) of the decision, so that each Consortium Member will have a voting interest corresponding to half of its proportional interest, as follows:

PPSA	50%
_____	—
_____	__%

6. **CLAUSE SIX - AUDIT AND ACCOUNTING RECORDS**

- 6.1. The Operator shall maintain, in an autonomous and identified manner, accounting records related to the activities of the Consortium, which shall follow the accounting principles commonly accepted by the practices of the international oil industry, according to specific documents signed between the Parties. The Accounting principles shall not conflict with the Brazilian legislation. Except as otherwise provided by a legal or contractual provision, the Consortium's financial statements shall be prepared for each calendar year.
- 6.2. Each Consortium Member shall keep its own accounting records for accounting and tax purposes with respect to its Proportional Interest. The Consortium Members shall record in their respective accounting books the results obtained from the consortium activity, including the amortization/depreciation quotas related to the capital costs incurred, in accordance with their respective Proportional Interests.
- 6.3. Each Consortium Member shall, at its own expenses, examine, audit and verify the documentation supporting the entries and books of the Operator related to the Operation and functioning of the Consortium, in accordance with the applicable legal standards and specific documents signed by the Parties.

7. **CLAUSE SEVEN - OWNERSHIP OF OIL AND NATURAL GAS**

- 7.1. The volumes of Oil and Natural Gas obtained at the Measurement Point will be distributed to the Contracting Party and the Contractors, according to the Oil Surplus percentages established in the Production Sharing Agreement. The portion of Oil Surplus from the Production of Oil and Natural Gas, added to the volumes related to the refund of the Oil Cost and the volume corresponding to the Royalties due to each Contractor, will be distributed in accordance with the Interests of the Contractors, as indicated in this Consortium Agreement.
- 7.2. Each Consortium Member shall be responsible for marketing its interest in the produced oil and natural gas. Each Consortium Member is free to sell its share of the Production at the price, terms and conditions it deems appropriate, subject to the provisions of the Production Sharing Agreement and the Applicable Legislation.

8. **CLAUSE EIGHT - TERM**

- 8.1. This Consortium Agreement shall enter into force on the date of its signature, thus remaining for 40 (forty) years or until all obligations arising from the Production Sharing Agreement are terminated.

- 8.2. The Consortium Members may terminate this instrument, provided they have previously come to an agreement and performed their obligations in the Production Sharing Agreement.
 - 8.3. Upon its termination, the Common Assets shall be liquidated by the Operator in an orderly manner, and the revenues obtained from the sale of the Common Assets that are not reverted to the Contracting Party, under the terms of the Production Sharing Agreement, shall be divided among the Consortium Members according to their interests.
 - 8.4. Upon termination of this Consortium Agreement, the Parties shall file with the competent Board of Trade the declaration of its termination.
9. CLAUSE NINE - FORCE MAJEURE
- 9.1. If any acts or execution under this Consortium Agreement is delayed, reduced or prevented by Act of God or force majeure, the failure by the affected Consortium Member shall only be waived if the Act of God or force majeure is recognized and declared in accordance with the Production Sharing Agreement.
10. CLAUSE TEN - ARBITRATION AND APPLICABLE LAW
- 10.1. Any dispute, controversy or demand arising out of or relating to this Consortium Agreement, including any question regarding its existence, validity or termination, shall be dealt with in accordance with Clause Thirty-Six of the Production Sharing Agreement.
 - 10.2. The law applicable to this Consortium Agreement is Brazilian law.
11. CLAUSE ELEVEN - OBLIGATIONS AND RESPONSIBILITIES OF THE CONSORTIUM MEMBERS
- 11.1. The Contractors undertake to provide the Operator for the benefit of the Consortium, in proportion to its interests, with the necessary resources to meet the objectives of this Consortium Agreement.
 - 11.2. The Operator shall conduct the Consortium's Operations in fidelity to the objectives of the Production Sharing Agreement and the Consortium Agreement entered into herein, without earning gains or incurring losses when and for acting as Operator.
 - 11.3. The activities performed by the Operator in this capacity on behalf of the Consortium shall not, at any time and for any legal purposes, be deemed service provision, third-party business management or employment relationship of employees or agents of any consortium members, in relation to each other.
 - 11.4. The Contractors are jointly and severally liable for the obligations arising from this Consortium Agreement before ANP, the Contracting Party and third parties.
12. CLAUSE TWELVE - ADDITIONAL PROVISIONS
- 12.1. The Operator shall be responsible for the assessment, calculation and payment of taxes derived from the Consortium Operations, and the other Contractors shall contribute with the financial resources for such disbursements according to

procedures to be established in specific documents entered into by the Parties, according to the participation percentages established in paragraph 5.1.

12.1.1. The Operator shall be responsible for providing a statement of the taxes that can be used, accompanied by the respective tax documents, in order to enable the other Contractors to use the tax credits in accordance with the provisions of Clause Eight of the Production Sharing Agreement.

13. CLAUSE THIRTEEN NOTIFICATIONS

13.1. Notifications and communications shall be in writing and may be sent by electronic mail, provided that the security of the information is guaranteed, or sent to the addresses referred to below. Notifications and communications shall be deemed to be made when delivered by hand or on the first business day after confirmation of receipt.

13.2. Any Party has the right to change its address at any time and/or designate that copies of such notifications be sent to someone else at any other address, provided it is communicated in writing to all other Parties.

Pré-Sal Petróleo S.A. (COMPANY INFORMATION)

<Contractor's corporate name

<address>

<ZIP CODE> - <city> - <State>, Brazil

C/o: <representative>

Phone: <phone>

Fax: <fax>

IN WITNESS WHEREOF, the Parties sign this Consortium Agreement, through their legal representatives, on the date below, in ___ (_____) original copies of equal content and form, together with the witnesses who also sign it, recognizing as legally valid the signature system adopted.

Brasília or Rio de Janeiro, _____, 20__.

Representative of Pré-Sal Petróleo S.A.

Name

Position

Contractor's Corporate Name

Witnesses:

Name:

Identity Card Number:

CPF:

Name:

Identity Card Number:

CPF:

ANNEX IX - CONSORTIUM RULES

SECTION I - OPERATING COMMITTEE

Composition and attributions

- 1.1. 1.1. The Operating Committee, administrative and decision-making body of the Consortium, is composed of representatives of the Manager, the Operator and the other Consortium Members.
 - 1.1.1. The Operating Committee shall consist of one (1) full member of each Consortium Member.
 - 1.1.2. Each member may be replaced by one (1) alternate member.
 - 1.1.3. Any Consortium Member may appoint or replace its full and alternate representatives on the Operating Committee at any time.
 - 1.1.4. Each full member shall have the right to be accompanied by consultants at any meeting of the Operating Committee.
- 1.2. The Operating Committee shall be chaired by the Manager.
- 1.3. The performance of the Manager in the Operating Committee will be based on the principles of legality, morality, reasonableness, proportionality, economy, efficiency and non-personality, in accordance with the Best Practices of the Oil Industry.
- 1.4. The acts practiced by the Manager that affect the rights of the Contractors will be motivated.
- 1.5. The Operating Committee shall:
 - a) resolve on the issues listed in the Table of Competences and Resolutions;
 - b) ensure full compliance with the clauses of this Agreement;
 - c) supervise the Operations carried out;
 - d) resolve on the plans, programs, reports, projects and other issues necessary for the development of the Operations, the subject of this Agreement;
 - e) ensure compliance with the Local Content contracted, pursuant to Clause Twenty-Five of this Agreement, in addition to the provisions of the following paragraphs and Annex VII.
- 1.6. The expenses approved by the Operating Committee will be recognized as Oil Cost according to Section IV of Annex VI of this Agreement, except for the situations expressly provided for in this Agreement or those explained by the Manager in the Operating Committee.

Period of Formation

- 1.7. The Operating Committee will be formed by the Consortium Members within a period of up to 60 (sixty) days after the date of signature of this Agreement.

- 1.7.1. The Operating Committee shall be deemed formed after the opening meeting.
- 1.7.2. Failure to form the Operating Committee within the established period will not imply an extension of the deadlines established in this Agreement.

The Meetings

- 1.8. The Operating Committee shall approve, at the first meeting of each calendar year, the calendar of annual meetings for such year.
 - 1.8.1. The Chairman of the Operating Committee shall send notification to the Consortium Members about the holding of ordinary meetings at least fifteen (15) days in advance.
- 1.9. The notices of convening the meeting of the Operating Committee shall contain:
 - a) date, time, estimated duration and place of the meeting;
 - b) agenda of the matters and proposals to be resolved; and
 - c) copy of all documentation relating to the matters and proposals to be resolved.
- 1.10. Any Consortium Member may request the Operating Committee to include additional matters on the agenda, by notifying its president at least five (5) days in advance of the date scheduled for the meeting, which will include additional matters on the agenda and the reasons for their inclusion.
- 1.11. Changes in the date of the annual meetings must be motivated and notified by the Chairman of the Operating Committee at least 10 (ten) days in advance.
- 1.12. Special meetings may be requested, at any time, by any Consortium Member, through notification to its chairman, with a copy to the executive secretary and the representatives of the other Consortium Members.
 - 1.12.1. The request for an special meeting must contain the subject and reasons for the urgency of the meeting.
- 1.13. The special meeting shall be called by the Chairman of the Operating Committee no later than five (5) days after receipt of the notice referred to in paragraph 1.12, and shall be held no later than fifteen (15) days after receipt of said notification.
- 1.14. Discussions and resolutions at the meetings of the Operating Committee shall be recorded in minutes of the meeting and in voting records, signed by the full members present at the meeting or their respective alternates, when in the exercise of ownership, under the terms of this Annex IX.
 - 1.14.1. The minutes of the meeting and the voting records shall be preserved by the Operating Committee during the term of the Agreement.
- 1.15. Upon termination of the Agreement, the collection of meeting minutes and voting records will be delivered to the custody of the Manager.
- 1.16. At meetings, the Chairman of the Operating Committee shall, among other duties:
 - a) set an agenda, call the meeting, prepare and distribute the agenda of the meetings;
 - b) coordinate and guide the meetings;

- c) coordinate, where appropriate, the postal votes provided for in paragraphs 1.31 to 1.39.
- 1.17. The Operator shall be responsible for the appointment of an executive secretary, without voting rights, with the following attributions, among others:
- a) prepare meeting minutes and records of voting;
 - b) prepare and distribute the drafts of the meeting minutes;
 - c) consolidate the meeting minutes after receipt of comments;
 - d) prepare the record of voting;
 - e) provide members of the Operating Committee with a copy of the meeting minutes and record of voting.

Venue of the Meetings

- 1.18. The meetings of the Operating Committee shall be held at the central office of the Manager.
- 1.18.1. Meetings may be held elsewhere or by videoconference, if the Operating Committee unanimously approves the change before notifying the respective meeting.

Quorum to open the meeting

- 1.19. The presence of the Chairman of the Operating Committee or their deputy is mandatory at the meetings.
- 1.20. Provided that the provisions of paragraph 1.19 are complied with, the meetings of the Operating Committee may be held with any quorum.

Voting rights at the meetings and relevance to the resolutions

- 1.21. Each Consortium Member shall be entitled to one (1) vote, exercised by its representative in the Operating Committee.
- 1.21.1. The Contractors that remain in default after five (5) days from the notification of default issued by the Operator shall lose the right to vote at the meetings of the Operating Committee.
- 1.22. The vote of the representative of the Manager will weigh 50% (fifty percent) of the decision, and the remaining 50% (fifty percent) will be divided among the other members present at the meeting, in proportion to the participation of each Contractor.
- 1.22.1. If any member of the Operating Committee present at the meeting refrains from resolving on a certain matter or is in default, its participation will be divided among the other members present at the meeting, in proportion to the weight of the vote of each Consortium Member according to paragraph 5.3.1 of the Consortium Agreement.
- 1.22.2. The provisions of paragraph 1.22.1 shall also apply in the case of abstention in a postal vote.

The Resolutions

- 1.23. Proposals for resolution shall be forwarded by the Operator to the Operating Committee.
- 1.23.1. Any theme related to the Consortium may be raised by members of the Operating Committee.
- 1.24. The information necessary for the resolution on the proposed topic must be sent to the other parties within a period of not less than fifteen (15) days from the date of the meeting.
- 1.25. The matters contained in the Table of Powers and Resolutions shall be decided in accordance with the quorum of Consortium Members present at the meetings and entitled to vote, except as provided in paragraph 1.19.
- 1.26. The percentages to be achieved so that the matter be considered approved under the Consortium shall be calculated according to the following procedures.
- 1.26.1. Resolutions for which the decision column is marked with "D₁" will have a decision percentage equal to 91% (ninety-one percent).
- 1.26.2. Resolutions for which the decision column is marked with "D₂" will have a decision percentage equal to 41% (forty-one percent), without the participation of the Manager.
- 1.26.3. Resolutions for which the decision column is marked with "D₃" will have the decision percentage equal to 82.5% (eighty-two-point five percent).
- 1.26.4. Resolutions for which the decision column is marked with "D₄" will have a decision percentage equal to 32.5% (thirty-two point five percent), without the Manager's participation.

Table of Duties and Resolutions		
Item	Resolutions	Decision-making
1	Commercial viability of the Deposit	D4
2	Development Plan and revisions thereof	D1
3	Production Individualization Agreement	D1
4	Termination of the Production Sharing Agreement	D2
5	Agreement for the Provision of Oil or Natural Gas Production	D3
6	Annual Work and Budget Program of the Production Phase	D3
7	Annual Production Program	D3
8	Decommissioning of Facilities Program	D3
9	Authorization of Expenses	D4
10	Procurement of goods and services	D3
11	Creation of subcommittees	D3

12	Preparation and Amendment of the Operating Committee's Bylaws	D3
13	Other matters under its responsibility	D3
14	Early closing of the Exploration Phase	D2
15	Oil or Natural Gas Discovery Assessment Plan and its revisions	D4,D3*
16	Expected Exploratory Work Plan and its revisions	D4,D3*
17	Geological and geophysical data acquisition	D4,D3*
18	Partial Return of Agreement Areas, including assessment of the return report	D2
19	Request to extend the period of the Exploration Phase	D4,D3*
20	Other matters related to the Exploration Phase that may be resolved up to and including the submission of an Oil or Natural Gas Discovery Assessment Plan to the Operating Committee	D4

* Decisions that, when they occur until the presentation of an Oil or Natural Gas Discovery Assessment Plan to the Operating Committee, submit to resolution D₄ and, when they occur after the presentation of an Oil or Natural Gas Discovery Assessment Plan to the Operating Committee, submit to resolution D₃.

- 1.27. In resolutions D₄, except in the Declaration of Commercial Viability of the Deposit, the Chairman of the Operating Committee may exercise its veto power from the moment an Oil or Natural Gas Discovery Assessment Plan is presented to the Operating Committee.
- 1.28. If the veto power is exercised by the Chairman of the Operating Committee, a new meeting must be called for further deliberation on the vetoed matter.
- 1.29. In any kind of decision, the consortium members who voted against the approval of the matter shall submit to the other members, within 5 (five) days, a report explaining the reasons for their vote.
- 1.30. When the proposals do not get the minimum percentage of resolution for approval under the Consortium, the Operator shall prepare a new proposal taking into account in its preparation, necessarily, the weightings of the consortium members who voted against the original proposal.
- 1.30.1. The new proposal must be available to the Consortium Members within 15 (fifteen) days from the date of disapproval of the matter and must be voted on within 15 (fifteen) days from the date of its availability, unless other deadlines are defined by the Operating Committee.
- 1.30.2. If the new proposal also does not obtain a minimum resolution percentage, the exploration directors, or equivalent, of each Consortium Member, must meet to consider the matter and submit a new proposal to the Operating Committee within 10 (ten) days from the last vote, unless other deadlines are defined by the Operating Committee.
- 1.30.3. If the new proposal does not obtain a minimum resolution percentage, the matter may:
- a) be considered rejected;
 - b) submitted as an Exclusive Risk Operation;

- c) submitted to the procedure referred to in Clause Thirty-Six of the Agreement; or
- d) approved by, at least, the vote of the Manager added to the simple majority of the undivided participation of the Contractors, in the case of an obligation with a term set by ANP.

Voting through correspondence

- 1.31. In cases where the resolution needs to be carried out shortly or for the convenience of the Consortium Members, the decision may be taken through a correspondence vote, under the terms of notification sent by the secretary of the Operating Committee to the other Consortium Members.
 - 1.31.1. Correspondence is also understood as the use of electronic mail, provided that the security of the information is guaranteed.
- 1.32. Any Consortium Member may, justifiably, request the other Consortium Members to carry out a correspondence vote.
- 1.33. The request for voting by correspondence will contain a detailed description of the matter, with technical and financial information necessary for its proper analysis and resolution.
- 1.34. The votes of the Consortium Members shall be informed to the executive secretary through notification, following the deadlines indicated below, counted from the receipt of the notification of the Chairman of the Operating Committee by the Consortium Members:
 - 1.34.1. Term of 48 (forty-eight) hours in the case of decisions related to Operations involving the use of drilling rig, vessels or other equipment on standby and involving additional cost risks; and
 - 1.34.2. Term of 15 (fifteen) days for the other matters.
- 1.35. The deadlines provided for in the notification of voting by correspondence shall begin on the date of receipt by the Consortium Members.
- 1.36. The executive secretary shall notify each Consortium Member of the result of the postal vote on the business day following the expiration of the period provided for in paragraph 1.34.1 or within five (5) days after the period provided for in paragraph 1.34.2.
 - 1.36.1. The Consortium Members shall have five (5) days from the receipt of the result of the vote pursuant to paragraph 1.36 to justifiably challenge the vote of another Consortium Member.
- 1.37. If the Manager requests the Operator to send additional information, the term in paragraph 1.34.2 will be interrupted and fully returned, starting the counting of the new term from the first business day after the date of receipt of the additional information by the Manager.
 - 1.37.1. If the Operator notifies the Manager of the absence of new information to be provided, the Manager shall approve or reject the proposal sent for resolution within the deadlines provided for in paragraph 1.34.
- 1.38. The untimely vote of any Contractor shall be considered abstention provided that it is challenged by any of the Consortium Members.

- 1.39. The Chairman of the Operating Committee may submit or, in the event of a request from one or more Consortium Members, must submit the matters for resolution by the Operating Committee by means of a correspondence vote.

Voting effects

- 1.40. The resolutions of the Operating Committee oblige the Consortium Members, except in cases where a certain proposition not approved by the Operating Committee is assumed by the Contractors as Exclusive Risk Operations.

Creation of Subcommittees

- 1.41. The Operating Committee may create subcommittees with the function of subsidizing the decisions to be taken.

1.41.1. The subcommittees shall have an advisory function, within the scope of the attributions conferred upon them, and shall offer subsidies to the deliberations of the Operating Committee.

- 1.42. The Operating Committee may call experts to speak in an advisory capacity.

Operating Committee Bylaws

- 1.43. The Consortium Members may agree on an Operating Committee Bylaws with provisions complementary to those of this Annex IX.

1.43.1. The Operating Committee Bylaws may amend the provisions contained in paragraphs 1.8 to 1.15, 1.41 and 1.42 and their respective sub-paragraphs.

Operating expenses of the Operating Committee

- 1.44. The expenses related to the operation of the Operating Committee shall be borne by the Contractors in proportion to their interest.

1.44.1. The Manager shall bear the travel costs and daily fees of its representatives in the Operating Committee.

Emergency Operations

- 1.45. In cases of Emergency Operations, the Operator is authorized to perform the activities necessary to protect human life, the environment and the property of the Consortium and third parties, regardless of prior approval by the Operating Committee.

1.45.1. Expenses incurred with such activities may be recognized as Oil Cost, and the Operator is obliged to immediately report the emergency situation to the Operating Committee and, within 10 (ten) days, report the work performed and expenses with Emergency Operations.

SECTION II - OPERADOR

- 2.1. The Operator shall be the sole responsible, on behalf of the Consortium, for conducting and developing all activities of Exploration, Assessment, Development, Production, and decommissioning the facilities under the Agreement.
 - 2.1.1. The Operator is the only member of the Consortium that, on behalf of and within the limits defined by the Operating Committee, can sign agreements, execute or assume commitments of expenses and other actions related to the exercise of the activities of Exploration and Production of Oil and Natural Gas in the Agreement Area.
 - 2.1.2. The Operator shall be responsible for representing the Consortium before the regulatory and supervisory bodies and other external entities.
 - 2.1.3. The Operator shall represent the Consortium Members in and out of court.
 - 2.1.4. The Operator of this Agreement shall own at least 30% (thirty percent) of interest in the rights and obligations of the Consortium in the Agreement Area.
- 2.2. An operator must:
 - a) act in accordance with this Agreement, the Applicable Law and the determinations of the Operating Committee;
 - b) conduct the Operations in a diligent, safe and efficient manner, in accordance with the Best Practices of the Oil Industry, observing the Principle of No Loss or Gain due to its status as an Operator;
 - c) notify the Operating Committee and ANP of any Discovery within the Agreement Area, pursuant to Clause Twelve of the Agreement;
 - d) perform the Exclusive Risk Operations in accordance with Section IV;
 - e) prepare the Exploratory Work Plan and the Annual Work and Budget Program of the Production Phase and other documents to be submitted to the Operating Committee under the terms of this Agreement;
 - f) prepare and send to ANP, after definition by the Operating Committee, the plans, programs and reports required by the regulatory agency;
 - g) Issue expenditure permits for the execution of the activities approved by the Operating Committee in the Annual Work Plan and call for contribution of funds to pay the expenses of the Consortium;
 - h) account for the Consortium, as set forth in this Agreement and the Operating Committee;
 - i) obtain the appropriate licenses and legal permissions necessary to conduct operations in the Agreement Area;
 - j) provide Non-Operating Consortium Members with access to the facilities and records of Operations, upon prior request and provided that it does not interfere or jeopardize the progress of operations;
 - k) be responsible for the payment of Royalties due on behalf of the Contractors;
 - l) represent non-Operators consortium members in the contacts with the ANP;

- m) in an emergency, take the measures required for the protection of life, environment, facilities and equipment;
- n) keep the Non-Operating Consortium Members informed of the ongoing activities arising from the execution of this Agreement;
- o) propose to the Operating Committee the issues of the Table of Duties and Resolutions.
- p) carry out the management of the Exploration and Production projects related to the Agreement through a methodology compatible with the best project management practices in the Oil Industry, the provisions of the Agreement and the Applicable Legislation.

Information provided by the Operator

- 2.3. The operator shall provide to the other consortium members the following data and reports as they are produced or compiled on the basis of the execution of operations:
- a) copies of all records or surveys, including in digital format, if any;
 - b) daily drilling reports;
 - c) copies of all tests and essential data and analysis reports;
 - d) final drilling report;
 - e) copies of interconnections reports;
 - f) final copies of geological and geophysical maps, seismic sections and objectives;
 - g) engineering studies, development projects and progress reports of development projects;
 - h) daily report of oil and natural gas production with record of production losses and burning;
 - i) Field data and performance reports as well, including reservoir studies and reserve estimates;
 - j) copies of all reports relating to material of Operations in the Agreement Area or provided to the ANP,
 - k) copies of the engineering projects of each well, including any revisions;
 - l) periodic reports with safety, health and environmental indicators related to the Operations; and
 - m) other studies and reports determined by the Operating Committee.
- 2.4. The Operator shall promptly notify the Consortium Members of administrative claims and lawsuits related to the Operations. The Operator shall provide quarterly reports to the Consortium Members to update the administrative complaints and lawsuits related to the Operations.
- 2.5. Additional information resulting from the execution of Operations in the Agreement Area may be requested at any time to the Operator by the Contractors at their own expense.
- 2.6. The Manager shall receive additional information at no cost.

Limit of the Operator's Liabilities

- 2.7. The Contractors are jointly and severally liable for any losses and damages caused in the execution of the Operations and, among themselves, according to their respective interests, except when the Operator, at a high managerial level (General Manager of Operational Unit, Executive Manager or equivalent, at least) proceed with proven intent, direct or occasional, or serious fault, hypotheses in which it shall bear alone all losses, direct damages, costs, expenses and liabilities and onus in general resulting, except in cases of environmental damage and indirect damages.

SECTION III - PLANNING AND EXECUTION OF ACTIVITIES WITH THE CONSORTIUM

First Shipment of Exploratory Work Plan

- 3.1. Within 30 (thirty) days after the date of constitution of the Operating Committee, the Operator shall deliver to the other Consortium Members a proposal for the first shipment of the Exploratory Work Plan.
 - 3.1.1. Within a maximum period of thirty (30) days after delivery to the other Consortium Members, the Operating Committee shall meet to analyze and resolve on the first shipment of the Exploratory Work Plan.
 - 3.1.2. If the first shipment of the planned Exploratory Work Plan is approved by the Operating Committee, the Operator shall take the necessary measures to submit it to ANP for analysis and approval.

Annual Shipments of the Expected Exploratory Work Plan

- 3.2. By September 1st of each calendar year, the Operator shall deliver to the other Consortium Members a proposal for the annual shipment of the planned Exploratory Work Plan.
 - 3.2.1. Within 30 (thirty) days after delivery, the Operating Committee shall meet to analyze and resolve on the annual shipment of the planned Exploratory Work Plan.
- 3.3. If the Operating Committee does not approve a particular Operation contained in the annual shipment of the proposed Exploratory Work Plan, any Contractor may subsequently propose to carry it out as an Exclusive Risk Operation under Section IV.
- 3.4. If the annual shipment of the planned Exploratory Work Plan is approved by the Operating Committee, the Operator shall take the necessary measures to submit it to ANP for analysis and approval.
- 3.5. If ANP requires changes in the annual shipment of the planned Exploratory Work Plan, the matter must be submitted again to the Operating Committee for further analysis.
- 3.6. The annual shipment of the approved planned Exploratory Work Plan may be reviewed by the Operating Committee.

Annual Work and Budget Program of the Production Phase

- 3.7. By September 1st of each calendar year, the Operator shall deliver to the other Consortium Members a proposal for the Annual Work and Budget Program of the Production Phase detailing the operations to be performed in the following year.
 - 3.7.1. Within 30 (thirty) days after delivery, the Operating Committee shall meet to analyze and resolve on the Annual Work and Budget Program of the Production Phase.
- 3.8. If the Operating Committee does not approve a certain Operation contained in the Annual Work and Budget Program of the proposed Production Phase, any Contractor may subsequently propose to carry it out as an Exclusive Risk Operation under Section IV.
- 3.9. If the Annual Work and Budget Program of the Production Phase is approved by the Operating Committee, the Operator shall take the necessary measures to submit it to ANP for analysis and approval.
- 3.10. If ANP requires changes in the Annual Work and Budget Program of the Production Phase, the matter must be submitted again to the Operating Committee for further analysis, following the procedures and deadlines defined in the previous paragraphs.
- 3.11. The approved Annual Work and Budget Programs of the Production Phase may be reviewed by the Operating Committee.
 - 3.11.1. Whenever a review is approved by the Operating Committee, the Annual Work and Budget Program of the Production Phase must be changed, and the Operator, when this occurs, must prepare and submit such corrections to ANP.

Notice of Discovery

- 3.12. Any Discovery in the Agreement Area must be formally notified by the Operator to the other Consortium Members and ANP within a maximum period of 72 (seventy-two) hours. The notification shall be accompanied by all the relevant data and information available.

Oil or Natural Gas Discovery Assessment Plan

- 3.13. If the Operating Committee deems that a Discovery deserves to be assessed, the Operator shall submit to the other Consortium Members a detailed proposal for an Oil or Natural Gas Discovery Assessment Plan within 60 (sixty) days.
- 3.14. Within thirty (30) days of the submission of the proposal, the Operating Committee shall meet to analyze and resolve on the proposed Oil or Natural Gas Discovery Assessment Plan.
- 3.15. If the Oil or Natural Gas Discovery Assessment Plan is defined by the Operating Committee, the Operator shall take the necessary measures to submit it to ANP for analysis and approval.
- 3.16. If ANP requires changes in the Oil or Natural Gas Discovery Assessment Plan, the matter must be submitted again to the Operating Committee for further analysis, following the procedures and deadlines defined in the previous paragraphs.

Development

- 3.17. If the Operating Committee declares the commercial viability of a Discovery, the Operator shall, as soon as possible, submit to the other Consortium Members a Development Plan, under the terms of the Agreement.
- 3.18. Upon receipt of the Development Plan and prior to any applicable term under the Agreement, the Operating Committee shall meet to review and define the Development Plan.
 - 3.18.1. If ANP requires changes in the Development Plan, the matter must be submitted to the Operating Committee for further analysis.

Annual Production Program

- 3.19. Until September 1st of each calendar year, the Operator shall deliver to the other Consortium Members the detailed proposal of the Annual Production Program of the Development Area or Field of the Agreement Area, which shall be subsequently submitted to ANP for analysis and approval, in compliance with the terms of Clause Sixteen of the Agreement.
 - 3.19.1. In the period of thirty (30) days of the submission of the Annual Production Program or earlier, if necessary to meet any deadline applicable under the Agreement, the Operating Committee shall meet to analyze and resolve on the review of the Annual Production Program.
- 3.20. If the Annual Production Program is approved by the Operating Committee, the Operator shall take the necessary measures to submit it to ANP for analysis and approval.
- 3.21. If ANP requires changes in the Annual Production Program, the matter must be submitted again to the Operating Committee for further analysis, following the procedures and deadlines defined in the previous paragraphs.
- 3.22. The approved Annual Production Program may be reviewed by the Operating Committee.
 - 3.22.1. Whenever a review is approved by the Operating Committee, the Annual Production Program must be changed, and the Operator, when this occurs, must prepare and submit such corrections to ANP.

Decommissioning of Facilities Program

- 3.23. In the year prior to that provided for in the Applicable Legislation for the submission of the Decommissioning of Facilities Program to ANP, the Operator shall submit to the other Consortium Members a proposal for the Decommissioning of Facilities Program, detailing the Operations to be carried out in the Agreement Area, and the physical-financial schedule foreseen for the following year.
 - 3.23.1. The Operating Committee shall analyze and resolve on the Decommissioning of Facilities Program within thirty (30) days from the submission.
- 3.24. If the Decommissioning of Facilities Program is defined by the Operating Committee, the Operator shall take the necessary measures to submit it to ANP for analysis and approval.

3.25. If ANP requires changes in the Decommissioning of Facilities Program, the matter must be submitted again to the Operating Committee for further analysis, following the procedures and deadlines defined in the previous paragraphs.

Contracting of goods and services

3.26. The following are ordinary procedures for the contracting of goods and services necessary for the Operations:

3.27. **Procedure A:** The direct contracting of suppliers of goods and services of values up to those defined in the table of paragraph 3.30 is allowed, and the installment payment for the contracting of the same good or service is prohibited.

3.28. **Procedure B:** The Operator must hire the supplier of goods and services from the best qualified contractor according to cost and quality criteria, the installment for the contracting of the same good or service being prohibited, and the Operating Committee must be informed of the contracting within 30 (thirty) days from the date of execution of the respective agreement.

3.28.1. When the winning supplier of a contracting procedure B is an Affiliate of any of the Contractors, prior approval of the contracting by the Operating Committee is required.

3.28.2. In any event, the Operator shall promote a contracting procedure with the participation of at least three (3) qualified suppliers.

3.28.2.1. If the Operator finds a market situation in which there are less than 3 (three) suppliers for the contracting of a good or service, the Operator shall make available to the other Consortium Members a preliminary list of participants in the contracting procedure, which shall be completed with indications from any of the Consortium Members upon request to the Operator within a maximum period of 15 (fifteen) days from the receipt of the preliminary list.

3.28.3. Any Consortium Member may have access to a copy of the agreements signed by the Operator, upon request.

3.29. **Procedure C:** The Operator must hire the supplier of goods and services from the best qualified contractor according to cost and quality criteria, and the Operating Committee must previously approve the contracting.

3.29.1. It is necessary the preliminary approval of the Operating Committee for the beginning of the contracting procedure, which must ensure the advantage of the winning proposal and have at least three (3) qualified suppliers, when possible.

3.29.1.1. The Operator shall ensure that the preliminary approval will be given in a timely manner for any change in the contracting strategy without impact on the project schedule.

3.29.2. The Operator shall make available to the other Consortium Members a preliminary list of the participants in the contracting procedure, which shall be completed with indications from any of the Consortium Members upon request to the Operator within a maximum period of fifteen (15) days from the receipt of the preliminary list.

3.29.3. The Operator must submit to the Operating Committee, before signing the agreement, a contracting report, which will include the competitive analysis of the bidding procedure, as well as the reasons for choosing the supplier.

3.29.4. The Operator shall finalize the contracting procedure after approval by the Operating Committee.

3.29.5. Any Consortium Member may have access to a copy of the contracts signed by the Operator, upon request.

3.29.6. In the case of a contracting proposal, which is based on procedure C, exclusive to the Operator or the joint contracting of different consortia arising from an exclusive contracting of the Operator, the Operator is allowed to follow the contracting procedure provided for in Law No. 13.303/2016, or whichever replaces it, in which case the final approval of the contracting by the Operating Committee is waived.

3.29.6.1. The Operator must submit to the Operating Committee, before signing the agreement, a contracting report, which will include the competitive analysis of the bidding procedure, as well as the reasons for choosing the supplier.

3.30. The limits of values for the determination of the ordinary contracting procedure to be used by the Operator, which may be reviewed every three (3) years by the Operating Committee, are as follows:

Type of Operation	Procedure A	Procedure B	Procedure C
Exploration and Assessment	Up to US\$ 500 thousand	Above US\$ 500 thousand to US\$ 5 million	Above US\$ 5 million
Development	Up to US\$ 1 million	Above US\$ 1 million to US\$ 10 million	Above US\$ 10 million
Production	Up to US\$ 500 thousand	Above US\$ 500 thousand to US\$ 5 million	Above US\$ 5 million

3.31. The definition of the contracting procedure must consider the purchase exchange rate of the first business day of the month, which will set the value of the table in paragraph 3.30 in that month. As a reference for defining the procedure to be adopted, it will be considered: (i) the date of issuance of the agreement or purchase order for Procedure A, (ii) the date of sending a request for proposal to suppliers for procedure B and (iii) the date of sending the contracting strategy for preliminary approval by the Operating Committee for procedure C, according to paragraph 3.29.1.

3.31.1. If the Operator conducts a process for contracting goods and services jointly for more than one project, the definition of the contracting procedure to be followed based on the table in paragraph 3.30 will be made according to the portion of the contracting costs that is dedicated to each project.

3.32. The following are extraordinary procedures for contracting goods and services necessary for Operations:

a) adherence to agreements for the supply of goods and services previously entered into by the Contractors or by consortia in which they participate;

- b) purchase of goods from the stock of the Contractors or consortia in which they participate; and
 - c) with an exclusive supplier.
- 3.32.1. Extraordinary procurement procedures may only be adopted in situations where it is proven that it is impossible to adopt the ordinary procedures and the competitiveness of the prices charged.
- 3.32.1.1. The extraordinary procedure provided for in item "c" of paragraph 3.32 shall only be subject to proof of the competitiveness of the prices charged.
- 3.32.2. Contracting through extraordinary procedures must be previously approved by the Operating Committee.
- 3.32.3. The Operator must ensure that the preliminary approval must be given in a timely manner for any change in the hiring strategy without impact on the project schedule.
- 3.33. Special procedures for contracting the goods and services necessary for Operations are the contracting of services typically performed by the Operator.
- 3.33.1. The Operator shall propose to the Operating Committee, which shall decide by resolution D3, the list of special services that may be used in conducting the operations. The special services listed will not be contracted through a contracting procedure other than the special procedure.
 - 3.33.2. Whenever necessary, the Operator shall submit to the approval of the Operating Committee, by resolution D3, the execution of the special services provided for in the list approved by the Operating Committee. In this case, the Operator shall indicate:
 - a) The description of the special services, which may be performed directly by the Operator, its Affiliates or its contractors;
 - b) The value of the special services, which shall exclusively cover the costs of the Operator for providing such services to the Consortium;
 - c) an indication of the headings under which the annual budget for each special service will be allocated in the budget structure.
 - 3.33.3. The Operator will provide the Manager with details of the special services, with their values and the collection methodology.
 - 3.33.4. For the purpose of proving expenses with special services, the Operator shall make available to the Manager, at any time or when carrying out Audits of the Cost and Oil Surplus, the relevant tax documents, including terms of supply containing at least:
 - a) the information listed in the paragraphs of paragraph 3.33.2;
 - b) subject of the provision of the special service;
 - c) measurement period;
 - d) unit of measurement for the allocation of expenditure;
 - e) quantity used in the period.
 - 3.33.5. In the scope of the provision of special services, the competitiveness with the values practiced in the market and the absence of profit elements must be proven regardless

of whether the special service is provided directly by the Operator, its Affiliate or its contractor.

- 3.34. The execution of contractual amendments follows the procedure provided for the original agreements.
- 3.34.1. Notwithstanding, if the amendment implies an increase equal to or less than 25% (twenty-five percent) of the original value of the agreement, the prior approval of the Operating Committee is waived for its execution, when originally required.
- 3.35. When the sum of the original value of the agreement with the added value implies the modification of the contracting procedure, the procedure provided for the contracting that corresponds to the sum of the value applies.
- 3.36. The Operator may propose the sale of materials that have been acquired for the Operations and that are spare, provided that the disposal of/sale of these assets is previously approved by the Operating Committee.

Expenditure Authorization

- 3.37. Before making an expense provided for in the Exploratory Work Plan or the previously approved Annual Work Program and Budget of the Production Phase, the Operator must issue an Expenditure Authorization to the Operating Committee if the amounts involved exceed US\$ 7 million (seven million US dollars), subject to paragraph 3.31.
- 3.37.1. The amounts may be reviewed by the Operating Committee at least five (5) years.
- 3.38. Resolutions on the Expenditure Authorization may be held in annual and special meetings of the Operating Committee or by voting by mail as provided in the Internal Rules of the Operating Committee.
- 3.38.1. Approved by the Operating Committee, the Operator shall send to the Manager within seven (7) days a copy of the Expenditure Authorizations, accompanied by any additional pertinent information.
- 3.39. The preparation of the Expenditure Authorization must be based on the Exploratory Work Plan or on the Annual Work and Budget Program of the Production Phase previously defined by the Operating Committee, requiring the issuance of a complementary authorization of expenditure, if the total amount exceeds 5% (five percent) of the approved budget.
- 3.39.1. If the value of any item exceeds 10% (ten percent) of the initially authorized, it will be necessary to issue a new Expenditure Authorization.
- 3.40. The Operator is not required to issue Expenditure Authorization relating to general and administrative expenses that are listed as separate items of the Exploratory Work Plan or the approved Annual Work and Budget Program of the Production Phase.
- 3.41. Each Expenditure Authorization proposed by the Operator shall:
- a) identify the Operation to be carried out within the applicable heading in the Exploratory Work Plan or in the Annual Work and Budget Program of the Production Phase;
 - b) describe the Operation in detail;
 - c) contain the best estimate of the Operator of the total funds required to operate;
 - d) outline the proposed physical and financial schedule;

e) contain additional information to support the decision by the Operating Committee.

Expenses Above Expected

3.42. For the expenses of the Exploratory Work Plan or the Annual Work and Budget Program of the approved Production Phase, the Operator shall be entitled to incur additional expenses for each item of up to 10% (ten percent) of the respective approved amount, without the need for new approval by the Operating Committee, provided that the cumulative total of all expenses above the expected for the current calendar year does not exceed 5% (five percent) of the total Exploratory Work Plan or the Annual Work and Budget Program of the Production Phase.

3.42.1. If the Operator foresees that the defined limits may be exceeded, a review of the Exploratory Work Plan or the Annual Work and Budget Program of the Production Phase shall be submitted to the Operating Committee.

3.43. The restrictions of paragraph 3.37 shall occur notwithstanding the Operator's obligation to make expenses arising from Emergency Operations without the prior approval of the Operating Committee.

Employees of Non-Operating Contractors

3.44. Highly qualified technical and managerial professionals from the Non-Operator Contractors' staff may be allocated to the Operator's technical teams to conduct the Operations, according to the Annual Work and Budget Program of the Production Phase.

3.44.1. The allocation of labor of Non-Operating Contractors shall be recoverable as Oil Cost.

3.44.2. For purposes of recognition as Oil Cost, the unit cost of employees of Non-Operating Contractors will be limited to the unit cost of the Operator's employees, respecting the similarity of professional qualification.

SECTION IV - OPERATIONS WITH EXCLUSIVE RISKS

Limitation of Applicability

4.1. Operations with Exclusive Risks may be proposed by any Contractor, provided that the person or persons concerned shall assume all risks, accounting for the costs, investments and being responsible for any damage related to the execution of Operations and its consequences.

4.1.1. No Operations with Exclusive Risk may be proposed by the Manager.

4.1.2. The Contractors that choose not to participate in an Exclusive Risk Operation will not assume risks, nor will they be responsible for costs, investments or be responsible for any damages related to the execution of the Operation and its consequences.

4.1.3. Operations carried out with the participation of all Contractors, but without the agreement of the Manager, will be treated as Exclusive Risk Operations.

Procedure to propose Operations with Exclusive Risks

- 4.2. In compliance with the provisions 4.1 of paragraph 4.1, if any Contractor proposes to carry out an Operation with Exclusive Risk, it shall submit such proposal for the approval of the Manager, who may only veto it if its execution implies a delay in the Exploratory Work Plan or the Annual Work and Budget Program of the Approved Production Phase or presents some risk for the other Operations provided for in this Agreement.
 - 4.2.1. The proposal shall specify the exclusive nature of the Operation and include the work to be performed, the location, the objectives and its estimated cost.
 - 4.2.2. After approval by the Manager, the proposing Contractor shall immediately notify the other Contractors for manifestation of adherence or not to the proposal for an Exclusive Risk Operation.
 - 4.2.3. Contractors who intend to join the Exclusive Risk Operation must notify the proposing Contractor and the Operator within 10 (ten) days from the receipt of the notification proposing the Exclusive Risk Operation.
- 4.3. The Contractor's silence regarding a proposal for an Exclusive Risk Operation until the end of the period provided for in paragraph 4.2.3 will be interpreted as refusal to participate in it.

Costs of the Operation with Exclusive Risk

- 4.4. The costs and risks of the Exclusive Risk Operation will be borne exclusively by the proposing Contractors or those who adhere to it, in proportion to their participation in the Consortium considering only the Contractors participating in such Operation or as agreed by the Contractors participating in such Operation.
- 4.5. The Contractors must previously settle the premium to be paid by the non-participants of the Exclusive Risk Operation in case of proven success of the Exclusive Operation that increases the recoverable volume of hydrocarbons in the Agreement Area or a reduction of expenses for the Consortium.
 - 4.5.1. The Manager shall not bear the premium payment.
 - 4.5.2. The costs of the Exclusive Risk Operation, in case of proven success, measured in expansion of the recoverable volume or reduction of expenses, will be recoverable as Oil Cost.
 - 4.5.3. The premium to be paid by Contractors who subsequently adhere to the Exclusive Risk Operation shall not be recoverable as Oil Cost.

Other Conditions of Operations with Exclusive Risks

- 4.6. The proposal and the schedule of implementation of Operations with Exclusive Risks shall be subject to the approval of the Operating Committee.
 - 4.6.1. The other conditions of Operations with Exclusive Risks shall be handled by Contractors in the instrument itself.

SECTION V - APPEAL PROCEDURE

Appeal Procedure

- 5.1. The decisions or omissions of the Manager, including the non-recognition as an Oil Cost, may be appealed against the merits and the procedure, which must be filed within a maximum period of 20 (twenty) days from the acknowledgement of the decision to the Operator or the expiration of a reasonable period for the practice of the act.
 - 5.1.1. The appeal will be sent to the organizational unit of the Manager that issued the decision, with the reasons for the request for reform, with the addition of new documents.
 - 5.1.2. The organizational unit of the Manager that issued the decision shall reconsider or refer the appeal to the Board of Executive Officers of the Manager, with passage through the Legal Consultancy for manifestation, within a maximum period of 20 (twenty) days.
 - 5.1.3. The Board of Executive Officers of the Manager, after hearing the Legal Counsel, will decide the appeal by simple majority, within a maximum period of 20 (twenty) days from its receipt, renewable, upon justification, for another 20 (twenty) days.
 - 5.1.4. The decision of the Board of Executive Officers that rejects an appeal proposed by the Operator shall be subject to a request for reconsideration by the same board, within a maximum period of 20 (twenty) days from the receipt of the respective notification, applying from then on, mutatis mutandis, the procedure of paragraph 5.1.3.
 - 5.1.5. It will also be possible to request reconsideration, under the terms of paragraph 5.1.4, of the decisions originating from the Board of Executive Officers.
 - 5.1.6. The request for reconsideration referred to in the previous paragraphs will only be considered on the merits if the Operator instructs it with new facts not considered in the appeal decision.
 - 5.1.7. The decision of the request for reconsideration shall not be subject to appeal to the Manager.

SECTION VI - WITHDRAWAL

- 6.1. With the exception of the Operator in relation to its minimum participation defined under the terms of art. 4 of Law No. 12.351/2010, any non-defaulting Contractor may, at its own expense, withdraw from the Consortium and, consequently, from the Agreement, and must, for this purpose, notify the other Parties of its decision.

ANNEX X - OIL COST RECOVERY AND OIL SURPLUS PERCENTAGES

During the Production Phase, the Contractors, each month, will appropriate the portion of Production corresponding to the Oil Cost, respecting the limit of [insert percentage % (insert value in full percent)] of the Gross Production Value.

Portion of the Federal Government of the Oil Surplus (%)				
Production by Production Well bbl/d → Price per barrel US\$/bbl ↓	<Prod1	Between Prod1 and Prod2	Between Prod3 and Prod4	> Prod4
< P1				
Between P1 and P2				
Between P2 and P3				
Between P3 and P4				
>P4				