| **CONTRACT Nº XXXX.XXXXXXX.XX.X**  **Dated as of [day]th [month], [year]** |
| --- |

**By and between**

**PETROLEO BRASILEIRO S.A**

**and**

**XXXXX**

**FPSO PETROBRAS XX (P-XX)**

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**PURCHASE AND SALE AGREEMENT**

This Purchase and Sale Agreement (this “Agreement”), is made and entered into as of this \_\_\_ day of \_\_\_\_\_, 20\_\_ (the “Effective Date”), by and between PETROLEO BRASILEIRO S.A. - PETROBRAS, a public corporation with mixed equity capital (Sociedade de Economia Mista), duly incorporated and validly existing under the laws of Brazil, having its main offices at Avenida República do Chile, 65, Rio de Janeiro - RJ - Brazil, acting as Operator for the Consortium XXX, with headquarters at XXX constituted by PETROBRAS, XXX each one respectively holding XXX of the indivisible rights to the Consortium herein represented by XXX, and hereinafter referred to as Buyer ("Buyer" or “Petrobras”), and XXX, a corporation organized and existing under the laws of XXX, having its principal place of business at XXX (the “Seller” and together with Buyer, the “Parties”, and each a “Party”).

RECITALS

**WHEREAS,** Buyer desires to enter into an agreement with Seller for the supply of one Stationary Production Unit, NCM 8905.90.00, (UNIDADE FLUTUANTE DE PRODUÇÃO, ARMAZENAMENTO E DESCARREGAMENTO DE OLEO TIPO "FPSO"), of the Floating Production, Storage and Offloading (FPSO) type, identified herein as PETROBRAS P-XX (the "Unit"), all as further described herein, for the Lump Sum Price (as defined below), all in accordance with the terms and conditions of this Agreement;

**WHEREAS,** Buyer desires that Seller provide the Unit in compliance with all the Brazilian Local Content requirements under this Agreement for the Lump Sum Price, as more fully set forth in this Agreement;

**WHEREAS,** Seller represents that it possesses all requisites necessary to carry out the Scope of Supply diligently in accordance with the current standards and practices of the industry and is fully experienced, qualified, able and willing to perform all the activities contemplated by the Scope of Supply (as defined herein) in full conformity with this Agreement and is fully committed to supply the Unit to Buyer for a lump sum, and the scope relating to the Change Orders on a unit price basis, in accordance with the requirements set forth in this Agreement.

**NOW THEREFORE,** in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

**ARTICLE  
1  
PURPOSE OF THE AGREEMENT,** **DEFINITIONS AND INTERPRETATION**

* 1. Object. The purpose of this Agreement is the purchase and sale of one fully operating new build FPSO (Floating Production, Storage and Offloading) vessel ready to receive and offload oil in the capacities and to the quality parameters specified in the Specifications (including the Specifications specified by Buyer in the Bid Documents and Basic Design), to be installed at XXX field (offshore Brazil), and which Seller shall hand over to Buyer no later than the Handover Date, having carried out its installation, testing, commissioning, and start up, as well as the training of personnel by Seller, in accordance with the Project Schedule and subject to all the other terms and conditions of this Agreement.
  2. Responsibility of Seller. Except as provided herein, the full Scope of Supply, including without limitation, all activities and requirements set forth in this Agreement and Exhibits thereto, as well as any other activity necessary to achieve the above-stated purpose of this Agreement, up to the issuance of the Final Completion Certificate, are the sole responsibility of Seller, and within the Lump Sum Price and Project Schedule set forth in Articles 9 and 11 of this Agreement.
  3. Definitions. In addition to other defined terms used throughout this Agreement, the following terms shall have the meanings specified below in this Article 1.

"Accidental Pollution” shall mean the Pollution due to an unexpected event, undesirable and unintentional, that is not due to the law of non-compliance (non-compliance with any law, rule, regulation, permit, authorization, order of the competent authority applicable or necessary for performance of the contract) or the Agreement, with a direct causal link to the event.

“Advance” shall mean the amount advanced by Buyer to Seller pursuant to Section 5.2 hereof.

“Advanced Payment Security” shall have the meaning specified in Section 3.33.

“Affiliate” shall mean (i) any Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with a Party, or (ii) any Person that, directly or indirectly, is the beneficial owner of fifty percent (50%) or more of any class of equity securities of, or other ownership interests in, a Party or of which a Party is directly or indirectly the owner of fifty percent (50%) or more of any class of equity securities or other ownership interests.

“Agreement” shall mean this Purchase and Sales Agreement, including all Exhibits attached hereto, and including all Bid Documents, and all of their respective amendments agreed and made from time to time by the Parties.

“ANP” shall mean the Brazilian National Agency for Petroleum, Natural Gas and Biofuels (Agência Nacional do Petróleo, Gas Natural e Biocombustíveis).

“ANPD” shall mean the National Data Protection Authority (Autoridade Nacional de Proteção de Dados).

“Anti-Corruption Laws” shall have the meaning specified in Section 27.12.

“Applicable Codes and Standards” shall mean the codes, standards or requirements valid on the Proposal Submission Date, set forth in any Exhibit hereto or in any Applicable Law, as amended from time to time, which codes, standards and requirements, as so amended, shall govern Seller’s execution of the Scope of Supply under this Agreement, as provided herein. In the event of an inconsistency or conflict between any of the Applicable Codes and Standards, the highest performance standard shall govern Seller’s performance under this Agreement.

“Applicable Law” shall mean any and all treaties, laws, statutes, codes, ordinances, decrees, injunctions, judgments, orders, Permits and Consents, rules or regulations (including those relating to Taxes), policies having the force of law, or collective labor agreements, promulgated, entered into, or endorsed by any Governmental Authority having jurisdiction over any Party, all or any portion of the Site or execution of all or any portion of the Scope of Supply or the operation of the Unit, or other legislative or administrative action of a Governmental Authority related to the matter in question, including any requirements and rules of a relevant flag authority, or a final decree, judgment, or order of a Governmental Authority or court that relates to the execution of the Scope of Supply hereunder or the interpretation or application of this Agreement, including (i) Safety and Health Directives, (ii) Applicable Codes and Standards, and (iii) Environmental Laws, as such treaties, laws, statutes, codes, ordinances, decrees, injunctions, judgments, orders, Permits and Consents, rules and regulations, policies or collective labor agreements, Safety and Health Directives, Applicable Codes and Standards and Environmental Laws may be amended, modified or supplemented from time to time. The Conduct Adjustment Agreements (Termo de Ajustamento de Conduta), as issued, amended, modified or supplemented from time to time by the Federal Public Prosecution Service (Ministério Público Federal), shall also be considered Applicable Law.

“ART” shall have the meaning specified in Section 3.7.3.

“Basic Engineering Design” or “Basic Design” shall mean the Basic Engineering Design documentation specified in Exhibit II.

“Bid Documents” shall mean the Request for Proposal (RFP) and those documents specified in Exhibit XXI through Exhibit XXV.

“Bid Submission Date” or “Proposal Submission Date” shall have the meaning specified in Request for Proposal (RFP), included under Exhibit XXV.

“Books and Records” shall have the meaning specified in Section 3.11.1.

“Brazil” shall mean the Federative Republic of Brazil, including its territorial waters.

“Brazilian Local Content” or “Local Content” shall have the meaning specified in Section 4.1.3 and Exhibit XVIII.

“Brazilian Local Content Declaration” shall have the meaning specified in Section 4.1.3.

“Brazilian Local Content Contract Price Adjustment” shall have the meaning set forth in Section 4.3.

“Brazilian Local Content Index” shall have the meaning specified in Section 4.1.2.

“Brazilian Local Content Report” shall have the meaning specified in Section 4.2.

“Brazilian Local Content Requirements Achievement Plan” shall have the meaning specified in Section 4.1.1.

“Business Day” shall mean every day other than a Saturday, Sunday or a day that is an official holiday in (i) the city in which the works pursuant to the Scope of Supply are being carried out, or (ii) Rio de Janeiro/RJ, Brazil.

“Buyer” shall have the meaning specified in the preamble hereto.

“Buyer Group” shall mean Buyer; its Affiliates; its subsidiaries and jointly controlled companies; its partners; its joint ventures, direct or indirect and all of their respective officers; its successors; its permitted assigns; its officers, directors, employees and agents.

“Buyer Policies" shall mean the policies of Buyer that are summarized in Exhibit IX.

“Buyer Project Manager” shall mean that Person designated by Buyer in a written notice to Seller to act on behalf of Buyer on all matters pertaining to this Agreement or the execution of the Scope of Supply.

“Capital Spares” shall mean the goods, specified in Exhibit I, of significant cost and/or long lead-time that are essential to the operation of the Unit.

“CAT” shall have the meaning specified in Section 3.20.2.6.

“Centre” shall have the meaning specified in Section 24.2.2.

“Change Order” shall mean a written signed order from Buyer, issued at Buyer’s sole discretion, in accordance with Article 12 and Exhibit XIV, that authorizes or directs an addition to, deletion from, suspension of, or any other modification or adjustment to the requirements of this Agreement, including an addition to, deletion from or suspension of the Scope of Supply or any modification or adjustment to any changed criteria.

“Circular Letters” shall have the meaning specified in Section 1.5.12.

“Claim” shall mean a written, signed letter from Seller in accordance with Article 12 hereof and in the form specified in Exhibit XIV, indicating that during the execution of the Scope of Supply, Seller has encountered one of the situations set forth in Exhibit XIV as giving rise to its right to request a Change Order. A Claim shall not be considered valid unless Buyer has notified Seller in writing about its agreement with such a Claim in accordance with the provisions of Article 12 hereunder, and in the form specified in Exhibit XIV. Any Claim shall become binding on the Parties as part of this Agreement upon the signature of a respective Amendment to this Agreement.

“Classification Society” shall mean a member of the International Association of Classification Societies (IACS) with prior FPSO experience, engaged by Seller pursuant to Exhibit I.

“CNEN” shall have the meaning specified in Section 3.7.4.

“Compliance Sanction” shall have the meaning set forth in Section 27.12.

“Confidential Information” shall mean any proprietary information, technical data, trade secrets or know-how, data, reports or records, or other information, whether or not marked as confidential by the disclosing Party, including research, product ideas, product plans, products, services, customers, customer lists, markets, software, developments, inventions, processes, formulas, technology, designs, drawings, hardware configuration information, marketing, finances or other business information disclosed by a Party to the other Party directly or indirectly, either orally, in writing, in electronic format, or by drawings or inspection of parts or equipment. Confidential Information does not include (a) information in the public domain which was not made public by a breach of this Agreement; (b) information which was obtained prior to its disclosure and without violating an obligation of confidentiality; (c) information obtained from third parties which have the right to disclose such information without violating an obligation of confidentiality; and (d) information which must be disclosed as required by any Applicable Laws or Governmental Authorities, provided that (i) failure to disclose would subject the disclosing Party to civil, criminal or administrative penalties, and (ii) the disclosing Party gives the other Party prompt and timely notice of the request for such disclosure. In the case established in subsection (d) above, the affected Party may request that the disclosing Party appeal the disclosure order to the competent tribunals to the extent permitted under the Applicable Law, in which case the affected Party shall bear the cost of the appeal.

“Contract Price” shall have the meaning specified in Section 9.4.

“Corrective Work” shall mean all actions necessary for Seller to fully remake, repair or correct any Defects.

“Critical Path Schedule” shall mean the critical path items for the performance and completion of the Scope of Supply.

“Day” or “day” shall mean a calendar day.

“Decision” shall have the meaning specified in Section 24.2.3.

“Default” shall have the meaning specified in Section 21.1.1.

“Defect” shall mean any design, plan, specification, engineering, Equipment, material, tool, supply, test, procedure, component, part or assembly provided by Seller Group which does not materially conform to the Scope of Supply, Applicable Law or Good Engineering and Construction Practices, including any improper or inferior workmanship that is inconsistent with the Scope of Supply, Applicable Law, or Good Engineering and Construction Practices.

“Defective” shall have the meaning specified in Section 17.1.1.

“Demonstration Tests” shall comprise all tests foreseen in Exhibit VIII, such as, but not limited to: FATs (Factory Acceptance Test), SYAT (ShipYard Acceptance Test), SAT (Site Acceptance Test), TAP (Performance Acceptance Tests) and Special Tests (item 4.5.23 of Exhibit VIII).

“Dispute” shall have the meaning specified in Section 24.1.1.

“Dispute Notice” shall have the meaning specified in Section 24.1.1.

“Dissatisfaction Notice” shall have the meaning specified in Section 24.2.4.

“Drawings” shall mean the graphic and pictorial documents, plans or models (in written or electronic format) showing the design, location and dimensions required for the execution of the Scope of Supply, generally including plans, elevations, sections, details, schedules and diagrams, which are prepared as a part of and during the execution of the Scope of Supply, including those which depict and describe the Unit with respect to the engineering, structural, instrumentation, control, mechanical, electrical, plumbing, fire protection, acoustical and life safety systems.

“Effective Beneficiary” shall have the meaning specified in Section 7.6.1.2.

“Effective Date” shall have the meaning specified in the preamble hereto.

“Environmental Laws” means all Applicable Law, including Applicable Codes and Standards and Permits and Consents, related to (i) conservation, improvement, protection, pollution, contamination or remediation of the environment or (ii) Hazardous Materials, or any handling, storage, Release, or other disposition of Hazardous Materials that relates to the execution of the Scope of Supply.

“Equipment” shall mean all equipment, materials, supplies, apparatus, machinery, parts, tools (including special tools), components, instruments, appliances, commissioning spare parts and appurtenances thereto (including those specified and described as part of the Scope of Supply specified in Exhibit I) that are required for construction of, or incorporation into, the Unit for the full and timely execution of the Scope of Supply.

“Expert” shall have the meaning specified in Section 24.2.2.

“Final Acceptance" means the Final Acceptance for the Unit which shall be deemed achieved when: (i) the Warranty Period of 12 months set forth in Section 17.3.1 for the Unit has elapsed, it being understood that the Final Acceptance Certificate may be issued before the additional warranty period(s) arising from the correction, repair or replacement of Defects or damages by Seller has (have) elapsed; (ii) the Seller has fulfilled all its obligations under the Agreement and Brazilian Applicable Laws with respect to the Unit; (iii) Seller has delivered to Buyer a fully executed Release of Claims and Lien Waiver with respect to the Unit; (iv) Seller has presented Buyer with evidence that all commitments with Major Subcontractors with respect to the Unit have been fully settled, including in the form of statements to that effect signed by each of its Major Subcontractors; and (v) Seller has delivered to Buyer a Final Acceptance Certificate for the Unit, which Buyer has accepted by signing such certificate.

"Final Acceptance Certificate” Upon written notice from Seller stating that the requirements for Final Acceptance under this Agreement, including those set forth in the definition of Final Acceptance, have been satisfied, Buyer shall accept and sign the Final Acceptance Certificate or notify Seller in writing of the deficiencies to be remedied at Seller's sole responsibility.

“Final Completion” shall mean that the Unit has been successfully handed over to Buyer and that all Scope of Supply and all other obligations under this Agreement (except for the Scope of Supply and obligations that survive the termination or expiration of this Agreement, including obligations for warranties and correction of Defects), are fully and completely performed in accordance with the terms of this Agreement, including: (i) the successful achievement of Mechanical Completion and Substantial Completion; (ii) the completion of all Substantial Completion Punch-list Items; (iii) all of the Unit’s systems and subsystems have been fully tested, and commissioning has been concluded, with all TTAS-1s and TTAS-2s issued and signed by both parties thereto; (iv) delivery by Seller to Buyer of all documentation required to be delivered under this Agreement, including Record As-Built Drawings and Specifications, and the final operation and maintenance manuals for the Unit; (v) delivery to Buyer, in content and form reasonably satisfactory to Buyer, of copies of all required Subcontracts, written assignments of Subcontractor warranties and a list of the names, addresses and telephone numbers of the Subcontractors providing such warranties; (vi) removal from the Unit of all of Seller’s and Subcontractors’ personnel, supplies, waste, materials, equipment, rubbish, Hazardous Materials, and temporary facilities; (vii) the receipt by Buyer of any and all certificates from the relevant Classification Society; (viii) the receipt and acceptance by Buyer of the Final Brazilian Local Content Declaration; and (ix) delivery by Seller to Buyer of a Final Completion Certificate, which Buyer has accepted by signing such certificate.

“Final Completion Certificate” shall have the meaning specified in Section 16.5.

“Final Completion Date” shall mean the date on which Buyer accepts the applicable Final Completion Certificate pursuant to Section 16.5.

“First Oil Date” shall mean the date on which, subsequent to the successful completion of the pre-commissioning, commissioning and testing requirements of the Scope of Supply provided for in this Agreement, and the Handover of the Unit, unprocessed hydrocarbons from the XXX field are first introduced into the topside process equipment on the FPSO.

“First Oil Production” shall have the meaning specified in Exhibit XI.

“Force Majeure” shall have the meaning specified in Section 23.4.

“Good Engineering and Construction Practices” shall mean the generally accepted practices, methods, skill, care and techniques employed by the petroleum engineering and construction industries with respect to: (i) the engineering, procurement, construction, pre-commissioning, commissioning, testing and operation of projects comparable to the Unit, in accordance with Applicable Law and the written recommendations of the suppliers and manufacturers of any equipment necessary to maintain the supplier and manufacturer warranties in full force and effect, and the design performance of such projects; (ii) personnel and facility health, safety and environmental protection; (iii) optimizing the scheduling of projects comparable to the execution of the Scope of Supply; and (iv) optimizing reliability and availability under the operating conditions comparable to those of the Unit. Good Engineering and Construction Practices are not intended to be limited to the optimum practices, methods or techniques to the exclusion of all others, but rather include a spectrum of reasonable and prudent practices, methods and techniques employed by the petroleum engineering and construction industries.

“Governmental Authority” shall mean any national, regional or other government of any state, province, county, municipality, or other political subdivision thereof, any governmental body, agency, authority, division, department, board or commission, or any instrumentality, officer or official of any of the foregoing, including any court, tribunal or committee, and in each case having executive, administrative or regulatory authority over a Party, the Unit, the Site or any portion of the Scope of Supply execution.

“GRI” or “Grau de Risco de Integridade” or “Integrity Risk Degree” shall have the meaning specified in the Petrobras Ethical Conduct Guide for Suppliers.

“Guaranteed Handover Date” shall have the meaning specified in Section 11.3.1.2.

“Guaranteed Ready for First Oil Date” shall have the meaning specified in Section 11.4.9.

“Guarantor” shall mean the issuer of the Parent Guarantee.

“Handover” shall have the meaning specified in Section 16.4.

“Handover Certificate” shall mean the document in the form set forth in Exhibit XVI and issued by Seller to Buyer in accordance with Section 16.4.

“Handover Date” shall mean the date on which Handover of the Unit occurs.

“Hazardous Materials” shall mean any substance that under Applicable Law is considered to be hazardous or toxic or is or may be required to be remediated, including (i) any petroleum or petroleum products, radioactive materials, asbestos in any form that is or could become friable, transformers or other equipment that contain dielectric fluid containing polychlorinated biphenyls and processes and certain cooling systems that use chlorofluorocarbons, (ii) any chemicals, materials or substances which are now or hereafter become defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants,” or any words of similar import pursuant to Applicable Law, or (iii) any other chemical, material, substance or waste, exposure to which is now or hereafter prohibited, limited or regulated by any Governmental Authority, or which may be the subject of liability for damages, costs or remediation.

“Hull” shall mean the hull of the Unit.

“IBGE” shall mean the Brazilian Institute of Geography and Statistics (Instituto Brasileiro de Geografia e Estatística).

“ICC” shall have the meaning specified in Section 3.2.3.1.

“ICC Rules” shall have the meaning specified in Section 24.3.1.

“Import Content List” shall have the meaning specified in Section 3.32.2.

“Integration” shall mean all activities necessary to integrate the Modules, systems and Equipment of the topsides of the Unit with the Hull.

“Integration Yard” shall mean the site, including all installations, facilities and Equipment therein, at which Seller shall perform the Integration activities.

“Intellectual Property Claims” shall have the meaning specified in Section 22.4.1.

“Intellectual Property Losses” shall have the meaning specified in Section 22.4.1.

“International Court of Arbitration” shall have the meaning specified in Section 24.3.4.

“Invoice” shall mean Seller's request for payment in accordance with Article 10.

“Key Person” or “Key Personnel” shall have the meaning specified in Section 2.2.

“Lender” shall mean any entity or entities providing temporary or long-term financing for the Unit and any agent or trustee of such entity or entities.

“LGPD” or “Lei Geral de Proteção de Dados” shall have the meaning specified in Section 31.1.

“Lien” shall mean any encumbrance of any kind, mortgage, lien, pledge, charge, security interest, deed of trust, claim, or any charge on property for payment of a debt, obligation or duty.

“Liquidated Damages for Delay” shall have the meaning specified in Section 20.1.2.

“Lump Sum Price” shall have the meaning specified in Section 9.1.

“Major Subcontract” shall mean (a) any Subcontract, having an aggregate value in excess of US$ 30,000,000.00 (thirty million US Dollars) or (b) multiple Subcontracts with the same Subcontractor or an Affiliate of such Subcontractor having an aggregate value in excess of US$ 30,000,000.00 (thirty million US Dollars), in each case for performance of any part of the Scope of Supply.

“Major Subcontractor” shall have the meaning specified in Section 19.3.

“Maximum Unit Price Cost” shall have the meaning specified in Section 9.3.

“Mechanical Completion” shall mean the completion of the procurement, fabrication, installation and pre-commissioning activities applicable to (i) each Module, prior their placement onto the Hull; (ii) the Hull; (iii) the integrated Unit; and (iv) each system or subsystem of the Unit, prior to commencement of its commissioning activities, as the context indicates, except for the Scope of Supply related to minor items on each applicable Mechanical Completion Punch-list.

“Mechanical Completion Certificate” shall have the meaning specified in Section 16.2.

“Mechanical Completion Date” shall mean each date on which the Mechanical Completion of each applicable Module, Integration of the Unit, system or subsystem of the Unit occurs.

“Mechanical Completion Punch-list” shall have the meaning specified in Section 16.2.3.

“Milestone” shall have the meanings specified in Exhibit VI.

“Module” shall mean a specific module of the Unit, as more fully described in the Exhibit II of this Agreement.

“Modules Yard” shall mean the site, including all installations, facilities and Equipment therein, at which Seller shall carry out the construction and assembly of the Modules.

“Monthly Progress Reports” shall have the meaning set forth in Section 3.17.3.

“Non-accidental Pollution” shall mean the Pollution that does not fit as Accidental Pollution.

“Operating Spare Parts” shall have the meaning specified in Section 3.4.2.

“Operational Tests” shall have the meaning specified in Exhibit VIII.

“Parent Company Guarantee” or “Parent Guarantee” shall mean a company guarantee substantially in the form of Exhibit XX issued by the “Guarantor” in its capacity as parent company of the Seller.

“Party” or “Parties” shall have the meaning set forth in the preamble hereto.

“Performance Security” shall have the meaning specified in Section 20.5.1.

“Performance Security Release Date” shall be the date in which the Performance Security is released pursuant to Section 20.5.1.

“Performance Tests” shall mean those tests performed to ensure that the Unit meets the performance and operational criteria set forth in this Agreement, and in particular Exhibit I and Exhibit VIII, and to the extent not provided therein such tests as are conducted consistent with the requirements of Article 17.

“Permits and Consents” shall mean any and all valid waivers, certificates, approvals, consents, licenses, exemptions, variances, franchises, permits, authorizations or similar orders or authorizations from any Governmental Authority required to be obtained or maintained in full force and effect in connection with the Unit, the Site, the Scope of Supply, this Agreement or the transactions contemplated hereto.

“Person” shall mean any natural or legal person or entity.

“Petrobras Ethical Conduct Guide for Suppliers” shall mean the document entitled “Petrobras Ethical Conduct Guide for Suppliers” made available in Petrobras Supplier Channel website.

“Pollution” shall mean the degradation of environmental quality resulting from activities that directly or indirectly: (a) impair the health, safety and well-being of the population; and/or (b) create adverse conditions for social and economic activities; and/or (c) adversely affect the biota; and/or (d) affect the aesthetic or sanitary conditions of the environment; and/or (e) throw materials or energy in disagreement with established environmental standards.

“Pre-Commissioning” shall mean the set of activities carried through on all instruments, Equipment, systems and subsystems, including calibration, flushing, cleaning, pickling, N2 leakage test, megger test, continuity test, cold test and pre-alignment of rotary equipment, required to achieve the applicable Mechanical Completion.

“Price Schedule” shall have the meaning specified in Exhibit XXI.

“Project Schedule” shall have the meaning specified in Section 11.3.1.1.

“Qualified Issuer” shall mean a commercial bank, insurance company or other financial institution reasonably acceptable to Buyer capable of accepting a drawing certificate under the Performance Security and issuing funds on such drawing certificate, with a long-term rating of at least Investment Grade.

“Quality Assurance Plan” shall have the meaning specified in Section 3.15.

“Quality Assurance System” shall mean the quality assurance system developed by Seller in accordance with Exhibit VII.

“RO” shall have the meaning specified in Section 3.3.7.

“Ready for First Oil” shall have the meaning of (i) TTAS-1 and final leak test approved by Buyer for all the systems and SSOPs necessary for the first oil listed at item 5.6.1.2 of Appendix 1 of Exhibit XI, (ii) No legal or Classification Society impeditive open item and (iii) Substantial Completion and Handover shall have occurred.

“Ready for Gas Treatment (CO2) and Gas Lift” shall have the meaning of (i) TTAS-1 and final leak test approved by Buyer for the SSOPs listed at item 5.6.7.2 of Appendix 1 of Exhibit XI, (ii) No legal or Classification Society impeditive open item and (iii) Handover shall have occurred.

“Ready for Gas Reinjection” shall have the meaning of (i) TTAS-1 and final leak test approved by Buyer for the SSOPs listed at item 5.6.3.1 – i to vi of Appendix 1 of Exhibit XI, (ii) No legal or Classification Society impeditive open item and (iii) Handover shall have occurred.

“Ready for Produced Water” shall have the meaning of (i) TTAS-1 and final leak test approved by Buyer for the SSOPs listed at item 5.6.5.2-ii of Appendix 1 of Exhibit XI, (ii) No legal or Classification Society impeditive open item and (iii) Handover shall have occurred.

“Ready for Water Injection” shall have the meaning of (i) TTAS-1 and final leak test approved by Buyer for the SSOPs listed at item 5.6.5.2-i of Appendix 1 of Exhibit XI, (ii) No legal or Classification Society impeditive open item and (iii) Handover shall have occurred.

“Ready for Gas Exportation” shall have the meaning of (i) TTAS-1 and final leak test approved by Buyer for the SSOPs listed at item 5.6.7.2 of Appendix 1 of Exhibit XI, (ii) No legal or Classification Society impeditive open item and (iii) Handover shall have occurred.

“Record As-Built Drawings” shall mean final record Drawings (but not field mark-ups) of the Unit showing current and accurate “as-built” conditions, as further described in Exhibit III.

“Recovery Schedule” shall have the meaning specified in Section 11.5.

“Release” shall mean any release, spill, emission, leaking, pumping, injection, pouring, emptying, deposit, disposal, discharge, dispersal, dumping, escaping, leaching or migration into or through the environment or within or upon any building, structure, facility or fixture.

“Release of Claims and Lien Waiver” shall mean the Release of Claims and Lien Waiver in the form attached as Exhibit XXVI.

“Reliability Tests” shall mean those tests performed to ensure that the Unit can be reliably and safely operated.

“Request” shall have the meaning specified in Section 24.3.4.

“Request for Proposal” shall mean that certain Request for Proposal No. 7003983000 issued by Buyer with regard to this Agreement.

“Required Final Completion Date” shall have the meaning specified in Section 11.3.1.3.

“Safety and Health Directives” shall mean the safety and health directives specified in Exhibit IX.

“Sail Away” shall mean the event, after Substantial Completion is achieved, when the Unit leaves the Integration Yard, to be delivered to Buyer in accordance with Section 3.2.3.1.

“Schedule A Lump Sum Price” shall mean the break-down of the Lump Sum Price set out in Schedule A pursuant to Exhibit XI.

“Schedule B1 Unitary Prices” shall mean the unitary prices set out in Schedule B1 for the items listed therein, to be applied at Buyer’s discretion pursuant to Article 12 and Exhibits XI and XIV.

“Schedule B2 Unitary Prices” shall mean the unitary prices set out in Schedule B2 for the items listed therein, to be applied at Buyer’s discretion pursuant to Article 12 and Exhibits XI and XIV.

“Scope of Supply” shall mean the description of the scope to be performed by Seller for the supply to Buyer of a fully functional and operable Unit, as set forth herein and as specified in Exhibit I, which may be modified only in accordance with this Agreement.

“Seller” shall have the meaning specified in the preamble hereto.

“Seller Group” shall mean Seller, its Affiliates, successors, permitted assigns, officers, directors, employees and agents (including Subcontractors).

“Seller HSE Management Plan” shall have the meaning specified in Exhibit IX.

“Seller Project Manager” shall mean that Person designated by Seller in a written notice to Buyer who shall have complete authority to act on behalf of Seller on all matters pertaining to this Agreement, including giving instructions and making changes to the Scope of Supply that have been approved by Buyer.

“Seller’s Proposal” shall mean the technical and commercial proposals submitted to Buyer in response to the Request for Proposal issued by Buyer.

“SISBACEN” shall mean the “Sistema de Informações do Banco Central do Brasil,” the Brazilian Central Bank database system.

“SISCOMEX” shall mean the Brazilian electronic foreign trade information system (Sistema Integrado de Comércio Exterior), jointly operated by the Brazilian Central Bank, the Brazilian Federal Tax Revenue Agency and the Brazilian Foreign Trade Agency.

“Site” shall mean any parcel(s) of land on which any portion of the Scope of Supply are or will be performed by Seller or its Subcontractors, including the Integration Yard and the Modules Yard.

“Specifications” shall mean those documents consisting of the written requirements for the Unit, Equipment, standards of workmanship for the Scope of Supply execution and its performance, which are prepared as a part of and throughout the performance of this Agreement.

“Subcontract” shall mean any agreement between Seller and a Subcontractor, or between a Subcontractor and any other contractors or suppliers, for the performance of any portion of the Scope of Supply, including any Major Subcontract.

“Subcontractor” shall mean any Person with whom Seller has entered into any Subcontract, including any purchase order or other agreement for such Person to perform any part of the Scope of Supply, or to provide any materials, Equipment or supplies, including any Major Subcontractor and any other Person at any tier with whom any Subcontractor has further subcontracted any part of the Scope of Supply.

“Substantial Completion” shall mean that the following have occurred: (i) Mechanical Completion for the Integration and of all modules, systems and subsystems of the Unit has been achieved; (ii) Performance Tests, Reliability Tests, and Demonstration Tests have been successfully completed or, in the case of deficiency of performance, adequate compensation has been paid in accordance herewith; (iii) all TTAS-1 , in accordance with Exhibit VIII, Appendix 1, have been signed by Buyer; (iv) the onshore phase of the Scope of Supply has been completed (including training and the delivery of all documentation, manuals and instruction books necessary for safe and proper operation of the Unit), except for the Scope of Supply on the Substantial Completion Punch-list; (v) the inclination tests of the Unit have been successfully performed; (vi) the helideck inspections have been completed and the relevant homologations obtained; (vii) the necessary certificates from the relevant Classification Society, and all Consents and Permits required by the Governmental Authorities for the transportation of the Unit from the Integration Yards to the final location, as well as for its operation have been delivered to Buyer; (viii) the Unit is capable of being safely and reliably operated in accordance with the Specifications contained in this Agreement and without damage to the Unit or any other property and without injury to any Person; and (ix) Seller has delivered to Buyer the Substantial Completion Certificate and Buyer has reviewed and approved such certificate in accordance with Section 16.3.

“Substantial Completion Certificate” shall have the meaning specified in Section 16.3.

“Substantial Completion Date” shall mean each date on which Substantial Completion of the Unit occurs.

“Substantial Completion Punch-list” shall have the meaning specified in Section 16.3.3.

“Taxes” shall mean any and all taxes, assessments, levies, duties, fees, charges and withholdings of any kind or nature whatsoever and howsoever described, including value-added, sales and use taxes, gross receipts, license, payroll, federal, state, local or foreign income, environmental, profits, severance, premium, franchise, property, excise, capital stock, import, stamp, transfer, employment, occupation, generation, privilege, utility, regulatory, energy, consumption, lease, filing, recording and activity taxes, levies, duties, fees, charges, imposts and withholding, together with any and all penalties, interest and additions thereto.

“Technical Dispute” shall have the meaning specified in Section 24.2.1.

“Technical Support” shall mean Seller’s Vendor technical support needed to ensure proper integration into the detail engineering design, including equipment information for transportation, receiving, preservation, assembly, commissioning and startup essential to the Final Completion of the Unit.

“Tribunal” shall have the meaning specified in Section 24.3.5.

“TTAS-1” shall mean, for each system or subsystem incorporated into the Unit, a “Term of Transference and Acceptance of Systems - Phase 1” document issued by Seller and signed by Seller and Buyer upon successful accomplishment of all Performance Acceptance Tests 1 (TAP-1) and delivery of all related documentation. At offshore phase, TTAS-1 formalizes the provisional transference of the operation and planned maintenance of that specific System/Subsystem from Seller to Buyer, as more specifically described in Exhibit VIII. No remaining impeditive outstanding items (type A) shall exist for the issuance of a TTAS-1.

“TTAS-2” shall mean, for each system or subsystem incorporated into the Unit, a “Term of Transference and Acceptance of Systems – Phase 2” document issued by Seller and signed by Seller and Buyer upon successful accomplishment, when applicable, of a Performance Acceptance Test 2 (TAP-2) and satisfaction, when applicable, of all regulatory requirements for such system or subsystem, as more specifically described in Exhibit VIII. No remaining outstanding items shall exist for the issuance of TTAS-2.

“Unit” shall have the meaning specified in the preamble hereto.

“US Dollar” or “$” shall mean the lawful currency of the United States of America.

“Value of the Unrealized Brazilian Local Content” shall mean the value of the Brazilian Local Content which would be required for the Seller to comply with the minimum required Brazilian Local Content (the “Brazilian Local Content Index”) identified in Section 4.1.2.

“Vendor” shall mean any supplier with whom the Seller, or any of its Subcontractors, has entered into an agreement or purchase order to supply equipment and/or material that are required for construction of, or incorporation into, the Unit for the full and timely execution of the Scope of Supply.

“Vendor List” shall mean the list of vendors approved by Buyer (Master Project Vendor List Offshore), as identified in Exhibit V.

“Warranty Period” shall have the meaning specified in Section 17.3.1.

* 1. Section and Exhibit References. Any reference to a particular Article, Section, subsection, paragraph, subparagraph, Exhibit, or schedule, if any, shall be a reference to such Article, Section, subsection, paragraph, subparagraph, Exhibit, or schedule in and to this Agreement.
  2. Interpretation
     1. Except where the context suggests otherwise, terms in the singular shall include the plural and vice versa.
     2. Any reference to any agreement, document or drawing defined or referred to in this Agreement shall include each amendment, modification and supplement thereto and waiver thereof as may become effective from time to time in accordance with the terms thereof, except where otherwise indicated.
     3. Any term defined by reference to any other agreement or document shall have such meaning whether or not such agreement or document remains in effect.
     4. The words “include” and “including” shall be construed to include the phrase “without limitation.” The terms “hereof” or “thereof”, “herein” or “therein”, “hereunder” or “thereunder”, and comparable terms refer to the entire Agreement with respect to which such terms are used and not to any particular Article, Section or other subdivision thereof.
     5. A reference to any Governmental Authority includes any Governmental Authority succeeding to such agency’s or authority’s functions and capabilities. Any reference to a Person shall include that Person’s successors and permitted assigns or to any Person succeeding to that Person’s functions.
     6. Unless provided as in the discretion of one of the Parties, if any provision of this Agreement contemplates that the Parties shall negotiate or agree to any matter after the date that this Agreement is effective, such provision shall be construed to include an obligation of the Parties to negotiate or reach an agreement in good faith within the spirit and intent of this Agreement.
     7. Except as otherwise expressly indicated herein, any reference in this Agreement to any Applicable Law shall be considered as including a reference to all norms, directives or regulations then in force and enacted in connection therewith and whose validity derives therefrom.
     8. All schedules, Exhibits or attachments to this Agreement shall be read in conjunction with the body of the Agreement, and such schedules, Exhibits or attachments shall be interpreted so as to give effect to the intent of the Parties as evidenced by their terms when taken as a whole, provided, however, that in the event of an express and irreconcilable conflict between the terms of any schedules, Exhibits or attachments and the provisions of the body of this Agreement, the provisions of the body of this Agreement shall control.
     9. The documents that form this Agreement are listed below in order of priority, with the document having the highest priority listed first and the one with the lowest priority listed last. Subject to Section 1.3 under the definition of Applicable Codes and Standards regarding conflicts or inconsistencies between any Applicable Codes and Standards, in the event of any conflict or inconsistency between a provision in one document and a provision in another document, the document with the higher priority shall control. In the event of a conflict or inconsistency between provisions contained within the same document, the provision that requires the highest standard on the part of Seller shall control. This Agreement is composed of the following documents, which are listed in priority:
        1. Change Orders or written amendments to this Agreement;
        2. This Agreement, as entered into on the Effective Date; and
        3. Exhibits and Schedules to this Agreement.
     10. The terms and provisions of Exhibit I shall prevail upon any other Exhibit and/or attachment of this Agreement.
     11. The terms and provisions of Exhibit II shall prevail over any other Exhibit (except Exhibit I) and/or attachment to this Agreement.
     12. The Circular Letters issued by Buyer during the bidding process, containing clarifications and answers in relation to the terms of such bidding process, shall have priority over the terms and provisions of the Exhibits.
     13. Notwithstanding the above, the provisions of this Agreement, including all Exhibits, shall, wherever possible, be construed as complementary rather than conflicting.

All headings used herein are for convenience only and shall not be taken into consideration in the interpretation of this Agreement.

**ARTICLE  
2** **RELATIONSHIPS AND ACKNOWLEDGEMENTS**

* 1. Status of Seller. The relationship between Seller and Buyer shall be that of independent Parties. Seller shall have complete charge of the personnel engaged in the performance of the Scope of Supply and have complete control over the details of the execution and manner in which the purpose of this Agreement shall be accomplished, subject to compliance with this Agreement. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, act on behalf of, or to act as or be an agent or representative of, or to otherwise bind or obligate the other Party. Nothing contained herein shall be construed as creating a master-servant relationship or principal-agent relationship between Buyer and Seller or any of its Subcontractors or sub-subcontractors and Buyer. Any provisions of this Agreement which may appear to give Buyer the right to direct or control Seller as to details of activities pertaining to the Scope of Supply, or to exercise any measure of control over the execution of the Scope of Supply, shall be deemed to mean that Seller shall follow the desires of Buyer in the results of these activities only, and not in the means by which the Scope of Supply is to be accomplished. Nevertheless, Seller shall strictly comply with all provisions, terms and conditions of this Agreement, and the fact that Seller is an independent Party does not relieve it from its responsibility to fully, completely, timely and safely execute the Scope of Supply in strict compliance with this Agreement and be responsible for all Subcontractors’ performance and supply.
  2. Key Personnel and Organizational Chart. Seller’s organizational chart and the list of key personnel (“Key Personnel” and each a “Key Person”) from Seller’s organization who will be assigned a key role in the fulfillment of this Agreement shall be included in the Contract Management Plan to be presented by Seller after Agreement signature, as foreseen in Exhibit VI.
  3. Seller Project Manager. The Seller Project Manager is a Key Person and shall require the consent from Buyer. Notification of a change in Seller Project Manager shall be provided in advance, in writing, to Buyer, who shall have the right to reject the proposed project manager. Seller shall appoint and have in place at all times as its project manager an individual who is a qualified professional in good standing.
  4. Subcontractors. Buyer acknowledges and agrees that Seller intends to have portions of the Scope of Supply accomplished by Subcontractors pursuant to Subcontracts in accordance with Article 19. Notwithstanding any Subcontract, Seller shall remain fully responsible for the completion of the Scope of Supply in accordance with this Agreement as if such Subcontract had not been entered into.

**ARTICLE  
3** **OBLIGATIONS OF SELLER**

* 1. Contract Scope – General Scope. The Contract Scope shall include, without limitation, the supply of the complete Unit, to be fabricated in full accordance with all requirements further detailed in the present Agreement, and the transportation of the Unit from the Integration Yard to its final location at XXX Field, offshore Brazil.
  2. Seller’s Specific Obligations. Without limiting the generality of Section 3.1 or the requirements of any other provision of this Agreement, Seller shall:
     1. Be responsible for any basic and/or detailed engineering design, other than Basic Design, to supply the Unit in accordance with the Specifications provided in this Agreement;
     2. Be responsible for the fabrication, construction, construction management (including furnishing all management, personnel, all Site supervision, Equipment, tools, field supplies, warehousing and facilities necessary for fabrication), all necessary power (electrical or otherwise), and all inspection and quality control and commissioning required to ensure that the Scope of Supply is executed in accordance herewith;
     3. Take into consideration and comply with all Applicable Law in order to secure the Customs Clearance of the Unit, which shall be physically delivered to Buyer in accordance with this Section 3.2.3.1;
        1. Delivery of the Unit / Incoterms: The condition of sale to apply shall be DAP (Delivery at Place) at XXX Field, offshore Brazil, in accordance with Incoterms 2020 published by The International Chamber of Commerce (ICC). As per DAP Incoterms, the Seller shall deliver the Unit to the Buyer or their consignee on the arriving means of transportation, including unloading operations at the agreed point at the named place of destination on the agreed date or within the agreed period. It is understood that "unloading operations" refers to the release of the Unit after its waterborne transportation to the agreed point by means of "dry tow vessels", tugboats or similar;
           1. Unless instructed by Buyer, the supply of the Unit must be made in one single delivery, notwithstanding the provisions in Section 25.3.
           2. Subject to Buyer’s right to intervene at any time as necessary to protect its rights and interests, claims arising out of any collision of the Unit with any ship or other vessel shall be resolved directly between Seller and those representing the interests of such ships or other vessel, it being understood that Seller shall timely apprise Buyer of the status of each such claim and of any significant developments in connection therewith.
     4. Negotiate all guarantees, warranties, delivery schedules, insurance requirements and performance requirements with all Subcontractors so that all Subcontracts are consistent with this Agreement;
        1. The inspection and warranty requirements shall follow Article 17, including but not limited to Coating Warranty Requirements (Corrosion Protection Performance Guarantee).
     5. Ensure that the work of Subcontractors meets all of the requirements of this Agreement;
     6. Contract a Classification Society in order to provide the Unit classification, as indicated in this Agreement, especially in the Exhibits I, II and III;
     7. Ensure that Scope of Supply is performed in accordance with the Critical Path Schedule and the Project Schedule, in a manner such that each Mechanical Completion Date, the Substantial Completion Date, the Guaranteed Handover Date and the Required Final Completion Date will be met;
     8. Conduct and manage all pre-commissioning, start-up operations, commissioning and Performance Tests of the Unit, in accordance with Exhibit VIII;
     9. Other than those Permits and Consents listed in Section 5.3, which shall be the responsibility of Buyer, Seller shall timely provide and obtain at its expense:
        1. Any and all permits, approvals or licenses required for the execution of the Scope of Supply or necessary to comply with any of its obligations hereunder, other than those for which Buyer has expressly assumed the responsibility of providing and obtaining pursuant to Section 5.3;
        2. Any and all certificates, permits, and authorizations, including, without limitation, completion certificates and operating permits as required by Applicable Law to conduct the Performance Tests, Demonstration Tests or Operational Tests;
        3. Assistance, information, and documentation required or requested by Buyer in order to make it possible for the latter to obtain the permits listed in Section 5.3.
     10. Obtain any and all certificates, permits, and authorizations, including, without limitation, completion certificates, and operating permits as required by Applicable Law, necessary for conducting the Performance Tests, Demonstration Test, Operational Tests, or any other necessary test, with the exception of the permits listed in Section 5.3, which are a requisite for any tests to be performed at the final location of the Unit at the XXX field offshore Brazil, and for which the Buyer shall be responsible.
     11. Provide training and certification for Buyer’s operating and maintenance personnel in accordance with Exhibit V - Directives for Acquisitions for the Equipment supplied by Seller;
     12. Replace any Subcontractor(s) that fails(fail) to perform its (their) Subcontract obligations;
     13. Handle all customs issues and be responsible for all duties related to imported Equipment;
     14. At the request of Buyer, cooperate with, provide the information and documentation requested by, and respond to inquiries from any Lender relating to activities being undertaken under this Agreement;
     15. Be fully responsible for ensuring that the requirements in respect of Brazilian Local Content are met in accordance with the terms of this Agreement;
     16. Be responsible for and pay any and all Taxes related to the Scope of Supply;
     17. Not Applicable.
     18. In addition, with regard to the Scope of Supply, Seller (i) warrants that Seller and its Affiliates and their respective directors, officers, employees, representatives and personnel have complied with, and (ii) covenants that Seller and its Affiliates and their respective directors, officers, employees, representatives and personnel will comply with the Anti-Corruption Laws.
     19. Seller shall, as soon as possible, notify Buyer of any investigation or proceeding initiated by a Governmental Authority relating to an alleged violation of the Anti-Corruption Laws and obligations by Seller, or its Affiliates, or any of their directors, officers, employees, representatives, personnel, or any service providers of such Seller or its Affiliates, concerning the Scope of Supply. Seller shall use reasonable efforts to keep Buyer informed as to the progress and disposition of such investigation or proceeding, except that Seller shall not be obligated to disclose to Buyer any information that would be considered legally privileged.
     20. Seller represents, warrants and covenants that Seller, its Affiliates, their directors, officers, employees, representatives, personnel, or any service providers of such Seller or its Affiliates have been informed of their obligations in relation to the Anti-Corruption Laws and have adequate policies and procedures in place in relation to the Anti-Corruption Laws.
     21. Seller shall defend, indemnify and hold Buyer harmless from and against any and all claims, damages, losses, penalties, costs and expenses arising from or related to, any breach by Seller of the warranties and covenants set out in Articles 3, 27 and 29 and the Anti-Corruption Laws. Such indemnity obligation shall survive termination or expiration of this Agreement. Seller shall in good time (i) respond in reasonable detail to any notice from Buyer reasonably connected with the above-stated warranties, covenants and Anti-Corruption Laws; and (ii) furnish applicable documentary support for such response upon request from Buyer. Such indemnity obligations shall survive termination or expiration of this Agreement.
     22. Seller shall promptly respond in reasonable detail to any reasonable request from Buyer concerning a notice sent by Buyer pursuant to Sections 3.2.19 or 28.4, and shall furnish applicable documentary support for Seller’s response, including showing Seller’s compliance with the undertakings set out in Article 27 and Article 28, except that Seller shall not be obligated to disclose to Buyer any information that would be considered legally privileged.
     23. In addition Seller shall, on the written request of Buyer, furnish Buyer with a written certification signed by an authorized representative to the effect that Seller has complied with Article 27 and Article 28, subject to any Seller response to any notice sent by Seller under Section 3.2.19 or 28.4.
     24. Seller shall deliver to Buyer, together with Unit, a complete inventory regarding equipment, instruments, parts and spare parts list, supplied by Seller. The Inventory list shall be prepared and provided in an Excel or Access file, according to a template to be supplied by Buyer, and shall contain as a minimum the following detailed information related to each item of Equipment, material, instrument, part or spare part:

1. System and subsystem;
2. Description of Equipment, material, instrument or part;
3. Model;
4. Vendor;
5. Part Number;
6. Serial Number;
7. Quantity;
8. Unit;
9. NCM (Mercosur Common Nomenclature);
10. Location on board (Tag Number).
    1. Seller’s Obligations Regarding the Contract Performance. Without limiting the generality of Section 3.1 or the requirements of any other provision of this Agreement, as part of the Scope of Supply Seller shall further:
       1. Perform the pre-commissioning and commissioning of the Unit, as well as render assistance to Buyer’s operational personnel during the commissioning period, as specified in Exhibit I and Exhibit VIII;
       2. Supply to Buyer all documents and information necessary for the inspection of the Unit (including the exercise by Buyer of its inspection rights as contemplated in Section 17.2), grant full and unrestricted access to all the places where any portion of the Scope of Supply is being executed, and promptly comply with Buyer’s requests and contractual requirements regarding the Scope of Supply;
       3. Remake or repair, at its own expense and within a schedule mutually agreed between Buyer and Seller, any irregularities or Defects that may have been rejected by Buyer or that have been carried out without due regard to the terms of this Agreement;
       4. Submit the name of the Seller Project Manager, together with the relevant curriculum vitae to Buyer for prior approval. Any substitution, or provisional or permanent replacement, of the Seller Project Manager shall be submitted to Buyer for Buyer’s prior approval;
       5. Correct any errors, discrepancies or omissions in any documents prepared by Seller or Subcontractors in accordance with this Agreement;
       6. Inform Buyer, in writing, of any errors, omissions or discrepancies found in the norms, instructions, guidelines, Drawings and specifications supplied to it by Buyer throughout the execution of the Scope of Supply, it being understood that, in so doing, Seller shall not have the right to request the revision of any of the terms or conditions of this Agreement, except as provided and within the terms set forth in Exhibits III and XIV;
       7. Prepare and maintain, at each Site, an Occurrence Report (RO), as described in Exhibit XVI, prepared in accordance with the format provided by Buyer, containing records on the activities executed, remarks on irregularities found and other events concerning the performance of this Agreement. Buyer shall inform Seller, before the beginning of the performance of this Agreement the periodicity of the Occurrences Report. The periodicity and format of the RO may be changed along the execution phase of the Scope of Supply per Buyer request. The RO shall be issued and delivered to Buyer in two counterparts (the first one to Buyer and the second to Seller), duly executed by the Seller Project Manager and by Buyer;
       8. Defend, indemnify and hold each member of the Buyer Group free and harmless from and against any and all claims, losses and/or liabilities (including the cost and expenses related to any administrative, judicial, and arbitration procedures before any court or tribunal and related attorneys’ fees) suffered or incurred by any member of the Buyer Group or by any third party and arising out of or resulting from the failure by any member of the Seller Group to observe any Applicable Law or the provisions of this Agreement, subject only to the limitations of liability set forth in Article 22 (as well as the exclusions therefrom);
       9. Maintain in full force and effect all Permits and Consents required to be obtained by Seller under this Agreement. Notwithstanding the generality of the foregoing, Seller shall, in a manner that complies with the Project Schedule, obtain and maintain all Permits and Consents required for the performance of the Scope of Supply;
       10. Implement and maintain, at its own expense, during the term of this Agreement, a Quality Assurance System and the Commissioning Systems in accordance with Exhibit VII and Exhibit VIII, respectively.
           1. Carry out all additional experiments and tests that Buyer may deem necessary to evidence compliance with the quality levels required for the fulfillment of the Agreement, in accordance with the Quality Assurance System. If such additional experiments and tests do not demonstrate non-compliance with the quality levels required in this Agreement, in accordance with the Quality Assurance System, then Buyer shall reimburse Seller for the costs of such experiment or test and shall allow a reasonable extension of time to Seller to compensate for the time that was spent in carrying out these additional experiments and tests;
       11. Subject to the provisions of Article 7, pay and bear all Taxes and expenses, including import duties, payable as a consequence of the Scope of Supply execution, in accordance with the terms of this Agreement to all local, state or federal Governmental Authorities, as the case may be, both in Brazil and abroad;
       12. Provide the insurance coverage set forth in Article 14, and bear all expenses related to any insurance contracted in accordance with Article 14.
    2. Capital Spares, Commissioning and Operating Spare Parts.
       1. Prior to Mechanical Completion of each system or subsystem of the Unit, Seller shall deliver to the Site all Pre-Commissioning, commissioning, testing and start-up spare parts (but not operating spare parts) necessary to commission, test and start-up the Unit. The costs related to such Pre-Commissioning, commissioning, testing and start-up spare parts is included in the Lump Sum Price, including the procurement and delivery of such spare parts and the actual purchase price of such spare parts.
       2. Seller shall provide and Buyer shall approve one or more detailed lists of all manufacturer and Seller-recommended spare parts necessary for operating all Equipment (the “Operating Spare Parts”), including components and systems of such Equipment for a period of two (2) years after the Handover Date. The cost associated with generating the list of such Operating Spare Parts is included in the Lump Sum Price.
       3. Seller shall provide the Operating Spare Parts list mentioned on Section 3.4.2 (and without prejudice to the guidelines established on such section) no later than the deadline defined in Exhibit V.
       4. Seller shall deliver the Capital Spares at the Integration Yard before the Unit Sail Away date. The Capital Spares must be delivered to Buyer together with and on board the Unit.
    3. Standard of Supply. Seller shall provide the Scope of Supply in a good and workmanlike manner, in accordance with the terms and conditions of this Agreement, and shall cause all Subcontractors of any tier to perform all elements of the part of the scope to be supplied by them in compliance with Good Engineering and Construction Practices, Applicable Law and all other applicable provisions of this Agreement.
    4. Seller’s Equipment. Seller shall furnish all tools, machinery, structures, scaffolding and other equipment necessary and appropriate for the timely and safe execution of the Scope of Supply in strict compliance with this Agreement. Notwithstanding anything to the contrary contained in this Agreement, Seller shall be responsible for damage to or destruction or loss of, from any cause whatsoever, all such tools, machinery, structures, scaffolding and equipment owned, rented or leased by Seller or its Subcontractors for use in the Scope of Supply execution. Seller shall ensure that all Equipment for the Unit, including Equipment supplied by Buyer, is stored, protected and preserved in accordance with the manufacturer’s written instructions and so as to maintain in full force and effect all warranties related thereto.
    5. Employment of Personnel. Seller shall not employ, in connection with its performance under this Agreement, any unfit person or anyone not skilled in the work assigned to such person. Seller agrees to promptly remove (or to require any Subcontractor to remove) from the Site in connection with the Scope of Supply, and without cost to Buyer, any employee who does not meet the foregoing requirements or if contracted, any person who obstructs or causes difficulties to his supervisory action, or whose presence at the Site, under justified reason, is deemed inconvenient. In addition, Seller agrees that in a timely fashion after receipt of written notice from Buyer it will promptly investigate any employee or agent of Seller or of Subcontractor who is interrupting, interfering or impeding the timely and proper execution of the Scope of Supply. If it is the case, Seller will remove such employee from the Scope of Supply execution. Buyer shall have no liability and Seller agrees to defend, indemnify and hold each member of the Buyer Group free and harmless from and against any claims, losses and/or liabilities (including the cost and expenses related to any administrative, judicial, and arbitration procedures before any court or in any level of jurisdiction that may be filed against a member of the Buyer Group and related attorneys’ fees) suffered or incurred by any member of the Buyer Group resulting from Seller’s or any Subcontractor’s termination of the employment of any such employee who fails to meet the foregoing requirements following a request by Buyer to have such employee removed from the Scope of Supply execution.
       1. Seller shall, with respect to its employees and its Subcontractors:
          1. Be solely responsible for the supervision, technical and administrative guidance and labor required for the execution of the Scope of Supply;
          2. Refrain from using, in all activities related to the performance of this Agreement, forced labor or the work of minors and cause the above-mentioned requirement to be included in each Subcontract;
          3. Whenever required by Buyer, issue a written statement representing that it has complied or is complying with the requirement contained in Section 3.7.1.2;
          4. Not applicable.
          5. Present, whenever requested by Buyer, the documentation related to the proof of payment of its tax, social security, labor and *Fundo de Garantia do Tempo de Serviço* (“FGTS”) deposits, regarding activities taking place in Brazilian territory.
          6. Inspect the compliance by Subcontractors executing any part of the Scope of Supply in Brazilian territory, with their obligations under labour laws, social security contributions and FGTS deposits in accordance with Brazilian Applicable Law. Seller shall, whenever requested by Buyer, present documentation that proves the compliance with such obligations by its Subcontractors, regarding the execution of any part of the Scope of Supply.
       2. Seller shall cause its employees and its Subcontractors’ employees, as well as their respective contractors, to use identification badges furnished by Buyer when working at any Buyer facility, which badges must be returned to Buyer after termination of this Agreement or upon termination of the employee or Subcontractor from the activities related to this Agreement.
       3. Seller shall arrange for the Technical Term of Responsibility (Anotação de Responsabilidade Técnica – “ART”) concerning this Agreement to be obtained at the appropriate Regional Council of Engineering, Architecture and Agronomy (Conselho Regional de Engenharia, Arquitetura e Agronomia – CREA), forwarding a copy thereof to Buyer before the commencement of the Scope of Supply execution, and will further demonstrate its compliance with any other ART requirements to Buyer whenever any amendments are proposed to be made to this Agreement or in any of the cases provided for in the resolutions of the Federal Council of Engineering, Architecture and Agronomy (Conselho Federal de Engenharia Arquitetura e Agronomia – CONFEA).
       4. Seller shall deliver to Buyer, concerning all activities carried out in Brazil, (i) a letter from the National Nuclear Energy Commission (Comissão Nacional de Energia Nuclear, “CNEN”), approving the physical control system and the contingency plan adopted by Seller, (ii) industrial safety prescriptions adopted by it in accordance with Applicable Law, (iii) instructions furnished to its employees, agents, representatives and Subcontractors regarding the risks and precautions to be observed, and (iv) affidavits reflecting the verification and assessment of monitoring and measurement equipment, all in accordance with Brazilian Applicable Law (including CNEN norms), and prior to the performance of any portion of the Scope of Supply execution involving the use of any industrial X-ray and/or gamma-ray equipment.
          1. Seller shall designate an X-Ray and/or gamma-ray protection superintendent, who shall be responsible for ensuring, especially in emergency situations, the safety of all persons who, given the place and conditions of the activity performed by them, may be exposed to the radiation emitted in connection therewith.
       5. Seller shall:
          1. Furnish on a monthly basis, or whenever in receipt of a request by Buyer in accordance with the terms and conditions of this Agreement (Exhibit VI), written reports on the progress of the various stages of the Scope of Supply, on any elements still required to ensure the fitness and adequacy thereof, and for the preparation of statistical information, in accordance with Buyer’s requirements;
          2. Register and imprint upon the copies of the Basic Engineering Design furnished by Buyer, the modifications made throughout the execution of the Scope of Supply in order to update the “as built” plans and drawings and submit the copies with the annotations to Buyer, whenever requested;
          3. Correct, immediately and at its own expense, any and all portions of the Scope of Supply (including in the Agreement Amendments), Equipment or engineering documents that are Defective or otherwise not in accordance with this Agreement, and/or remake the parts of the Scope of Supply that have been rejected by Buyer as Defective (or are otherwise not in accordance with the provisions of this Agreement), undertaking to carry out all necessary welding repairs, as well as all relevant X-ray and/or gamma-ray inspections, and any required non-destructive testing.
    6. Operational Personnel. Seller shall provide Buyer with orientation and training concerning the operation and maintenance of the Unit that may be necessary for Buyer’s designated personnel or representatives to operate and maintain the Unit in accordance with Good Engineering and Construction Practices, Applicable Law and all other applicable provisions of this Agreement. The training shall be in accordance with a training plan submitted to Buyer for approval not less than three (3) months prior to Handover Date. Seller shall provide such training to all qualified individuals identified in the list provided by Buyer, as further specified in Exhibit VIII. Notwithstanding the foregoing, neither the removal nor the replacement of the individuals designated by Buyer for training shall result in additional training obligations on the part of Seller with respect to the individuals substituted for those removed or replaced.
    7. Emergencies. In the event of any emergency endangering life or property during the execution of the Scope of Supply, Seller shall take such immediate action as may be reasonable and necessary to prevent, avoid or mitigate injury, damage, or loss and shall, as soon as possible, report any such incidents, including Seller’s response thereto, to Buyer. If Seller has not taken reasonable precautions for the safety of the public or the protection of the Scope of Supply, and such failure creates an emergency requiring immediate action, then Buyer, with or without notice to Seller may, but shall be under no obligation to, provide reasonable protection as required to control such emergency. The taking of any such action by Buyer, or Buyer’s failure to take any action, shall not limit Seller's liability. Seller shall reimburse Buyer for the performance of any such actions or the furnishing of any such Equipment in connection with any emergency in an amount equal to the reasonable costs incurred by Buyer in such actions or furnishing of Equipment. The taking by Seller or Buyer of any actions in accordance with this Section 3.9 to prevent, avoid or mitigate injury, damage, or loss as a result of an emergency shall in no way alter or excuse any of Seller’s obligations under this Agreement.
    8. Seller Assistance with Buyer Permits and Consents. Seller shall provide information, assistance and documentation to Buyer as reasonably requested in connection with the Permits and Consents to be obtained by Buyer as listed at Section 5.3.
    9. Books, Records and Audits
       1. Seller shall keep such full and detailed books, construction and manufacturing logs, records, daily reports, accounts, schedules, payroll records, receipts, statements, electronic files, correspondence and other pertinent documents as may be necessary for proper management under this Agreement or as required under Applicable Law or this Agreement, and in any way relating to this Agreement (the “Books and Records”). Seller shall keep all such Books and Records in accordance with applicable generally accepted accounting principles, or otherwise in the ordinary course of business, and shall retain all such Books and Records for a minimum period of ten (10) years following the Effective Date or such greater period of time as may be required under Applicable Law.
       2. Upon request by Buyer, Seller shall provide Buyer or its agents or representatives with any appropriate information, documents or reports that may be necessary to determine Seller’s compliance with Brazilian Local Content requirements hereunder.
       3. Upon reasonable notice, Buyer shall have the right to examine or audit (or to have examined or audited) the books and records of Seller which in any way relate to this Agreement. When requested by Buyer, Seller shall grant to the examiners and auditors (including Buyer’s personnel) full access to all personnel, property, and records and Seller's personnel shall cooperate with the auditors to effect the audit or audits hereunder. The examiners and auditors shall have the right to copy any and all documentation relating to performance under this Agreement. Seller shall pay for all costs incurred by it in assisting Buyer with examinations and audits performed pursuant to this Section. Seller shall ensure that similar audit provisions are included in all Subcontracts.
    10. Tax Accounting. Within a reasonable period of time following Buyer’s request, Seller shall provide Buyer with any information regarding quantities, descriptions and costs of any Equipment installed in or incorporated into the Unit, as Buyer may deem reasonably necessary in connection with its tax management or the preparation of its tax returns. Seller agrees to indemnify Buyer for any loss of tax benefits (including any additional taxes, interest, penalties and late fees) that are imposed or arise as a result of the failure of Seller to provide Buyer with the information described in this Section 3.12.
    11. Temporary Facilities. Seller shall provide Buyer, in accordance with Exhibit X, with sufficient office space and other temporary facilities at the time of Site mobilization to accommodate Buyer’s Site representative(s) and support staff. Seller shall provide for Buyer and its representatives any other temporary facilities required for the inspection of the Scope of Supply execution, whenever reasonably requested by Buyer, at no cost to Buyer.
    12. No Liens.
        1. Seller agrees to notify Buyer immediately of the filing of any Liens, or possible filing of Liens, upon the Unit, any Site, any Equipment (other than Equipment owned or leased by or procured for Seller and used in the execution of the Scope of Supply), or any moneys due to Seller by Buyer under this Agreement. If any such Liens are filed, Seller shall arrange for the removal of such Lien not later than thirty (30) days after such filing. If Seller fails or refuses to remove such Lien within thirty (30) Days, then Buyer shall have the right (but not the obligation) to pay any sums necessary to obtain prompt release of such Lien. In such event, Seller shall reimburse Buyer for any sums so paid within thirty (30) Days of a demand therefore, or Buyer shall have the right to set off such amounts against payments owed to Seller by Buyer hereunder in accordance with Section 10.10.
    13. Quality Assurance. No later than the date indicated in Exhibit VII, Seller shall submit to Buyer for its approval (as specified in Exhibit VII): (i) a quality assurance plan (the “Quality Assurance System”) and (ii) a detailed inspection plan, and Seller shall provide for the Site, Subcontractors and Vendors a quality assurance manager to supervise the implementation of the Quality Assurance System, the inspection plan, and the inspection procedures at the Site, Subcontractors and Vendors premises.
    14. Commissioning. No later than the date indicated in Exhibit VIII, Seller shall submit to Buyer for its approval the Commissioning Management Plan and Commissioning Procedures. The Commissioning Management Plan shall nominate a commissioning manager to supervise and implement the Commissioning Management Plan, which shall include the inspection plan and the inspection procedures. No approval by Buyer as provided in this Section 3.16, shall in any manner release Seller from its obligations under this Agreement or lessen its liability hereunder. Seller shall, in all cases, remain responsible for quality and completeness of the Scope of Supply and its performance pursuant to this Agreement.
    15. Plans & Reports. Seller shall provide to Buyer all plans and documents specified in Exhibit VI on the dates therein indicated, together with progress reports and such other information as may be reasonably requested by Buyer, including the following:
        1. Minutes for all status meetings and other project meetings within seven (7) Days following any such meeting.
        2. Safety incident reports according to Exhibit IX.
        3. Monthly progress reports (“Monthly Progress Reports”), in form and substance acceptable to Buyer, in accordance with Exhibit VI.
           1. Seller shall provide the Monthly Progress Report on or before the fifth (5th) Business Day of each month. Each Monthly Progress Report shall cover activities up to the end of the previous month. Seller shall provide copies of the Monthly Progress Report to any other persons as Buyer may reasonably request.
        4. Seller shall provide reports on Force Majeure duly notified as specified in Article 23 and Section 26.5 hereof, in a form reasonably acceptable to Buyer, detailing the status and developments of any significant problem, strike, injury, work stoppage, legal problem which occurs or may be anticipated, and any emergency or other unanticipated event which might adversely affect Seller's ability to perform its obligations hereunder. The report shall detail all available information and steps being taken to correct or address such Force Majeure, significant problem, strike, injury, work stoppage, legal problem, emergency or other unanticipated event, and in each case shall be submitted by Seller as soon as practicable. Buyer may at any time request a report on any event that Buyer reasonably regards as significant. Notwithstanding delivery of such reports, all events of Force Majeure claimed by Seller shall be handled in accordance with Article 23.
        5. Seller shall provide reports on damage if any portion of the Unit is materially damaged or is destroyed, as soon as practicable after the occurrence of such damage or destruction, detailing such occurrence, any required repairs or replacement and the estimated duration of such repairs or replacement, including any estimate impact on the Project Schedule and/or on the Critical Path Schedule. Without limiting the foregoing, such damage report shall be in a form acceptable to any insurance company against which a claim is made for coverage of such damage.
        6. Seller shall provide written notice to Buyer of any unanticipated significant changes or developments in the Scope of Supply execution. Seller shall make available, and upon Buyer’s request shall furnish, to Buyer such documents as may be necessary at Buyer’s sole discretion for Buyer to inspect, evaluate or review the performance of the Scope of Supply execution.
        7. Seller shall provide copies of technical correspondence between Seller and its Subcontractors of any tier, or their respective suppliers, upon request of Buyer, including all notes, designs, Drawings, specifications and other technical data pertaining to the technical aspects of the Contract Scope, provided that receipt by Buyer of such technical correspondence shall not be deemed a consent thereto or approval by Buyer of such technical correspondence and shall not limit any of the obligations of Seller under this Agreement or any of the rights of Buyer to enforce the provisions of this Agreement.
        8. Seller shall provide reports in form and substance reasonably satisfactory to Buyer discussing compliance by Seller and its Subcontractors with health, safety and environmental standards and procedures (including the Safety and Health Directives) required pursuant to this Agreement and by Applicable Law.
    16. Payment. Seller shall timely make all payments required to be paid to Buyer in accordance with the terms of this Agreement.
    17. Progress Meetings. During the execution of the Scope of Supply, periodic progress meetings shall be held at a location and time mutually agreeable to the Parties. The frequency, attendance list, objectives and details of such meetings shall be in accordance with the dispositions in Exhibit VI. All matters bearing on the progress and execution of the Scope of Supply and the Project Schedule since the preceding progress meeting shall be discussed and resolved, including any previously unresolved matters, Defects or the methods being employed, and any problems, difficulties, or delays which may be encountered. Seller shall provide Buyer with minutes of all progress meetings within five (5) Business Days of the meeting in question. All decisions taken at such progress meetings shall be recorded in the minutes. Buyer shall initial and sign the minutes, noting any disagreements. The minutes shall be considered the definitive record of what occurred and what was decided at the meetings.
    18. Site Security and Safety. Seller recognizes and agrees that safety is of paramount importance in this Agreement and that Seller is responsible for executing the Scope of Supply in a safe manner. Seller agrees to implement the Seller HSE Management Plan that is to be submitted to Buyer for its approval no later than the deadline defined in Exhibit IX. Seller shall execute the Scope of Supply in such a manner as to minimize impact upon human health and safety. No approval by Buyer as provided in this Section 3.20, shall in any manner release Seller from its obligations under this Agreement or lessen its liability hereunder. Seller shall, in all cases, remain responsible for the quality and completeness of the Scope of Supply, and its performance, pursuant to this Agreement. 
        1. In carrying out the foregoing, Seller shall comply with Good Engineering and Construction Practices, Applicable Law and the Seller HSE Management Plan (as approved by Buyer, which approval shall not be unreasonably withheld, and incorporating modifications requested by Buyer), as well as Buyer’s standards as specified herein and the Safety and Health Directives specified in Exhibit IX. Seller’s submission of the Seller HSE Management Plan shall not be construed as imposing upon Buyer a responsibility to review (or as limiting in any manner) Seller’s obligation to undertake all reasonable actions toward maintaining safe working conditions at the Site and in the Unit, nor, or for the adequacy of the environmental, health and safety program at the Site and in the Unit. Seller shall assume all costs associated with compliance therewith. Seller further agrees to provide the necessary training to its employees and Subcontractors to ensure their compliance with the foregoing safety and health rules and standards. Should Buyer at any time observe Seller, or any of its Subcontractors, executing the Scope of Supply in an unsafe manner, or in a manner that may, if continued, become unsafe, then Buyer shall notify Seller of the unsafe or potentially unsafe condition. Buyer’s notification shall establish a deadline for Seller to remedy or rectify such condition. If Seller fails to remedy or rectify the unsafe or potentially unsafe condition by such deadline, Buyer shall have the right (but not the obligation) to require Seller to stop the Scope of Supply execution until such time as the manner of performing the Scope of Supply has been brought into conformity with the requirements of this Agreement; provided, however, that at no time shall Seller be entitled to an adjustment of the Lump Sum Price or the Project Schedule or to present Claims pursuant to Exhibit XIV based on such work stoppage. Nothing in this Section 3.20 shall affect Seller’s status as an independent Seller.
        2. In addition, Seller shall comply with the following obligations:
           1. Seller shall be responsible for all security matters at the Sites during all times prior to Final Completion, and shall implement measures reasonably designed to prevent vandalism, sabotage, loss, theft and danger or any other changes to the Sites, any Equipment, the Unit and any personnel.
           2. Seller shall coordinate entrance and exit from the Sites.
           3. Seller shall inspect all injuries to persons and damage to property arising during the execution of the Scope of Supply to determine whether any unsafe conditions that exist at the Site contributed to such injuries or damage, and shall be solely responsible for the correction of any such conditions.
           4. Seller shall cooperate with Buyer on all security matters and shall promptly comply with any reasonable security requirements requested by Buyer. Such compliance shall not relieve Seller of its responsibility for maintaining proper security, nor shall it be construed as limiting in any manner Seller’s obligation to comply with Good Engineering and Construction Practices, Applicable Law or all other applicable provisions of this Agreement, and to undertake reasonable action to establish and maintain secure conditions at the Site.
           5. Seller shall not be entitled to any extension of time or compensation on account of Seller's failure to exercise reasonable care to protect the Sites, the Unit and all Equipment as described herein.
           6. Seller shall issue a work accident notice (Comunicação de Acidente de Trabalho, “CAT”), in full compliance with the deadlines, terms and conditions set out in Brazilian Applicable Law, for any and all work injuries related to activities carried out in Brazil and involving any member of Seller Group in connection with its performance under this Agreement.
           7. Seller shall immediately inform Buyer about any and all work injuries involving members of Seller Group in connection with this Agreement. Buyer reserves the right to verify the compliance by Seller with the obligation stated in Section 3.20.2.6 and to require Seller to prove that the CAT has been issued in conformance with the deadline, terms and conditions of Brazilian Applicable Law.
           8. Seller shall take all necessary actions to ensure that no member of Seller Group, by action or omission, conceals, takes part in the concealment of, or consents, allows or conspires in, the concealment of any work injury arising in connection with its performance under this Agreement.
           9. Seller shall facilitate and never prevent any action by Buyer towards ensuring compliance by Seller with the obligations set forth in Sections 3.20.2.6 and 3.20.2.7, and Buyer shall be entitled to require written evidence that Seller, its Subcontractors and assignees have issued the CAT in conformance with the deadline, terms and conditions of Brazilian Applicable Law.
    19. Access to Documents. Buyer, as represented by the Buyer Project Manager or any other person authorized in writing by Buyer, shall have access, at all reasonable times, to inspect and make copies of all notes, designs, Drawings, specifications and other technical data pertaining to the technical aspects of the Scope of Supply, Equipment specifications, performance data, warranties, shop and field Performance Test and field representative reports; in the understanding, however, that Seller shall not be obligated to provide access to proprietary technical data regarding Equipment manufactured by or for Seller and not provided by Seller to other Persons so long as Seller provides the non-proprietary portion of such technical data and the non-proprietary data provided by Seller shall be of such type and detail as is customarily provided by Vendors and provides Buyer with a reasonable basis for technical review of the design, operation and maintenance of the Unit. Drawings representing the latest modifications to or the current as-built status of the Unit required in accordance with Exhibit III shall be available for Buyer’s inspection at the Site at all times during any Business Day.
    20. Environmental Compliance. Seller is fully responsible for executing the Scope of Supply in an environmentally sound manner and shall take all actions, whether or not required by Applicable Law, to protect the environment and marine life, and to avoid damage or nuisance to persons, to public property or to property of third parties, whether resulting from pollution or other causes arising as a consequence of its execution of the Scope of Supply. Seller shall dispose of any waste buildup in the water or wastewater treatment systems at the Site and/or on the Unit, as well as waste from the sanitary sewer or from any other source at the Site and/or on the Unit arising from Seller’s execution of the Scope of Supply. Seller shall dispose of all non-hazardous wastes and Hazardous Materials generated or encountered during the execution of the Scope of Supply only at disposal facilities approved and permitted to receive such wastes and Hazardous Materials.
        1. Seller shall be liable for any environmental damage arising from causes attributable to the Seller in connection with the Pre-commissioning and Commissioning of instruments, Equipment, systems and subsystems, and/or the Performance Tests, Reliability Tests, and Demonstration Tests carried out on the Unit.
           1. Exemption of Responsibility. Seller shall in no event be liable to Buyer or any third party for (i) any pre-existing pollution at the final location of the Unit in the Field, (ii) any damage to the environment caused by Buyer’s hydrocarbons which is not attributable to Seller’s negligence, fraud or breach of this Agreement, (iii) any loss or damage to any wells or to any formation, reservoir or mineral resources within the Field or any other field in Brazil, (iv) any blowout or uncontrolled flow of hydrocarbons from any well of Buyer, including costs incurred to establish control over the blowout or the uncontrolled flow, (v) any pollution emanating from subsurface underwater sources (including the reservoir) due to blow-out, loss of control or seepage of underground fluids, (vi) without limiting the liability of Seller under Section 3.22 and 3.22.1, any pollution emanating from Buyer’s equipment and facilities (excluding, for the avoidance of doubt, the Unit and any related equipment or facilities that are provided by Seller under this Agreement); (vii) any pollution deriving from third party properties surrounding, or in the vicinity of, the Work Site.
        2. In the event of any non-compliance by Seller or any member of the Seller Group with any Environmental Law, or the occurrence of any environmental incident (including any Release) caused by any member of the Seller Group, Seller shall notify Buyer thereof as soon as reasonably possible after having knowledge thereof, and in no event later than one (1) day after such occurrence. Seller shall, at its sole cost and expense, be responsible for all fines and penalties associated with such non-compliance, and shall remediate the Release of any substance or other event in violation of this Section 3.22 as soon as practicable but in no event later than the time periods specified by the applicable Environmental Law and shall repair any damage caused thereby. Seller’s obligations under this Section 3.22 shall survive the termination of this Agreement.
        3. Seller shall indemnify and hold Buyer Group harmless (and such obligation shall survive the termination of the Agreement) against any and all actions, claims, suits, demands, losses, costs and damages, including reasonable and documented attorney fees and court costs, arising out of or in connection with damages to the environment caused by Seller during the performance of the Scope of Supply, including, without limitation, repair, remediation and clean-up costs.
    21. Displacement. Seller shall be responsible for the displacement of all Equipment, Subcontractors and personnel used to execute the Scope of Supply according to the INCOTERM in Section 3.2.3.1.
    22. Export of the Unit. Seller shall take all necessary steps and shall obtain all necessary Permits and Consents for the timely export of the Unit, including all export customs clearance procedures, such as customs licenses, export taxes, any duties, issuance of commercial invoice and packing list and costs inherent to the export process at origin in accordance with DAP incoterm 2020. Seller, on behalf of itself and its Affiliates, agrees to defend, indemnify and hold each member of the Buyer Group free and harmless from and against any claims, losses and/or liabilities (including the cost and expenses related to any administrative, judicial, and arbitration procedures before any court or tribunal and related attorneys’ fees) suffered or incurred by any member of the Buyer Group resulting from the failure of Seller to obtain any required Permits and Consents, including from the registries described in the preceding sentence.
    23. Conditions of the Site. Seller represents and warrants that it knows and has carefully reviewed and taken account of all matters concerning the full and complete execution of the Scope of Supply, and in accordance with the Critical Path Schedule and the Project Schedule. Seller has had the opportunity to investigate and has carefully reviewed and taken account of all matters concerning the Sites, including bathymetry, topography and weather patterns at the Sites and the surrounding areas, the management and storage of materials and Equipment, the availability of labor, construction water, construction electricity, and construction communications, the access routes to the Site (including the suitability of those routes, with such modifications or reinforcements as Seller has identified as necessary for delivery of Equipment) and soil and subsoil conditions and characteristics, and accepts them. Seller’s failure to acquaint itself with such general or local conditions or circumstances affecting the execution of the Scope of Supply existing as of the Effective Date shall neither relieve it from the responsibility for successfully performing this Agreement nor entitle Seller to a Change Order or to a Claim. Seller is responsible for the pertinence, sufficiency and accuracy of all information used in the execution of the Scope of Supply. Seller acknowledges that all appropriate allowances for these conditions have been taken into account in the Lump Sum Price and in determining the Project Schedule. No discrepancy between the actual conditions encountered by Seller and the conditions that Seller anticipated or allowed for shall excuse Seller from any failure to execute the Scope of Supply in accordance with the Project Schedule. In addition, no claim shall be considered for any increase in the Lump Sum Price or for any extension of the Project Schedule, or any other claim, relief or remedy whatsoever (including the presentation of Claims pursuant to Exhibit XIV), based in whole or in part upon any such discrepancy.
    24. No Hazardous Materials to be Brought on Site. Seller shall not, nor shall permit or allow any Subcontractor to, transport to or maintain or store at the Sites or the Unit any Hazardous Materials, except to the extent necessary for the execution of the Scope of Supply and in accordance with applicable Environmental Law. Seller shall remove, transport and dispose of, in accordance with applicable Environmental Laws, any Hazardous Materials transported onto the Site or the Unit or generated as a direct result of its execution of the Scope of Supply under this Agreement, provided the same is done in compliance with applicable Environmental Law, and Seller shall remain responsible and strictly liable for all such Hazardous Materials. Subject to the other provisions of this Agreement, Seller, on behalf of itself and of the Seller Group, agrees to defend, indemnify and hold each member of the Buyer Group free and harmless from and against any and all claims, losses and/or liabilities (including the cost and expenses, including reasonable attorneys’ fees, related to any administrative, judicial, and arbitral procedures before any court or any administrative or arbitral body) that arise from or out of Seller’s use, handling, or disposal of Hazardous Materials at the Sites and/or the Unit, provided that such claims, losses and/or liabilities do not arise as a result of the gross negligence or willful misconduct of any member of the Buyer Group.
    25. Clean-up. Seller shall at all times keep the Sites and the Unit free from waste materials or rubbish caused by its activities. As soon as practicable after the completion of all Substantial Completion Punch-list items, Seller shall remove, at its own cost, all its Equipment and materials not constituting part or otherwise incorporated to the Unit and remove all waste material and rubbish from the Site and the Unit so as to bring the Site into full compliance with Applicable Law and this Agreement. Seller shall be responsible for all costs associated with removal of any waste materials and garbage from the Sites and the Unit, including costs associated with permitting and transportation.
    26. Non-Interference. From the date of Substantial Completion and until the completion of the Substantial Completion Punch-list, Seller shall ensure that the execution of the Scope of Supply is carried out with minimal interference with the operations of the Unit, and with the objective that the Unit be operated, managed and maintained in an efficient, safe, and ecologically optimal manner. If Seller’s execution of the Scope of Supply interferes with the operation of the Unit, then subject to the limitations set forth Sections 22.8 and 22.9, Seller shall be liable for and shall defend, indemnify and hold each member of the Buyer Group free and harmless from and against any and all claims, losses and/or liabilities (including the cost and expenses (including reasonable attorneys’ fees) related to any administrative, judicial, and arbitral procedures before any court or any administrative or arbitral body) suffered or incurred by any member of the Buyer Group resulting from such interference. At no time may Seller utilize any Buyer systems or assets unless specifically authorized by Buyer in writing.
    27. Access to Site. Seller shall make the Site available to Buyer, or to any Person at the request of Buyer, including Buyer’s personnel, its agents, representatives and Subcontractors for the purpose of carrying out Buyer’s obligations under this Agreement or for the purpose of monitoring Seller's activities pertaining this Agreement.
    28. Damage Reports. In the event that any Equipment or any portion of the Unit is materially damaged or destroyed, Seller shall provide Buyer, as soon as practicable after the occurrence of such damage or destruction, with a written damage report detailing such occurrence, as well as any required repairs or replacement and the estimated duration of such repairs or replacement, including any estimated impact on the Project Schedule. Without limiting the foregoing, such damage report shall be in a form acceptable to any insurance company against which a claim is made for coverage of such damage.
    29. Seller shall fully comply with all inspection and warranty requirements as per Article 17, including but not limited to Coating Warranty Requirements (Corrosion Protection Performance Guarantee), as per Exhibit I and Exhibit IV.
    30. Considering that Buyer may contract financing from Export Credit Agencies and Commercial Banks, Seller agrees to:
        1. Comply with the formalities required by financial agents (Export Credit Agencies and Commercial Banks) upon analysis of the conditions to grant funding to Buyer, and take steps so that such financial agents may have access to data and information on the Agreement.
        2. Submit to Buyer the list of imported inputs and supply items, or inputs and items whose import is planned ("Import Content List") for the purpose of executing the Scope of Supply, detailing the description and value (or percentage in comparison to the overall value of the contract) corresponding to imported goods and services.
           1. The Import Content List shall be submitted as per the template in Exhibit XXVII, including the imported inputs and supply items with the highest monetary values, representing at least 90% (ninety percent) of the value of all imported content (or all content to be imported) throughout the execution of the Scope of Supply, as provided for and executed up to the date of submission.
           2. The first Import Content List shall be delivered within sixty (60) Days from the Effective Date. The Import Content List shall be periodically updated every six (6) months and at the end date of the contractual term.
           3. The Import Content List shall be delivered even if Seller has no plans to use, or contract for, any imported inputs and supply items.
    31. Advanced Payment Security. In order to guarantee the proper investment and full amortization of the Advance, and if such is the case, the return of the Advance to Buyer, plus any interest generated thereunder, Seller shall until the issuance of the invoice for the first Payment Milestone, obtain and provide to Buyer an unconditional and irrevocable guarantee in at least one of the following forms: Parent Company Guarantee, bank guarantee or Surety Bond (the “Advanced Payment Security”) issued in accordance with Section 3.6 of the Request of Proposal.
        1. The Advanced Payment Security shall be equal to 100% (one hundred percent) of the Advance at the Effective Date but Seller may request that the amount of the Advanced Payment Security be reduced to 50% (fifty percent) of the Advance (i.e., 5% (five percent) of the Lump Sum Price) when Buyer has paid at least 50% (fifty percent) of the Lump Sum Price, and may request a further reduction to the Advanced Payment Security to 20% (twenty percent) of the Advance (i.e., 2% (two percent) of the Lump Sum Price) when Buyer has certified that Seller has achieved the FPSO Power Generation System Full Load Test pursuant to the Project Schedule and Exhibit XI. Buyer shall return to Seller the Advanced Payment Security within a period of 15 (fifteen) Days of the date in which Buyer has recovered the Advance and has accepted the Final Completion Certificate pursuant to Section 16.5 hereof. In the event of an early termination of this Agreement for any reason, the Advance shall be repaid to Buyer within a period not to exceed 15 (fifteen) Business Days after the date on which the Seller is notified of the termination. In the event that the Advance is not amortized for any reason, Seller must repay to Buyer the unamortized portion of the Advance as soon as required, it being understood that in all instances Seller must add to that unamortized portion of the Advance interest at the Secure Overnight Financing Rate (SOFR), published by the Chicago Mercantile Exchange with a 0,42826% spread. The charges shall be calculated on the unamortized portion of the Advance and shall be computed by calendar days from the expiration of the period for repayment until the date on which the unamortized amounts of the Advance are actually made available to Buyer. Buyer shall have the right to draw on the Advanced Payment Security to collect the full amount of the Advance or interest thereon. If performance of Seller’s obligations hereunder are delayed, Seller shall arrange for the Advanced Payment Security to be extended at its cost for a period equal to the period of delay.
        2. If Seller presents a Parent Company Guarantee for the Advance Payment according to the model available in Addendum 15 of the Request for Proposal, must present, together with this corporate guarantee, (i) the financial statements of the guarantor company (Parent Company), belonging to the same economic group of the guaranteed company, which must meet the accounting indicators- financial terms stipulated by Buyer; (ii) document proving the relationship between both companies (guarantor and Seller) and (iii) “Legal Opinion”, in terms and conditions accepted by Buyer, in case of issuance by controller abroad or who owns assets abroad, to ensure, as main paying and jointly and severally liable, in an irreversible and unconditional manner, the payment of amounts owed by Seller to Buyer, under the terms of this Agreement.
           1. The company issuing the Parent Company Guarantee must have a credit rating issued by two agencies (Moodys, Fitch or S&P), according to the issuer's long-term or senior unsecured issue rating, or equivalent. The credit rating must remain valid throughout the exposure period of this guarantee according to the advance percentages that may be covered by the Parent Company Guarantee. They vary according to the credit rating of the companies, which must as defined in the schedule below:

Tabela

Descrição gerada automaticamente com confiança baixa

* + - 1. The total amount of outstanding advances guaranteed by the Parent Company Guarantee issuer in any contract entered into with Buyer cannot be greater than the percentage of the Net Worth (% PL) indicated in the table above, related to the shareholders' equity of this company. For each new advance granted, the indicator must be reassessed by Buyer.
      2. Whenever requested, Seller shall forward to Buyer, within 10 (ten) Days, the financial statements of the guarantor, as well as any other information that will allow Buyer to carry out the analysis of the economic and financial structure of its guarantor.
      3. If the Parent Company Guarantee is offered and the respective guarantor company is no longer classified, on a global scale, in the risk classification levels required by Buyer in item 3.33.2.1, or if the guarantor company fails to meet the requirements during the term of the guarantee, Seller undertakes to, within a period of up to 30 (thirty) days from the notification of the Seller by Buyer, replace such guarantee with another accepted by Buyer pursuant this Section, to be previously approved by Buyer;
      4. If Seller does not present another type of guarantee accepted by Buyer or if it does not return the Advance amounts within the period and form established in the item above, Parent Company Guarantee for the Advance Payment will be executed by Buyer.
      5. If Seller decides to present a Parent Company Guarantee to cover the Advance Payment, it shall be presented separately and shall be kept in full force independently of the Parent Company Guarantee presented for the qualification phase of the Bid.
    1. If Seller presents a Letter of Bank Guarantee, in the form of Addendum 11 - ADVANCED PAYMENT SECURITY - FORM OF BANK GUARANTEE LETTER of the Request for Proposal.
       1. The issuing bank must bear risk classification established by agency internationally qualified and acknowledged in the Scale of Global Ratings for “Investment Grade” or present in the Brazilian National Ratings Scale the rate as “Aaabr“ or equivalent. The issuing bank always must be approved by the credit department:
       2. Buyer is also entitled to make any other requirements of an economic-financial nature that may be necessary for the acceptance of the institution chosen by Seller to issue the guarantee.
       3. The guarantee must indicate the address of the guarantor in the event of its execution and will be released or refunded within 15 (fifteen) days after the end of the contractual term.
       4. Seller must provide, before the execution of the correspondent Amendment, the endorsement of the Policy or the amendment of the Letter of Bank Guarantee to adapt the guarantee to the amendments to the Agreement, in particular, but not limited to, any new term of validity and or new value.
       5. If a Letter of Bank Guarantee is offered and the respective issuer of the guarantee is no longer classified, on a global or local scale, in the risk classification levels required by Buyer on Section 3.33.3.1, Seller undertakes to, within a period of up to 30 (thirty) days from the notification of the Seller by Buyer, replace such guarantee with another accepted by Buyer pursuant to this Section, to be previously approved by Buyer;
       6. If the Seller does not present another type of guarantee accepted by Buyer or if it does not return the Advance amounts within the period, the Letter of Bank Guarantee will be executed by Buyer.
    2. If Seller presents a Surety Bond, whose Policy must be issued by an Institution authorized by SUSEP to operate in the insurance market, that is not under a Tax Management, Intervention, Extrajudicial Winding up or Special Inspection regime, and which is not complying with a suspension penalty imposed by SUSEP, observing the guidelines provided in the Circular SUSEP 662/2022.
    3. Seller shall provide the Buyer with:

a) before the issuance of the invoice for the first Payment Milestone, the (i) original documents of the Surety Bond Certificate(s) or Policy(ies) containing the essential data, such as insurers, term, duration, amounts insured, deductibles and coverage conditions; (ii) original(s) of the Letter(s) of Bank Guarantee; or (iii) the Parent Company Guarantee for Advance Payment, as a result of this Agreement, depending on the type of guarantee chosen;

b) the supporting documents shall be sent before the renewal, endorsement or reinforcement of the guarantees affected by any Amendment, subject to the applicable penalties.

* + - 1. Under no circumstances it will be due or granted Advance Payment by Buyer without being the guarantee accepted by Buyer is in effect.

**ARTICLE  
4** **BRAZILIAN LOCAL CONTENT**

[Local Content clauses may change according to the Project]

* 1. Brazilian Local Content Requirements - Seller shall comply with the following Brazilian Local Content requirements, calculated in accordance with the ANP’s criteria, methods and procedures.
     1. Seller shall, within ninety (90) Days from the date of execution of this Agreement, submit for Buyer’s review and approval, a Brazilian Local Content Requirements Achievement Plan, to be followed by Seller for the purpose of achievement of the provisions set forth in this Article 4.
        1. Seller shall include in the Brazilian Local Content Requirements Achievement Plan, the strategy for the achievement of Article 4 requirements, containing but not limited to a list of the main goods, services to be purchased in Brazil such as modules and skids, topsides and hull equipment, engineering, commissioning, etc.
     2. The minimum required Brazilian Local Content (the “Brazilian Local Content Index”) shall be at least XX% for the Unit (P-XX).
     3. The determination of actual “Brazilian Local Content” shall be made in accordance with the formulas for the calculation of Brazilian Local Content established by ANP from time to time. Seller shall provide Buyer with a declaration of Brazilian Local Content (“Brazilian Local Content Declaration”) indicating the percentage of Brazilian Local Content achieved, duly prepared by Seller after assessing the entire Scope of Supply as well as any Materials or Equipments actually provided by Buyer to comply with the Unit completion.
     4. Not Applicable.
     5. Seller shall provide a Brazilian Local Content Declaration for the Unit, encompassing the entire Scope of Supply as well as any materials or Equipment actually provided by Buyer.
     6. To be considered valid, the Brazilian Local Content Declaration must conform in all respects with the requirements of and documents issued by ANP, which are in force.
     7. Seller shall retain all Brazilian Local Content Documentation that support the issue of the Brazilian Local Content Declaration and all other financial information related to all goods and services provided in connection with the Unit for at least eleven (11) years from the Final Completion Date under this Agreement and shall promptly make such information available upon request at any time to Buyer and to ANP.
     8. Seller is fully responsible for the accuracy and completeness of all information relating to Brazilian Local Content that is provided to Buyer and ANP.
     9. Seller shall defend, indemnify and hold each member of Buyer Group harmless from and against any and all fines, penalties, claims, losses and/or liabilities (including the cost and expenses related to any administrative or judicial procedures before ANP or any other agency or court and related attorneys’ fees) incurred by or imposed on any member of Buyer Group and arising out of (i) Seller’s failure to achieve the Brazilian Local Content requirements set forth herein or (ii) the provision by Seller to Buyer or ANP of inaccurate information with respect to Brazilian Local Content, in each case to the extent that such fine, penalty, claim, loss or liability is in excess of the Brazilian Local Content Contract Price Adjustment for such failure pursuant to Section 4.3.
  2. Brazilian Local Content Report. Seller shall provide, on an annual basis, throughout the term of this Agreement, Brazilian Local Content reports according to Exhibit XVIII.
     1. To be considered valid, the Local Content Report must conform in all respects with the requirements of ANP’s Resolution No. 871, dated March 30, 2022, Resolution No. 19, dated June 14, 2013, Resolution No. 879, dated July 7, 2022, and Regulation SCL nº 3/2019, dated June 2019, and/or other resolutions and documents issued by ANP, which are in force.
  3. Brazilian Local Content Contract Price Adjustment. The Parties acknowledge and agree that the initial Lump Sum Price has been determined based on the premise that Seller will satisfy all of the Brazilian Local Content requirements, as set forth in Section 4.1.2, and that Seller’s failure to satisfy such Brazilian Local Content requirements necessitates an adjustment to the Lump Sum Price. Accordingly, if Seller fails to achieve the Brazilian Local Content Index required in Section 4.1.2, then the Lump Sum Price shall be reduced by the Brazilian Local Content Contract Price Adjustment determined as an amount equal to XX% of the Value of the Unrealized Brazilian Local Content.
  4. General Provisions
     1. Any goods or services provided by Seller without their respective Brazilian Local Content Declaration will be regarded as having been imported in their entirety (i.e., containing no Brazilian Local Content).
     2. All amounts provided in the Brazilian Local Content Reports shall be expressed in United States Dollars.

**ARTICLE   
5  
OBLIGATIONS OF BUYER**

* 1. Payment. Buyer shall timely pay the Contract Price and all other sums, if any, required to be paid by Buyer to Seller in accordance with the terms of this Agreement, and in accordance with the provisions of Article 9 and Article 10 hereof.
  2. Advance Payment. After the Effective Date and once Seller has provided the Advanced Payment Security pursuant to Section 3.33 hereof, Buyer will provide Seller an Advance Payment of 10% (ten percent) of the Lump Sum Price in order for Seller to perform the Scope of Supply (the “Advance”). Buyer may only use the Advance to comply with its Scope of Supply obligations hereunder. No advances shall be made for the amounts resulting from any difference between the Maximum Unit Price Cost and the Lump Sum Price. Since the Advance Payment is made, the percentage of each Payment Milestone as defined in Section 4.1 of Exhibit XI – Appendix 1 and the Section 21.1.1 (viii) shall be kept in full force.
     1. If Seller fails to provide the Advanced Payment Security before issuing the invoice for the first Payment Milestone, the percentage of each Payment Milestones as defined in Section 4.2 of Exhibit XI – Appendix 1 and the Section 21.1.1 (viii) regarding the Advanced Payment Security is not applicable.
  3. Buyer shall provide the following permits and consents:
     1. Environmental Permit (IBAMA – Instituto Brasileiro do Meio Ambiente e dos Recursos Renováveis), related to the operation of the Unit at its final location at the XXX Field.
        1. Seller shall assist Buyer by supplying Project data and information required to obtain the above-mentioned permits and consents.
        2. Buyer shall provide Seller with copies of such Permits and Consents.
  4. Buyer shall provide information, assistance and documentation to Seller as reasonably requested in connection with the Permits and Consents to be obtained by Seller as defined in Section 3.2.10.
  5. Operational Personnel. Buyer shall provide qualified operational personnel sufficient to operate the Unit from the Handover Date to Final Completion.
  6. Temporary Asset Transfers. Buyer may transfer to Seller temporary custody of certain assets or Equipment owned or leased by Buyer and required by Seller to execute the Scope of Supply. Such transfer shall not be construed as a transfer of Buyer’s ownership, title, or other interest in or to the relevant asset or Equipment. Seller shall return promptly each such asset or Equipment to Buyer upon the completion of the portion of the Scope of Supply for which the custody of such asset was required by Seller. Seller shall be liable for any damage to the asset or Equipment occurring during the time such asset or Equipment is in Seller’s custody.
     1. Prior to any transfer, Seller shall demonstrate to Buyer’s satisfaction (at Buyer’s sole and absolute discretion) that it possesses sufficient insurance to cover any damage or risk of loss to the asset or Equipment.
  7. Timely Performance by Buyer. Buyer shall carry out its duties hereunder in accordance with Applicable Law and this Agreement.
  8. No Additional Obligations. Except as expressly provided herein, Buyer shall have no additional obligations under this Agreement with respect to the execution of the Scope of Supply.

**ARTICLE  
6** **REPRESENTATIONS OF THE PARTIES**

* 1. Representations and Warranties of Buyer. Buyer represents and warrants to Seller that, as of the Effective Date:
     1. Due Organization. It is a company duly organized and validly existing under the laws of Brazil, and is authorized and qualified to do business in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary and where failure so to qualify would have a material adverse effect on its financial condition, operations, or business.
     2. No Violation of Law; Litigation. It is not in violation of any Applicable Law or judgment entered by any Governmental Authority, which violations, individually or taken together, would materially and adversely affect its performance of any obligations under this Agreement. Except as publicly disclosed by Buyer before the U.S. Securities and Exchange Commission and the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários), there are no legal or arbitration proceedings or any proceeding by or before any Governmental Authority, now pending or (to the best of its knowledge) threatened against it that, if adversely determined, could reasonably be expected to have a material adverse effect on its financial condition, operations, prospects or business, as a whole, or its ability to perform under this Agreement.
     3. Permits and Consents. It is the holder of all Permits and Consents required to permit it to operate or conduct its business now and as contemplated by this Agreement and to carry out the provisions of this Agreement.
     4. No Conflict. Neither the execution and delivery of this Agreement nor the consummation of the transactions herein contemplated, or compliance with the terms and provisions hereof, will conflict with, or result in a breach of, or require any consent under, its charter or by-laws, or any Applicable Law or regulation or any order, writ, injunction or decree of any court, or any agreement or instrument to which it is a party or is bound or to which it is subject, or constitute a default under any such agreement or instrument.
     5. Corporate Action. It has all necessary power and authority to execute, deliver and perform its obligations under this Agreement; the execution, delivery and performance by Buyer of this Agreement has been duly authorized by all necessary action on its part; and this Agreement has been duly and validly executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against Buyer in accordance with its terms.
     6. Financial Solvency. It is financially solvent, able to pay all debts as they mature and possesses sufficient working capital to perform its obligations hereunder.
  2. Representations and Warranties of Seller. Seller represents and warrants to Buyer that, as of the Effective Date:
     1. Due Organization. It is a company duly organized, validly existing and in good standing under the laws of XXX, and is authorized and qualified to do business in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary and where failure so to qualify would have a material adverse effect on its financial condition, operations or business.
     2. No Violation of Law; Litigation. It is not in violation of any Applicable Law or judgment entered by any Governmental Authority, which violations, individually or taken together, would materially and adversely affect its performance of any obligations under this Agreement. There are no legal or arbitration proceedings or any proceeding by or before any Governmental Authority, now pending or (to the best of its knowledge) threatened against it that, if adversely determined, could reasonably be expected to have a material adverse effect on its financial condition, operations, prospects or business, as a whole, or its ability to perform under this Agreement.
     3. Permits and Consents. It is the holder of all Permits and Consents required to permit it to operate or conduct its business now and as contemplated by this Agreement and to carry out the provisions of this Agreement.
     4. No Conflict. Neither the execution and delivery of this Agreement nor the consummation of the transactions herein contemplated, or compliance with the terms and provisions hereof, will conflict with, or result in a breach of, or require any consent under, its charter or by-laws, or any Applicable Law or regulation or any order, writ, injunction or decree of any court, or any agreement or instrument to which it is a party or is bound or to which it is subject, or constitute a default under any such agreement or instrument.
     5. Corporate Action. It has all necessary power and authority to execute, deliver and perform its obligations under this Agreement; the execution, delivery and performance by Seller of this Agreement has been duly authorized by all necessary action on its part; and this Agreement has been duly and validly executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against Seller in accordance with its terms.
     6. Financial Solvency. It is financially solvent, able to pay all debts as they mature and possesses sufficient working capital to execute the Scope of Supply and perform its obligations hereunder.
     7. Professional Skills. It has substantial experience and all the required skills and capacity necessary for the procurement and construction of the Equipment used in the Unit, and is fully qualified to procure, construct and deliver the Unit and otherwise execute the Scope of Supply in accordance with this Agreement. Seller shall diligently execute the Scope of Supply in a competent and professional manner, utilizing sound project management procedures and supervisory procedures, all in accordance with this Agreement.
     8. Legal Requirements. Seller has knowledge of or has investigated to its satisfaction all of the requirements of Applicable Law and business practices that must be followed in executing the Scope of Supply and such execution will be in conformity with such requirements and practices and in compliance with this Agreement. Without prejudice to the foregoing, Seller acknowledges that, while operating in Brazil, it will be subject to and shall abide by the Applicable Law of Brazil and that, while operating in any country different from its country of origin, it will be bound to abide by the Applicable Law of that country. Seller likewise acknowledges that the Unit can be constructed, complete in every detail in accordance with this Agreement, for the Lump Sum Price.

**ARTICLE  
7** **APPLICABLE TAXES**

* 1. Due taxes of any kind directly resulting either from this Agreement, or from its execution, shall be the exclusive responsibility of the entity identified as liable for the relevant tax under Applicable Law, and shall not give rise to any right of reimbursement to the payor of the tax, by any party.
     1. Taxes whose economic burden would have to be borne by Seller in any event are not to be construed as due taxes directly resulting from this Agreement and include, but are not limited to, Corporate Income Tax (*Imposto de Renda sobre Pessoa Jurídica*, IRPJ), Social Contribution on Net Profits (*Contribuição Social sobre o Lucro Líquido*, CSLL), Tax on Operations of Credit, Exchange and Insurance (*Imposto sobre Operações Financeiras*, IOF), and payroll social security contributions, among others.
     2. Seller represents and acknowledges that it has considered, for the submission of its proposal, those taxes applicable to the supply of the Unit, and no Claim grounded on error in this evaluation shall be admissible for the purposes of requesting a price revision or reimbursement for payments ordered by the relevant authority.
     3. Seller agrees to reduce the Lump Sum Price due to improper inclusion of amounts corresponding to taxes of any kind, failure to take advantage of tax benefits, failure to perform deductions or to use credits allowed by law, with the consequent restitution or compensation to Buyer of amounts eventually paid to Seller, updated exclusively at the Secure Overnight Financing Rate (SOFR), published by the Chicago Mercantile Exchange with a 0,42826% spread, considering the period between the date of payment made to Seller and the date prior to the date of restitution or compensation referred to in this Section herein.
        1. In the event the Secure Overnight Financing Rate (SOFR), published by the Chicago Mercantile Exchange is discontinued, Buyer shall designate a substitute reference rate it believes in good faith to be substantially equivalent, and a notice to that effect shall be issued by Buyer.
  2. Buyer, when the withholding source, shall deduct and collect from payments it makes, within the periods defined by law, those taxes which it is obliged to collect as a retention agent under current legislation, and Seller shall not be entitled in connection thereto to any right of increase in the calculation basis or to the revision mentioned in Section 7.3.
     1. Seller shall supply in advance all documents required for the eventual reduction or elimination of withholding to be performed by Buyer, with no requirement for notification or prior warning.
     2. The prohibition of increase in the calculation basis mentioned on Section 7.2 shall prevail even if the laws of the jurisdiction to which the Seller is subject do not allow for the compensation of taxes withheld at source.
     3. Buyer shall furnish Seller with all the documentation required to enable due compensation of any Seller taxes that are withheld and paid to Brazilian tax authorities for taxes due by the Seller under the laws of the jurisdiction to which the Seller is subject.
  3. In the event that, after Seller presents its proposal, there supervenes the creation of new taxes, modification of rates and/or modification to calculation basis, the extinction of existing taxes, inception of tax breaks of any kind and/or exemption from or reduction of taxes that either directly or indirectly are proven to increase or reduce the burden of the Seller, the Contract Price shall be revised in proportion to such increase or reduction as actually occurred, and the difference resulting from said modifications shall be compensated at the earliest possible opportunity.
     1. The revision set forth in Section 7.3, to increase Lump Sum Price, shall only occur if the increase in tax burden does not result from decisions by Seller, such as change of service provider facility, enrollment in simplified tax system, among others, or further from mere economic circumstance, such as inclusion in a higher tax bracket due to growth in income, which already existed at the time of proposal submission.
     2. Seller shall supply all documents required to avoid burdens resulting from joint and several liability of Buyer, pursuant to the law, including those related to its Subcontractors, with no requirement for notification or prior notice, under penalty of bearing compensation at the first opportunity of the value of taxes in connection to which the joint and several liability set forth by law applies.
  4. The Lump Sum Price shall be immediately adjusted, in order to expunge the value of undue tax, in cases where any tax that composes such a value is no longer fully or partially due, as a result of: (i) declaratory act by the General Attorney for the National Treasury, approved by the Minister of State of Treasury, authorizing the non-initiation of appeal or waiver of appeal filed by the Union; (ii) binding precedent; (iii) final ruling by the Supreme Federal Court, through Direct Action of Unconstitutionality (ADI) or Declaratory Action of Constitutionality (ADC); (iv) suspension of norm by the Federal Senate, or (v) qualification or classification in a tax incentive regime.
  5. For purposes of compliance with tax legislation in force, the Seller, if resident or domiciled abroad, shall provide the following register information: (a) tax identification number (NIF) provided by the tax authorities abroad, indicating whether it is a natural person or a legal entity; (b) individual taxpayer registry identification (*Cadastro de Pessoas Físicas*, “CPF” or *Cadastro Nacional de Pessoa Jurídica “CNPJ”*), as required by law; (c) full address (street, avenue, number, complement, district, city, administrative region, State, Province, etc.); (d) country of tax residence.
     1. If during the performance or after termination of the Agreement, tax authorities observe the insufficiency or irregularity of any of the register information provided by Seller, the latter shall be responsible for compensating losses caused to Buyer, including due to the imposition of administrative penalties, with the consequent reimbursement or compensation of amounts paid or held in an escrow account pursuant to legal proceedings, upon making the payment or deposit in court.
  6. Seller hereby states to possess operational capacity to achieve its corporate purposes, in addition to being the Effective Beneficiary of the income earned by virtue of this Agreement.
     1. Seller agrees to submit, whenever there is any change to their condition, at the end of the Agreement and upon request by Buyer, even after the termination of this Agreement, for a period of 6 years, updated statements and supporting documents proving their operational capacity and the fact that they are the effective beneficiary of the income earned, for the purposes of compliance with Brazilian Applicable Law.
        1. The operational capacity herein stated is evidenced by, among others, facilities and human resources applied to the execution of this(these) operation(s).
        2. “Effective Beneficiary” for the purposes of this provision, means the natural person or legal entity not incorporated for the sole or primary purpose of realizing tax savings, and which earns income on its own behalf and not as an agent, trustee or authorized representative on behalf of a third party.
     2. If during the performance or after termination of this Agreement, tax authorities observe the insufficiency or the operational capacity of the Seller, or overrule its status as Effective Beneficiary of income paid by virtue of this Agreement, Seller shall be responsible for compensating losses caused thereby to Buyer, including due to the imposition of administrative penalties, with the consequent reimbursement or compensation of amounts paid or held in an escrow account pursuant to legal proceedings, upon making the payment or deposit in court.
  7. Seller undertakes to issue billing documents in accordance with the tax laws and the provisions of this Agreement.
     1. If, during or after the performance of this Agreement, the tax authorities or Buyer find that Seller presented a tax document contravening the tax legislation in force or with this Agreement, Seller shall submit a substitute document, in accordance with that legislation, and take all necessary steps and administrative actions with the Treasury to cancel the rejected document, under the terms of the relevant legislation.
     2. In the event of a tax assessment against Buyer, due to non-compliance with the obligation of Section 7.7, at any time, Seller will reimburse the losses caused to Buyer, with the consequent reimbursement or compensation of amounts paid or held in an escrow account pursuant to legal proceedings, at the time of payment or court deposit, plus costs incurred by Buyer in its eventual defense, in administrative and/or judicial proceedings.
     3. Seller assumes full responsibility for any Liens that may be imposed upon Buyer by virtue of a tax document that it issues in contravention with the applicable legislation.

**ARTICLE  
8** **PAYMENT MILESTONES**

* 1. Seller shall submit to Buyer the Payment Milestones Report that will evidence the conclusion of each Payment Milestone as established in Schedule “A” in Exhibit XI.
  2. The Milestone recorded in the Payment Milestones Report as having been performed shall be deemed provisionally accepted, and acknowledged to be invoiced by Seller; provided, however, that Buyer will be entitled to reject such recorded Milestone at a subsequent time if any failure, discrepancy, fault or Defect is later ascertained, in which case Seller shall be required to remake or correct such failure, discrepancy, fault or Defect at its sole cost in accordance with this Agreement.
  3. Seller may provide feedback to the inspection carried out by Buyer by submitting, within five (5) Business Days after its receipt of Buyer’s comments to the Payment Milestones Report, its response setting forth any claims, comments or considerations that Seller wishes Buyer to consider.
  4. The Schedule “B1” shall be paid as established in Exhibit XI.
  5. The Schedule “B2” shall be paid as established in Exhibit XI.

**ARTICLE   
9****PRICE**

* 1. Lump Sum Price. Except as otherwise provided herein and in Exhibit XIV in connection with Change Orders and the Basic Design endorsement procedure, as compensation in full to Seller for the full and complete execution of the Scope of Supply (including all of Seller’s other activities and obligations under this Agreement with respect to the Unit), Buyer shall pay and Seller shall accept, a lump sum price, which is not subject to any increase other than as provided for in Sections 7.3 and 21.3 of this Agreement.
     1. The lump sum price for the supply of one Unit is US$ XXX (XXX United States Dollars) (the “Lump Sum Price”), which is broken-down in the Price Schedule “A” (the “Price Schedule “A”). Seller has satisfied itself as to the correctness and sufficiency of the Lump Sum Price for the full Scope of Supply and delivery of the Unit in accordance with the terms and conditions of this Agreement.
     2. The Lump Sum Price covers all of the scope to be supplied or performed under this Agreement with respect to the Unit, including, without limitation, all activities which, though not specifically mentioned herein, can be inferred from this Agreement as being necessary or appropriate to the full compliance with the Scope of Supply.
     3. The nature of the Lump Sum Price is that of a lump sum, which includes all costs, charges, and expenses of whatever nature applicable to the Scope of Supply, including, without limitation, the Equipment, labor, transportation, activities and intellectual property rights to be provided hereunder, all Taxes (other than those Taxes for which Seller is expressly not responsible pursuant to this Agreement), any financial cost borne by Seller, as well as the expected rate of return by Seller.
     4. Seller shall not be entitled to any additional payment for the Scope of Supply of the Unit, including with respect to any change that arises from the acts, omissions or commission, error or negligence on the part of Seller or its Subcontractors, all costs arising from such changes being at Seller’s exclusive charge.
  2. Reduction of the Lump Sum Price. Notwithstanding the nature of the Lump Sum Price as a lump sum, the Parties expressly agree that if there is (i) a Brazilian Local Content Contract Price Adjustment as provided in Section 4.3 of this Agreement; (ii) any tax reduction as provided in Sections 7.1.3 and 7.4 of this Agreement; or (iii) any subsequent change to the quantities and/or the Scope of Supply as ordered by Buyer in a Change Order or within the Basic Design endorsement procedure provided for in Exhibit XIV, such that there is a corresponding cost reduction in the Scope of Supply of the Unit; then the Parties shall deduct from the Lump Sum Price the Brazilian Local Content Contract Price Adjustment or the tax benefits or savings, as the case may be, or in the case of a Change Order or Basic Design process endorsement, the Parties shall evaluate the variance in question and the corresponding amount in savings shall be deducted from the Lump Sum Price.
  3. Unit Prices for additional items. The unitary price items for the supply and assembly of materials and other activities to be performed by Seller, at Buyer’s absolute discretion, under any Change Order previously issued and approved by Buyer as a result of the Basic Design endorsement procedure provided for in Article 12 and Exhibits III and XIV, are set forth in the Price Schedule attached as Exhibit XXI - Schedule “B1” and Schedule “B2”. The maximum amount to be paid by Buyer to Seller under this Agreement for scope performed under Change Orders as part of the Basic Design endorsement procedure is the amount of US$ XXX (XXX United States Dollars) (the “Maximum Unit Price Cost”), it being understood that Seller shall not entitled to receive any portion of such amount unless and until Buyer, at its absolute discretion, issues and approves in writing a Change Order or Change Orders and Seller has actually performed the additional scope required thereunder in accordance with Article 10.
  4. Contract Price. The Contract Price under this Agreement is constituted by the sum of the Lump Sum Price and the Maximum Unit Price Cost (the “Contract Price”).
  5. Resource Exhaustion. For the avoidance of doubt, when the aggregate payments made by Buyer reach the Contract Price, Buyer’s payment responsibilities shall cease except as otherwise specifically provided in this Agreement. Notwithstanding the foregoing, Seller shall be responsible for carrying out the obligations under this Agreement in full, regardless of cost, and shall not be entitled to any increases in the Contract Price, except by Amendments to this Agreement as expressly provided by the procedure set forth in Article 12.
  6. Substantial Hardship. Seller acknowledges that it did not enter into this Agreement in reliance of any representation or guarantee from Buyer that the execution of the Scope of Supply would generate any profit for Seller and that, accordingly, Seller is bound to perform its contractual duties even if events render performance unprofitable (or even loss-making) and/or more onerous than could reasonably have been anticipated at the time of the conclusion of this Agreement. Notwithstanding the foregoing or any other provision of this Article 9, the Parties agree that it is not their intention that a Party acting as a reasonable and prudent contractor in the discharge of its contractual obligations should find itself subject to extraordinary hardship due to the economic effects and/or consequences arising from the performance of the Scope of Supply. Thus, the Parties hereby agree that, if, at any point after 180 days of the execution of this Agreement, there occurs an unforeseeable, unanticipated, intervening and extraordinary event or change of circumstances that is beyond the control of the affected Party acting as reasonable and prudent contractor, and which has economic consequences and effects that fundamentally and essentially alter the economic equilibrium and balance of this Agreement for the foreseeable future, in a manner such that the Parties would either not have entered into the Agreement at all, or else would have entered into it with different terms had such a change been anticipated and foreseeable, then the Party claiming to have been placed in substantial hardship may, by notice, request a meeting with the other Party to determine if such unforeseeable, intervening, extraordinary event or change in circumstances has indeed happened and, if so, to agree what, if any, adjustment in the Lump Sum Price, and/or in other terms and conditions thereof, would be justified under the circumstances, and in fairness to both Parties given the contractual distribution of risk, in order to alleviate the consequences and effects of this unforeseeable intervening event or change in circumstances. This request shall be made in writing without undue delay and shall clearly indicate the grounds on which it is based, it being understood that the issuance of such a request for renegotiation shall not entitle the Party making it to suspend its ongoing performance under the Agreement and the Parties shall continue to rely on the current provisions of this Agreement. It is expressly understood that neither Party shall be entitled to claim substantial hardship in connection with any events (i) that could have reasonably been taken into account, foreseen or anticipated by such Party before the conclusion of this Agreement, (ii) that are normal, ordinary, usual, habitual or expected in projects such as the one which is the object of this Agreement, (iii) that does not have a proven adverse and extraordinarily onerous impact in the reasonable financial expectation of the affected-party with respect to this Agreement, (iv) whose adverse effect could have been avoided by Seller or a prudent contractor, or (v) that the affected-party can reasonably be expected to have taken the risk of the potential consequences of the event in question in light of the purpose and object of this Agreement. It is also expressly understood that any adjustment to the Contract Price will only seek to leave the affected-party in the same economic position that it had prior to the occurrence of the change in circumstance that provoked the substantial hardship, not to improve it in any way. In the event that the Parties, fail to agree what form the relief for substantial hardship should take within ninety (90) days of the date in which the unaffected-party received notice from the affected-party, either Party may refer the dispute to arbitration in accordance with the dispute resolution provisions of this Agreement, it being understood that the arbitration Tribunal will proceed to examine all pertinent circumstances and, if possible, make in equity the necessary adjustments to the Contract Price to reestablish the economic equilibrium or balance in the Agreement, which shall then become binding on the Parties, or otherwise declare the termination of this Agreement without liability to either Party.

**ARTICLE  
10** **PAYMENTS TO SELLER**

1. 1. Payments relating to the Schedule A Lump Sum Price shall be made by Buyer to Seller in accordance with Section 8.2 and the terms further specified in Exhibit XI provided that Seller is otherwise in material compliance with the terms of this Agreement. Buyer shall also make payments to Seller relating to any Change Order as a result of the Basic Design endorsement procedure, as established in Exhibits XI and XIV, using the unitary prices set forth in Schedule “B1” and “B2”. Each payment shall be subject to Buyer’s right to withhold payments under this Agreement. Payments shall be made in United States Dollars to an account designated by Seller.
      1. Payments related to Schedule “A” shall be made as established in Section 9.1 and terms further specified in Exhibit XI. Payments related to Schedules “B1” and “B2” shall be made as established in Section 9.3 and terms further specified in Exhibits XI and XIV.
   2. Amortization of the Advance. If the Advanced Payment Security is presented by Seller in due time, as per Section 5.2, the Advance will be amortized progressively up to the Milestone “Unit Final Completion” with no need for deductions or retentions on the Payment Milestones.
      1. The amortization percentage of the Advance will correspond to the ratio between the sum of the measured milestones percentage, indicated on Section 4.1 of Appendix 1 of Exhibit XI, and 89,5%.
      2. On the calculation described on Section 10.2.1, the milestones “Advance Payment” and “Unit Final Acceptance” shall not be considered in the sum of the measured milestones percentage.
   3. Invoicing. Following the Payment Milestone approval by Buyer, Seller shall submit to Buyer, with a copy to the Buyer Project Manager, its Invoice for such milestone, accompanied by any necessary supporting documentation, including the documentation described in Section 10.4 and Section 10.5, in a form reasonably acceptable to Buyer.
      1. In the event Seller submits its Invoice on a date later than that specified in Section 10.3, the due date for payment of the Invoice shall be postponed by as many days as the number of days of delay in the delivery of the Invoice and/or of any supporting documents required by Section 10.4.
   4. Invoicing Documents. Each Invoice issued by Seller to Buyer shall contain at a minimum the following information:
      1. Buyer’s address and, if applicable, CNPJ and State Enrollment;
      2. Reference to this Agreement;
      3. Reference to the completed Payment Milestone which has not been the subject of a previous Invoice submitted to Buyer and any numbering system used to identify such Payment Milestone;
      4. Seller’s bank account information;
      5. Any other information necessary for Buyer to make payment thereof.
         1. For all payments to be made prior to the issuance of the Export Declaration/Manifest for Customs and the Bill of Lading (BL) (in case of dry-towage) or Vessel Clearance to Leave (in case of wet-towage) and related to the Payment Milestones, the invoicing documentation must be substantiated in a numbered Pro Forma Invoice, which shall:
            1. Contain the corporate names and addresses of Buyer and Seller, the contract number and the description of the Payment Milestone;
            2. Have attached the supporting documentation for the verification and acceptance, by Buyer, of the Milestone achievement;
            3. Contain the bank details of the Seller, the number or SWIFT code of the Bank, ABA number and the name of the Bank, the number of the Agency with the respective account or IBAN code, City, State and Country;
            4. Correspond to a single and exclusive Purchase Order;
            5. Contain the customs classification of the Good (in accordance with the Harmonized Commodity Description and Coding Systems (HS)), where applicable;
            6. Contain the pre-determined intermediate events to be paid, where applicable;
         2. For all payments to be made subsequent to the issuance of the Comprovante de Importação (“CI”), the invoicing documentation to be delivered by the Seller shall contain:
            1. The commercial invoice;
            2. Aviso de Disponibilização do Bem (ADB), where applicable;
            3. The BL or AWB (“Airway Bill”) and its annexes;
            4. The Packing List, where applicable;
            5. Buyer’s acceptance of the achievement of the event to which payment is conditioned;
            6. Importation Statement (Declaração de Importação, “DI”) or CI.
      6. The monetary value reflected in the BL shall not exceed the applicable portion of the Contract Price.
   5. Representation. Each Invoice is a representation and warranty by Seller that:
      1. The quality and scope of the milestones covered by the Invoice is in accordance with the terms of this Agreement;
      2. Seller is entitled to payment of the amount invoiced;
      3. The Payment Milestones (or any portion thereof) referred to in the Invoice and in all prior Invoices, are free and clear of all Liens, security interests and encumbrances;
      4. All Subcontractors have been paid the monies due and payable to them for their work and supplies in connection with this Agreement (except for such amounts as may be disputed in good faith by Seller).
   6. Release of Claims and Lien Waiver. Buyer may, at its sole discretion, request that, as a condition to its payment, any Invoice be accompanied by a Release of Claims and Lien Waiver from Seller and any applicable Subcontractor corresponding to the Scope of Supply relating to such Invoice.
   7. Review and Approval. Each Invoice shall be reviewed by Buyer in order to be compared with the Payment Milestone Report for the corresponding Milestone. Upon Buyer’s request, Seller shall furnish additional supporting documentation, including certificates, and provide any further information as may be reasonably requested by Buyer to verify such Invoice. Unless disputed in accordance with Article 24, the amount of each Invoice shall be due and payable within thirty (30) days immediately following the date such Invoice and all documentation required under this Agreement is received by Buyer. If any amount described in any Invoice is disputed by Buyer, payment shall be made only with respect to its undisputed portion. Payment of disputed amounts shall be made as soon as the dispute is resolved to the extent determined to be payable.
   8. Method of Payments. Subject to this Article 10, the payment amount due to Seller shall be made by Buyer by means of a wire transfer of funds to Seller’s bank account identified below, or to such other account as Seller shall advise Buyer in writing.

BANK: XXX

BRANCH/ADDRESS: XXX

ACCOUNT: XXX

BENEFICIARY NAME: XXX

SWIFT CODE: XXX

CORRESPONDENT BANK: XXX

CORRESPONDENT BANK SWIFT CODE: XXX

* + 1. Whenever Seller desires to utilize bank information different to that indicated above, it shall notify Buyer in accordance with Section 26.5 indicating the new bank reference concurrent with an Invoice.
    2. If any amount hereunder is due on a day which is not a Business Day, such amount shall not be due and payable until the next following Business Day, and no interest shall accrue in respect of such delay.
    3. During the customs clearance period, between the issuance of the Export Declaration/Manifest for Customs and the Bill of Lading (BL) (in case of dry-towage) or Vessel Clearance to Leave (in case of wet towage) and the issuance of the “Comprovante de Importação” (CI) no payment will be due and the counting of the 30-day period referred to in Section 10.7 will be disregarded and restarted after the issuance of the CI, regardless of the period elapsed between the presentation of the invoice documentation and the beginning of the import process.
  1. Payments Not Acceptance of Supply. No payment made hereunder shall be considered as an approval or acceptance of the accomplished Scope of Supply or portions of the accomplished Scope of Supply by Buyer, or a waiver of any claim or right that Buyer may have hereunder. All payments shall be subject to correction and adjustment to be made in subsequent payments.
  2. Payments Withheld and Deducted. In addition to disputed amounts specified in an Invoice, Buyer may withhold or deduct payment of any amount described in an Invoice or portions thereof in an amount and to such extent as may be reasonably necessary to recover the Advance or protect Buyer due to:
     1. Any recovery of the Advance by Buyer pursuant to Section 10.2;
     2. Defects that have not been remedied as required under this Agreement;
     3. Amounts incorrectly paid by Buyer to Seller or in respect of Invoices that were not accompanied by the required supporting documentation;
     4. Amounts corresponding to the satisfaction of any liability to third parties for which Seller is responsible (which liability is established directly or under any provision of this Agreement, including any provisions relating to Seller’s duty to indemnify any member of the Buyer Group) and brought against Buyer, Buyer Group and/or its Affiliates;
     5. Liquidated Damages which Seller owes;
     6. Any material breach by Seller of any term or provision of this Agreement;
     7. Amounts corresponding to the satisfaction of any judicial or administrative decision, encumbrances, liabilities to third parties for which Seller is responsible, (whether directly or under any provision of this Agreement, including any provisions relating to Seller’s duty to indemnify Buyer, Buyer Group or its Affiliates), and brought against Buyer, Buyer Group and/or its Affiliates or, in the case of an encumbrance or lien, created on any property of Buyer, Buyer Group and/or its Affiliates;
     8. Any undisputed amounts due and payable by Seller to Buyer;
     9. Any Invoice that fails to substantially meet the requirements of Section 10.4;
     10. The Seller is in Default pursuant to Section 21.1 and such Default has not been cured within the time set forth in Section 21.1.
     11. There is an assessment of any fines or penalties against Buyer as a result of Seller’s failure to comply with Applicable Law or Applicable Codes and Standards;
     12. Seller failed to provide the insurance coverages in accordance with Article 14.
  3. Payments During Default. Buyer shall not be obligated to make any payments hereunder at any time in which a Default shall have occurred and is continuing, and Seller shall have no right to exercise any remedy hereunder in respect of such payments if and for so long as such Default is continuing.
  4. Offset. Buyer may offset any amount due and payable from Seller to Buyer against any amount due and payable to Seller hereunder, without prejudice to Buyer’s other rights and remedies under this Agreement.
  5. Payment Error. Payments made in error shall be immediately returned by the Party receiving the payment in error. Notwithstanding the generality of the foregoing, in the event Buyer discovers that a milestone associated with a payment was not in fact achieved, Buyer may set off the amount paid against other payment obligations of Buyer until such milestone is achieved, at which time the amount recovered by Buyer through exercise of such rights of set off shall be due and payable by Buyer to Seller.
  6. Final Acceptance. To reach the Final Acceptance, Seller shall submit to Buyer a statement summarizing and reconciling all previous Invoices, Change Orders, payments received and Amendments, together with (i) an affidavit confirming that all payrolls, taxes, Liens, charges, Claims, demands, judgments, security interests, bills, Equipment, and all indebtedness connected with this Agreement and owed to Seller and any Subcontractor have been paid or otherwise satisfied and discharged and (ii) a final Release of Claim and Lien Waiver, executed and delivered by Seller, including all Subcontractors.
  7. Seller shall certify that all Liens have been released and there are no Liens, including Liens of Subcontractors. Seller shall indemnify Petrobras against any claims by Subcontractors for Liens.
  8. Adjustments. The Parties expressly understand and acknowledge that Seller has taken the potential effects of exchange rate fluctuations into account in proposing and agreeing to the Contract Price and Buyer shall not be obligated to adjust the Contract Price or to pay any additional amounts in respect of the Contract Price for any reason related to fluctuations of exchange rates or price fluctuations.
     1. Considering the Local Content requirements (Article 4) and the absence of contractual provision of price adjustments related to R$/US$ rate exchange variations, Seller shall bear all the risk of exchange rate fluctuations as defined in Exhibit XIII as well as take any measures it considers necessary to protect the contractual balance against exchange rate variations.

**ARTICLE  
11** **PROJECT SCHEDULE**

11.1. Commencement of the Contract Scope. Seller agrees to commence the execution of the Scope of Supply upon the Effective Date.

* 1. N/A
     1. N/A
  2. Project Schedule.
     1. The term for the accomplishment of the object of this Agreement and the full and complete execution of the Scope of Supply shall be XXX (XXX) Days, to be counted from the Effective Date.
        1. Seller shall execute the Scope of Supply in accordance with the Critical Path Schedule and the Project Schedule and management plan agreed upon between the Parties and specified in Exhibit XXII (as updated and revised in accordance with this Section 11.3, the “Project Schedule”, and Exhibit VI-Directives for planning and control). Within 60 Days after execution of this Agreement, Seller shall submit for Buyer review and approval the first detailed Project Schedule, in accordance with the requirements in Exhibit VI. The Project Schedule will be the baseline schedule for the Scope of Supply execution and, once approved by Buyer, will be revised only in accordance with Exhibit VI, Article 12, Section 21.3, Section 21.5 or Section 23.3. Seller shall not be entitled to any extension of time for any change that arises from the acts or omission or commission, error or negligence on the part of Seller or its Subcontractors, all costs arising from such changes being at Seller’s exclusive charge.
        2. Seller shall achieve Handover no later than XXX (XXX) Days from the Effective Date (the “Guaranteed Handover Date”). The Guaranteed Handover Date shall be adjusted only as provided in this Agreement. If Seller fails to achieve Handover by the Guaranteed Handover Date, the provisions of Section 20.1 shall apply and such failure also shall constitute a Default under Section 21.1.
        3. Seller shall achieve Final Completion no later than XXX (XXX) Days counted from the Effective Date (the “Required Final Completion Date”). The Required Final Completion Date shall be adjusted only as provided in this Agreement. If Seller fails to achieve Final Completion by the Required Final Completion Date, the provisions of Section 20.1 shall apply and such failure also shall constitute a Default under Section 21.1. Consequently, the Seller shall achieve Final Acceptance no later than XXX (XXX) Days counted from the Effective Date.
  3. Project Schedule Milestones. The Scope of Supply shall be executed in accordance with the Milestones and other interim deadlines described below, which shall be included in the Project Schedule to be submitted by Seller, in accordance with Section 11.3.1.1. Without prejudice to the foregoing, and subject to any subsequent changes to the Project Schedule hereunder, Seller shall:
     1. Complete issuance of plans and procedures and documentation no later than the dates indicated on Exhibits;
     2. Conclude the analysis and verification of the technical accuracy and consistency of the Basic Design provided by Buyer, in accordance with Exhibits I, II and III, and issue last the technical query forms (TQF) no later than XXX (XXX) Days and a final report showing all inconsistencies identified in the documentation provided by Buyer, no later than XXX (XXX) Days, both counted from the Effective Date;
     3. Purchase Orders. Complete issuance of Purchase Orders for critical equipment and materials, according to the timeline foreseen on its Master Schedule included in its Technical Proposal (Exhibit XXIII);
     4. Conclude mobilization of (a) the Hull shipyard, (b) Modules Yard and (c) and the Integration Yard according to the timeline foreseen on its Master Schedule included in its Technical Proposal (Exhibit XXIII);
     5. Achieve Mechanical Completion for all of the Modules for the Unit according to the timeline foreseen in its Master Schedule included as part of its Technical Proposal (Exhibit XXIII);
     6. Initiate the Integration of the Unit according to the timeline foreseen in its Master Schedule included as part of its Technical Proposal (Exhibit XXIII);
     7. Achieve Substantial Completion for the Unit no later than XXX (XXX) Days counted from Effective Date;
     8. Achieve Handover as set forth in Section 11.3.1.2;
     9. Have the Unit Ready for First Oil no later than sixty (60) days counted from the date of Buyer’s execution of the Handover Certificate. The “Guaranteed Ready for First Oil Date” shall mean the earliest of (i) XXX (XXX) days counted from the Effective Date or (ii) sixty (60) days counted from the date of Buyer’s execution of the Handover Certificate;
     10. Get the Unit Ready for Gas Reinjection no later than sixty (60) days, from the Unit First Oil;
     11. Get the Unit Ready for Produced Water Treatment no later than one hundred and twenty (120) days from the Unit First Oil;
     12. Get the Unit Ready for First Water Injection no later than one hundred and fifty (150) days, from the Unit First Oil;
     13. Get the Unit Ready for Gas Treatment (CO2) and Gas Lift no later than one hundred and eighty (180) days from the Unit First Oil;
     14. Achieve Final Completion as set forth in Section 11.3.1.3.
     15. Provide training programs, as described in Exhibit VIII - Directives for Commissioning Process, during the period of time when the Integration is being provided for the Unit, and complete all such training before the Substantial Completion of the Unit;
     16. Provide offshore Technical Support to Buyer for a period of three hundred and sixty-five (365) days after Handover of the Unit.
  4. Recovery Schedule. If, at any time during the execution of the Scope of Supply, any activity on the Critical Path Schedule is delayed in a manner that Handover of the Unit is reasonably likely to occur after the Guaranteed Handover Date, Seller shall prepare a plan (“Recovery Schedule”), as described in Exhibit VI, detailing how it intends to achieve the Guaranteed Handover Date.
     1. Within a reasonable period of time, Seller shall submit such Recovery Schedule to Buyer for its review. The Recovery Schedule shall represent Seller’s best judgment as to how it shall achieve Handover and Final Completion by the Guaranteed Handover Date and the Required Final Completion Date, respectively. The Recovery Schedule shall be prepared in accordance with Good Engineering and Construction Practices and to a similar level of detail as that set out in the Project Schedule, and shall be developed for and cover that period of time reasonably necessary to meet the Guaranteed Handover Date and the Required Final Completion Date, respectively, using all commercially practicable efforts and diligence (including, where effective, establishing additional shifts, hiring additional manpower, working overtime, providing additional Equipment, obtaining priority shipments and re-sequencing activities).
     2. The cost of preparing the Recovery Schedule and executing the Scope of Supply in accordance with the Recovery Schedule shall be borne by Seller. Buyer’s review of the Recovery Schedule shall not relieve Seller of any obligations for the Scope of Supply execution, change the Guaranteed Handover Date or the Required Final Completion Date, as the case may be, or be construed to establish the reasonableness of the Recovery Schedule.
  5. Any adjustment to the Lump Sum Price or any other changes to this Agreement that the Parties agree will need to be implemented by an Amendment, according to Article 12 and Exhibit XIV.
  6. Project schedule deviation shall be explained and, if applicable as described on Exhibit VI, a recovery plan shall be presented.

**ARTICLE   
12**  
**CLAIMS AND CHANGE ORDER REQUESTS**

1. 1. At any point throughout the execution of the Scope of Supply, Buyer may request Change Orders and Seller may pose a Claim that they consider indispensable for the precise accomplishment of the Scope of Supply.
   2. The directives for Claims and Change Order Requests are set forth in Exhibit XIV – Directives for Claims and Change Order Requests.
   3. Seller shall minimize cost and schedule impacts related to Change Orders on the implementation of the Scope of Supply.
      1. In no event shall Seller be entitled to any adjustment to the provisions of this Agreement, including to the Lump Sum Price, for any delay or impact to the extent that Seller or any of its Subcontractors could have taken, but failed to take, reasonable actions to mitigate or prevent such delay or impact.
   4. Accord and Satisfaction. Change Orders or Basic Design adjustments which the Parties have subsequently agreed upon shall constitute a full and final settlement, accord and satisfaction of all effects of the Change Order or Basic Design adjustment as described in the Change Order or Basic Design adjustment in question, and shall be deemed to compensate Seller fully for all the variations thereunder.
      1. Accordingly, Seller expressly waives and releases any and all right to make a Claim or to take any action or proceeding against Buyer for any other consequences arising out of, relating to, or resulting from such Change Order or Basic Design adjustment, whether the consequences result directly or indirectly from such Change Order or Basic Design adjustment, including any Claim or demand for damages due to delay, disruption, hindrance, impact, interference, inefficiencies or extra work arising out of, resulting from, or related to such Change Order or Basic Design adjustment (including any Claims that any number of Change Orders or Basic Design adjustments, individually or in the aggregate, have impacted the Scope of Supply).
   5. Adjustment Only Through Claims and Change Order Directives in accordance to Exhibit XIV. No change in the requirements of this Agreement, whether an addition to, deletion from, suspension of or modification to this Agreement, including any Scope of Supply, shall provide the basis for an adjustment in the Lump Sum Price, the Price Schedule, the Project Schedule, the Guaranteed Handover Date, the Required Final Completion Date, any Scope of Supply, or any other obligations of Seller or right of Buyer under this Agreement unless and until such addition, deletion, suspension or modification has been authorized by Buyer. Seller shall not perform any change to the Scope of Supply unless and until such change is authorized pursuant to this Article 12 and Exhibit XIV, and should Seller perform or claim to perform any changes to the Scope of Supply prior to authorization of the Change Order or Basic Design adjustment, all such costs and expenses incurred by Seller (including to remedy any unauthorized action) shall be for Seller’s account.
      1. No course of conduct or dealings between the Parties, nor express or implied acceptance of additions, deletions, suspensions or modifications to this Agreement, covering any portion of the Scope of Supply, and no claim that Buyer has been unjustly enriched by any such addition, deletion, suspension or modification to this Agreement shall be the basis for any adjustment in the Lump Sum Price, the Project Schedule, the Guaranteed Handover Date, the Required Final Completion Date, the Price Schedule, any Scope of Supply, or any other obligations of Seller under this Agreement.

**ARTICLE  
13** **TITLE TO SCOPE OF SUPPLY**

* 1. Title
     1. Clear Title. Seller warrants and covenants that Buyer’s legal title to, and ownership of, the Unit shall at all times be free and clear of any and all Liens, including whenever the title thereto passes to Buyer.
     2. Title to the Scope of Supply. Title to all or any portion of the Scope of Supply shall pass to Buyer upon the earlier of (i) payment of a related Milestone by Buyer therefor, or (ii) integration into the Unit. Transfer of title shall not release Seller from Seller’s responsibility to perform fully its obligations hereunder and shall be without prejudice to Buyer’s right to reject Defects or any other right in this Agreement. Seller and/or any Subcontractor shall not sell or otherwise dispose of any part of the Scope of Supply prior to such transfer, without the prior written consent from Buyer.
     3. All items of Materials or Equipment for the Modules or the Unit and any parts and/or sub-assemblies of parts or components therefore shall be set aside and marked with an appropriate code number. Seller shall include a similar obligation, protecting Buyer’s interests, in each of its sub-contracts for manufacture or fabrication, and/or supply of parts or components for the Materials and/or Equipment and ensure that its Subcontractors include like obligations in all of their related subcontracts.
     4. Title to and copyrights in Drawings. Title to Drawings, and copyrights in the works of authorship expressed in Drawings, that are furnished or produced in accordance with this Agreement, or required or produced primarily for the performance of Seller’s obligations under this Agreement, shall be the sole and exclusive property of Buyer. Without limiting the foregoing, Buyer may fully exploit and use such Drawings and copyrights, including the right to copy, distribute, license and create derivative works, which shall be owned by Buyer. Seller hereby assigns to Buyer without further consideration, all right, title and interest in all Drawings and other work products, including any intellectual property and copyright interests therein to be held and enjoyed by Buyer, successors, and assigns, as fully and entirely as the same would have been held and enjoyed by the Seller.
        1. For Detailed Engineering Subcontracting Seller acknowledges and agrees that drawings do not contain proprietary information and are not considered confidential information. Seller shall include the following provision in any subcontract and shall cause each subcontractor to include such provision in any subcontract with any person: “Title to and copyrights in Drawings. Title to Drawings, and copyrights in works of authorship expressed in Drawings, that are furnished or produced in accordance with this Agreement or required or produced primarily for the performance of Seller’s obligations under this Agreement, shall be the sole and exclusive property of Petrobras. Without limiting the foregoing, Petrobras may fully use and exploit such Drawings and copyrights, including the right to copy, distribute, license and create derivative works, which shall be owned by Petrobras.”
        2. The only acceptable exception is for drawings with respect to the items of equipment specifically identified by Seller and approved by Buyer if they contain proprietary information. With respect to proprietary information related to such equipment identified by Seller and approved by Buyer, Seller shall grant or procure for Buyer an irrevocable, non-exclusive, royalty-free and perpetual license to use and sublicense use of such proprietary information for operating and maintaining the Unit and for training engineers and operators for that purpose.
  2. Seller Waiver. Seller hereby irrevocably waives all rights of any kind and nature, in law or equity, after the payment of the Unit by Buyer, to claim at any place and before any jurisdiction, any Lien on, or retention rights to, any parts of Scope of Supply or to the Unit based on any reason or allegation. Seller shall also require that its Subcontractors, suppliers, agents or any other persons equally waive any such rights in their respective agreements and contracts.
  3. Risk of Loss. Notwithstanding passage of title as provided in Section 13.1 of this Agreement, Seller shall bear full responsibility of care, custody, control, and risk of physical loss and physical damage with respect to the Unit and the Equipment until the Handover Date and shall make good forthwith at its own cost any loss or damage that may occur to the Scope of Supply, Equipment and Unit (or any part thereof) from any cause during such period.
  4. Copyrights. Copyrights in the works of authorship expressed in Drawings produced by Seller for the execution of the Scope of Supply shall be the sole and exclusive property of Buyer. Buyer may fully exploit such copyrights, including the right to copy, distribute and create derivative works, which shall be owned by Buyer. Any exploitation of copyrights will be subject to the confidentiality provisions of this Agreement. Seller agrees to execute, and to cause its Subcontractors, employees and representatives to execute, any document reasonably requested by Buyer to effect or confirm Buyer’s rights to such copyrights pursuant to this Section 13.4.

**ARTICLE  
14** **INSURANCE**

* 1. Seller shall contract for any insurance coverage required by Applicable Law for the execution of the Scope of Supply, except as provided in Section 14.13.
     1. For the purposes of this Article 14, the following definition shall be adopted:
        1. Personnel: any individual under the supervision of Buyer or its Group, including, but not limited to, employees, service providers, agents, successors and commissioners.
  2. Seller shall provide, at its own expense and in accordance with applicable legislation, at a minimum, all the insurance policies and requirements listed in Exhibit XII, under penalty of this Agreement being suspended or terminated, at Buyer’s sole discretion.
  3. Seller shall provide, at its own expense, prior to the beginning of the performance of the Agreement the types of insurance specified in Exhibit XII, in accordance with the limits specified therein, in addition to the insurance coverage required by Applicable Law. Seller shall maintain in full force and effect all insurances (as appropriate) throughout the term of execution of the Scope of Supply. In the event that Seller fails to do so, Buyer may, at its sole discretion, suspend or terminate this Agreement.
  4. All insurance limits specified in Exhibit XII might be met through any combination of insurance layers (full primary layer or excess insurance layers).
  5. Seller shall be fully responsible for all the insurance deductibles that may be established for insurance coverage for which Seller is responsible, as well as for any burden, costs and/or expenses resulting from compliance with the requirements set, and recommendations issued, by the insurers.
  6. Seller shall, to the fullest extent possible under the Applicable Law, include Buyer Group as an additional insured party in all of the insurance policies held by Seller in connection with the execution of the Scope of Supply, but only to the extent of the Seller's obligations to indemnify Buyer Group under the Agreement. In the event that such inclusion is not possible despite Seller having made every reasonable effort to that effect, for reasons beyond Seller’s control, Seller may use other insurance to cover the risks and the claims involving Buyer Group, holding Buyer Group, in any event, harmless, pursuant to Article 22.
  7. All insurance policies applicable to the performance of the Agreement shall, to the maximum extent permitted under Applicable Law, contain waivers of recourse and subrogation, against Seller Group, but only to the extent of Buyer’s obligations to indemnify Seller Group under the Agreement.
  8. All insurance policies applicable to the performance of the Agreement shall, to the maximum extent permitted by the Applicable Law, contain clauses to waive rights of recourse and subrogation, against Buyer Group, but only in the extent of the obligations of the Seller indemnify Buyer Group under the Agreement.
  9. If a Subcontractor performs any part of the Agreement, Seller shall ensure that the insurance specified in any subcontracts is consistent with the requirements of this Article. Subcontractors are not required to contract insurance that duplicates the insurance that either of Seller or Buyer has already agreed to provide.
  10. Buyer may request that Seller provide insurance certificates, endorsements or other evidence of proper maintenance of insurance by Seller. However, Buyer's analysis or acceptance of any certificate, insurer, terms or limits of insurance proposed by Seller shall not release Seller from any of its obligations or responsibilities.
  11. Seller shall notify Buyer in the event of any cancellation or material change under any insurance policy connected with the execution of the Scope of Supply within fifteen (15) Business Days of receiving a notification from the insurer for this purpose.
  12. The contracting of insurance and execution of other actions related to this Article will not exempt the Seller from any obligations or responsibilities.
  13. Buyer shall obtain a Construction All Risks (Builder’s Risks Insurance) policy, in which the Seller Group will appear as an additional insured party for the purposes of the execution of this Agreement, under the terms described in Exhibit XII, and Seller shall bear any expenses related to insurance deductibles in strict compliance with the provisions of Article 22.
      1. In the event of any non-coverage or insufficient coverage by the insurer, in any event, the Parties shall remain fully bound by the terms of Article 22 and shall bear the burden thereof.
         1. In the case of claims for damage to both Parties, the expenses related to deductibles shall be apportioned in proportion to the indemnities of the Parties.
      2. The issuance of the policy shall occur within six (6) months counted from the date of signing of the Agreement.
         1. Until the policy is issued, the Parties shall be liable to, and shall indemnify each other, for losses and damages arising from any accidents, as provided in Article 22.

**ARTICLE  
15** **DOCUMENTATION**

* 1. Delivery of Record “As-Built” Drawings. Seller shall deliver to Buyer its Record “As-Built” Drawings in accordance with Exhibit III.
  2. Purchasing and Subcontractor Supplied Information. As more fully set forth in Exhibit III and Exhibit V, Seller shall deliver to Buyer, prior to Handover, copies of all purchase documents, Vendor operating and maintenance information manuals, material and fabrication certifications, as applicable, as well as installation instructions, and specific guarantee and warranty information.
  3. Construction and Commissioning Drawings and Manuals. Seller shall provide Buyer with construction and erection drawings and manuals as specified in Exhibit III, Exhibit IV and Exhibit VIII.
  4. Other Information. Seller shall provide all other information and documentation as may be reasonably requested by Buyer.

**ARTICLE  
16** **COMPLETION**

* 1. Guarantee of Timely Completion. Seller acknowledges that time is of the essence in the execution of the Scope of Supply, and agrees that it shall diligently pursue the Scope of Supply, assigning to it a priority that will accord with the Critical Path Schedule and Project Schedule, and shall achieve (i) Handover on or before the Guaranteed Handover Date and (ii) Final Completion on or before the Required Final Completion Date.
  2. Mechanical Completion. Seller shall comply with all requirements for Mechanical Completion specified herein. Mechanical Completion of each Module, and each Integration, system and subsystem, shall be achieved when the applicable requirements for Mechanical Completion under this Agreement, including those set forth in the definition of Mechanical Completion under Section 1.3, have been satisfied. For each respective Mechanical Completion, either (a) the Module shall be ready for Integration, (b) the Integration of the Unit shall be complete, or (c) the applicable system or subsystem of the Unit shall be ready for commissioning activities, in each case as specifically described in Exhibit VIII. Prior to each applicable Mechanical Completion, all subsystems, systems, Modules and Integration, as applicable, shall undergo all pre-commissioning checks and tests required to ensure that such subsystems, systems, Modules and Integration were correctly installed or performed and are capable of being commissioned safely and reliably within the Specifications contained in this Agreement, Exhibit VIII and according to Good Industry Practices and without damage to the Unit or any other property and without injury to any Person, and documentation shall be provided to Buyer which establishes and verifies that all such Pre-Commissioning activities have been performed. Seller shall certify to Buyer that all requirements for Mechanical Completion of each Module, system or subsystem, as the context indicates, has occurred, in compliance with all requirements defined in Exhibits VIII and XI (Appendix 1). Each Mechanical Completion Certificate shall be accompanied by all other supporting documentation as may be required to establish that the requirements for Mechanical Completion have been met.
     1. Buyer Acceptance of Mechanical Completion. Buyer shall notify Seller whether it accepts or rejects any Mechanical Completion Certificate no later than thirty (30) Days following receipt of that Mechanical Completion Certificate. Prior to the end of the thirty (30) Day review period, the Parties may agree in writing to extend such period as may be necessary according to the circumstances. If Buyer does not accept or reject the Mechanical Completion Certificate within the term established or agreed by the Parties in this Section 16.2.1, then Seller may deem for all purposes that the Mechanical Completion Certificate has been accepted.
     2. If Buyer does not agree that a Mechanical Completion has occurred, then Buyer shall state the basis for its rejection in reasonable detail in a written notice provided to Seller. The Parties shall thereupon promptly and in good faith confer and undertake all reasonable efforts to resolve any issues preventing the acceptance by Buyer of the Mechanical Completion Certificate. If such issues are not resolved within twenty (20) Days of the delivery by Buyer of its notice, or in the period of days agreed by the Parties to enable any correction in order to achieve Mechanical Completion, Buyer and Seller shall resolve the Dispute in accordance with the dispute resolution procedures provided for under Article 24.
     3. Mechanical Completion Punch-list. Prior to the issuance of any Mechanical Completion Certificate, Buyer and Seller shall inspect the Modules, Integration, systems and subsystems, to identify the pending items to be completed in order to achieve the applicable Mechanical Completion. Following the inspection, Seller shall prepare a list of such items for each Mechanical Completion (“Mechanical Completion Punch-list”). Seller shall promptly provide each Mechanical Completion Punch-list to Buyer for approval, together with an estimation of the time necessary to complete or correct each Mechanical Completion Punch-list item. Buyer shall review the Mechanical Completion Punch-list to ensure that it includes only items of a minor nature. Seller shall immediately initiate measures to complete or correct, as appropriate, any item Buyer requires to be completed to ensure the proper execution of the subsequent activity, protection of the Equipment and personnel safety. The failure to include any items on the Mechanical Completion Punch-list shall not alter the responsibility of Seller to complete the Scope of Supply in accordance with the terms and provisions of this Agreement. All activities on the Mechanical Completion Punch-list shall be completed no later than ninety (90) Days (with regard to Mechanical Completion of Modules and the Integration) or thirty (30) Days (with regard to Mechanical Completion of systems and subsystems) following the effective date of the applicable Mechanical Completion, or such other period of time as has been previously agreed between the Parties. If Seller fails to complete such activities during such period of time, Buyer will have the right, but not the obligation, to complete such Mechanical Completion Punch-list items at the expense of Seller.
  3. Substantial Completion. Seller shall comply with all requirements for Substantial Completion specified herein. Substantial Completion of the Unit shall be achieved when all requirements for Substantial Completion under this Agreement, including those set forth in the definition of Substantial Completion under Exhibit XI, have been satisfied. Upon Substantial Completion of the Unit, Seller shall certify to Buyer that all of the requirements for Substantial Completion for the Unit have occurred by providing a certificate in the form specified in Exhibit XVII (the “Substantial Completion Certificate”). The Substantial Completion Certificate shall be accompanied by all other supporting documentation as may be required to establish that the requirements for Substantial Completion have been met.
     1. Buyer Acceptance of Substantial Completion. Buyer shall notify Seller whether it accepts or rejects the Substantial Completion Certificate for the Unit no later than thirty (30) Days following receipt of the Substantial Completion Certificate. Prior to the end of the thirty (30) Day review period, Buyer may extend for the same period, by notice to Seller, the previously mentioned period as may be necessary according to the circumstances. If Buyer does not reject the Substantial Completion Certificate within the term set forth in this Section 16.3.1, then Seller may deem for all purposes that the Substantial Completion Certificate has been accepted.
     2. If Buyer does not agree that Substantial Completion has occurred, then Buyer shall state the basis for its rejection in reasonable detail in a written notice provided to Seller. The Parties shall thereupon promptly and in good faith confer and undertake all reasonable efforts to resolve any issues preventing the acceptance by Buyer of the Substantial Completion Certificate. If such issues are not resolved within twenty (20) Days of the delivery by Buyer of its notice, or in the period of days agreed by the Parties to enable any correction in order to achieve Substantial Completion, Buyer and Seller shall resolve the Dispute in accordance with the dispute resolution procedures provided for under Article 24.
     3. Substantial Completion Punch-list. Prior to the issuance of the Substantial Completion Certificate for the Unit, Buyer and Seller shall inspect the Unit to identify the pending items to be completed in order to achieve Substantial Completion. Following such inspection, Seller shall prepare a list of such items (the “Substantial Completion Punch-list”). Seller shall promptly provide the Substantial Completion Punch-list to Buyer for approval, together with an estimation of the time necessary to complete or correct each Substantial Completion Punch-list item. Buyer shall review the Substantial Completion Punch-list to ensure that it includes only items of a minor nature. Seller shall immediately initiate measures to complete or correct, as appropriate, any item Buyer required to be completed to ensure the proper operation of the Unit or protection of the Equipment or personnel safety. The failure to include any items on the Substantial Completion Punch-list shall not alter the responsibility of Seller to complete all Scope of Supply in accordance with the terms and provisions of this Agreement. All activities on the Substantial Completion Punch-list shall be completed no later than ninety (90) Days following the effective date of Substantial Completion, or such other period of time as has been previously agreed between the Parties. If Seller fails to complete such activities during such period of time, Buyer will have the right, but not the obligation, to complete such Substantial Completion Punch-list items at the expense of Seller.
  4. Handover. The transfer of physical care and custody of the Unit (“Handover”) shall only occur once the following events are completed: (i) Seller has delivered to Buyer the Handover Certificate executed by Seller and its terms have been reviewed and accepted by Buyer as evidenced by Buyer’s counter-execution thereof; (ii) Seller has taken all necessary steps, pursuant to this Agreement, for the export of the Unit; and (iii) the Unit is safely and properly transferred to Buyer at the XXX Field offshore Brazil; (iv) the delivery to Buyer of the necessary certificates from the relevant Classification Society as well as Permits and Consents required for the transportation and operation of the Unit. The Handover shall be in accordance with Exhibit I conditions agreed between Buyer and Seller and as fully described in the Handover Certificate in accordance with Exhibit XVII.
     1. Buyer Acceptance of Handover. Buyer shall notify Seller whether it accepts or rejects the Handover Certificate for the Unit no later than thirty (30) Days following receipt of the Handover Certificate. Prior to the end of the thirty (30) Day review period, Buyer may extend, by notice to Seller, the previously mentioned period as may be necessary according to the circumstances. If Buyer does not accept or reject the Handover Certificate within the term set forth in this Section 16.4.1, then Seller may deem for all purposes that the Handover Certificate has been accepted.
     2. If Buyer does not agree that Handover has been achieved, then Buyer shall state the basis for its rejection in reasonable detail in a written notice provided to Seller. The Parties shall thereupon promptly and in good faith confer and undertake all reasonable efforts to resolve any issues preventing the acceptance by Buyer of the Handover Certificate. If such issues are not resolved within twenty (20) Days of the delivery by Buyer of its notice, or in the period of days agreed by the Parties to enable any correction in order to achieve Handover, Buyer and Seller shall resolve the Dispute in accordance with the dispute resolution procedures provided for under Article 24.
  5. Final Completion. Final Completion shall be achieved when all requirements for Final Completion under this Agreement, including those set forth in the definition of Final Completion, have been satisfied. Upon Final Completion, Seller shall certify to Buyer by providing a certificate in the form of Exhibit XVII (the “Final Completion Certificate”) that all of the requirements under this Agreement for Final Completion have occurred. Buyer shall notify Seller whether it accepts or rejects the Final Completion Certificate within fifteen (15) Days following Buyer’s receipt thereof. Acceptance of the Final Completion Certificate shall be evidenced by Buyer’s signature on such certificate, which shall be forwarded to Seller with such notice. If Buyer does not agree that Final Completion has occurred, then Buyer shall state the basis for its rejection in reasonable detail in a written notice provided to Seller. The Parties shall thereupon promptly and in good faith confer and make all reasonable efforts to resolve such issue. If such issue is not resolved within ten (10) Business Days of the delivery by Buyer of its notice, or any other term to be agreed between Parties, Buyer and Seller shall resolve the Dispute in accordance with the dispute resolution procedures provided for under Article 24; provided, however, that if such deficiencies relate to the failure to complete all the Substantial Completion Punch-list items, Buyer may, in addition to any other rights that it may have under this Agreement, at law or in equity, complete such Substantial Completion Punch-list items at the expense of Seller.
  6. Long-Term Obligations. No acceptance by Buyer of any or all of the Scope of Supply or any other obligations of Seller under this Agreement, including acceptance of any Mechanical Completion, Substantial Completion, Final Completion or Final Acceptance, nor any payment made hereunder, whether an interim or final payment, shall in any way release Seller or any surety of Seller from any obligations or liability pursuant to this Agreement, including obligations with respect to unperformed obligations of this Agreement or for any nonconformities to the requirements of this Agreement, including warranty obligations, any liabilities for which insurance is required or any other responsibility of Seller, including the payment of any and all fines and penalties assessed as a result of Seller’s failure to comply with any Applicable Law. It is expressly understood and agreed by the Parties that nothing in this Article 16 shall in any way modify or alter Seller’s obligations under Article 16 and Article 17 hereof.

**ARTICLE  
17** **INSPECTION AND WARRANTY**

* 1. Scope of Warranty
     1. General Standards. Seller shall ensure that all activities performed hereunder, all Equipment supplied hereunder, and the Unit shall comply with all requirements specified in this Agreement. Without limiting the preceding sentence, Seller warrants (i) that the Unit furnished hereunder are new and unused, of internationally acceptable standards according to Good Engineering and Construction Practices, and free from encumbrance, Liens or other security interest, and that only proven technology, in commercial operation at the time of execution of this Agreement, with conditions substantially similar to those contained herein, shall be used; (ii) that the Unit shall be designed, manufactured, engineered, constructed, completed, commissioned, pre-commissioned, tested and delivered in strict accordance with this Agreement and the Lump Sum Price, (iii) that the Unit shall be free from defects in materials and/or workmanship, including, but not limited to, any latent defects that may not be readily evident, and shall conform in all respects with the Scope of Supply; and (iv) that the Scope of Supply shall be executed in conformity with the Good Engineering and Construction Practices, Applicable Law and all other applicable provisions of this Agreement. Any Equipment or Scope of Supply that do not meet the standards specified in this Section 17.1 are “Defective” and contain a “Defect”.
     2. Equipment Quality. Seller shall furnish satisfactory evidence to Buyer as to the kind, quality, and quantity of all Equipment. Seller shall not use any Equipment other than as specified in this Agreement, except with prior written approval by Buyer specifically waiving the pertinent requirements of this Agreement. If Seller desires to procure Equipment from a vendor that is not included on the Vendor List, Seller shall submit a request for Buyer’s approval, in accordance with Exhibit V. If Seller wishes to modify the requirements for any Equipment contained herein, then it shall make written application to Buyer for Buyer’s approval, at Buyer’s sole discretion, prior to making such modification. Such application shall (i) identify the requirements being modified, (ii) certify that the quality of the proposed substitute is equal to or better than that currently specified, and (iii) certify that the substitute is suited to the same use and capable of performing the same function as that specified. If the preceding requirements are not followed, then any substitution shall constitute a Default by Seller. All Equipment and material shall be new and manufactured, built, applied, installed, connected, operated (during start-up and testing), cleaned and conditioned in accordance with the instructions and warranties of the applicable Vendor, manufacturer, fabricator or processor. Seller shall obtain (or cause to be obtained) manufacturers’ warranties for all Equipment, to be held by Buyer in Buyer’s name or assigned to Buyer in accordance with Section 17.3.2.
  2. Buyer Right to Inspect
     1. General Rights. All Scope of Supply execution shall be subject to inspection by Buyer at all times in order to determine its conformity to the requirements of this Agreement, for which purpose Buyer, its officials or authorized representatives shall at all times have the unrestricted right to access to all locations where the Scope of Supply is being executed, whether on the Site or any other place, including Subcontractors’ premises where any parts or all of the Scope of Supply thereof are being manufactured, stored or prepared for delivery to Seller. Seller shall furnish Buyer with access to all locations where the Scope of Supply is being executed, including locations not on the Site. If, in the judgment of Buyer, any parts of the Scope of Supply are Defective, then Seller shall, at its own expense, promptly repair or replace the Defective parts. Subject to Seller’s right to pursue a Dispute under Article 24, the decision of Buyer shall be conclusive as to whether the parts are conforming or Defective, and Seller shall comply with the instructions of Buyer in all such matters while pursuing any such Dispute. If it is later determined that the parts were not Defective, then Buyer shall reimburse Seller for all costs incurred in connection with such repair or replacement and a Change Order shall be issued for such amount and shall address any impact which the repair or replacement may have had on the Project Schedule. If Seller fails, after a reasonable period of time not to exceed seven (7) Days, to repair or replace any Defects, or to commence to repair or replace any Defective parts, then Buyer may repair, replace or have the Defective parts repaired or replaced, and the expenses thereof shall be reimbursed by Seller, and Seller shall not be entitled to any extension of the Project Schedule.
     2. No Obligation to Inspect. Buyer’s right to conduct inspections under Section 17.2.1 shall not obligate Buyer to do so. Neither the exercise of Buyer of any such right, nor any failure on the part of Buyer to discover or reject Defects shall be construed to imply an acceptance of such Defects or a waiver of such Defect or relieve Seller of full liability for the quality, character, proper operation and performance of the completed Scope of Supply, or any part of it, nor shall such waiver or failure prejudice or affect the rights of Buyer set forth in this Agreement.
     3. Cost of Disassembling. The cost of disassembling or dismantling finished parts of the Scope of Supply for the purposes of any inspection by Buyer, and of reassembling such portions (together with any delay associated therewith) shall be borne by Buyer if such parts are found to conform with the requirements of this Agreement, and by Seller if such parts are found to be Defective.
  3. Warranty of Defects and Services
     1. Warranty Period. Seller shall promptly correct, repair or replace, and properly install, at no cost to Buyer, any Defects, and any part of the Unit or other property which is damaged or affected by Defective parts, if the Defect appears, is discovered or occurs during the twelve (12) month period (as such period may be extended in accordance with the immediately following sentence hereinafter referred to as, the “Warranty Period”) commencing on the Final Completion Certificate Date. Any labor, services, Equipment and materials furnished by Seller to correct any Defect shall be guaranteed for an additional twelve (12) month warranty period starting as of the date that the correction, repair or replacement is completed (and for successive periods of twelve (12) months in the event of any Defect or damage associated with any replacement or repair). All corrections shall be performed subject to the same terms and conditions under this Agreement as the original is required to be performed. Nothing contained in this Section 17.3.1 shall be construed to establish a period of limitation with respect to other obligations which Seller might have under this Agreement. For the avoidance of doubt, the Warranty Period relates only to the specific obligation of Seller to cure Defects, and has no relationship to the time during which the obligation to comply with this Agreement may be sought to be enforced, nor to the time during which proceedings may be commenced to establish Seller’s liability with respect to Seller’s obligations other than specifically to cure Defects.
     2. Assignment and Enforcement of Subcontractor Warranties. Seller shall, without additional cost to Buyer, obtain warranties from Subcontractors that meet the requirements of this Agreement; provided, however, that Seller shall not in any way be relieved of its responsibilities and liability to Buyer under this Agreement, regardless of whether such Subcontractor warranties meet the requirements of this Agreement, as Seller shall be fully responsible and liable to Buyer for its warranty obligations and liability under this Agreement for the entire Scope of Supply. All such warranties shall be deemed to run to the benefit of Buyer and Seller. Such warranties, with duly executed instruments assigning the warranties to Buyer, shall be delivered to Buyer upon Handover. All warranties provided by any Subcontractor shall be in such form as to permit direct enforcement by Seller or Buyer against any Subcontractor whose warranty is called for, and Seller agrees that: (i) Seller’s warranty, as provided under this Article 17, shall apply to the whole of the Scope of Supply regardless of the provisions of any Subcontractor warranty, and such Subcontractor warranties shall be in addition to, and not a limitation of, such Seller warranty; (ii) Seller is jointly and severally liable with such Subcontractor with respect to such Subcontractor warranty; and (iii) service of notice on Seller that there has been a breach of a Subcontractor warranty shall be sufficient to invoke the terms of such Subcontractor warranty. This Section 17.3.2 shall not in any way be construed to limit Seller’s liability under this Agreement for the entire Scope of Supply or its obligation to enforce Subcontractor warranties.
     3. Remedy. Buyer shall provide notice to Seller of the discovery of any Defects as soon as practicable after such discovery. Seller shall cure, repair or replace such Defects, and any other portions of the Unit damaged or affected by such Defects, immediately and on an expedited basis, at no cost to Buyer. Buyer shall provide Seller with access to the Unit sufficient to perform its warranty obligations under this Agreement, so long as such access does not unreasonably interfere with operation of the Unit and subject to any reasonable security or safety requirements of Buyer. Any change to parts or Equipment that would alter the requirements of this Agreement may be made only with prior written approval of Buyer in accordance with the terms of Section 17.1.2 hereof.
     4. Repair by Buyer. Should Seller, after notification of a breach of a warranty under Section 17.3.3, fail to commence remedial action within seven (7) Days or a reasonable period of time agreed between Parties, or delay in continuing or completing such remedial action, Buyer may, in addition to any other remedies that it has under this Agreement, at law or in equity, upon written notice to Seller, take steps to cure or have such Defect(s) cured in accordance with the provisions of this Agreement, at Seller’s risk. In such case, upon receipt of an invoice from Buyer, Seller shall be liable for all reasonable costs, charges and expenses incurred by Buyer in connection therewith, regardless of any limitation of liability set forth in Section 22.8.
     5. Further Tests. If the repair or replacement is such that it may affect the execution of the Scope of Supply or any part thereof, Buyer may require that tests of the executed part of the Scope of Supply (including a repeat of any Performance Tests), or any part thereof, be conducted at Seller’s expense and repeated to the extent reasonably necessary. Such requirement shall be made by notice within thirty (30) Days after the Defect, or resultant damage is remedied. Such tests shall verify that the Scope of Supply or any portion thereof, as the case may be, is at the same level of performance as existed prior to the need for repair or replacement.
     6. Painting and coating warranty
        1. Related to Painting/Coating performed on Unit under this Agreement, the warranty period is defined on XXX and shall follow Exhibits I and IV guidelines. The Painting/Coating Warranty Period starts at date of Handover.
        2. Assignment and Enforcement of Subcontractor and Vendor warranties: Related to painting/coating performed on Unit by Subcontractors and Vendors, the warranty conditions shall follow Exhibits I, IV and V guidelines.
        3. The same conditions mentioned in Section 17.3.4 (Repair by Buyer) apply to Painting/Coating and Exhibits I, IV and V requirements shall also be followed.

**ARTICLE  
18**  
**ASSIGNMENT AND GUARANTEE**



Assignment. This Agreement shall not be assigned or transferred by Seller in whole or in part without Buyer’s prior written consent, which Buyer may grant or withhold at its sole discretion, by evaluating, among other qualifications of the assignee, the fulfillment of the requirements to be a seller set in the Bid Documents.

* 1. Assignment. This Agreement shall not be assigned or transferred by Seller in whole or in part without Buyer’s prior written consent, which Buyer may grant or withhold at its sole discretion, by evaluating, among other qualifications of the assignee, the fulfillment of the requirements to be a seller set in the Bid Documents.
     1. Notwithstanding the provisions of any assignment, Seller shall, together with any assignee, remain jointly and severally liable to Buyer for the due performance of all of Seller’s obligations under this Agreement. For the avoidance of any doubt, the assignee shall assume all warranties, liabilities, and responsibilities owed by Seller to the Buyer before the assignment, including the obligations regarding any Claim or Change Order Buyer may have against Seller.
  2. No Security Interest. Seller may not establish or authorize the establishment of any security interest, including any collateral assignment, over any of Seller’s right, title and interest in, to and under this Agreement, nor agree with legal acts to the same effect, except by prior written authorization from Buyer.
  3. Seller not to be Released. The assignment or establishment of any security interest permitted above does not release Seller from any of its contractual obligations hereunder.
  4. Assignment by Buyer. At its sole discretion and without any previous consent from Seller, Buyer may pledge or assign, without recourse, its rights and obligations in and to this Agreement in whole or in part to any entity in which Buyer or an Affiliate of Buyer has an equity interest, or to any Lender or creditor upon written and prior notice to Seller. Seller also agrees and undertakes, if so requested by Buyer, Lender or creditor, to execute a specific agreement or agreements with Buyer, Lender or creditor, under terms deemed satisfactory to Seller and Buyer or such Lender or creditor, including an amendment and/or replication of this Agreement to reflect such whole or partial assignment. Such specific agreement may also provide for Seller’s obligation to furnish financial and accounting information, as well as any other information of any nature relating to this Agreement and the performance of the Scope of Supply and for customary post-breach Lender cure periods, step-in/step-out rights and replacement in the event of a Buyer insolvency. Except as set forth above, such assignment shall not impose on Seller any material additional obligation or material adversely affect any right or remedy available to Seller hereunder.
  5. Change in Capital Composition. Except with the prior written consent of Buyer, Seller shall not permit any material change in its direct or indirect capital composition which reduces the economic participation of the companies relied upon in the bidding process to satisfy the technical, financial or project development requirements set forth in the Bid Documents. If a material change in Seller’s capital composition is proposed to occur, Seller shall promptly notify Buyer of the change and request its consent thereto. Buyer shall have the absolute discretion to withhold its consent to any such material change prior to the Handover Date. Thereafter, Buyer shall not withhold or delay its consent to any such material change, so long as Seller demonstrates that such change shall not adversely affect Seller’s ability to comply with its obligations under the Agreement.
  6. Right of Termination. When duly assigned in accordance with the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the assignee; any assignment not in accordance with the provisions of this Article 18 shall be void and without force or effect. Any attempt to assign this Agreement or to change in capital composition of Seller in violation of this Article 18 shall grant the other Party and Seller, as the case may be, the right, but not the obligation, to terminate this Agreement at its sole option in accordance with Article 21.

**ARTICLE  
19**  
**SUBCONTRACTING**

* 1. Qualification of Subcontractors. All Subcontractors shall be reputable, qualified firms with an established record of successful performance in their respective trades performing identical or substantially similar work. All contracts with Subcontractors shall be consistent with the terms or provisions of this Agreement. No Subcontractor is intended to be or shall be deemed to be a third-party beneficiary of this Agreement. Seller shall only subcontract the Scope of Supply with Subcontractors meeting the requirements of this Article 19.
     1. Subcontractor shall comply with the requirements of technical qualification presented by Seller in the bid in relation to the Scope of Supply of the Agreement.
     2. No company or consortium which participated in the bid that originated this Agreement, or which directly or indirectly took part in the Basic Design, may be a Subcontractor under this Agreement.
     3. No Subcontract shall be concluded, nor Buyer’s authorization sought to subcontract, with any company listed in “Empresas Impedidas de Transacionar com a Petrobras”, or listed as disreputable in "Portal da Transparência da Controladoria Geral da União" or which have any impediment for contracting as provided for in applicable legislation. Before Seller enters into any subcontract, Seller shall obtain and provide to Buyer a certificate signed by the proposed subcontractor in the form of Exhibit XXVIII. Seller shall indemnify and hold each member of the Buyer Group free and harmless from and against any and all claims, losses and/or liabilities (including the cost and expenses related to any administrative, judicial, and arbitration procedures before any court or in any level of jurisdiction that may be filed against any member of the Buyer Group and related attorneys’ fees) suffered or incurred by any member of the Buyer Group arising out of or resulting from a misrepresentation by the Subcontractors providing such certification.
        1. Seller shall submit their intended subcontractors to Buyer in order to be approved if their corresponding GRI status is “High”. Buyer may, at its sole discretion, disapprove any subcontractor with a High GRI status. The right of Buyer to not approve proposed subcontractors with a High GRI does not in any manner limit the other rights of Buyer under this Agreement with respect to Subcontractors.
           1. Seller is responsible for verifying with their intended subcontractors their corresponding GRI status.
     4. Additionally, engineering and yards Subcontractors shall comply with the following criteria:
        1. Detailed engineering.
           1. TOPSIDE – The Seller or the proposed subcontractor shall prove to have performed within the last 5 (five) years, the topside’s detailed engineering for at least one production unit of the FPSO, semi-submersible, TLP or SPAR type, constructed and delivered, with an oil production capacity equal to or higher than 100,000 (one hundred thousand) barrels per day and a gas production capacity above 2,000,000 (two million) cubic meters of gas per day.

For the avoidance of doubt, the topsides’ detailed engineering mentioned on Section 19.1.4.1.1 shall include the previous experience of Seller or the proposed Subcontractor on the issuance of the documents such as but not limited to: Drainage system sizing Calculation; Relief and blow down Calculation; Utility Consumption Calculation; Integrated Mechanical Handling Studies; 3D model and database and Interface engineering management between Topside modules and hull.

Modules. The Seller or proposed subcontractor shall prove to have performed a module detailed engineering with similar complexity for at least one offshore production unit of FPSO, semi-submersible, TLP or SPAR type, constructed and delivered.

* + - * 1. HULL - The proposed subcontractor shall prove to have performed within the last 5 (five) years the detailed engineering for at least 1 (one) new hull (ship shaped or barge) for a production unit of the FPSO type, and/or an oil tanker, constructed and delivered, of 130,000 (one hundred and thirty thousand) or greater dwt (i.e. Suezmax or larger).
      1. Hull Construction (Facilities and Experience).
         1. The proposed subcontractor shall prove to have performed within the last 10 (ten) years the construction, assembly and commissioning of at least 1 (one) new hull (ship shaped or barge) for a production unit of the FPSO type, or the hull of a floating production (SS, TLP or Spar) with a displacement of 40,000 (forty thousand) tons or greater.
         2. The proposed subcontractor shall prove to own a shipyard able to carry out the construction of the hull and equipped with, at a minimum, the following facilities:

1. A dry or floating dock suitable for the construction of a vessel with breadth of 64.8m, 345m in length and enough depth accordingly to proposed constructability strategy, in addition to the appendices (lower riser balcony and sea water lift pumps balcony) estimated at approximately 8m, totaling 73m of maximum breadth.
2. Pier for mooring a vessel 345m x 6 m (Length x estimated light draft without modules);
3. Lifting facilities that meet the deck and pier area with the capacity to lift the heaviest and tallest module/item of equipment to be installed in the hull.
   * + 1. Modules Construction (Facilities and Experience).
          1. The proposed subcontractor shall prove to have carried out, within the past 15 (fifteen) years, the construction, assembly and commissioning of modules for production units of the FPSO, semi-submersible, TLP, SPAR type or Drilling Units.
          2. The proposed subcontractor shall prove to have available infrastructure and lifting facilities capable of lifting the heaviest and tallest structure/item of equipment to be manufactured on the site and facilities to allow the load out of the module for transport barges or vessels.
       2. FPSO Integration and Commissioning (Facilities and Experience).
          1. The proposed subcontractor shall prove to have carried out, within the past 15 (fifteen) years, and for at least two customers from different economic groups, the integration and commissioning (onshore/offshore) of at least 1 (one) production unit of the FPSO type, with an oil production capacity equal to or higher than 100,000 (one hundred thousand) barrels per day and gas production capacity above 2,000,000 (two million) cubic meters of gas per day.
          2. The proposed subcontractor shall prove to have a shipyard able to carry out the integration and commissioning of the FPSO and equipped with, at a minimum, the following facilities:
4. Facilities for mooring the FPSO and a basin for maneuvers with a minimum 11 m draft to allow the mooring and unberthing of the FPSO from both sides. If inclining experiment will be performed at quayside, minimum draft shall be around 12m;
5. Lifting facilities that abut the wharf area with the capacity to lift the heaviest and tallest module/item of equipment to be installed on the hull, in accordance with the module lifting strategy, and a minimum of two 40 (forty) ton cranes to carry out the load in/out of material on board.
   * + - 1. Offshore commissioning Subcontractors that have worked, as a contractor or subcontractor, for Buyer in offshore commissioning in the last 15 years are exempt from the requirement of presenting a second customer from different economic group as stated in Section 19.1.4.4.1. but is still required to comply with all other applicable requirements from this Agreement and its Exhibits.
       1. HSE Analysis for detailed engineering design

19.1.4.5.1. The Subcontract entered into by Seller shall contain an express provision acceptable to Buyer to oblige proposed Subcontractor to abstain from performing HSE Management System audits, requested by any regulator or private third parties, regarding any aspect of this Agreement or the Scope of Supply.

* 1. Seller Liability for Subcontractors. Seller shall be fully responsible to Buyer for the acts and omissions of Subcontractors and of persons directly or indirectly employed by them, as it is for the acts or omissions of persons directly employed by Seller. Any Subcontractor shall be subject to inspection by Buyer to the same extent as the Seller. All Subcontractors and personnel of Subcontractors are to be instructed in the terms and requirements of, and expected to comply with, the Seller HSE Management Plan and Buyer approved safety and environmental protection regulations, including Buyer Policies. In the event Subcontractor’s personnel does not adhere to such regulations, then they shall be removed by Seller. In no event shall Seller be entitled to any adjustment of the Lump Sum Price or Project Schedule, or to present a Claim, as a result of any increase in cost due to compliance with such regulations or due to the removal of personnel. Nothing contained herein shall (i) create any contractual relationship between any Subcontractor and Buyer or (ii) obligate Buyer to pay or cause the payment of any amounts to any Subcontractor.
  2. Major Subcontractors. In the event that Seller is considering the selection of a Subcontractor for a Major Subcontract (such Subcontractor hereinafter referred to as “Major Subcontractor”), Seller shall submit to Buyer’s approval its proposed Major Subcontractor as soon as possible during the selection process and furnish Buyer all information reasonably requested by Buyer with respect to Seller’s selection criteria (including copies of bid packages furnished to prospective Major Subcontractors and the qualifications of the proposed Major Subcontractors), or in no event less than thirty (30) Days prior to the execution of a Major Subcontract, whichever is earlier. Buyer shall undertake in good faith to review expeditiously the information provided by Seller in accordance with this Section 19.3 and shall notify Seller of its decision to accept or reject a proposed Major Subcontractor as soon as practicable after such decision is made. Approval by Buyer of any Subcontractor or their receipt or review of any Subcontract shall not (a) relieve Seller of any of its obligations under this Agreement or (b) constitute any approval of the Scope of Supply undertaken by such Person.
     1. Same Requirements. The Major Subcontractors shall comply with and perform for the benefit of Buyer all requirements and obligations of Seller to Buyer under this Agreement, as such requirements and obligations are applicable to the execution of the Scope of Supply under the Major Subcontract, including but not limited to an indemnity identical in substance to that included in Section 22.1 and the insurance requirements specified in Article 14.
  3. Subcontracts
     1. Seller shall submit a subcontracting plan as per Exhibit VI requirements. Such plan shall set out, at a minimum, the strategy and rationale for Subcontracting and the associated detailed scope and shall indicate if any given Subcontractor qualifies as a Major Subcontractor as per the criteria specified above.
     2. Seller shall furnish Buyer with a copy of all Major Subcontracts within ten (10) Days after execution thereof. Without prejudice to other applicable provisions of this Agreement, each Major Subcontract shall provide that:
     3. It is the responsibility of Seller to fully disclose this Agreement and the contents thereof, except for commercial terms, to any Subcontractor. Seller shall undertake all necessary action to prevent Buyer from becoming liable directly to any claims by Subcontractors and shall defend, indemnify and hold each member of Buyer Group free and harmless from and against any claims, losses and/or liabilities (including the costs and expenses related to any administrative, judicial, and arbitration procedures before any court or in any level of jurisdiction that may be filed against any member of Buyer Group and related attorneys’ fees) suffered or incurred by any member of Buyer Group as a result of any such claim by any Subcontractor. All Subcontracts shall expressly and clearly specify that the contractual relationship with the Subcontractor is exclusive to the Seller and that the Subcontractor waives any and all rights to demand any payment directly from Buyer.
     4. No Subcontract, supply contract, purchase order or other agreement entered into by Seller for the purpose of executing the Scope of Supply shall bind or purport to bind Buyer. Seller shall ensure that each such Subcontract, supply contract, purchase order or other agreement contains a provision permitting assignment thereof to Buyer as further set forth in Section 19.4.7.
     5. All Subcontracts, supply contracts, purchase orders or other agreements shall provide for the right of unilateral termination by Seller of all or a portion of such Subcontract, supply contract, purchase order or other agreement without any penalties to Buyer. If so requested by Buyer, following any termination of this Agreement for convenience, or by reason of Default by Seller, Seller shall terminate any such agreements, Subcontracts, supply contracts, purchase orders or other agreement. Each Subcontract, supply contract, purchase order and other agreement shall also provide that, in the event of termination, title to Equipment or partially completed Scope of Supply for which Buyer has paid (whether directly or indirectly) shall pass to Buyer. After such title has passed, Seller shall, at the direction of Buyer, instruct the Subcontractor with respect to the disposition of such part or Equipment. At a minimum, all Subcontracts shall also require the Subcontractors to comply with Applicable Law, shall provide that Buyer have the right of inspection as provided hereunder and require such Subcontractors to provide guarantees and warranties with respect to its portion of the Scope of Supply, provide certificates of insurance as set forth herein and be subject to the Seller’s insurance requirements set forth herein. In addition to the requirements set forth above, Seller shall include in each Subcontract the following language to make Buyer an express third party beneficiary of such Subcontract:

“The parties hereto agree and acknowledge that the portion of the Scope of Supply to be provided hereunder by [Subcontractor’s name] will be incorporated into the Floating Production Storage Offloading being developed by Buyer. As such, the parties expressly agree that Buyer is a third party beneficiary of this [Agreement] entitled, in its own name or in the name of [Seller], to enforce this [Agreement] against [Subcontractor]. This provision shall not be amended without the prior written consent of Buyer”

* + 1. Nothing contained herein or in any such Subcontract, supply contract, purchase order or other agreement shall (i) create or constitute any contractual relationship between Buyer and any Subcontractor, (ii) create any obligation on the part of Buyer to a Subcontractor or (iii) obligate Buyer to pay any amount to any Subcontractor.
    2. Subject to the following sentence, Seller hereby irrevocably assigns to Buyer (and to Buyer’s permitted assigns hereunder) all of Seller’s rights, title and interests in any Subcontracts (or any portion thereof to the extent such Subcontracts also relate to other projects of Seller) now existing or hereinafter entered into by Seller for the execution of any part of the Scope of Supply, which assignment shall become effective, without any further action of Seller, upon acceptance of such assignment by Buyer in a written notice delivered to Seller in accordance with this Agreement, and only as to those Subcontracts which Buyer shall have designated in such notice as being assumed by Buyer. Buyer hereby agrees not to exercise its right to assume any Subcontract pursuant to this Section 19.4.7 unless and until (a) any obligation by any Subcontractor under any Subcontract extends beyond the expiration of this Agreement, including the Warranty Period, (b) Buyer has elected to terminate this Agreement in accordance with the terms hereof, or (c) Seller has failed to perform any of its obligations under this Agreement, and provided that Buyer shall not take any action that would release or otherwise compromise any right or claim of Seller against any such Subcontractor under the applicable Subcontract. Each Subcontract entered into by Seller shall contain an express provision acceptable to Buyer permitting the unconditional assignment of all of Seller’s rights, title and interests thereunder to Buyer, Buyer’s permitted assigns hereunder, and the Lenders, and clearly stating that such assignment shall become effective without the prior consent or the taking of any other action by Seller or such Subcontractor upon Buyer’s written notice to such Subcontractor designating such Subcontract as being assumed by Buyer in accordance with the provisions of this Section 19.4.7.

**ARTICLE  
20**  
**LIQUIDATED DAMAGES**

* 1. Liquidated Damages for Delay. The Milestone events indicated in the Project Schedule shall be attained by Seller in sufficient time to allow Handover to occur on or before the Guaranteed Handover Date, and for the Ready for First Oil to occur on or before the Guaranteed Ready for First Oil Date.
     1. If, for reasons attributable to the Seller, (i) the Handover Date of the Unit does not occur on or before the Guaranteed Handover Date, or (ii) the Unit is not Ready for First Oil on or before the Guaranteed First Oil Date, or (iii) there is a delay in the First Oil Date, then, subject always to Section 21.1.4, Seller shall pay to Buyer, as liquidated damages for such delay, the amount corresponding to the percentages of the Lump Sum Price as per Schedule A of Exhibit XXI indicated below, for each day of delay, until the Unit is Ready for First Oil:

|  |  |  |
| --- | --- | --- |
| Day | Handover | Ready for First Oil / First Oil Date Delay |
| 1 to 56 | (0.125 / 7)% | (0.0625 / 7)% |
| 57 to 112 | (0.250 / 7)% | (0.250 / 7)% |
| 113 and up | (0.500 / 7)% | (0.500 / 7)% |

It is expressly understood, however, that if there is an overlap in the delays in any of the dates referred to in (i), (ii) or (iii) above, Seller shall only be required to pay to Buyer one amount of liquidated damages for each single day of delay included within the overlap period, which amount shall be the highest in value among the available liquidated damages for such day of delay.

* + 1. If Seller fails to comply with any of its obligations under this Agreement, in a timely manner, Seller shall pay to Buyer an amount corresponding to 0.001% (one thousandth of one percent) of the Lump Sum Price per day of delay in complying with the related obligation, after the time period set by the notification of irregularity issued by Buyer has elapsed; provided, however, that no such amount shall be payable for any delay in respect of which Liquidated Damages for Delay are payable under Section 20.1.1.
    2. The maximum total amount of liquidated damages for delay payable under Section 20.1 (“Liquidated Damages for Delay”) in respect of the Unit shall be equal to ten percent (10%) of the Lump Sum Price. If the total amount is exceeded, without limiting any other rights which Buyer may have under Article 21, including Section 21.1.1, Buyer may at its option terminate this Agreement.
    3. Liquidated Damages for Delay payable in accordance with Section 20.1 shall be paid by Seller by direct payment in arrears upon the earlier to occur of (a) the final Business Day of any week in which Liquidated Damages for Delay are due to Buyer or (b) two (2) Days following the day Handover has occurred, as applicable. Alternatively, Buyer may, at Buyer’s sole discretion, withhold from Seller amounts that are otherwise due and payable to Seller in the amount of such Liquidated Damages for Delay or collect on the Performance Security in the amount of such Liquidated Damages for Delay. Buyer will have the right to offset any liability of Seller under this Article 20 against any amount due or to become due from Buyer to Seller under this Agreement. The liquidated damages payable under Section 20.1 shall not limit Buyer’s other rights or remedies available under this Agreement or Applicable Law.
    4. In addition to any payment obligation pursuant to this Section 20.1, Seller shall continue to expeditiously perform, repair, replace and fix any Defective part of the Scope of Supply until such time as (a) Final Completion of a Unit, or (b) Buyer terminates this Agreement. The provisions of this Article 20 shall affect neither Seller’s obligations to complete any other requirement herein nor Buyer’s right to withhold amounts retained under Section 10.10.
  1. Liquidated Damages Are Not a Penalty. The Parties acknowledge and agree that because of the unique nature of the Unit, the unavailability of substitute facilities, and the effects of delay, it would be impracticable or extremely difficult to determine the actual damages resulting from (i) Seller's failure to achieve Handover or Ready for First Oil of the Unit, (ii) any delays in the First Oil Date attributable to Seller, or (iii) Seller’s failure to comply, in a timely manner, with any of its other obligations under this Agreement. It is understood and agreed by the Parties that (a) Buyer shall be damaged by the failure of Seller to meet such obligations, and such damages can and will include any losses which may result from lost oil production incurred by Buyer or any of its subsidiaries or Affiliates or partners as end users of the Unit, (b) it would be impracticable or extremely difficult to fix the actual damages resulting therefrom, (c) any sums that would be payable under this Article 20 are in the nature of liquidated damages, and are not a penalty or consequential damages, and (d) such payment represents a reasonable and appropriate estimate of fair compensation for the losses that may reasonably be anticipated from such failure.
  2. Sole Compensation for Delay. Except as provided in Article 21, and subject always to Section 21.1.4, the Liquidated Damages for Delay shall be Buyer’s sole and exclusive compensation for loss or damage it may suffer due to (i) Seller’s failure to achieve (A) Handover of the Unit on or before the Guaranteed Handover Date or (B) Ready for First Oil of the Unit on or before the Guaranteed Ready for First Oil, (ii) a delay in the First Oil Date for reasons attributable to Seller, or (iii) Seller’s failure to comply, in a timely manner, with any of its other obligations under this Agreement. Seller agrees, however, that Liquidated Damages for Delay are intended only to cover losses or damages suffered by Buyer as a result of delay. Liquidated Damages for Delay are not deemed to cover the cost of completion of the Scope of Supply or any other losses or damages that may be suffered by Buyer or Buyer Group, and Buyer shall also be entitled to rely on its other remedies under this Agreement for all Defaults, further to those allowed in law or equity, should Buyer opt to terminate the Agreement in accordance with Section 21.1.
  3. No Challenge. Each of the Parties agrees not to challenge the enforceability of the liquidated damages provisions contained herein. If the enforceability of the amount of liquidated damages under this Agreement is successfully challenged by Seller, or by a third party acting in its place and stead, as being a penalty or unreasonable in amount, Seller shall instead be liable to Buyer for all direct and consequential damages, costs and losses incurred by Buyer in connection with such breach, together with all costs incurred by Buyer in proving or enforcing the same, without regard to any limitations whatsoever specified in this Agreement, including waiver of consequential damages.
  4. Performance Security. In addition to any other performance securities provided herein, Seller shall maintain in full force and effect throughout the term of this Agreement a Performance Security for the full and faithful performance of its obligations under this Agreement and any and all performance securities issued subsequently by Seller to Buyer to supplement or replace such original Performance Security, in accordance with Section XXX of the Request of Proposal XXX released by Buyer, in the form specified in Exhibit XXV. This Performance Security shall be valid according to Article 3 of the Request for Proposal and, when presented in the form of Performance Bank Guarantee, shall be unconditional and irrevocable.
     1. General Terms. Seller shall provide to Buyer, before execution of the Agreement, a performance security (“Performance Security”) in accordance with Exhibit XXV. In the event the amount to be paid by Buyer under this Agreement is increased by one or more Change Orders in accordance with the terms of this Agreement, Seller shall increase the amount of the Performance Security to reflect the corresponding increase in the payment obligations. The Performance Security shall be held by Buyer until the issuance of the Final Completion Certificate.
     2. Replacement of Performance Security. If the Performance Security is set to expire according to its terms prior to the Performance Security Release Date, then no later than thirty (30) Days prior to the expiration date of the Performance Security, Seller shall, at its own cost, provide Buyer with an extension or replacement of the Performance Security meeting the terms set forth in Section 20.5.1, which shall be valid until the Performance Security Release Date. If at any time the Person that has issued the Performance Security is no longer a Qualified Issuer, then Seller shall, at its own cost, replace such Performance Security with a replacement security instrument complying with the terms hereof from a Qualified Issuer within five (5) Business Days. In the event that Seller fails to so extend or replace the Performance Security in accordance with this Section 20.5.1, Buyer shall have anytime thereafter the right to draw on all remaining funds in the Performance Security prior to its expiration and hold such funds as cash collateral for the obligations of Seller hereunder.
  5. Company Guarantee. In addition to any other performance securities provided herein, Seller shall provide and maintain in full force and effect a Parent Company Guarantee in the form attached as Exhibit XX valid for the term of this Agreement and in accordance with the Request for Proposal.
     1. Guarantor Financials. As soon as they become available, but in any event within sixty (60) Days after the end of each fiscal quarter of Guarantor, Seller shall deliver to Buyer the unaudited and consolidated balance sheet of Guarantor as of the end of such quarter, and the related consolidated statements of operations, income, cash flows, retained earnings and stockholders’ equity for such quarter, all of which shall be certified by the chief financial officer or equivalent officer of Guarantor subject to normal year-end audit adjustments. As soon as they become available, but in any event not later than one-hundred twenty (120) Days after the end of each fiscal year of Guarantor, Seller shall deliver to Buyer a copy of the audited consolidated balance sheets to the end of each such year, as well as the related consolidated statements of income, retained earnings and of cash flows for such year. All financial statements delivered pursuant to this Section 20.6.1 shall be complete and correct in all material respects and shall be prepared in accordance with generally accepted accounting principles applied consistently throughout the periods reflected therein.

**ARTICLE  
21**  
**DEFAULT, TERMINATION AND SUSPENSION**

* 1. Default by Seller
     1. Events of Default. Seller shall be in default of this Agreement in the event that any of the following events (each a “Default”) occurs and is continuing: (i) Seller shall fail in any material respect to follow the Critical Path Schedule or the Project Schedule, it being understood that any delay which exceeds two hundred and ten (210) Days shall be considered a material failure; (ii) Seller fails to pay its Subcontractors or to pay its debts as they become due in accordance with the relevant contract, Subcontract or Subcontractor’s undisputed invoice; (iii) Seller becomes insolvent or has a receiver appointed, in which case the cure period described below shall not apply; (iv) Seller violates the assignment or change in control provisions of Article 18 or makes a general assignment for the benefit of its creditors, in which case the cure period described below shall not apply; (v) the amount due as Liquidated Damages for Delay exceeds the maximum amount allowed under Section 20.1.3; (vi) Seller fails to perform any Change Order in accordance with Section 12.1; (vii) Seller procures non-compliant Equipment in contravention of Section 17.1.2; (viii) any Performance Security, the Parent Guarantee or the Advanced Payment Security is not delivered to Buyer in accordance with this Agreement, or if delivered to Buyer, is terminated or repudiated, or is not replaced within thirty (30) Days in advance of its scheduled expiration (if required to be maintained in full force and effect thereafter), except in accordance with the express terms of this Agreement or the issuer thereof fails to meet the requirements therefor in accordance with the express terms of this Agreement and it has not been replaced within thirty (30) Days with Performance Security, as applicable, issued by an issuer meeting such requirements; (ix) Seller abandons and ceases to execute the Scope of Supply (except due to a termination or suspension permitted by this Agreement); (x) Seller, after a delay in or suspension permitted by this Agreement, fails or refuses to commence sustained execution of the Scope of Supply after the cessation of such delay or suspension; (xi) Seller commits a material violation of Applicable Law or Applicable Codes and Standards; (xii) Seller fails to develop a Recovery Schedule in accordance with Section 11.5; (xiii) any representation or warranty made by Seller herein, or by any Subcontractor pursuant to Section 19.1.3, was materially incorrect or misleading when made; (xiv) Seller fails to maintain in full force and effect insurance policies of such types, in such amounts and with such deductibles, as are required pursuant to this Agreement or (xv) Seller, its agents (or Affiliates (including Guarantor)), workers, Subcontractors or suppliers or the employees of any, is in breach of Section 3.2.18 through Section 3.2.23, Article 27 and/or Article 28. If upon notice by Buyer, in accordance with Section 26.5, specifying the nature and origin of the alleged Default, and provided that Seller shall not have cured such condition within thirty (30) Days after Buyer’s notice of the occurrence of such event, or if such cure cannot reasonably be completed in such time, Seller shall fail promptly to commence and diligently (a) pursue remedial action within such period and (b) conclude such action as soon as practicable and in any event within sixty (60) Days after the occurrence of such event (provided, however, that no such grace period shall be allowed as to clauses (iii), (iv), (v), (viii), (ix), (x), (xiii), and (xiv) of this Section 21.1.1), then, at Buyer’s option, without prejudice to the other rights it may have under this Agreement or under Applicable Law, and without further notice to any Party, Buyer may:
        1. Take such steps as are necessary to overcome the condition, including, without limitation, make such payments or perform such obligations as are required to cure such Seller Default, draw on or make a claim against any Performance Security or other security provided pursuant to this Agreement and/or offset the cost of such payment or performance against payments otherwise due to Seller under this Agreement, provided that Buyer shall be under no obligation to cure any such Seller Default or seek damages as provided in Section 21.1.4 including proceeding against any bond, guarantee, letter of credit or other security given by or for the benefit of Seller for its performance under this Agreement;
        2. Terminate this Agreement or Seller’s performance of all or any part of the Scope of Supply, seeking any legal remedies as it may be entitled to under this Agreement; or
        3. Seek interlocutory, equitable or injunctive relief requiring performance of Seller’s obligations by Seller or Guarantor, it being understood that Seller hereby agrees that such relief may be necessary to avoid irreparable harm to Buyer.
     2. Under no circumstances shall Buyer be responsible for any payments to Seller hereunder during a Default by Seller. Notwithstanding any of the foregoing, Buyer shall not have any affirmative obligation to terminate this Agreement, in the event of a Default.
     3. Additional Rights of Buyer Upon Termination. In the event that Buyer terminates this Agreement in whole or in part by reason of Seller’s Default, Buyer may, at its sole option, (i) enter the Site and take possession either by itself or through others, at its sole discretion, of all of the Equipment, the Hull, Modules, Materials, tools, supplies, documents, and information of Seller, including the Unit, for the purpose of completing the execution of the Scope of Supply (ii) assume any or all of the Subcontracts, at its sole discretion, and (iii) either by itself or through others, complete the execution of the Scope of Supply in the most cost-efficient and reasonably practicable manner. To the extent Buyer exercises any of its additional rights upon termination, Seller shall cooperate fully with, and provide all reasonable assistance to Buyer. Seller shall not be entitled to receive any further payment from Buyer unless Buyer accepts, at Buyer´s sole option, partially performed or partially completed Payment Milestones, and any Disputes in connection with such completion are resolved. Buyer’s rights under this Section 21.1.3 are in addition to any other rights provided for under this Agreement. Buyer agrees to act reasonably and use its best efforts to mitigate any costs it might incur in connection with any termination for Default by Seller.
     4. Damages. In the event of any Default by Seller under Section 21.1.1 and termination by Buyer of this Agreement pursuant to Section 21.1.1.2, Seller shall be liable to Buyer for any reasonable costs incurred by Buyer or any person acting on Buyer’s behalf in completing the Scope of Supply (including reasonable costs of expedited or accelerated construction actually performed (in order to meet the deadlines in the Project Schedule) and other expenses and fees related thereto in an attempt to achieve Handover by the Guaranteed Handover Date, or if such date has already passed, at the earliest possible date), but only to the extent such costs plus the aggregate amount paid or payable to Seller under this Agreement exceed the Lump Sum Price. Seller acknowledges that its liability pursuant to the foregoing sentence of this Section 21.1.4 is distinct and separate from, and shall not be deemed to limit or otherwise reduce, any liability it may incur hereunder with respect to the payment of liquidated damages. Any amounts paid by Seller pursuant to this Section 21.1.4 shall not be considered to be consequential damages. Buyer shall be entitled to withhold further payments to Seller until Buyer determines or it is determined pursuant to the dispute resolution provisions set forth in Article 24 that Seller is entitled to further payments. Upon Final Completion, the total cost of the Scope of Supply incurred shall be determined, and Buyer shall notify Seller in writing of the amount, if any, that Seller shall pay Buyer or Buyer shall pay Seller, which amount shall be paid within thirty (30) Days of notice from Buyer. Seller’s aggregate liability pursuant to this Section 21.1.4 is included in the aggregate limitation of liability set forth in this Agreement.
  2. Termination for Convenience by Buyer. Buyer shall have the right to terminate for convenience this Agreement or Seller’s performance of all or any part of the Scope of Supply by providing Seller with a written notice of termination, to be effective thirty (30) Days after the receipt by Seller of such notice. Upon termination for convenience, Seller shall (i) as soon as practicable discontinue the execution of the Scope of Supply on the date and to the extent specified in such notice, (ii) place no further orders for Subcontracts, Equipment, Materials or services except as may be necessary for completion of such portion of the Scope of Supply currently being undertaken so as to avoid the impact of any remobilization, (iii) promptly make every reasonable effort to procure cancellation or transfer/assignment of the Subcontracts and rental agreements to Buyer, or to any of its appointees, upon terms satisfactory to Buyer to the extent they relate to the execution of the Scope of Supply then discontinued and to the extent requested by Buyer, (iv) cooperate with Buyer for the efficient transition of the Scope of Supply execution, and (v) thereafter execute only that portion of the Scope of Supply as may be necessary to preserve and protect activities already in progress and to protect Equipment at the Site or in transit thereto, and to comply with any Applicable Codes and Standards and Applicable Law. Seller shall be paid the reasonable value of the activities approved by Buyer and actually carried out by Seller prior to termination, plus (X) its reasonable and documented overhead and associated profit on such activities, (Y) its reasonable, documented and direct demobilization and dismantling costs, and (Z) its reasonable, documented and direct associated close-out costs, it being understood that in no event shall Seller be entitled to receive any amount for overhead or anticipatory profit with respect to any activity which was not actually carried out by Seller prior to termination.
  3. Suspension of Scope of Supply execution by Buyer. Buyer may, for any reason, at any time and from time to time, by written notice to Seller, suspend the execution of the Scope of Supply or any part thereof, whereupon Seller shall suspend the Scope of Supply execution or any part thereof for such time or times and in such manner as Buyer may require. During any such suspension, Seller shall properly protect and secure the accomplished Scope of Supply in such manner as Buyer may reasonably require. Unless otherwise instructed by Buyer, Seller shall during any such suspension maintain its staff and labor on or near the Site and otherwise ready to proceed with the execution of the Scope of Supply upon receipt of Buyer’s further instructions. Buyer and Seller shall negotiate a Change Order to address the impact of such suspension on the Contract Price and on the Project Schedule. The Contract Price shall be adjusted for the reasonable costs (including actual overhead and reasonable profit) of such suspension, including demobilization and remobilization costs, if required, along with appropriate supporting documentation to evidence such costs, and the Project Schedule shall be equitably adjusted to reflect such suspension.
  4. Termination by Seller. Seller may terminate this Agreement or suspend the execution of the Scope of Supply in the following circumstances:
     1. Any undisputed amount due and payable to Seller by Buyer is not paid within sixty (60) Business Days after Seller’s notice of non-payment to Buyer; provided that Seller has in fact achieved the corresponding Payment Milestones specified in the Project Schedule;
     2. Buyer, by written notice to Seller, suspends the execution of the Scope of Supply in accordance with Section 21.3 for more than one hundred and eighty (180) consecutive days; or
     3. If this Agreement is terminated by Seller in accordance with the terms of Section 21.4 and Section 21.4.2, Buyer shall pay to Seller, within sixty (60) Business Days after the date of the termination notice, the reasonable value of the activities approved by Buyer and actually carried out by Seller prior to termination, plus (X) its reasonable and documented overhead and associated profit on such activities, (Y) its reasonable, documented and direct demobilization and dismantling costs, and (Z) its reasonable, documented and direct associated close-out costs, it being understood that in no event shall Seller be entitled to receive any amount for overhead or anticipatory profit with respect to any activity which was not actually carried out by Seller prior to termination. However, if there is a dispute with respect to the amount owed, Buyer shall guarantee the payment of all undisputed amounts on or before the due date hereof and the Parties may submit the dispute for resolution as specified in Article 24;
  5. Suspension of Scope of Supply execution by Seller. Seller may suspend its execution of the Scope of Supply, in whole or in part, by sending a suspension notice to Buyer, at least 5 (five) Business Days in advance (which must contain the suspension start date and the reasons for such suspension), if any of the following events occurs and is continuing:
     1. Buyer fails to supply Materials or Equipment that it is obligated hereunder to supply;
     2. For no reason attributable to Seller or its Subcontractors, Seller is prevented from executing the Scope of Supply due to any order or directive issued by any Governmental Authority; or
     3. Buyer fails to pay Seller any amount due and payable hereunder for a consecutive period of more than sixty (60) days.
     4. Buyer fails to obtain the Permits and Consents listed in Section 5.3.
  6. Amendment Following Suspension. If Seller validly suspends the Scope of Supply execution in accordance with Section 21.5, the Parties shall negotiate an amendment to address the impact of such suspension on the Contract Price and on the Project Schedule at such time as Seller’s execution of the Scope of Supply resumes.

**ARTICLE  
22** **INDEMNITIES; LIMITATIONS OF LIABILITY**

* 1. Seller’s Indemnification Obligation. In addition to its indemnification, defense and hold harmless obligation contained elsewhere in this Agreement, Seller agrees to defend, indemnify and hold each member of the Buyer Group free and harmless from and against any and all claims, losses and/or liabilities (including the cost and expenses related to any administrative, judicial, and arbitration procedures before any court or in any level of jurisdiction that may be filed against any member of the Buyer Group and related attorneys’ fees) suffered or incurred by any member of the Buyer Group arising out of or resulting from the negligence or willful misconduct of, or the violation of any Applicable Codes and Standards or Applicable Law by, or the breach of this Agreement by, any member of the Seller Group.
  2. Buyer’s Indemnification Obligation. Subject to the other provisions of this Agreement, Buyer agrees to defend, indemnify and hold each member of the Seller Group free and harmless from and against any and all claims, losses and/or liabilities (including the costs and expenses related to any administrative, judicial, and arbitration procedures before any court or in any level of jurisdiction that may be filed against any member of the Seller Group and related attorneys' fees) suffered or incurred by any member of the Seller Group due to a claim or action made by any third party (which third party shall not include any member of the Seller Group) to the extent caused by or arising directly from the negligence or willful misconduct of any member of the Buyer Group.
  3. Patent Indemnification. Each member of the Seller Group shall defend, indemnify and hold each member of the Buyer Group free and harmless from and against any and all Intellectual Property Claims, Intellectual Property Losses and/or liabilities (including the costs and expenses related to any administrative, judicial, and arbitration procedures before any court or in any level of jurisdiction that may be filed against any member of the Buyer Group and related attorneys’ fees) suffered or incurred by any member of the Buyer Group arising out of any actual or alleged infringement of patents, trademarks, or other intellectual property rights, or the improper use of other proprietary rights that may occur in connection with any member of the Seller Group’s execution of the Scope of Supply or the purchase or use of the Equipment by any member of the Seller Group or any member of the Buyer Group. Subject to Section 22.4, Seller shall have sole authority for the control of the defense of any such Intellectual Property Claims. Furthermore, should any such Intellectual Property Claims materially impair the execution of the Scope of Supply by any member of the Seller Group or the continuity of operations, Seller shall, at its own expense, promptly procure such intellectual property or other rights as may be necessary for such member of the Seller Group to continue its execution of the Scope of Supply so as not to materially impair the Project Schedule or the continuity of operations. Seller’s obligations under this Section 22.3 are not subject to or included in the calculation of any limitations of liability contained in this Agreement.
  4. Intellectual Property Indemnification
     1. Each member of the Seller Group shall indemnify, hold harmless and defend each member of Buyer Group from and against any and all claims, losses, damages, liabilities, judgments, fines, costs and expenses (including arbitration and court procedures costs in any level of jurisdiction and experts’ and attorneys’ fees) (collectively, “Intellectual Property Losses”) and claims, demands, proceedings, actions, causes of action and suits (collectively, “Intellectual Property Claims”) that assert, arise out of or are related to any actual or alleged infringement of patents, trademarks, copyrights, trade secrets or other intellectual property rights or the improper use of other proprietary rights that may occur, directly or indirectly, in connection with the execution of the Scope of Supply, the use of the Scope of Supply and the use of the Equipment, it being understood that Seller Group shall not be required to indemnify, defend and hold harmless any member of Buyer Group to the extent that the infringement in question is attributable to any member of Buyer Group.
     2. If an Intellectual Property Claim is made against any member of Buyer Group, Seller shall be promptly notified thereof and Seller shall, at its own expense, conduct all negotiations for the settlement of such Intellectual Property Claim and any litigation that may arise therefrom, to preserve the execution of the Scope of Supply so as not to materially impair the Project Schedule, and to maintain the regular operation of the Unit and the offer for sale, sale or export its products.
     3. If any Intellectual Property Claim results in a legal action against any member of Buyer Group, Seller shall have sole charge and direction thereof on its behalf, so long as Seller diligently prosecutes such legal action. The member of Buyer Group shall have the right to be also represented in such legal action by counsel of its own choice and at its own expense. Notwithstanding the foregoing, Buyer may, at its sole discretion, decide to take over the defense at any time at Seller’s expense.
     4. If the Buyer is enjoined from completion of the Unit or any part thereof, or from the use, operation or enjoyment of the Unit or any part thereof, or from the offer for sale, sale, export of its products, as a result of any Intellectual Property Claim, Seller shall promptly endeavor to have such injunction removed at no cost to Buyer.
     5. The members of the Buyer Group shall use reasonable efforts to mitigate the Intellectual Property Losses for which they are indemnified hereunder.
     6. The Buyer’s acceptance of any of a Seller’s Payment Milestones shall not be construed to relieve Seller of the obligation under Section 3.3.3.
     7. Seller obligations under Section 3.3.3 are not subject to or included in the calculation of any limitations of liability contained in this Agreement.
  5. Lien Indemnification. Should any Subcontractor or any other Person acting through or under Seller or any Subcontractor file a Lien or other encumbrance against all or any portion of the Scope of Supply or the Unit, Seller shall, at its sole cost and expense, remove and discharge, by payment, bond or otherwise, such Lien or encumbrance within twenty (20) Days after the filing of such Lien or encumbrance, provided that, Buyer has made payment to Seller of all undisputed amounts owed to Seller in accordance with the terms of this Agreement. If Seller fails to remove and discharge any such Lien or encumbrance within such twenty (20) Day period, then Buyer may, at its sole discretion and in addition to any other rights that it has under this Agreement, at law or equity, take any one or more of the following actions:
     1. Remove and discharge such Lien and encumbrance using whatever means Buyer, at its sole discretion, deems appropriate, including the payment of settlement amounts that it determines at its sole discretion as being necessary to discharge such Lien or encumbrance (in such circumstances, Seller shall be liable to Buyer for all damages, costs, losses and expenses (including all attorneys’ fees, consultant fees and litigation expenses, and settlement payments) incurred by Buyer arising out of or relating to such removal and discharge. All such damages, costs, losses and expenses shall be paid by Seller no later than thirty (30) Days after receipt of each invoice from Buyer); or
     2. Seek and obtain an order granting specific performance from a court of competent jurisdiction, requiring that Seller immediately discharge and remove, by bond, payment or otherwise, such Lien or encumbrance. The Parties hereby expressly agree that Buyer shall be entitled to such specific performance and that Seller shall be liable to Buyer for all damages, costs, losses and expenses (including all attorneys’ fees, consultant fees and litigation expenses) incurred by Buyer arising out of, or relating to, such specific performance action. Seller agrees that the failure to discharge and remove any such Lien or encumbrance will give rise to irreparable injury to Buyer and Buyer’s Affiliates, and further, that Buyer and such Buyer Affiliates will not be adequately compensated by damages.
  6. Notice. The Parties shall give reasonably prompt written notice to the other of any and all injuries to Persons or damage to property (including any claim with respect thereto) of which such Party has notice or knowledge and which in any way arises from the Scope of Supply execution or this Agreement. The indemnifying Party shall not settle any suit for which it is providing indemnity under this Article 22 without the prior written consent of the indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed.
  7. Survival and Duration. The indemnification provisions contained in this Agreement shall survive after Seller's completion of the Scope of Supply hereunder and the termination of this Agreement. Claims for indemnification may be made hereunder so long as any claim may be advanced in respect of such matters under any applicable statute of limitations; provided, however, that the foregoing shall not affect any claim made in good faith prior to the date of such expiration.
  8. Limitation of Liability
     + 1. Buyer’s and Seller’s liability for damages is limited to direct damages, excluding loss of profits and other consequential damages. The responsibility of the Parties for direct damages is limited to 10% (ten percent) of the total Contract Price; provided, that, notwithstanding the foregoing, the limitation of liability set forth in this Section 22.8.1.1 shall not (a) apply in the event Seller ceases at will to carry out this Agreement; (b) apply to Seller’s indemnification obligations caused by Non-Accidental Pollution; (c) apply to Seller’s obligation to transfer to Buyer full legal title to, and deliver possession of, all or any portion of the Scope of Supply and/or the Unit as required under this Agreement, free and clear of any and all Liens; (d) include the payment of proceeds (exclusive of any deductibles) under any insurance policy required to be provided by Seller or any of its Subcontractors under this Agreement; (e) apply in the event of the intentional breach of this Agreement, gross negligence or willful misconduct of Seller, its agents (and Affiliates (including Guarantor)), workers, Subcontractors and suppliers or the employees of each (or in connection with a breach by any such Persons of a breach of Section 3.2.18 through Section 3.2.23, Article 27 and/or Article 28; (f) include the payment of Liquidated Damages for Delay by Seller under Section 20.1 and (g) apply to Seller’s warranty obligations under Article 17 (including any liability under Section 17.3.4); and (h) include any amount owed to Buyer for the Advance or under the Advanced Payment Security. In no event shall the limitation of liability set forth in Section 22.8 be in any way deemed to limit Seller’s obligation to execute the full Scope of Supply required to achieve Handover of the Unit, and the costs incurred by Seller in executing the Scope of Supply shall not be counted against the limitation of liability set forth in Section 22.8. Seller acknowledges and agrees that its obligation to achieve Mechanical Completion, Substantial Completion and Handover are absolute obligations not subject to any cap on liability or reduction by the payment of liquidated damages or otherwise.
     1. Seller undertakes, when it causes damages to third parties, except to those damages third parties caused by Pollution, to indemnify them up to the limit of US $ 10,000,000.00 (ten million United States Dollars), converted to Reais. (R$) by PTAX for sale of the United States Dollar in local currency, published by the Central Bank of Brazil, on the Business Day immediately preceding the payment of the damage.
        1. Damages to third parties caused by Accidental Pollution are limited to 10% (ten percent) of the total Contract Price. This limitation shall not apply to damages to third parties caused by Non-Accidental Pollution.
        2. Buyer undertakes to indemnify the same damages in the amount that exceeds the Seller’s liability limit.
        3. Each Party shall have its right of recourse, in the form of the applicable legislation to this Agreement, in respect of amounts paid to third parties, by virtue of a final and unappealable judicial decision, which are a contractual obligation of the other party, subject to the limit set forth in item 22.8.2.
  9. Consequential Damages. Notwithstanding any other provision of this Agreement to the contrary, and except for Seller’s liability to Buyer for the infringement of third parties´ intellectual property rights and the circumstances specified in Section 20.1, in no event shall Buyer or Seller be liable to each other for any indirect, special, incidental or consequential losses or damages (other than such damages as may be included as a component of liquidated damages hereunder) including loss of profits or revenue, loss of opportunity or use incurred by either Party to the other, or like items of loss or damage, and each Party hereby releases the other Party therefrom.
  10. Remedies Not Exclusive. The rights of indemnity shall not be exclusive with respect to any other right or remedy provided for in this Agreement.

**ARTICLE  
23**  
**FORCE MAJEURE**

* 1. No Liability. Neither Seller nor Buyer shall be liable to the other for any damages, claims or suits of any nature arising out of delays or noncompliance of its obligations under this Agreement in cases where such delay or noncompliance is due to Force Majeure.
     1. The Party invoking Force Majeure shall give written notice to the other Party in accordance with Section 26.5 immediately following the occurrence of the event of Force Majeure, which shall specify whatever details are available at the time, and the anticipated duration of such event of Force Majeure. The Party invoking Force Majeure shall give notice to the other Party as set forth in the first sentence of this Section 23.1.1 within seventy-two (72) hours following (i) the occurrence of such event of Force Majeure or (ii) the date on which the Party alleging Force Majeure first learned of the occurrence of the event constituting Force Majeure. Once the affected Party is no longer prevented from performing its obligations under this Agreement as a result of an event of Force Majeure, it shall promptly notify the other Party of this fact. In the event that an unaffected Party does not acknowledge the occurrence of an event of Force Majeure, the Party invoking Force Majeure shall bear the burden of proof.
     2. A Force Majeure event shall be deemed to have commenced not earlier than seventy-two (72) hours prior to the giving of such notice. The affected Party shall, in such notice, indicate what actions it is taking to mitigate the effects of such Force Majeure event. The affected Party shall further provide the other Party with (i) periodic supplemental written notices during the period of the Force Majeure event regarding any change, development, progress, or other relevant information concerning the Force Majeure event and (ii) written notice promptly after the termination of the Force Majeure event.
  2. Prevention and Reduction. The affected Party shall: (i) make all reasonable efforts to prevent and reduce to a minimum and mitigate the effect of any delay of its obligations caused by an event of Force Majeure or its consequences; and (ii) use its reasonable efforts to ensure resumption of its obligations promptly after termination of the relevant event of Force Majeure.
  3. Mutual Consultation. If an event of Force Majeure has occurred, the Parties shall consult with one another as to the effect, if any, of such event of Force Majeure, and if such effect is to delay the completion of the Scope of Supply. In such a case, only the Project Schedule shall be equitably adjusted, pursuant to a Change Order in accordance with this Agreement, to take into account the effect that the Party invoking an event of Force Majeure demonstrates is actually and necessarily attributable to such event of Force Majeure. Any such adjustment shall take into account rescheduling or other actions, as Seller or Buyer may reasonably be expected to undertake, in order to minimize the adverse effect of such event of Force Majeure on the Project Schedule. Each Party shall bear its own increased costs arising from each event of Force Majeure.
  4. Definition. For the purposes of this Agreement, “Force Majeure” will be considered as any act, event or condition that will actually, demonstrably, adversely and materially affect a Party’s ability to perform when due its obligations in accordance with this Agreement (excluding obligations to pay money due) or will actually, demonstrably, adversely and materially affect the Critical Path Schedule, in each case only to the extent that such act, event or condition (i) renders it impossible for the affected Party to perform its obligations under this Agreement in accordance with the Critical Path Schedule, (ii) is unforeseeable, unanticipated and beyond the reasonable control of the affected Party and not due to its fault or negligence (or any third Person over whom such Party has control, including any Subcontractor), (iii) could not have been prevented or avoided by the affected Party through the exercise of due diligence, including the expenditure of any reasonable sum taking into account the Contract Price, (iv) is not an act, event or condition, the risks or consequences of which such Party has expressly agreed to assume hereunder. It is understood and agreed that Force Majeure is in no event a cause or justification for an increase in the Contract Price, and an increase in a Party’s cost of performance as a result of Force Majeure shall not be considered in determining whether a Force Majeure has occurred. Force Majeure includes catastrophic storms or floods, lightning, earthquakes and other typical acts of God, wars, civil disturbances, revolts, insurrections, sabotage, commercial embargoes, fires, explosions, or actions of a Governmental Authority that were not requested, promoted or caused by the affected Party, that prevent a Party from timely discharging its duties and obligations hereunder. Notwithstanding the foregoing, Force Majeure shall not include any of the following: (a) changes in market conditions or other events arising on or after the Proposal Submission Date that have rendered performance of this Agreement more onerous or less commercially or financially advantageous to it than could reasonably have been anticipated at the Proposal Submission Date; (b) late delivery, failure or breakages of Equipment, unless otherwise caused by Force Majeure hereunder; (c) any strike, lockout or other labor dispute affecting Seller or any Subcontractor or any supplier to any Seller or Subcontractor, unless such strike, lockout or labor dispute is an industry-wide or national event and otherwise meets the conditions above for Force Majeure; (d) nonperformance or delay by Seller or any Subcontractor or any supplier to any Seller or Subcontractor, unless such nonperformance or delay is otherwise caused by Force Majeure; (e) weather conditions which could reasonably be anticipated by experienced contractors (and any Site conditions arising therefrom); (f) any Site conditions or other conditions described in Section 3.25; (g) robbery or theft experienced with warehoused, stored or in-transit Equipment, materials or any other effects under Seller’s responsibility, whether or not owned by Seller; (h) any difficulty in obtaining or maintaining sufficient, or appropriately skilled personnel to execute the Scope of Supply; (i) the SARS-CoV-2/COVID-19 pandemic, which is now foreseeable, and any other epidemic, pandemic, or similar health-related event involving a virus, bacteria, fungus, or other pathogen that is foreseeable at the time of the execution of the Agreement, except to the extent that the proximate cause of the Force Majeure event (1) relates solely to applicable restrictions mandated by any Governmental Authority in connection with the SARS-CoV-2/COVID-19 or similar health-related event and (2) (X) arises after the execution of this Agreement, (Y) was clearly unforeseeable at the time of the execution of this Agreement, and (Z) fulfills all of the other conditions contained in clauses (i)-(iv) of the first sentence above; and (j) shortages, cost increases or unavailability of Equipment, except with respect to transportation accidents affecting delivery of Equipment occurring prior to the delivery of such Equipment to the Site to the extent such event otherwise meets the conditions above for Force Majeure.
  5. Termination for Force Majeure. In the event a Force Majeure event makes the execution of the Scope of Supply impossible for a continuous period of 120 (one hundred twenty) days or more, either Party may terminate this Agreement. In the event of such termination, neither Party shall have further obligation to the other hereunder and Seller shall not be entitled to any portion of the Contract Price which has not been paid prior to the occurrence of the event of Force Majeure unless Buyer accepts partially performed or partially completed Payment Milestones, in which event Seller shall be paid the reasonable value of said partially performed or completed Payment Milestones.

**ARTICLE  
24**  
**DISPUTE RESOLUTION**

* 1. Amicable Resolution
     1. In the event of any dispute, claim, or controversy arising out of, relating to, or in connection with this Agreement, including any dispute as to the breach, validity, or existence of this Agreement (a “Dispute”), the Parties agree in the first instance to submit the Dispute to a joint negotiation between two senior management officers, one from each Party. Each Party shall nominate its respective senior management officer within fifteen (15) Days from the earliest date on which a Party shall be deemed to have given notice of a Dispute, in accordance with Section 26.5, (the “Dispute Notice”). The two senior management officers shall meet at a mutually agreeable time and location within thirty (30) Days after the Dispute Notice is given to try to resolve the Dispute in an equitable and good-faith manner. If the Parties cannot agree on a time and location for the senior officers meeting, then they may proceed directly to proceedings under Section 24.2 or Section 24.3, as applicable. The Parties expressly acknowledge and agree that Buyer’s right to terminate this Agreement in accordance with Article 21 is not limited in any way by the Dispute resolution provisions of this Article 24.
     2. Notwithstanding anything in this Article 24, the Parties may at any time, without prejudice to any other proceedings, seek to settle any Dispute through mediation before one neutral mediator who shall be fluent in the English language and who shall be qualified by experience and education to mediate disputes concerning international commercial agreements. If the Parties elect to settle a Dispute through mediation but cannot agree on a neutral mediator and a method to conduct the mediation, the Parties agree to submit the matter to mediation to be conducted in English under the International Chamber of Commerce Amicable Dispute Resolution Rules in force on the date of the Dispute. The Parties agree that the neutral mediator cannot serve as the Expert, as that term is defined in Section 24.2, or as an arbitrator under Section 24.3.
  2. Disputes of a Technical Nature
     1. Any Dispute that concerns a technical matter which can be reasonably settled by empirical studies and which relates primarily to technical issues, rather than commercial, economic, financial, or accounting issues, shall be deemed a Technical Dispute.
     2. If a Technical Dispute exists and is not amicably resolved under Section 24.1, the Parties agree to submit the Technical Dispute to an independent petroleum industry engineering expert (the “Expert”), who shall be fluent in the English language. If the Parties cannot mutually agree on the Expert within fifteen (15) Days after the senior officers' meeting under Section 24.1, the Parties agree that the International Chamber of Commerce’s Centre for Expertise (the “Centre”) shall appoint the Expert in accordance with the Rules of Expertise of the International Chamber of Commerce that are in effect on the date of the Dispute. The Parties request that the Centre shall endeavor to appoint the Expert within fifteen (15) Days following receipt of a request to appoint the Expert.
     3. Within fifteen (15) Days after the Expert is agreed to or appointed under Section 24.2.2, each Party shall provide the Expert and the other Party with a written notice in English detailing the issues in the Technical Dispute, along with copies of all supporting documentation on which the Party is relying to support its position. The Expert shall complete all proceedings regarding the Technical Dispute and issue a written decision (the “Decision”) in English as soon as reasonably possible, but in no event later than forty five (45) Days after the Expert is agreed to or appointed under Section 24.2.2. If the Expert needs additional time to issue the Decision, the Expert shall notify the Parties in writing and shall be entitled to an additional period not to exceed fifteen (15) Days, unless the Parties agree otherwise.
     4. The Decision shall be final and binding on the Parties, unless a Party provides the other Party and the Expert with written notice of dissatisfaction (the “Dissatisfaction Notice”) with the Decision within fifteen (15) Days after the issuance of the Decision. If a Party provides Dissatisfaction Notice, the Technical Dispute shall be finally resolved through arbitration under Section 24.3.
  3. Binding Arbitration
     1. Subject to the requirements of Section 24.1 and Section 24.2, the Parties agree that any Dispute shall be finally resolved by binding arbitration before three (3) arbitrators in New York City, New York, U.S.A., in accordance with the Rules of Arbitration of the International Chamber of Commerce (the “ICC Rules”) in force on the date of the Dispute, except as those rules may be modified by this Article 24.
     2. Except as specified in this Article 24, the Parties agree that Arbitration shall be the exclusive means of resolving a Dispute. Except as specified in this Article 24, no Party shall refer or attempt to refer a Dispute to any court or other tribunal for resolution.
     3. The Arbitration shall be conducted in the English language. Unless agreed otherwise, all documents submitted in connection with the arbitration shall be in the English language or, if submitted in any other language, shall be accompanied by an English translation.
     4. The Party filing the Request for Arbitration (the “Request”) under the ICC Rules shall deliver a copy of the Request to the other Party at the same time and in the same manner as it delivers the Request to the Secretariat of the International Court of Arbitration of the International Chamber of Commerce (the “International Court of Arbitration”). The Request shall be made within a reasonable time after the Dispute arises.
     5. The arbitral tribunal (the “Tribunal”) shall consist of three (3) arbitrators who shall be qualified by experience and education to arbitrate disputes concerning international commercial agreements and who shall be chosen as follows:
        1. Each Party shall nominate one arbitrator. The request to the Secretariat shall include the nomination of the Party initiating the procedure. The other Party shall have sixty (60) Days to make its nomination. If a Party does not timely nominate an arbitrator, that Party’s arbitrator shall be appointed by the International Court of Arbitration in accordance with the ICC Rules; and
        2. Within twenty (20) Days after the latest date on which one of the co-arbitrators has been confirmed or appointed by the International Court of Arbitration, or within the time period extended by agreement of the Parties, the Parties in consultation with the two co-arbitrators selected under Section 24.3.5.1 shall jointly nominate the third arbitrator, who shall act as chairman of the Tribunal after being confirmed by the International Court of Arbitration. If the Parties cannot agree on the third arbitrator, the International Court of Arbitration shall appoint the third arbitrator in accordance with the ICC Rules.
     6. The Tribunal’s award shall be denominated and made payable in US Dollars, exclusive of any tax or other deduction. If the Tribunal finds a breach of a payment obligation, the award may include interest thereon at a reasonable simple commercial rate until the date of the award. The Tribunal may also fix an appropriate reasonable commercial rate of interest from the date of the award until the award is paid in full.
     7. The Parties agree that judgment upon the Tribunal’s award may be entered in any court having jurisdiction thereof, and may not be challenged in any court, either at the place of arbitration or elsewhere. Each Party hereby irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any such enforcement proceeding and to the proceeding being brought in an allegedly inconvenient forum. Each Party also hereby agrees to accept service of process in any such enforcement proceeding.
     8. The Parties agree that each Party shall bear the fees and expenses of the arbitrator nominated by it (or on its behalf) and its share of the ICC administrative expenses assessed by the International Court of Arbitration. The fees and expenses of the third arbitrator shall be borne by the Parties in equal parts. Any other arbitration fees and expenses, including attorneys’ and experts’ fees, shall be allocated by the Tribunal in its award. The Parties agree to instruct the Tribunal to allocate such fees and expenses to the Parties in proportion to their relative success on the merits (including the successful assertion of any defense).
     9. The Tribunal shall have the authority to enter interim, conservatory, injunctive, and declaratory relief, if appropriate under applicable substantive law. The Tribunal shall also have the power to determine whether a Dispute is appropriate for arbitration. The Tribunal shall not, however, have the power to award punitive or exemplary damages. Notwithstanding anything in this Section 24.3.9, each Party retains the right to apply for injunctive relief in any court having jurisdiction thereof prior to or during the arbitration, and any such application shall not be deemed to be an infringement or waiver of the ability to arbitrate under Section 24.3 and shall not affect the relevant powers reserved to the Tribunal.
     10. In accordance with and subject to Section 26.8, the substantive law of the State of New York, without regard to its conflict-of-laws principles, shall apply to the arbitration. The Tribunal shall not have the power of an amiable compositeur.
     11. Unless the Parties agree otherwise, the arbitration shall be completed within the time limit under the ICC Rules.
     12. Unless this Agreement is terminated in accordance with its terms, each Party shall continue to perform its obligations under this Agreement during the course of any of the dispute resolution procedures specified in this Article 24.
     13. This Article 24 shall survive termination of all or any part of this Agreement, as indicated in Section 26.15.
  4. The Parties agree to the exclusive jurisdiction of Brazilian courts to finally resolve any Dispute arising, relating to, or in connection with the bid process, pursuant the rules set forth in Exhibit XXV.

**ARTICLE  
25** **FOREIGN TRADE**

* 1. In accordance with Sections 3.2.3 and 3.2.3.1, the customs clearance for the importation of the Unit shall be the responsibility of Buyer.
  2. Regarding the materials, Equipment and any other goods supplied or provided in connection with the Scope of Supply execution, the following shall apply:
     1. Compliance with Brazilian Law. In connection with the execution of the Scope of Supply, Seller shall accept, as detailed below and in accordance with Brazilian Applicable Law as of the date hereof, the materials, Equipment and any other goods provided under this Agreement by Buyer, and/or other goods previously authorized or requested in writing by Buyer.
     2. Seller Responsibility for Export/Import Costs. Seller shall be solely responsible for any and all costs and charges arising or resulting from the export, import, and transport of all materials, Equipment and any other goods supplied by it or purchased in Brazil or abroad by Buyer or by any Person authorized by it in connection with the Scope of Supply execution.
     3. Seller Responsibility for Custom Duties. Seller shall be responsible for the payment of any and all customs duties or any other amounts imposed in respect of the management, processing or approval of any grant claims, discharges, write-offs or amendments before the responsible or consenting Governmental Authority, and any other action that may be necessary in respect of the materials, Equipment and any other goods that are needed by Seller for the execution of the Scope of Supply under this Agreement. Seller further agrees that it shall be responsible for any fines, sanctions or penalties, of any nature, imposed or levied by any Governmental Authority in connection herewith.
     4. Seller Customs Compliance Obligations. Seller shall comply with and respect all customs requirements, particularly those set out in Brazilian Applicable Law with regard to the presence in Brazil of materials, Equipment and any other goods under its responsibility in connection with the execution of the Scope of Supply under this Agreement and admitted into the Special Custom Regime. Seller is also directly and exclusively responsible for the breach of any rules related to the Special Custom Regime, including its termination or expiration.
     5. Seller Responsibility for Transportation Costs. Seller will be solely responsible for all costs of transport and insurance of materials, Equipment (in case SELLER decides on supplementary insurance besides that provided in Section 14.13), and any other goods in connection with the Scope of Supply execution by Seller that are purchased or supplied by it, as well as those materials, Equipment or goods purchased and supplied by Buyer or any company authorized by it that are returned or sent for repair or replacement from the Site to the supplier, in Brazil or abroad, and from the supplier, in Brazil or abroad, to the Site.
        1. The costs of storage, stowage, rental of containers, demurrage, and any other costs resulting from this Agreement shall be exclusively under Seller’s responsibility.
        2. Seller shall transport the materials, Equipment and other goods to be imported by air, land or sea in accordance with the Applicable Law and shall be responsible for any loss or damage resulting from the noncompliance with Applicable Law.
     6. Proper Packaging of Materials. Seller shall arrange the proper packaging of materials, Equipment and any other goods, in order to avoid damage or deterioration during the transport to the final destination, as well as its compliance with the national and international requirements related to the appropriate packaging, markings and labor, in particular with regard to dangerous products or pollutants that can cause environmental damage. The packages shall be resistant and able to endure, with no limits, rough handling and exposure to extreme temperatures, sun and rain during transit. The appropriate package size and weight shall be determined taking into consideration the distance to the final destination of the goods, the kind of transportation to be used and the difficulty in handling the material during transit. In case of wooden packaging seller is responsible for the fumigation in accordance with local legislation of the importer, especially in Brazil which requires the IPPC (International Plant Protection Convention) stamp on the package and the certificate of fumigation.
        1. Seller shall be responsible for the integrity of materials, Equipment and any other goods referred to in this Article 25, as well as any loss or damage from the transportation or handling during import or export stages, or during the construction and assembly of the Unit using such materials, Equipment and other goods.
     7. Seller to Maintain Control. Seller shall maintain control of all materials, Equipment and any other goods supplied by it or acquired in Brazil or abroad by Buyer or any Person authorized by it, in the performance of its obligations under this Agreement. All charges or costs resulting from this control are Seller’s exclusive responsibility.
        1. Within thirty (30) days before Substantial Completion of the Unit, Seller shall provide a complete inventory of materials, Equipment and other goods referred to in this Article 25 for the Unit, in accordance with the model presented by Buyer that shall contain, at minimum, the following information: full description of each good specifying an identification number (part number or serial number), quantity and the classification indicating the corresponding MERCOSUR Common Nomenclature (NCM) as per the Common External Tariff (Tarifa Externa Comum – TEC).
        2. Seller shall comply with Brazilian Applicable Law with regard to the Term of Responsibility (*Termo de Responsabilidade*) and the Customs Regime Extinction (*Extinção de Regime*) for materials, Equipment and any other goods admitted into Brazil pursuant to the Special Customs Regime.
     8. Seller Responsibility for Notifications. Seller will be responsible for any notification or charge resulting from errors or omissions in the import/export/transfer process of materials, Equipment and any other goods admitted into Brazil pursuant to the Special Customs Regime, as well as for any Customs Clearance Re-examination by the Secretariat of the Federal Revenue of Brazil (*Revisão Aduaneira da Receita Federal*).
     9. Seller Submission of Proof of Compliance. Seller shall submit to Buyer, upon request, proof of its compliance with regard to the operations, requirements and recommendations related to the import, export and transfer processes set forth in this Article 25.
     10. Non-Exclusive Nature of Obligations. The list of obligations and responsibilities of this Article 25 is not exclusive and Seller remains obligated to comply with its other obligations under this Agreement and under all Applicable Law.
  3. Notwithstanding the provisions in Section 3.2.3.1.1, in the event that materials, Equipment or other goods are supplied afterwards and independently from the Unit’s customs clearance, in connection with the Scope of Supply execution, for reasons imputable to Seller:
     1. Import customs clearance of such materials, Equipment or goods shall be the responsibility of Buyer.
     2. Additional costs borne by Buyer pursuant to customs clearance, taxes and fees related to the late delivery of such materials, Equipment or goods shall be reimbursed by Seller in accordance with Section 10.10.4.

**ARTICLE  
26** **MISCELLANEOUS PROVISIONS**

* 1. Entire Agreement. This Agreement, together with all Exhibits, schedules, and attachments, contains the entire understanding of the Parties with respect to the subject matter hereof and supersedes any and all prior agreements and commitments with respect thereto. There are no other oral understandings, terms or conditions, and neither Party has relied upon any representation, express or implied, which is not contained in this Agreement.
  2. Opportunity to Review. Seller agrees and acknowledges that it has had a full and complete opportunity to examine this Agreement and understands the obligations contained herein. Seller represents that it has carefully examined the documents listed or referenced in the Scope of Supply and all Exhibits attached hereto and has fully acquainted itself with the data and information contained therein (including any and all designs, specifications and estimates). Any failure of Seller to review such information and data shall not release Seller of its responsibilities under this Agreement nor shall it give rise to an increase in the Contract Price or an adjustment to the Project Schedule or the Critical Path Schedule or to present a Claim pursuant to Exhibit XIV. Without limiting the generality of the foregoing, it shall be Seller’s responsibility to determine the accuracy, adequacy and completeness of such information and data as Buyer makes no guaranty or warranty, express or implied, as to the accuracy, adequacy or completeness of such information.
  3. Amendments. No change, amendment or modification of this Agreement shall be valid or binding upon the Parties unless such change, amendment or modification is in writing and duly executed by both Parties.
  4. Captions. The captions and section headings contained in this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope of intent of this Agreement or the intent of any provision contained herein.
  5. Notice. Any notice, demand, offer, or other written instrument required or permitted to be given in accordance with this Agreement shall be in writing signed by the Party giving such notice and shall be hand delivered or sent by overnight courier, messenger, facsimile (with confirmation of receipt), e-mail (with confirmation of receipt) or certified mail, return receipt requested, to the other Party at the address set forth below.

(a)      If delivered to Buyer:

Av. Henrique Valadares, 28

Zip Code: 20231-030

Rio de Janeiro, RJ - Brazil

(b)      If delivered to Seller:

XXX

* + 1. Each Party shall have the right to change the place to which notice shall be sent or delivered by sending a similar notice to the other Party informing of such change. Notices shall be deemed to have been duly given on the date they are (i) delivered personally; (ii) sent by facsimile or e-mail, if receipt is acknowledged or a confirming copy is sent the same day by mail; or (iii) sent by a recognized overnight delivery service to the Party to whom the notice is to be given. All other notices shall be deemed given when received. Notwithstanding the foregoing, if a notice is delivered or sent after the close of regular business hours, it shall be deemed to have been given on the first (1st) Business Day following receipt, unless if acknowledged on the same day.
    2. All communications between the Parties in connection with this Agreement will be in the English language. Portuguese may be used, as an alternative, only when expressly allowed by Buyer.
  1. Severability. The invalidity of one or more phrases, sentences, clauses, Sections or Articles contained in this Agreement, or Exhibits, Schedules or other attachments incorporated into this Agreement by reference, shall not affect the validity of the remaining portions of this Agreement so long as the material purposes of this Agreement can be determined and effectuated.
  2. No Waiver. Any failure of either Party to enforce any of the provisions of this Agreement or to require compliance with any of its terms at any time during the term of this Agreement shall in no way affect the validity of this Agreement, or any part hereof, and shall not be deemed a waiver of the right of such Party thereafter to enforce any and each such provision.
  3. Governing Law. This Agreement shall be governed, construed and enforced in accordance with the Laws of the State of New York, without giving effect to its conflicts of law rules (except New York General Obligations Law Section 5-1401, which is expressly made applicable hereto).
     1. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement or to the performance thereof or to any aspect of any dispute arising therefrom.
     2. Without prejudice thereto, Seller understands that, while operating in Brazil, it will be bound to abide by the Applicable Law of Brazil.
     3. Without prejudice thereto, Seller understands and agrees that, while operating in any country different from its country of origin, it will be bound to abide by the Applicable Law of that country.
  4. Successors and Assigns. This Agreement shall be binding upon the Parties, their successors and permitted assigns.
  5. Exhibits. All Exhibits, Schedules or other attachments referenced in this Agreement are incorporated into this Agreement by reference and shall be deemed an integral part of this Agreement.
  6. Limitations on Third Party Beneficiaries; No Joint Venture. Except as provided in Article 22 and any other provision of this Agreement providing for the indemnification of a Person who is not a party to this Agreement, this Agreement is for the sole and exclusive benefit of the Parties and is not intended to stipulate any benefit in favor of any third party. This Agreement establishes no joint venture or partnership between the Parties.
  7. Further Assurances. Seller and Buyer agree to provide such information, execute and deliver any such instruments and documents and to take such other actions as may be necessary or reasonably requested by the other Party that are not inconsistent with the provisions of this Agreement and that do not involve the assumption of obligations other than those provided for in this Agreement, in order to give full effect to this Agreement and to carry out the intent of this Agreement.
  8. Restrictions on Public Announcements. Without the prior written consent of Buyer, neither Seller nor its Subcontractors shall publicly refer to the Scope of Supply or any part of the Unit in any manner, including the issuance of a press release, advertisement, publication of photographs, publicity material, prospectus, financial document or similar material, the creation of any business development materials, proposals, reference materials or similar materials, or the participation in a media interview that mentions or refers to the Scope of Supply or any part of the Unit.
  9. Confidentiality. Each Party shall keep all Confidential Information provided to it by the other Party strictly confidential and shall not disclose, permit to be disclosed, use, transfer or divulge any Confidential Information except as expressly permitted by the terms of this Agreement. Each Party shall be permitted to disclose Confidential Information provided to it by the other Party to:
     1. Its Affiliates and its Affiliates’ respective partners, directors, officers, employees, agents, advisors and other representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and will agree to keep such Confidential Information confidential); provided that any Party that discloses the Confidential Information of the other Party shall remain liable for any breach of the terms hereof by such Person, as if itself had committed such breach;
     2. Its Subcontractors and suppliers that need to have access to any part of the Confidential Information in order to adequately perform the works that they are required to perform (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and will agree to keep such Confidential Information confidential); provided that any Party that discloses the Confidential Information of the other Party shall remain liable for any breach of the terms hereof by such Person, as if itself had committed such breach;
     3. Persons with whom such Party is contemplating the formation of a joint venture and any Lenders (as well as their respective officers, employees, agents, advisors and other representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and will agree to keep such Confidential Information confidential)); provided that (a) the original disclosing Party is notified of the other Party’s intention to so disclose such Confidential Information, and (b) such Party will cause any such Person to execute and deliver to the Parties a confidentiality agreement substantially in the form of this Section 26.14; and
     4. A Governmental Authority, to the extent compelled by any Governmental Authority having jurisdiction over it, and only as may be required by Applicable Law or by any subpoena or similar legal process; provided that if it shall be compelled by any such Governmental Authority to disclose Confidential Information, it shall provide the original disclosing Party with sufficient advance notice of such disclosure as would permit such Party to intervene in any such process, or to initiate a process to prevent the disclosure of such Confidential Information.
     5. None of the Parties shall use, or shall permit the use by their Affiliates, successors, assigns, directors, employees, agents, subcontractors, or suppliers of, any Confidential Information for any purpose whatsoever other than in connection with this Agreement.
     6. All Confidential Information disclosed by a Party to the other Party shall remain the sole property of the disclosing Party. Each Party shall take any and all reasonable precautions to prevent any unauthorized disclosure of any Confidential Information to any other Person.
     7. Upon the termination of this Agreement, or upon a Party’s earlier request, the other Party shall, within thirty (30) Business Days of such request: (i) return, or cause any Person to whom it disclosed Confidential Information to return, all Confidential Information in its possession or control, or (ii) destroy, or cause any Person to whom it has disclosed Confidential Information to destroy, all Confidential Information in its possession or control, and deliver a certificate signed by its legal representative, acceptable in substance and form to the original disclosing Party, certifying that all such Confidential Information has been so destroyed. Nothing in this Section 26.14.7 shall require the other Party to return or destroy any documents and materials containing or based on the Confidential Information that the other Party is required to retain by Applicable Law. The provisions of this Agreement shall continue to apply to any documents and materials retained by the other Party pursuant to this Section 26.14.7.
     8. Seller acknowledges that the business operations of Buyer in the jurisdictions where this Agreement is to be performed are highly competitive, and that Buyer’s strategies, methods, business relationships, and commercial contractual and financial information concerning such jurisdiction comprise Confidential Information and trade secrets of Buyer, which may enable Buyer to obtain a competitive advantage over competitors that do not know or use such Confidential Information. Seller further acknowledges that protection of the Confidential Information and trade secrets against unauthorized disclosure and use is of critical importance to Buyer in maintaining its competitive position.
     9. Each Party shall be entitled to enforce the provisions of Section 26.14 by appropriate judicial action, including orders for specific performance or injunctive relief compelling the other Party’s compliance with these restrictions.
  10. Termination and Survival. Unless earlier terminated pursuant to its terms, this Agreement and all of its terms (except as provided herein) shall terminate automatically on the later of (i) Final Completion Date and (ii) the date on which Seller has delivered to Buyer its fully executed Release of Claims and Lien Waiver. The provisions of Sections 3.2.14, 3.2.16, 3.2.21, 3.3.9, 3.10, 3.11, 3.14, 3.21, 3.22, 3.27, 5.3, 16.5, 17.3, 18, 18.3, 18.4 and 26.5, and Exhibits I, IV, V, VI, VII, XVII, XX, XXI, XXII and XXVI shall survive the termination or expiration of this Agreement, except that Article 22 and Section 26.14 shall survive the termination or expiration of this Agreement for a period of five (5) years or for such longer period as set forth therein.
  11. Negotiation. Each of the Parties acknowledges and agrees that they have had the opportunity to have their respective legal counsel review this Agreement and participate in the joint negotiation and documentation of this Agreement, and the Parties are fully familiar with each of the provisions of this Agreement and the effect thereof.
  12. Compliance With Laws And Ethics
      1. Not applicable.
      2. Commercial Acts: Seller agrees and undertakes, on behalf of itself, its directors, officers, employees, agents, or Affiliates, not to pay any fees, commissions or rebates to any employee, officer or agent of its Affiliates or shareholders nor provide or cause to be provided to any of them any gifts or entertainment of significant cost or value in connection with this Agreement or in order to influence or induce any actions or inactions in connection with the commercial activities of the Seller hereunder. Seller shall include this requirement in all Subcontracts and Purchase Orders.
      3. Records and Indemnification: Seller shall keep all records necessary to confirm compliance with Sections 28.1 and 26.17.2. Seller shall indemnify and hold Buyer harmless from and against any and all claims and losses brought by any Person which arise out of, are incident to, or result from any breach of Sections 28.1 and 26.17.2.
      4. Representation and Warranty: Seller represents and warrants, on the date hereof, that it has not taken any actions that would, if such actions were undertaken after the date hereof, conflict with the obligations under Sections 28.1 and 26.17.2.
      5. Seller shall notify Buyer immediately on receipt of notification or otherwise becoming aware of any such violation.
  13. Seller has no right to prevent delivery of the Unit and/or any part of the Unit, or to seek to do so, in order to support any Claim, counterclaim, Dispute, demand, action, debt, right, controversy, liability, damage or cause of action Seller may have against Buyer now or in the future.

Seller hereby declares, irrevocably and unconditionally, that it has all means to gather all the information and evidence it may need at any time in the future in relation to any Claim, counterclaim, Dispute, demand, action, debt, right, controversy, liability, damage or cause of action, and that Seller will not suffer any damage (*periculum in mora*) if the Scope of Supply is executed and completed in another location and/or by another entity from and after the Final Completion or the Termination of this Agreement by any reasons whatsoever.

* + 1. Seller also acknowledges that (i) it has no need to preserve any evidence associated with the Scope of Supply and will not object to or interfere with the taking of possession of the Unit by Buyer or its designee from and after the Final Completion or the Termination of this Agreement by any reasons whatsoever, (ii) all information and evidence it may need at any time in the future in relation to any Claim, counterclaim, Dispute, demand, action, debt, right, controversy, liability, damage or cause of action, can be gathered from the Seller's documents, measurement and progress reports and any other documented information produced periodically by the Parties in relation to the Agreement; and (iii) no inspections, visits, monitoring, examination or review of the Unit, the Scope of Supply, or any other Site are required for gathering or preserving any such evidence or information Seller may need.
    2. For the avoidance of doubt, Section 26.18.1 shall not be construed to limit the gathering of evidence and/or information strictly and exclusively during and as part of any Technical Dispute initiated and conducted in accordance with Article 24 of the Agreement, provided, that Seller affirms that Section 26.18.1 shall apply to all other Disputes.

**ARTICLE  
27** **COMPLIANCE**

* 1. With regard to the Scope of Supply in connection with this Agreement, Seller represents and warrants that Seller and the members of its Group:

(i) have not made, offered, promised, or authorized any payment, gift, promise, entertainment or any other advantage, whether directly or indirectly, to or for the direct or indirect use or benefit of any authority, public official or civil servant, any political party, political party official, or candidate for office, or any other public or private individual or entity, where such offer, promise, payment gift, entertainment or any other advantage would violate the applicable Anti-Corruption Laws;

(ii) will comply with the Anti-Corruption Laws and will not practice any of the conducts described in item (i) above;

(iii) have not used and will not use assets, rights or values proceeding, directly or indirectly, from illicit activities, nor have they hidden or dissimulated the nature, origin, location, disposition, transfer or ownership of such assets, rights or values; and will comply with the further provisions of Law no. 9,613/98 and other Applicable Law concerning money laundering;

(iv) have complied and will comply with Compliance Sanctions;

(v) have complied and will comply with Petrobras Ethical Conduct Guide for Suppliers.

* 1. Seller represents and warrants that neither it nor any of its Affiliates (i) is targeted by any Compliance Sanctions; (ii) is owned or controlled by a person or entity targeted by any Compliance Sanctions; or (iii) is located on, have been incorporated in, or is resident in a country targeted by any Compliance Sanctions.
     1. Notwithstanding anything to the contrary elsewhere in this Agreement, Buyer shall not be obliged to act in any way or to perform, and nothing in this Agreement is intended, or should be interpreted or construed as requiring or inducing Buyer to act in any way or to perform, any obligation otherwise required by this Agreement (including without limitation an obligation to (i) perform, deliver, accept, sell, purchase, pay or receive monies to, from or through a person or entity, or (ii) engage in any other acts) if this would be in violation of, inconsistent with, penalized or prohibited by, or expose Buyer to punitive measures under Compliance Sanctions.
     2. Where any performance by Seller would be in violation of, inconsistent with, or expose the Buyer to punitive measures under Compliance Sanctions, the Buyer shall, upon prior written notice to Seller, be entitled to (i) immediately suspend the performance of the obligation (whether a payment or performance obligation) until such time as Buyer may lawfully discharge such obligation; and/or (ii) where the inability to discharge the obligation continues until the end of the contractual time for discharge thereof or a period of thirty (30) days (whichever is the shorter), to a full release from the obligation without any liability whatsoever (including but not limited to any damages for breach of contract, penalties, costs, fees or expenses); provided that where the obligation relates to payment, the obligation shall remain suspended (without prejudice to the accrual of any interest on an outstanding payment amount) until such time as the Buyer may lawfully resume payment.
  2. Seller shall immediately notify Buyer in writing of any investigation or proceeding initiated by any Governmental Authority relating to any alleged violation of the Anti-Corruption Laws and/or any breach by Seller Group of the obligations under this Article 27. Seller shall make all efforts to keep Buyer informed as to the progress and disposition of such investigation or proceeding, furnishing all the information requested by Buyer.
  3. Seller represents and warrants that Seller and each member of the Group of the Seller are fully aware of their obligations hereunder in relation to the Anti-Corruption Laws and have adequate policies and procedures in place in relation to business ethics and conduct and Anti-Corruption Laws. The existence and substance of such policies and procedures may be verified by Buyer at any time.
  4. Seller shall defend, indemnify and hold Buyer harmless from and against any and all claims, damages, losses, penalties, costs and expenses arising from or related to any breach of this Article 27.
  5. Seller shall promptly respond in reasonable detail and with the adequate documentary support to any notification from Buyer concerning the obligations, warranties and representations set out in this Section.
  6. Regarding the matters related to this Agreement, Seller shall:

(i) maintain adequate internal controls concerning Seller’s compliance with Sections 27.1 and 27.2;

(ii) prepare and keep its books and records in accordance with generally accepted accounting practices applicable to Seller;

(iii) properly record and report Seller’s transactions in a manner that accurately and fairly reflects in reasonable detail Seller’s assets and liabilities;

(iv) retain such books and records for a period of at least ten (10) years after termination or expiration of this Agreement; and

(v) comply with the Applicable Law.

* 1. From the date of the signature of this Agreement until the tenth (10th) anniversary thereof, on a five (5) Business Days' notice in advance, Seller shall give Buyer or its representatives access to the books, records, policies and proceedings referred to in this Agreement, as well as to all available documents and information, and allow Buyer to interview the shareholders, directors, officers and employees of Seller deemed necessary by Buyer in order to verify Seller’s compliance with Sections 27.1 and 27.2.
  2. Seller agrees to cooperate with and to assist the audit, verification or investigation conducted by Buyer, concerning any alleged, suspected or proven non-compliance with the obligations set out in this Agreement or contravention of the Anti-Corruption Laws or of Compliance Sanctions by Seller or by any member of the Seller Group.
  3. Seller shall, on the request of Buyer, furnish a written certificate signed by an authorized representative to the effect that Seller is in compliance with Sections 27.1, 27.2 and 27.4.
  4. Seller will report to Buyer any explicit or implicit request or offer of any personal advantage made by Buyer or its Group to Seller or its Group with regard to the activities, operations, services, and works in connection with this Agreement. Such requests shall be reported in writing to the following address: https://www.contatoseguro.com.br/petrobras.
  5. For the purposes of this Article 27:

(i) "Anti-Corruption Laws" shall mean, collectively, and each as amended, Brazilian federal law 12,846/2013, the United States Foreign Corrupt Practices Act of 1977 and the United Kingdom Bribery Act;

(ii) “Group” shall mean, with respect to each Party, its controlling and controlled companies, companies under common control, successors, permitted assigns, officers, directors, employees, representatives, agents and Subcontractors;

(iii) “Compliance Sanctions” shall mean laws, regulations, decrees, ordinances, orders or rules of the European Union, the United Kingdom, the Netherlands, Brazil, the United Nations or the United States of America relating to international boycotts, trade sanctions, foreign trade controls, export controls, nonproliferation, anti-terrorism or similar laws.

* 1. Seller shall provide, upon request of Buyer, a written certificate in the form of Exhibit XIX, signed by an authorized representative regarding the full performance by the Seller of Article 27.
  2. Seller acknowledges that, in addition to the United Nations Security Council sanctions, which shall be observed as per Law 13,810/2019, Buyer shall comply with laws, regulations, prohibitions, orders and restrictive measures implemented by the United States of America, European Union and United Kingdom, including their institutions and governmental agencies, which establish economic sanctions or export / import controls directed at prohibiting or restricting dealings with individuals, entities, governments, countries or territories (“Sanctions”).
  3. Seller represents and warrants that Seller, the individuals or entities that control Seller either directly or indirectly, its Subcontractors and professionals engaged in the performance of this Agreement are not included in Sanctions lists; and neither are nor will be nationals of or residents in countries subject to Sanctions.

**ARTICLE  
28**  
**ANTI-BRIBERY**

* 1. No Violation of Applicable Law: Seller agrees that in connection with this Agreement and the activities contemplated herein, that neither it nor any of its directors, officers, employees, agents, or Affiliates shall (a) take action, or omit to take any action that would violate any Applicable Law related to the business practices of the Seller, (b) make, promise to make, or authorize the making of any payment, gift or transfer of anything of value, directly or indirectly, to any official or employee of any government or instrumentality of any government or to any political party or official thereof or any candidate of any political party for the purpose of influencing the action or inaction of such official, employee, political party or candidate, or (c) otherwise take any action, or omit to take any action that would cause in violation of any Applicable Law related to the business practices of the Seller, including UK and Brazilian anti-bribery laws, the principles described in the Organization for Economic Co-operation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions signed on 17 December 1997 and the U.S. Foreign Corrupt Practices Act. Seller shall include this requirement in all Subcontracts and Purchase Orders.
  2. Records and Indemnification: Seller shall keep all records necessary to confirm compliance with Article 28. Seller shall indemnify and hold Buyer harmless from and against any and all claims and losses brought by any Person which arise out of, are incident to, or result from any breach of Article 28.
  3. Representation and Warranty: Seller represents and warrants, on the date hereof, that it has not taken any actions that would, if such actions were undertaken after the date hereof, conflict with the obligations under Sections 28.1 and 26.17.2.
  4. Notice: Seller shall notify Buyer immediately on receipt of notification or otherwise becoming aware of any such violation.

**ARTICLE   
29  
SOCIAL RESPONSIBILITY**

* 1. Seller, with regard to the activities under this Agreement, states that Seller complies with the guidelines contained in the Petrobras Ethical Conduct Guide for Suppliers, as well as states that Seller respects the Internationally Recognized Human Rights, as established in the International Charter of Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights (“Guiding Principles”) and the Decree nº 9.571 of November 21st, 2018 of Brazilian Law as well as other applicable legislation, and that Seller:

1. Has a formal policy concerning Human Rights respect and discloses it to its stakeholders;
2. Has human rights management practices in its supply chain;
3. Refrains from using child labor in all activities under this Agreement, pursuant to item XXXIII of article 7 of the Brazilian Constitution of the Republic and from using labor in conditions analogous to slavery or degrading work conditions, as well as includes a specific clause to that effect in the Subcontracts signed with its Subcontractors. Non-compliance with such requirements shall be subject to liquidated damages and termination pursuant to Articles 20 and 21, without prejudice to the other rights Buyer may have under this Agreement.
4. Provides a safe and healthy work environment, including adequate feeding, accommodation and sanitary conditions;
5. Respects the right of all employees to form or associate with unions, as well as to negotiate collectively, ensuring that there is no reprisals;
6. Does not practice any action and/or circumstance that creates distinctions between individuals, that compromises equal treatment and / or that favors the exclusion and degradation of the dignity and rights of the individual according to their race, skin color, ethnic origin, nationality , social position, age, religion, gender, sexual orientation, personal aesthetics, physical, mental or psychological condition, marital status, opinion, political belief, or any other individual differentiating factor, as well as does not practice acts of prejudice, threat, blackmail, false testimony, moral harassment and sexual harassment;
7. Promotes diversity, ensuring the respect for difference and equal opportunities in access, pay and promotion at work.
8. Does not practice and / or condone any form of sexual exploitation of children and adolescents, sensitizing its employees and Subcontractors to face this violence and disseminating, whenever possible, the local reporting channels, especially the Municipal Guardianship Councils and the Human Rights Dial – Dial 100;
9. Does not practice acts that constitute excessive force in the interaction between security forces, communities and workers;
10. Possesses and discloses a communication channel to receive, forward and respond to the comments of its employees, employees of subcontracted companies, surrounding communities, supply chain and other interested parties impacted by the performance of this Agreement. Seller also ensures that all statements are answered and that there is no retaliation for any type of statement received. If Buyer so requests, Seller shall disclose Buyer's approved communication channel, responding to the arising demands;
11. Evaluates the social risks of its activities pursuant to this Agreement in the surrounding communities, developing actions to identify, prevent and mitigate adverse impacts on human rights issues, such as: interference in indigenous peoples and traditional communities, in socially vulnerable groups, access to means of life and healthy environment, right to integrity and safe environment, land management and resettlement, among others;
12. Communicates to the surrounding communities the activities pursuant to this Agreement that impact their daily lives, in order to minimize impacts / risks, disorders and conflicts arising from the execution of the Scope of Supply;
13. Commits efforts to hire local labor;
14. Repairs the damages Seller causes to the communities during the performance of the activities pursuant to this Agreement.
    1. Seller shall defend, indemnify and hold Buyer harmless from liability in relation to any claims, damages, losses, sanctions of any nature, costs and expenses, arising from or related to any failure by the Seller to comply with the guarantees, obligations and statements provided for in this Article, including requiring the procedural exclusion of Buyer if applicable.
    2. If, during the execution or after the termination of this Agreement, a breach of any of the obligations or the truthfulness of the information contained in the declarations and guarantees provided by the Seller in this act or when requested by Buyer, pursuant to Article 29, is found, Seller will be responsible for compensating the damage eventually caused to Buyer due to this breach, including the fees, costs, attorney fees, interest, escrow deposits and administrative, civil or criminal sanctions to which Buyer is subject, with the consequent payment, reimbursement or compensation of the amounts disbursed by Buyer in its defense or with eventual conviction.
    3. Seller shall respond, promptly and in detail, with due documentary support, any notification from Buyer related to the commitments, guarantees and declarations provided for in this Article.
    4. Seller agrees to cooperate and assist the audit, verification or investigation conducted by Buyer, in relation to any alleged, suspected or proven non-compliance with the obligations of this Agreement by the Seller or by any of the members of the Seller Group.
    5. Seller shall provide, upon Buyer’s request, a written declaration signed by a legal representative, stating that Seller complied with the provisions of Article 29.

**ARTICLE  
30  
ADDITIONAL CONSIDERATIONS**

* 1. Duty to Perform. Each Party agrees that it is bound to perform its contractual duties hereunder even if events arising on or after the Proposal Submission Date have rendered performance of this Agreement more onerous or less commercially or financially advantageous to it than could reasonably have been anticipated at the Proposal Submission Date.

**ARTICLE  
31  
PROTECTION OF PERSONAL DATA**

* 1. In the processing of personal data for the performance of this Agreement, the Parties will act as independent or joint controllers, as applicable, for the purposes of the Lei Geral de Proteção de Dados Pessoais (Brazilian Law No. 13.709/18) - LGPD.
     1. The processing of personal data carried out by the Parties shall observe legitimate, explicit and specific purposes, strictly related to the execution of the object provided for in Section 1.1 – Object.
     2. For the performance of this Agreement, Buyer will process personal data related to the identification of the following category(ies) of subjects: Seller’s employees and service providers.
     3. For the performance of this Agreement, Seller will process personal data related to the identification of the following category(ies) of subjects: Buyer’s employees and service providers.
     4. The Parties hereby declare that they have a data governance plan for LGPD compliance, and a response plan for addressing any privacy/security incidents involving personal data.
  2. Each Party undertakes that it will not share any personal data obtained from the other Party with any third party without first obtaining such Party’s express written consent, except in cases where such sharing is either required in connection with the performance of the sharing Party’s obligations under this Agreement or otherwise required by Applicable Law. Each Party undertakes to notify the other, within a reasonable time, of any personal data shared with a third party without having first received the express written consent of the Party from which such data was obtained, except in cases where such notification is prohibited by Applicable Law.
     1. Each Party is responsible for the misuse of personal data by its employees or service providers, as well as for any failures in the systems used by them for the processing and safeguarding of personal data.
  3. The Parties shall adopt technical, legal and administrative security measures capable of protecting personal data from unauthorized access or any form of inappropriate or unlawful processing, considering the nature of the information processed, the specific characteristics of the processing and the current state of technology, observing the standards defined by the National Data Protection Authority (ANPD) and the provisions of applicable privacy and data protection legislation, without prejudice to the obligations related to information security and data confidentiality applicable to the Parties as a result of this Agreement.
     1. Any data security incidents, including but not limited to attacks by hackers and/or intrusions of any nature and/or technical vulnerabilities that expose or have the potential to expose personal data processed as a result of this Agreement, shall be immediately communicated in writing by the Party responsible for the custody of the data to the other Party. The Party responsible for storing the data shall keep all records (including logs, metadata and other evidence of the incidents) and inform the other Party of the measures taken in response and any personal data affected.
  4. The Parties shall record the personal data processing activities that they carry out, as required by article 37 of the LGPD.
     1. The record of processing activities (RoPA) must observe the standards defined by ANPD and identify and categorize each type of personal data processed.
  5. Each Party undertakes to address the requests of the personal data subjects directed to it, in accordance with the LGPD, and to cooperate with the other Party as needed to carry out any required data protection impact assessment (DPIA), investigate security incidents or address demands of a subject of personal data or the National Data Protection Authority (ANPD).
  6. Each Party shall be entirely and solely responsible for any violation of applicable privacy or personal data protection legislation resulting from the processing it performs, directly or through third parties, and shall reimburse the other Party for any fines, penalties or sanctions incurred by such Party as a result thereof, without regard to any liability or indemnity limitations specified elsewhere in this Agreement.
     1. If each Party has contributed to the violation of privacy or personal data protection legislation referenced in Section 31.6 above, each will bear a proportionate share of the liability in accordance with the percentage of responsibility for the violation attributable to it.
  7. Any international personal data transfer carried out by the Seller must comply with the provisions of Chapter V (INTERNATIONAL DATA TRANSFER) of the LGPD.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

By signing this Agreement and its Exhibits using the AdobeSign Application made available by Petrobras, the Parties acknowledge the legal validity of the AdobeSign electronic signature workflow used for this Agreement and its Exhibits, as well as any document related to the management of this Agreement, in accordance with the second paragraph of Article 10 of Brazilian Medida Provisória 2.200-2/01.

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PETRÓLEO BRASILEIRO S.A. – PETROBRAS

Name: XXX

Title: XXX

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

XXX

Name: XXX

Title: XXX

**WITNESSES:**

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

Name: XXX

Passport Number: XXX

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Name: XXX

Passport Number: XXX