



Enrolled with the Board Of Trade of the State of Rio de Janeiro under # 091

Av. Passos, 115/814

Rio de Janeiro – Centro

Tel: 2213-2985/2213-2986 e 2213-2987

e-mail: abps@abpstraducoes.com.br

#### Translation N° J2812/05

The document submitted for translation is a CONTRACT. --

#### PETRÓLEO BRASILEIRO S.A.

#### **PETROBRAS**

#### CONDITIONS OF MATERIAL SUPPLY

**CFM** 

#### **PETROBRAS**

CFM - 2005

#### **SUMMARY**

Part 1 – Purpose
Part 2 – Definitions
Part 3 – Use of Documents and Contractual Information
Part 4 – Industrial Property Rights
Part 5 – Supplier's Obligations and Liabilities
Part 6 – Petrobras' Obligations and Liabilities
Part 7 – Inspections
Part 8 – Packing for Transportation
Part 9 – Delivery
Part 10 – Property's Guarantee
Part 11 – Contractual Amendments





Part 12 – Assignment
Part 13 – Terms
Part 14 – Payments
Part 15 – Penalties
Part 16 – Termination of the Contract
Part 17 – Health, Safety and Environment – HSE
Part 18 – Corporate Liability
Part 19 – Prevailing Language
Part 20 – Applicable Law and Jurisdiction
ANNEX I – Bill of Lading Form
ANNEX II – International Bill of Lading Form
1 – PURPOSE
1.1 To set forth the conditions that regulate the supply of
Properties and Services Related to Petrobras
1.2 Whenever necessary, the CONTRACT may contain clauses
different from those Conditions, provided that it is previously
defined in the instrument of notice
1.2.1 – Whenever there is a divergence between a contractual
clause and its annexes, the CONTRACT shall prevail
2 – DEFINITIONS





2.1 – For simplifying purposes, following definitions shall be
adopted in these Conditions and all other contractual documents:
2.1.1 - Petrobras means the company of the PETROLEO
BRASILEIRO S.A. group purchasing the Property and Services
Related to this CONTRACT
2.1.2 - Requesting Unit means the Petrobras' Unit that requested
the purchase of the Property
2.1.3 - Receiving Unit means the Petrobras' Unit that shall
receive the purchased Property
2.1.4 – SUPPLIER means the company that shall directly supply
to Petrobras the Property and the Related Service in accordance
with the CONTRACT
2.1.5 - CONTRACT means the instrument of agreement entered
into between PETROBRAS and the SUPPLIER, including all the
documents and respective annexes attached thereto or therein
mentioned
2.1.6 – Property means every system, equipment or any material
that the SUPPLIER is committed to deliver to Petrobras, in
accordance with the CONTRACT
2.1.7 - Related Service means the supplementary service to the
Property supply, such as: installation, packing, technical





assistance, training and/or any other SUPPLIER'S obligation in
accordance with the CONTRACT
2.1.8 - Inspecting Body means Petrobras' Unit or a company
contracted by it in order to perform the manufacturing inspection
and to follow the Property's acceptance tests, as well as the
Related Services, in accordance with the CONTRACT
2.1.9 - Inspector means the physical person or the corporate
body appointed by Petrobras to perform the manufacturing
inspection and to follow the Property's acceptance tests, as well
as the related services in accordance with the CONTRACT
2.1.10 - Contractual Amount means the amount to be paid to the
SUPPLIER in accordance with the CONTRACT for the total
compliance with its contractual obligations
2.1.11 - Contract Manager means the person appointed by
Petrobras to perform the activities of follow up of the Parties'
contractual obligations
2.1.12 – Purchasing Unit means the Petrobras' Unit that executes
the purchase
2.2 – For the purposes of this CONTRACT, terms that determine
the delivery condition and other commercial terms used to
describe the parties' obligations shall have the meanings ascribed  Translation J2812/05 CB 4 ABPS Traduções





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to them in the edition in force on the date of proposal submission of the International Rules for the Interpretation of Commercial Terms published by the International Chamber of Commerce of Paris, normally known as "INCOTERMS". -----3 – USE OF DOCUMENTS AND CONTRACTUAL INFORMATION -----3.1 – SUPPLIER may not, without the previous written consent of Petrobras, disclose any specification, plant, drawing, sample or information furnished by Petrobras or on its behalf that appears in the CONTRACT to any person or entity that is not committed with the execution of the contractual scope.-----3.2 - SUPPLIER must not without the previous consent of Petrobras make use of any document or information mentioned in item 3.1 for any purposes other than those related to the CONTRACT's execution. -----3.3 – Documents mentioned in item 3.1, except for the proper CONTRACT Instrument, shall remain Petrobras' property and, if so requested, must be returned (with all the copies) upon the termination of the contractual obligations. -----4 – INDUSTRIAL PROPERTY RIGHTS -----





4.1 - Payment of royalties concerning trademarks and patents
licensed from third parties are the exclusive SUPPLIER'S
property, unless when the industrial drawings are in writing
supplied by Petrobras
4.2 - SUPPLIER shall release Petrobras and shall have the sole
liability for an eventual eviction resulting from third parties'
claims by virtue of violation of the patent, trademarks or
industrial drawing property rights as a consequence of the
Property utilization, except in the cases where the Property is
supplied in writing in accordance with the specifications
developed and/or supplied by Petrobras
5 – SUPPLIER'S OBLIGATIONS AND LIABILITIES
5.1 – SUPPLIER commits itself to:
5.1.1 - Supply and deliver the Property and to execute the
Related Service that is the CONTRACT'S object in the form,
within the term and quality that are stipulated herein and in its
annexes
5.1.2 – Assume within the limitations provided in the
CONTRACT full liability for the actions and omissions of its
employees, suppliers, and persons directly or indirectly employed
by them. No CONTRACT provision shall create a contractual Translation J2812/05 CB 6 ABPS Traduções

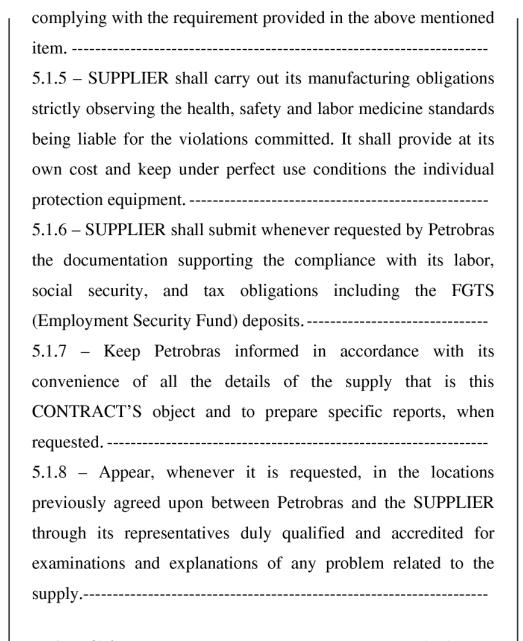




relationship between any subcontractor or subsupplier and
Petrobras
5.1.3 – SUPPLIER commits itself to pay to Petrobras the amount
that is imposed to it by virtue of eventual subsidiary or joint
eviction sentenced by the Judiciary or by the administrative
competent courts in relation to the default of labor, social
security, tax and fund (FGTS) obligations with respect to
SUPPLIER'S employees
5.1.3.1 - Such amount shall be accrued by all the expenses
incurred such as legal fees, attorney's fees and extrajudicial
costs, among others
5.1.4 - SUPPLIER commits itself to not employ in all the
activities related to this CONTRACT execution infantile labor
under the terms of Item XXXIII of article 7 of the Constitution of
the Republic, as well as to require that the mentioned measure is
adopted by the contracts entered into by the suppliers of their
industrial consumption materials and/or service suppliers, under
the penalty of CONTRACT termination
5.1.4.1 - SUPLLIER commits itself, whenever requested by
Petrobras, to issue a written statement that is has complied or is

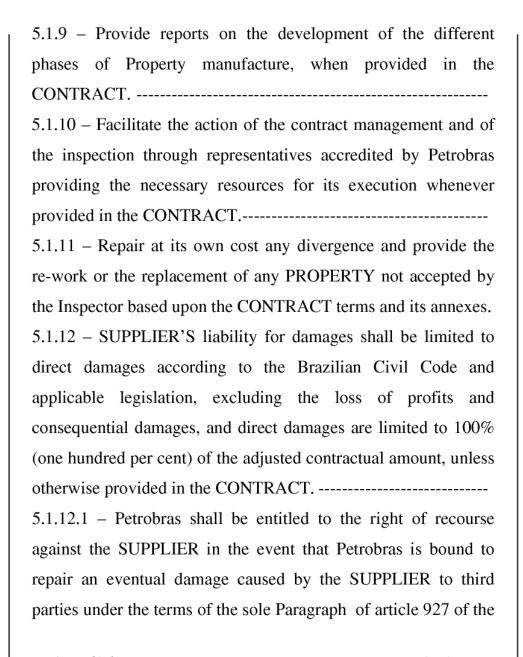
















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Civil Code not applying in this case the limit provided in item 5.1.12, unless otherwise provided in the CONTRACT. -----5.1.12.2 – Without prejudice to what is provided in item 5.1.12, SUPPLIER shall be liable for the costs of additional services necessary to repair, re-work or replacement of the Property resulting from its fault or willful misconduct in executing the CONTRACT, and the inspection of follow-up by Petrobras does not exclude or reduce this liability, taking into account the provision of item 10.3.1.----5.1.13 – Supply products in conformity with the requirements specified in the CONTRACT irrespective of the approval of documents and manufacturing inspection are held by Petrobras or by a company contracted for this purposes. In the event that products supplied are non-conforming the immediate replacement of the same shall be arranged, and SUPPLIER shall be liable for all the costs related thereto. -----5.1.14 – When the Property has been manufactured using raw material supplied by Petrobras SUPPLIER shall submit the accounting relating to the application of the raw material as defined in the CONTRACT. -----





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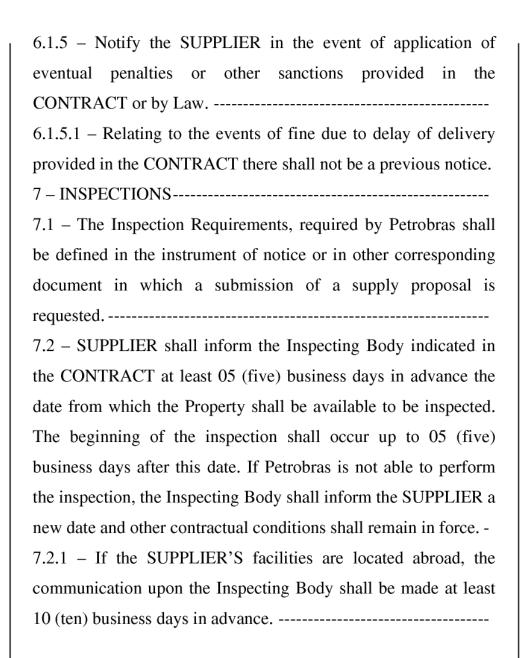
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5.1.14.1 - The rendering of accounts shall be accompanied by a

list of bills of sale relating to the raw material that was received
and the finished product indicating the respective dates, weight
and quantity of material per bill of sale.
5.1.14.2 – Any and all rest of raw material supplied by Petrobras
shall be made available for it
6 – PETROBRAS' OBLIGATIONS AND LIABILITIES
6.1 – Petrobras commits itself to:
6.1.1 - Make the payments established as defined in the
CONTRACT
6.1.2 - Provide within the term defined in sub-item 7.2 the
Property inspection at SUPPLIER'S factory when provided in
the CONTRACT, as well as all the releases for the shipment
6.1.3 – Provide the necessary import documentation, as well as
the payment of port fees, customs cost and tax obligations in
Brazil in the case of a Property directly acquired by Petrobras
abroad
6.1.4 - Cooperate with the SUPPLIER in the extent of its
possibilities and without assuming any charges, whenever so
requested, in the study and interpretation of the technical
documents         Translation J2812/05         CB         11         ABPS Traduções

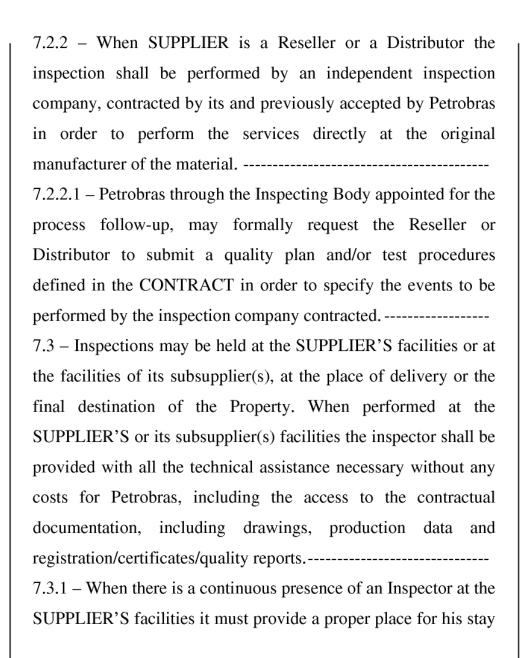
















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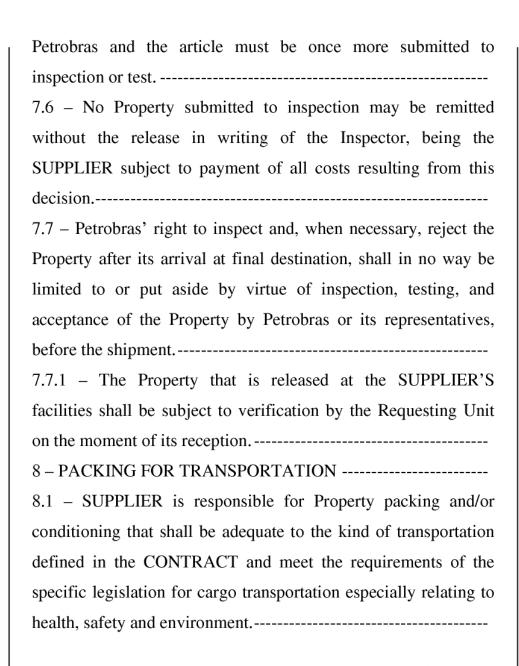
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within its installations taking into account SUPPLIER'S internal

7.3.2 – If the inspection is not performed due to SUPPLIER'S exclusive responsibility, or if a new inspection is necessary by virtue of Property's rejection in a previous inspection, it shall reimburse Petrobras the costs relating to the Inspector, or his representatives, presence in its installations including the eventual costs of displacement and lodging. -----7.4 – In order to perform any and all inspection phases, SUPPLIER shall submit to Inspector the drawings and documents certified by Petrobras pursuant to which the Property is being manufactured and, depending on the contractual conditions, the documents and drawings must be previously approved by Petrobras or by a company that is for that purpose contracted. ----7.5 -If any Property that is inspected or submitted to a test does not meet the Material Requirements, Applicable Rules or Contractual Inspection Requirements, Petrobras is entitled to reject it and SUPPLIER must replace the rejected Property or perform any and all modifications necessary in order to meet such requirements without any additional costs incurred by Translation J2812/05 ABPS Traducões 14















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hereunder shall apply to each delivered installment. When the delivery, due to transportation convenience, is to be made in installments, it shall be considered as the date of delivery the date relating to the last installment. -----9.3 – The document that makes the Property of a CONTRACT available for transportation is: -----9.3.1 – In the events of delivery FCA-SUPPLIER and CIP-CARRIER: The Bill of Lading (AE) which model is attached hereto as ANNEX I and that may be replaced by any other document issued by the SUPPLIER that characterizes the availability of the Property and informs all the data necessary for transportation by Petrobras. -----9.3.2 – In the events of delivery FCA-SHIPMENT AIRPORT and FOB-SHIPMENT PORT: The International Bill of Lading (AEI) which model is attached hereto as ANNEX II and that may be replaced by any other document issued by the SUPPLIER that characterizes the availability of the Property and informs all the data necessary for transportation by Petrobras.. ------9.3.3 – In the events of delivery EX-WORKS: The Bill of Lading (AE) or the International Bill of Lading the models of which are attached hereto respectively in ANNEX I and II and that may be Translation J2812/05 ABPS Traducões 17



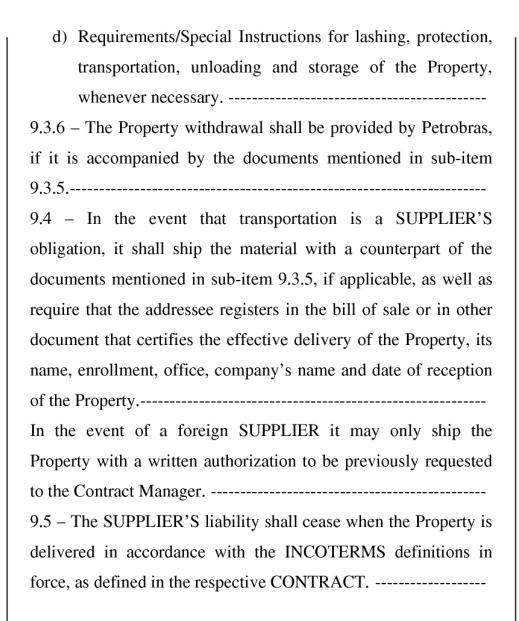


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replaced for by any other document issued by the SUPPLIER that characterizes the availability of the Property and informs all the data necessary for transportation by Petrobras... 9.3.4 – If the Property, due to SUPPLIER'S liability, may not be shipped on the date by it indicated and informed to Petrobras, SUPPLIER shall bear all the costs resulting from the idle displacement of the carrying vehicle or the unreasonable shipment delay. -----9.3.5 – SUPPLIER shall deliver to Petrobras Unit in charge of the CONTRACT management the AE or the AEI duly filled in followed, when applicable, by a counterpart of the documents below: ----a) Communication of Material Release (CLM) or material acceptance report (for a Property acquired abroad) for the Property subject to inspection;----b) Certificate of the classifying society for the Property subject to naval classification; ----c) Emergency card or "Material Safety Data Sheet" (for the Property acquired abroad), if the Property is a controlled chemical product, product (dangerous radioactive, etc.). ------Translation J2812/05 ABPS Traducões 18

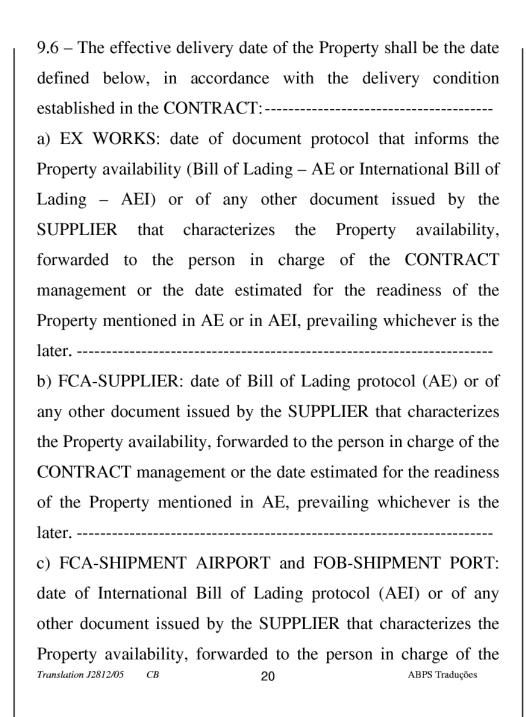
















CONTRACT management or the date estimated for the readiness
of the Property mentioned in AEI, prevailing whichever is the
later
d) CPT- DESTINATION AIRPORT: date of issuance of the
"AIR WAYBILL – AWB".
e) CFR-DESTINATION PORT: date of issuance of the "BILL
OF LADING"
f) CIP-Petrobras and CIP-THIRD PARTIES: date of issuance of
the bill of transportation supplied by the Carrier
g) CIP-CARRIER: date of issuance of the bill of transportation
supplied by the Carrier indicated by Petrobras
h) DDU (designated location) - it is the date of Property
delivered at the location defined in the CONTRACT, registered
in legible form in the bill of sale by the person who received the
Property, who in addition to the date must register (in a legible
form) in the same bill of sale his name, enrollment, the office,
company's name and the date of Property reception
i) DDP (designated location) - it is the date of Property delivered
at the location defined in the CONTRACT, registered in legible
form in the bill of sale by the person who received the Property,
who in addition to the date must register (in a legible form) in the Translation J2812/05 CB 21 ABPS Traduções





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same bill of sale his name, enrollment, the office, company's

name and the date of Property reception
10 – PROPERTY'S GUARANTEE
10.1 – SUPPLIER shall guarantee the quality of the Property for
a period of 12 (twelve) months after the date on which Property
begins to operate or 18 (eighteen) months from the date of
delivery, prevailing whichever occurs first, unless another period
of time is established in the CONTRACT
10.1.1 - The guarantee period shall be interrupted on the date of
notice of divergence by Petrobras, being resumed when the
Property is under perfect conditions of use
10.2 - The guarantee comprises the recovery or replacement, at
the SUPLLIER'S costs, including transportation from the
location where the Property was delivered up to the
SUPPLIER'S facilities of any component or equipment that
present a divergence of characteristics or any design errors and
manufacturing defects
10.3 – If, during the guarantee period, any defects or divergences
in Property1s characteristics are verified, Petrobras shall
communicate the fact in writing to SUPPLIER agreeing upon the
period of time to correct the defects and delete the divergences  Translation J2812/05 CB 22 ABPS Traduções





10.3.1 – When SUPPLIER is not able to correct the defects,
Petrobras may perform the necessary repairs directly or through
third parties, at the SUPPLIER'S costs and upon its previous
authorization
11 – CONTRACTUAL AMENDMENTS
11.1 - Petrobras may at any time upon written agreement with
the SUPPLIER perform amendments to the CONTRACT scope
in one or more of following circumstances:
a) alteration of the quantity of any item;
b) alteration of the project, specification or of the requirement of
manufacturing inspection;
c) alteration of the delivery condition;
d) alteration of delivery location;
e) alteration of the Related Service;
f) extinction of alteration of taxes or charges incident on the
contracted prices
11.2 – If any of these modifications causes a change in any of the
unitary contracted prices or in the delivery schedule, SUPPLIER
shall within 30 (thirty) days upon the receipt of the modification
request submit to the CONTRACT manager the respective
reflexes for evaluation and approval  Translation J2812/05 CB 23 ABPS Traduções





11.2.1 – Any and all modification of the supply scope may only
be executed upon analysis and agreement between SUPPLIER
and Petrobras
11.2.2 - Approval by Petrobras shall allow that SUPPLIER
effects the modifications defined, and the CONTRACT shall be
amended incorporating the respective modifications
12 - ASSIGNMENT
12.1 - SUPPLIER may not assign, in whole or in part, the
CONTRACT, unless upon previous and written authorization
from Petrobras
12.2 - SUPPLIER may not assign nor pledge, at any title, in
whole or in part, the credits of whatever nature, resulting or
arising from the CONTRACT, unless upon previous and written
authorization from Petrobras. The authorization shall obligatorily
states that Petrobras opposes to the assignee all the exceptions
that it is entitled to, expressly mentioning that payments to
assignee are subject to the compliance by the assignor of all its
contractual obligations
13 – TERMS
13.1 – The delivery terms shall be counted in consecutive days,
from the date defined in the CONTRACT
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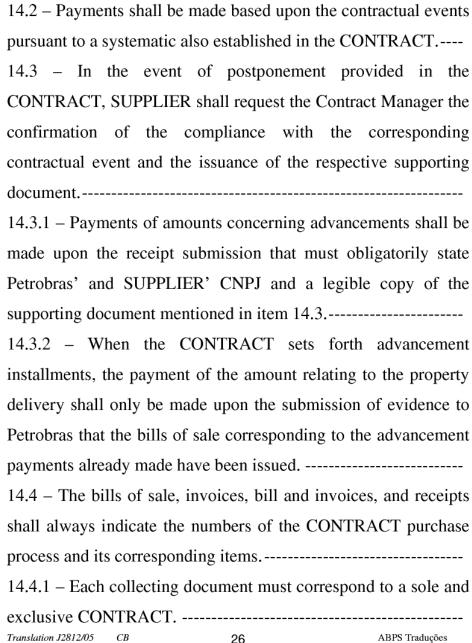




13.2 - The eventual delays from subcontractors or subsuppliers
shall be the exclusive responsibility of the SUPPLIER
13.3 - SUPPLIER may request for analysis by Petrobras
extension of the delivery term, due to force majeure, acts of God,
or fair reasons
13.4 - Notwithstanding the contractual terms adjusted, the legal
effects of the CONTRACT shall continue for up to 180 (one
hundred and eighty) days after its termination date
14 – PAYMENTS
14.1 - The Property and the Related Service acquired shall be
paid by Petrobras upon their delivery, whether total or partial, 30
(thirty) consecutive days from the date of the protocol of delivery
of the collecting documentations at the locations indicated in the
CONTRACT
14.1.1 – Payments to suppliers shall be preferably made through
the payment of securities by means of collection registered with
banks that perform the electronic issuance of securities using the
CNAB-240 standard (Febaban). The payments made through
DOC shall be paid in D + 1
When the payment is not made by means of a Bank Form, 1
(one) day will be added to the term  Translation J2812/05 CB 25 ABPS Traduções











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14.5 – The invoice, bill of sale, bill or receipt must obligatorily

mention the	SUPPL	ER'S b	ank dat	a, the b	ank r	number, the
branch and the current bank account and the name of the drawee						
if it is not the supplier itself						
14.6 – Follo	wing	documen	ıts shal	1 be su	ıbmitte	ed for the
qualification	to pay	ment a	t the	location	defin	ned in the
CONTRACT:	1 0					
DOCUMENTATION DELIVERY CONDITION FOR						
PAYMENT	EX	FCA	CIP	CIP	CIP	DDP
QUALIFICATION	Works	Supplier	Carrier	Petrobras	Third Parties	Addressee
Invoice / Bill of Sale or Invoice-Bill.	X	X	X	X	X	X
Receipted Invoice or other document issued by Petrobras attesting the effective delivery of the Property.			X	X	X	X
Bill of Lading (AE) with the Protocol of Translation J2812/05	X CB	X	x 27		A	BPS Traduções





its receipt by Petrobras, or other						
document that						
characterizes the						
availability of the						
Property for						
transportation.						
Evidence of Delivery	X	X	x	X	X	X
of the Property to the						
Carrier.						
Communication of	X	X	X	X	X	X
Material Release						
(CLM), when the						
Property is subject to						
inspection.						
In the events of sub-						
item 14.3.2, a						
counterpart of the	X	X	X	X	X	X
supplementary Bills						
of Sale corresponding						
to amounts already						
paid upon receipt, if not included in the						
delivery invoice.						
denvery invoice.						
Supporting						
Translation J2812/05	СВ		28		ABP	S Traduções





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Document of the	X	X	X	X	X	X
compliance with the						
requirements bound						
to payment of the						
event of the Property						
delivery (delivery of						
technical						
documentation,						
manuals, etc) to be						
obtained with the						
Petrobras Unit in						
charge of the						
CONTRACT						
management.						

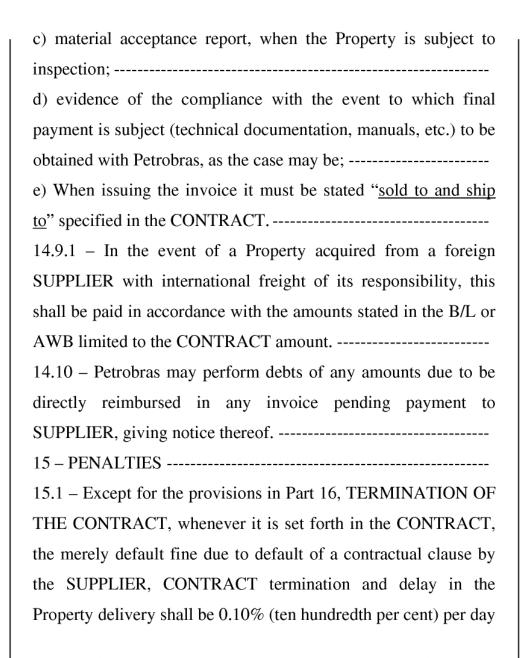




14.6.2 – In the events when the Requesting Unit and the
Purchasing Unit are the same, the material delivery followed by
the Bill of Sale will be enough for processi8ng the payment
14.7 – The non-compliance with the requirements above
mentioned shall imply the return of the collecting documentation
within 05 (five) business days from the date of receipt and new
counting for the payment term when it is submitted again, and in
no way shall be paid any additional amount as a financial
compensation
14.8 - CONTRACTS that provide for a price adjustment shall be
entitled thereto, taking into consideration the Adjustment and
Payment Conditions of Petrobras - CRP defined in the
instrument of notice and in the CONTRACT
PROPERTY ACQUIRED IN EXTERNAL MARKET
14.9 - For the Property payment, SUPPLIER shall provide a
copy of following documents:
a) COMMERCIAL INVOICE describing the Property,
quantities, unitary price and total amount, as well as the origin
certificate, if applicable;
b) B/L - BILL OF LADING or AWB-AIRWAY BILL and
annexes;
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on the Property amount that is the object of default, termination
or delay
15.1.1 - The Property and Related Service amount on which the
fine is incurred shall always be its respective adjusted price, and
if applicable, accrued by the incident charges, such as: taxes,
freights, and rates
15.1.2 – In the event of default of contractual clause and delay in
Property delivery, the total fine amount shall be limited to 10%
(ten per cent) of the total CONTRACT amount, adjusted as the
case may be, accrued by the incident charges, such as: taxes,
freights, and rates, etc, excluding the loss of profits and indirect
costs, as established in the Brazilian legislation in force
15.1.3 – In the event of contract termination the fine amount shall
be limited to the total CONTRACT amount, adjusted as the case
may be, excluding the incident taxes
15.2 - For the purposes of fine application, the Property that is
supplied and does not comply with the CONTRACT provisions
shall be considered as non-delivered
15.3 – The amount of the fine applied shall be debited from the
respective Property invoice or from any other that is under





payment process to the SUPPLIER by Petrobras, which shall
inform this decision
15.4 – The date of effective Property delivery for the purposes of
fine application is as defined in sub-item 9.6
15.5 - In the event of CONTRACT termination due to reasons
inherent to SUPPLIER, as described in sub-item 16.1, the period
to be considered in the calculation of the fine amount shall be
that comprised between the date of CONTRACT execution and
the formalization of the termination
15.6 - Any SUPPLIER'S delay without being duly excused by
Petrobras in the execution of its obligations shall cause the
application of any of the following sanctions, besides those
provided by law:
a) execution of eventual contractual performance guarantees;
b) fine application;
c) CONTRACT termination due to default, and fine application;
d) registration sanctions
15.7 - If SUPPLIER incurs in delay when correcting defects and
eliminating the divergences verified in the characteristics of the
Property it will be subject to the suspension, cancellation,





withdrawal from the registry penalties or impossibility to
contract with Petrobras
16 – TERMINATION OF THE CONTRACT
16.1 - Petrobras may, without prejudice of other contractual
penalties, upon previous 30 (thirty) day notice to SUPPLIER
terminate the CONTRACT, in whole or in part, in following
circunstances:
16.1.1 - The non-compliance or the irregular compliance with
the contractual clauses, specifications, projects or terms
16.1.2 – The slowness to comply with the CONTRACT leading
Petrobras to evidence the impossibility to complete the supply of
the Property or Related Service, within the stipulated terms
16.1.3 - Unreasonable delay to begin the Property or Related
Service supply
16.1.4 - Property or Related Service supply stoppage without
reasonable cause and notice to Petrobras
16.1.5 - Total or partial subcontracting of the CONTRACT'S
object, the SUPPLIER'S association with another, the
assignment or transfer, in whole or in part, as well as the merger,
split-off or incorporation, except if allowed in the bidding and in
the CONTRACT
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16.1.6 - The non-compliance with the regular determinations of
Petrobras' representative appointed to manage the
CONTRACT'S execution, as well as those of his chiefs
16.1.7 – The repeated commitment of faults in the
CONTRACT'S execution, duly annotated in proper registration.
16.1.8 – Adjudication of bankruptcy
16.1.9 – Winding up of the company
16.1.10 - Amendment of the articles of association or the
modification of the company's objects or structure that
prejudices the CONTRACT'S execution
16.1.11 – The occurrence of acts of God or force majeure events,
regularly proven, that hinder the CONTRACT'S execution
16.2 - In the event that Petrobras terminates part of the
CONTRACT, SUPPLIER shall continue to execute it in relation
to the non-terminated part of the same
16.3 - Petrobras may, at any time, terminate the CONTRACT
upon written notice to SUPPLIER, without any compensation, if
SUPPLIER is adjudicated bankrupt, is wound up, or otherwise
becomes insolvent, without prejudice to any other right, action or
recourse that might have resulted or that may result to Petrobras'
benefit





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16.4 – CONTRACT may further be cancelled by Petrobras for its convenience, upon previous notice given at least 30 (thirty) days in advance. In this case, SUPPLIER shall be paid, upon duly evidence, the amount corresponding to the part already executed of the order, including the project, and the amount of material specifically dedicated to Petrobras, which order may not be cancelled by the SUPPLIER, which amounts correspond to the respective original prices, accrued by the adjustments due on the date of termination. The materials and projects that are paid by Petrobras shall become its property. -----16.5 – CONTRACT may further be terminated upon following conditions: -----16.5.1 – Reasons of public interest, high relevance and wide knowledge, duly justified and determined by Petrobras and drawn up in the proceedings to which the CONTRACT refers.---16.5.2 – Suspension of its execution by written order from Petrobras, for a period of time exceeding 120 (one hundred and twenty) days, except in the case of public calamity, serious disturbance of the internal order or war.-----16.5.3 – Delay exceeding 90 (ninety) days for the payments due by Petrobras resulting from supply or any installment of the Translation J2812/05 ABPS Traduções 36





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supply already received or executed, except in cases of public calamity, serious disturbance of the internal order or war, the contractor being entitled to suspend the compliance with its obligations until the situation is regularized.----16.6 – The CONTRACT may be terminated if the suppression by Petrobras of part of the contracted object causes a modification of the initial amount beyond the amount permitted by law.-----17 – HEALTH, SAFETY AND ENVIRONMENT – HSE. -----17.1 – SUPPLIER is liable for the acts of its employees and their consequences resulting from the inobservance of any laws, rules, and regulations of Industrial Safety, Occupational Health, and Environmental Protection in force in the country. -----17.2 – During the CONTRACT execution SUPPLIER may not allege that it is not aware of the Rules and Regulations of Industrial Safety, Occupational Health and Environmental Protection in force on the date of the proposal submission even if they are not attached hereto once this information is available for consultation in each operational segment of the Company.-----17.3 – SUPPLIER must perform its activities in a preventive manner protecting people and Environment, taking into account and restating following sub-items: -----Translation J2812/05 ABPS Traducões





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17.3.1 – SUPPLIER is responsible for and bound to supplying

free of costs the EPI to all its employees and in accordance with the provisions established in the Regulating Norm n° 6 of the Ministry of Labor and Employment – MTE. The selection and technical specification of the EPI must be defined by the SUPPLIER by virtue of the evaluation of risks pertaining to the services performed, which must be efficient and able to guarantee the preservation of the employees' health from the risks of the working environment in which they are developed and levels to which they may be exposed. All EPI must have the stamp of the number of the Certificate of Approval (CA) attached thereto. ----17.3.2 – SUPPLIER is in charge of preparing and complying with the Program of Prevention of Environmental Risks (PPRA), Program of Medical Control of the Occupational Health (PCMSO) pursuant to NR-9 of its personnel and of the personnel of its subcontractor(s). -----17.3.3 – SUPPLIER, if in charge of handling and transportation of dangerous material, whether directly, whether by means of third parties, must assure that the legal requirements and regulations applicable shall be complied with. It is hereby outlined the need to comply with the Decree 96.044 of May 18, Translation J2812/05 ABPS Traduções 38





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1988 and its regulation published in the Federal Official Gazette

(DOU) of May 19, 1988, and Directive n° 204/MT of May 26, 1997 issued by the Ministry of Transportation, and Decree 4.097 of January 23, 2002.-----17.3.4 – The vehicles used by the SUPPLIER may only transit within the internal areas of Petrobras since they abide by the National Traffic Code. In operational segments, SUPPLIER must abide by the instructions provided in the Petrobras Emergency 18 - CORPORATE LIABILITY-----18.1 – To assure and demonstrate through objective evidences at any time when requested by Petrobras, the commitment to meet the premises provided in a process of Corporate Liability Management, based upon Norm SA 8000. -----18.2 – To comply with the applicable legislation, as well as respect the international instruments mentioned in CONTRACT. If any non-compliance is verified, to adopt measures aiming its prompt correction.----18.3 – To continuously improve the conditions of the working places so that they are even safer and healthier, not allowing





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situations of serious and imminent danger or that may cause damages to human beings health and to the environment. -----18.4 – To furnish all the necessary information to those involved in all the supply chain of the contracted products, allowing the handling and use of the same in a safe manner during its life 18.5 – Not allow the practice of infantile labor, forced work or disciplinary measures such as physical, mental, psychological, hierarchic coercion, oral abuse and other non-ethical duress. -----18.6 – To assure the non-existence of any kind of discrimination (race, social class, nationality, color, religious, sex, sexual orientation, association to unions, political party, etc.). -----18.7 - To act so that its subsuppliers, partners, and subcontractors commit themselves to comply with the requirements of Norm SA 8000.----18.8 – To assure the documented publication for all its employees of the corporate liability policy adopted by the Company. -----19 – PREVAILING LANGUAGE -----19.1 – The CONTRACT shall be expressed in Portuguese language, and an English version may be adopted for the Translation J2812/05 ABPS Traducões 40





purposes of its execution. In any event, the Portuguese text shall
prevail, and this language must be used in all the documentation
resulting from the CONTRACT that may be issued by the
parties, except for the technical specifications that may be in
English
20 – APPLICABLE LAW AND JURISDICTION
20.1 - The construction and application of the CONTRACT
terms shall be in accordance with the Brazilian laws and the court
of the head office of the Unit that has executed the purchase shall
have jurisdiction and competence on any controversy resulting
from the CONTRACT, including the execution of any
arbitration, constituting the elected jurisdiction, which shall
prevail over any other, even if a more privileged one
PETRÓLEO BRASILEIRO S.A. – PETROBRAS
CONDITIONS OF MATERIAL SUPPLY (CFM 2005)
Form of Bill of Lading – AE
ANNEX I
SUPPLIER'S STATIONERY (4 COUNTERPARTS)
TO:
PETRÓLEO BRASILEIRO S.A. – PETROBRAS
(Address of the Purchasing Body mentioned in the Contract)  Translation J2812/05 CB 41 ABPS Traduções





- Provisional - Definitive					
Bill of Lading N $^{\circ}$ Date:					
Ref.: PCM AFM/AEM					
AEM					
- FCA-SUPPLIER - CIP-CARRIER					
We inform you that the material purchased by referred document					
is ready to shipment, and must be taken from//_ on at					
following address:, City:,					
State:, Contact Person:,					
Telephone :, Fax:					
SUPPLY DETAILS					
1 – Amount: R\$, including IPI					
2 – Discrimination of the Material:					
3 - Material inspected and approved on/ CLM					
N°					
4 – Items supplied and quantities:					
5 - Total gross weight: (kg) and net weight:					
(kg)					
6 - Total number of packages: Numbered from					
to					





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7 - \_\_\_\_\_Boxes; \_\_\_\_\_ Crates; \_\_\_\_\_ Not

Bound;Bound						
8 - Material/Load (dimensions in mm and weight in kg, per						
package):						
Packages	Packages	Packages				
measuring:	measuring:	measuring:				
Length:	Length:	Length:				
Width:	Width:	Width:				
Height:	Height:	Height:				
Gross weight per	Gross weight per	Gross weight per				
package:	package:	package:				
Allows overlapping	Allows overlapping	Allows overlapping				
ofpackages	ofpackages	ofpackages				
9 – Additional recommendations to Carrier (shipment time, capacity/day, previous notice for shipment schedule, requirements/special instructions for load lashing/protection, transportation, unloading, storage, etc.):  NOTE: Item 3 only refers to material subject to inspection.  Attach copy of the Communication of Material Release without which its removal may not be provided						
Translation J2812/05 CB						





	(Signature of the supplier's authorized
representative)	
PETRÓLEO BRASILEIR	RO S.A. – PETROBRAS
CONDITIONS OF MAT	ERIAL SUPPLY (CFM 2005)
	ANNEX II
SUPPLIER'S STAT	CIONERY (2 COUNTERPARTS)
TO:	
PETRÓLEO BRASILEIR	RO S.A. – PETROBRAS
(Address of the Purchasin	g Body mentioned in the Contract)
International Bill of Ladir	ng N°
Date:	
Ref.: PCM	AFM
AEM	
1 – IDENTIFICATION O	F THE MATERIALS/LOAD:
ITEM AFM/AEM QUANTITY SHO	ORT DESCRIPTION TAX CLASSIFICATION AMOUNT





3 – LOAD (DIMENSIONS IN MM AND WEIGHT IN KG, PER			
PACKAGE):			
Packages	Packages	Packages	
measuring:	measuring:	measuring:	
Length:	Length:	Length:	
Width:	Width:	Width:	
Height:	Height:	Height:	
Gross weight per	Gross weight per	Gross weight per	
package:	package:	package:	
Allows overlapping	Allows overlapping	Allows overlapping	
ofpackages	ofpackages	ofpackages	
4 – TRANSPORTATION:			
Condition of the AFM delivery:			
Destination Port/Airport:			
5 – SUPPLIER:			
Corporate Name:			
Address:			
Contact Person:			
Telephone Number:			
Fax Number:	 45	ABPS Traduções	





6 – SUPPLIER'S REPRESENTATIVE:
Corporate Name:
Contact Person:
Telephone Number:
Fax Number:
Yours Truly,
(Signature of the supplier's authorized
representative)