

## **LENIENCY AGREEMENT SIGNED BETWEEN BRAZILIAN AUTHORITIES, PETROBRAS AND SBM OFFSHORE**

15 July 2016

The Ministry of Transparency, Oversight and Control (Ministério da Transparência, Fiscalização e Controle – “MTFC”), the Public Prosecutor’s Office (Ministério Público Federal – “MPF”), the General Counsel for the Republic (Advocacia Geral da União – “AGU”), Petróleo Brasileiro S.A. – Petrobras (“Petrobras”) and SBM Offshore, signed a settlement agreement (“Settlement Agreement”) today that closes out the inquiries of the MPF, the MTFC and Petrobras into the payment of undue advantages to employees of Petrobras. The MTFC investigation was suspended as a result of the execution of a Memorandum of Understanding between the MTFC and the SBM Offshore in March 2015. Following the execution of the Memorandum of Understanding, SBM Offshore, the MTFC, the MPF, the AGU and Petrobras engaged in negotiations which resulted in the signature today of the Settlement Agreement.

Under the terms of the Settlement Agreement, SBM Offshore is granted, by the MTFC, the MPF, the AGU and Petrobras, full discharge and exemption from legal actions for all matters related to or arising from any acts relating to its then main Brazilian agent and his companies over the period 1996 – 2012 and all related investigations conducted by Petrobras, the MPF and the MTFC.

The Settlement Agreement provides for Petrobras and SBM Offshore to resume normal business relationships and confirms that SBM Offshore will be invited to participate in Petrobras' tenders, on an equal basis with other contenders.

The terms for final settlement negotiated between the Parties are made up as follows:

cash payment by SBM Offshore totalling US\$ 162.8 million, of which US\$ 149.2 million will go to Petrobras, US\$ 6.8 million to the MPF and US\$ 6.8 million to the Council of Control of Financial Activities (Conselho de Controle de Atividades Financeiras – “COAF”), for the implementation of units for massive electronic process of information and other instruments to be used in the prevention and combat against corruption by the MPF and the COAF. This amount will be paid in three instalments. The first instalment of US\$142.8 million will be payable as of the effective date of the Settlement Agreement. The two further instalments of US\$10 million each will be due respectively one and two years following the effective date of the Settlement Agreement; and a reduction of 95% in future performance bonus payments related to FPSOs Cidade de Anchieta and Capixaba lease and operate contracts, representing a nominal value of approximately US\$ 179 million over the period 2016 to 2030, or a present value for SBM Offshore of approximately US\$ 112 million.

SBM further remains under the obligation to cooperate with the procedures that may be conducted by the MTFC and the MPF against third parties, as developments of the case.

The implementation by SBM of improvements of its internal compliance program in relation to Brazil, in consultation with the MTFC, to whom SBM for three years following the effective date of the Settlement Agreement, will periodically report on matters addressed in the agreement. These arrangements do not affect the regular activities of the compliance departments of Petrobras and of SBM Offshore.

The Public Prosecutor’s Office shall submit the Settlement Agreement for approval of the Fifth Chamber for Coordination and Review and Anti-Corruption of the Federal Prosecutor Service, to the extent it is concerned.

The MTFC will additionally send the Settlement Agreement to the Federal Court of Accounts (Tribunal de Contas da União – “TCU”).

The Settlement Agreement constitutes the results of the institutional collaboration efforts between the MTFC, the AGU and the Federal Prosecutor Service of the State of Rio de Janeiro, which jointly conducted the negotiations, with a view to reaching the best solution for the case.