

PETROBRAS - PETROLEO BRASILEIRO SA  
Form 6-K  
April 03, 2014

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## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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### FORM 6-K

Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 of the  
Securities Exchange Act of 1934

**For the month of April, 2014**

**Commission File Number 1-15106**

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### PETRÓLEO BRASILEIRO S.A. - PETROBRAS

(Exact name of registrant as specified in its charter)

### Brazilian Petroleum Corporation - PETROBRAS

(Translation of Registrant's name into English)

**Avenida República do Chile, 65  
20031-912 - Rio de Janeiro, RJ  
Federative Republic of Brazil**  
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

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**Comments from the CEO**  
**Mrs. Maria das Graças Silva Foster**

Dear Shareholders and Investors, Our 2013 net income was R\$ 23.6 billion, a 11% rise from 2012's result. This rise was

influenced by higher fuel sale prices, due to three diesel and two gasoline price increases during the year, by the significant increase in oil products production at our refining facilities, by significant cost cutting and productivity boost as well as by the gains from asset sales.

Indeed, 2013 stands out for the successful implementation of our Structuring Programs, which by establishing new benchmarks for productivity and management of investment projects, imposed discipline in the use of the company's financial resources.

Notably, through PROCOP – Operating Expenses Optimization Program – we reached savings of R\$ 6.6 billion in 2013, far exceeding the R\$ 3.9 billion target set for the year. The sale of assets under PRODESIN – Divestment Program – contributed R\$ 8.5 billion to Cash Flow in 2013. Since this program was established in 2012, 21 transactions worth R\$ 23.4 billion in asset sales and financial restructuring have been made.

The Structuring Programs have also brought the benefit of avoiding capital expenditures in 2013, as is the case with PRODESIN, INFRALOG – Logistical Infrastructure Optimization Program – and PRC-Poço – Well Cost Reduction Program, which, combined, have led to CAPEX savings of R\$ 2.0 billion in the year.

We made further advances by establishing targets aimed at better positioning company personnel in order to meet the challenges of our Business and Management Plan. During the second half of 2013, we implemented Programa Mobiliza, which provided employees with 3,399 opportunities to move internally into areas that will require more personnel in the coming years, resulting in 1,133 voluntary transfers and consequently lower costs arising from new hires.

Another recently launched initiative was POP – Productivity Optimization Program, which resulted in the approval of the Voluntary Separation Incentive Plan, with voluntary enrollment until March 31, 2014. The plan covers eligible employees aged 55 or older and, in theory, can include up to 8.397 employees, approximately 10% of the company's personnel.

Our oil output in Brazil averaged 1,931 thousand bpd, down by 2.5% from the forecast, due to factors already discussed in my previous letter, which include delay of the Buoyancy Supported Riser Systems for FPSOs Cidade de São Paulo and Cidade de Paraty, the need to make changes to the subsea layout of the Papa-Terra/P-63 project, as well as the limited number of PLSVs (Pipe-Laying Support Vessels).

We would like to point out that these matters have already been resolved not only by the unprecedented delivery of nine production units in 2013, with the addition of 1,000,000 barrels per day in capacity, but mainly by the successful installation of the first buoy on FPSO Cid. São Paulo and of the first well interconnected to this gathering system, which went







into operation on February 18th, currently producing 36 thousand barrels per day and allowing the presalt production to achieve a new daily record of 407 thousand barrels per day on February 20th. Platforms P-63 and P-55 went into operation in November and December 2013, respectively, and units P-58 and P-62 will begin production in the first and second quarter of 2014 respectively. Six new PLSVs will be delivered in 2014, adding to the 11 vessels of this type that are currently in operation, enabling faster well to platform interconnection.

Improvement in the operational efficiency of older systems was another relevant factor in achieving the result. PROEF – Campos Basin Operational Efficiency Improvement Program – contributed 63 thousand bpd in additional oil output in 2013. Operational efficiency reached 75% at the Campos Basin Operational Unit (against 66% in April 2012) and 92% at the Rio Operational Unit (against 82% in September 2012).

The Petrobras Executive Board has made the implementation of these programs a top priority and, as shown, program results have significantly contributed to the achievement of the 2013 economic/financial result.

Sustained output growth in 2014 will not only count on necessary investments to maintain older and new systems – wells, submarine equipment and top-sides, but it will also count on the start-up of two new production units in the second half of the year, FPSOs Cidade de Ilhabela and Cidade de Mangaratiba.

As for exploration, our proven reserves in Brazil reached 16 billion barrels of oil equivalent, with a reserves-to-production of 20 years and a reserve-replacement ratio of 131%, above 100% for 22 years in a row. Proven reserves in the pre-salt grew by 43% in 2013. Our exploratory success rate was 75% in 2013, reaching 100% in the pre-salt, already reflecting the Exploratory Policy implemented last year, which prioritizes less-risky locations and allocates more resources to production development activities. In 2013, prospecting and drilling expenses (dry wells) were R\$ 6.1 billion, down 14% from R\$ 7.1 billion in 2012.

As for the quantification of our production curve as of 2020, I would like to stress the excellent outcome in the auction of Libra field, the first to be developed under the production sharing agreement in Brazil, where we will work in partnership with Shell, Total, CNPC and CNOOC, companies with recognized experience and financial soundness.

In Refining, we continue to operate with excellent efficiency levels, which have led to an average oil products production of 2,124 thousand bpd, up by 6% from 2012's output of 1,997 thousand bpd, notably due to higher gasoline (+53 thousand bpd) and diesel (+68 thousand bpd) production and a 97% utilization factor, against 94% reported in 2012.

This new operating parameter was achieved by the improved performance of our refineries resulting from the start-up of new units of quality and conversion since 2012, as well as the optimization of refining processes and removal of infrastructural bottlenecks in the movement of oil and oil products. In January 2014, Petrobras also began selling ultra-low sulfur gasoline (Gasoline S-50), a product whose quality is equivalent to that of the strictest markets in the world. This will allow new vehicles containing modern emission treatment technologies to enter the Brazilian market.





This notable performance of the refineries enabled a decline in the imported volumes of diesel (from 190 thousand bpd in 2012 to 174 thousand bpd in 2013) and gasoline (from 87 thousand bpd in 2012 to 32 thousand bpd in 2013), the latter also due to the higher anhydrous ethanol content in gasoline C.

New records were established in natural gas sales and electricity generation due to higher natural gas demand of 85 million m<sup>3</sup>/day in 2013, up by 15% from 2012. Petrobras-supplied thermoelectric generation was 7.5 GW/average, up by 66% from 2012.

I reiterate that the company's excellent operational results were achieved by rigorously complying with standards and maintenance procedures at its facilities, ensuring the physical integrity of personnel and equipment. As a result, in 2013 we achieved the lowest reportable incident rates ever in the company's history, which includes fatal accidents and spills, despite growing man-hours of exposure to risk.

Another important measure also adopted in 2013 related to foreign exchange was the extension of Hedge Accounting to future exports, enabling foreign exchange gains or losses related to net indebtedness exposed to foreign exchange variation to be recorded in stockholders' equity and transferred to the financial result as exports are made. This measure promotes greater alignment between accounting results and our risk management policy, mitigating sudden oscillations on the financial result due to foreign exchange volatilities, which could not appropriately reflect the company's economic performance in a given period.

Regarding our Diesel and Gasoline Price Policy, its effectiveness has been assessed on a monthly basis by our Board of Directors, according to the Relevant Fact released on November 29th, 2013.

Additionally, I would like to notice that in the second half of 2013 we implemented the Corruption Prevention Program, reaffirming the commitment of the Petrobras Executive Board and of its employees with ethics and transparency at our organization. The program complies with both national and international initiatives against fraud and corruption, as well as with the laws of the countries where Petrobras operates, with positive impacts in the relations with all its stakeholders.

We are building a higher value company: training our employees, mastering the necessary technologies to implement projects, our relevant oil reserves and rising output in the short-run along with our continuous commitment to increase efficiency, productivity and capital discipline will lead us to achieve even better results. Rising share prices and ensuring a fair return to our shareholders is a natural consequence of fulfilling our obligations.

Maria das Graças Silva Foster

Chief Executive Officer



## INVITATION

**Date:** April 02, 2014

**Time:** 3PM

**Address:** auditorium of the Company's head office at Avenida República do Chile 65, 1st floor, in the city of Rio de Janeiro

Agenda items:

### Ordinary General Meeting

- I. Management Report and Financial Statements with the Fiscal Council's report, related to the year ended December 31, 2013;
- II. Capital budget related to year 2014;
- III. Distribution of the income of the year 2013;
- IV. Election of the Board of Directors' members;
- V. Election of the Board of Directors' President;
- VI. Election of the Fiscal Council's members and their corresponding substitutes;

### Extraordinary General Meeting

- I. Fixing of the managers' and the Fiscal Councils' compensation
- II. Capital stock increase
- III. Merger of Termoçu S.A. ("Termoçu") into Petrobras
- IV. Merger of Termoceará Ltda. ("Termoceará") into Petrobras
- V. Merger of Companhia Locadora de Equipamentos Petrolíferos – CLEP ("CLEP") into Petrobras





## NOTICE OF MEETING

The Board of Directors of Petróleo Brasileiro S.A. – Petrobras hereby calls the shareholders of the Company to attend the **Ordinary and the Extraordinary Meetings of Shareholders** on **April 2<sup>nd</sup>, 2014**, at **3:00 p.m.**, at the auditorium of the registered office, at Avenida República do Chile 65, 1<sup>st</sup> floor, in the city of Rio de Janeiro (RJ), in order to resolve the following matters:

### Ordinary Meeting of Shareholders

- I. Management Report and Financial Statements, accompanied by the opinion of the Fiscal Council, concerning the fiscal year closed on December 31st, 2013;
- II. Capital Budget concerning the period of 2014;
- III. Allocation of the result of the period of 2013;
- IV. Election of the Board of Directors' members;
- V. Election of the chairman of the Board of Directors; and
- VI. Election of the members of the Fiscal Council and the corresponding deputies.

### Extraordinary Meeting of Shareholders

- I. Fixing of the managers' and the Fiscal Councils' compensation.
- II. Increase of the capital stock upon incorporation of the fiscal incentives reserve formed in 2013, in the amount of R\$ 21 million, pursuant to article 35, paragraph 1, of Ordinance No. 2.091/07 of the State Ministry of National Integration, increasing the capital stock from R\$ 205,411 million to R\$ 205,432 million, not resulting in modification of the number of common and preferred shares, pursuant to article 40, item III, of the Articles of Incorporation of the Company, and the resulting amendment of article 4 of the referred Article of Incorporation.
- III. Merger of Termoaçú S.A. ("Termoaçú") into Petrobras in order to:
  - (1) Ratify the hiring of APSIS Consultoria e Avaliações Ltda. by Petrobras for the preparation of the Appraisal Report, at book value, of Termoaçú, under paragraph 1 of article 227 of Law No. 6.404, of 12-15-1976;
  - (2) Approve the Appraisal Report prepared by APSIS Consultoria e Avaliações Ltda. for the appraisal, at book value, of the equity of Termoaçú;
  - (3) Approve, concerning all of its terms and conditions, the Protocol of Justification of the Merger, entered into between Termoaçú and Petrobras on 05-02-2014;

(4) Approve the merger of Termoço into Petrobras, resulting in dissolution thereof, without increasing the capital stock of Petrobras; and

(5) Authorize the Executive Board of Petrobras to practice any and all acts required for the merger, and legalization of the status of the absorbed company and the surviving company before the agencies of competent jurisdiction, as necessary.

**IV.** Merger of Termoço Ltda. (“Termoço”) into Petrobras in order to:



(1) Ratify the hiring of APSIS Consultoria e Avaliações Ltda. by Petrobras for the preparation of the Appraisal Report, at book value, of Termoceaná, under paragraph 1 of article 227 of Law No. 6.404, of 12-15-1976;

(2) Approve the Appraisal Report prepared by APSIS Consultoria e Avaliações Ltda. for the appraisal, at book value, of the equity of Termoceaná;

(3) Approve, concerning all of its terms and conditions, the Protocol of Justification of the Merger, entered into between Termoceaná and Petrobras on 01-23-2014;

(4) Approve the merger of Termoceaná into Petrobras, resulting in dissolution thereof, without increasing the capital stock of Petrobras; and

(5) Authorize the Executive Board of Petrobras to practice any and all acts required for the merger, and legalization of the status of the absorbed company and the surviving company before the agencies of competent jurisdiction, as necessary.

**V. Merger of Companhia Locadora de Equipamentos Petrolíferos – CLEP (“CLEP”) into Petrobras in order to:**

(1) Ratify the hiring of PricewaterhouseCoopers Independent Auditors by Petrobras for the preparation of the Appraisal Report, at book value, of CLEP, under paragraph 1 of article 227 of Law No. 6.404, of 12-15-1976;

(2) Approve the Appraisal Report prepared by PricewaterhouseCoopers Independent Auditors for the appraisal, at book value, of the equity of CLEP;

(3) Approve, concerning all of its terms and conditions, the Protocol of Justification of the Merger, entered into between CLEP and Petrobras on 02-12-2014;

(4) Approve the merger of CLEP into Petrobras, resulting in dissolution thereof, without increasing the capital stock of Petrobras; and

(5) Authorize the Executive Board of Petrobras to practice any and all acts required for the merger, and legalization of the status of the absorbed company and the surviving company before the agencies of competent jurisdiction, as necessary.

The minimum percentage of interest in the capital stock required for the adoption of the multiple votes in order to elect the directors at the Annual Meeting of Shareholders is five percent (5%) of the voting capital, as per CVM Instruction No. 282, of 06-26-1998. The option to request the adoption of the process of multiple votes must be exercised pursuant to paragraph 1 of article 141 of Law No. 6.404, of 12-15-1976.

Shareholders owning preferred shares who become entitled to elect, at the Annual Meeting of Shareholders, in a separate voting, a representative of such class of shares to be a director,

must represent, at least, ten percent (10%) of the capital stock, as well as evidence the permanent ownership of the equity interest since January 2<sup>nd</sup>, 2014.

Any person present at the meetings must evidence his/her status of shareholder, under article 126 of Law No. 6.404, of 12-15-1976. If any shareholder wishes to be represented, he/she must comply with the provisions of paragraph 1 of article 126 of the referred Law and article 13 of the Articles of Incorporation of Petrobras, upon presentation of the following documents:

- i) Representative's identity card;
- ii) A power of attorney providing for the principal's special powers, the signature of which must be certified in a notary public's office (original or authenticated copy);



iii) Copy of the articles of organization/incorporation of the principal or bylaws of the fund, if applicable; iv) Copy of the investiture instrument or an equivalent document evidencing the powers of the grantor of the power of attorney, if applicable.

It is requested that the shareholders represented by attorneys file, within at least two days in advance, the documents listed above in room 1002 (Shareholder Service Center) of the registered office. For those who will present the documentation on the day of the meetings, the Company hereby informs that it is able to receive them **from 11:00 a.m.** at the place where the meetings will be held.

In the event of stock loan, the borrower will be in charge of exercising the voting right, except as otherwise provided in the agreement entered into between the parties.

Furthermore, the shareholders may choose to vote the matters contained in this Notice of Meeting upon use of the public power of attorney request, as per CVM Instruction No. 481, of December 17<sup>th</sup>, 2009.

Electronic powers of attorney will be received upon platform Online Meetings, on the website <http://www.assembleiaonline.com.br>. For such purpose, shareholders must register in such platform.

All documents concerning the matters to be resolved at the Special and the Annual Meetings of Shareholders will be available as of February 28<sup>th</sup>, 2014, in room 1002 (Shareholder Service Center) of the registered office of the Company, and on the websites of the Company (<http://www.petrobras.com.br/ri>) and the Brazilian Securities and Exchange Commission -CVM (<http://www.cvm.gov.br>), under article 133, of Law No. 6.404, of 12-15-1976 and CVM Instruction No. 481, of December 17<sup>th</sup>, 2009.

Rio de Janeiro, February, 25<sup>th</sup>, 2014.

Guido Mantega  
President of the Board of Directors





## INFORMATION TO VOTE

To vote in general meetings of companies and funds, the first step is to click in [www.assembleiasonline.com.br/wfPublicaCadastroAcionistas.aspx](http://www.assembleiasonline.com.br/wfPublicaCadastroAcionistas.aspx) and register.

After registering at 'Assembleias Online', you will receive an automated message containing the **Instrument of Agreement, Ownership and Liability**, which must be signed, notarized and consularised, and a list of documents that must be provided so that your registration can be validated.

Once your registration is validated, you will receive an email with instructions to issue your Private Digital Certificate. The Private Digital Certificate will be issued by Certisign, exclusive partner of VeriSigN in Brazil and leader in the segment.

As soon as companies or funds that you invest in publish their call notices, you will be notified by email.

After you log in on the website [www.onlinegeneralmeetings.com](http://www.onlinegeneralmeetings.com), you select the general meeting you want. After analyzing the documents available and the management proposals, you must vote on each of the agenda items (**in favor, against or abstention**). Your part in the voting process ends here.

Once your vote is validated, it will be computed to the respective meeting and a receipt of your vote will be sent to your email. For increased security and integrity, 'Assembleias Online' has hired Ernst & Young to review the environment of internal controls to further improve them.

In order to facilitate and encourage shareholders with voting rights to participate, the Company will allow shareholders to vote on the items that appear in the General Meeting Notice over the Internet by using the public request for proxies, as per CVM ruling 481, published on December 17

th2009.

The electronic proxies will be received via the Online Meeting platform, at [www.assembleiasonline.com.br](http://www.assembleiasonline.com.br). Shareholders must register in the platform as soon as possible in order to use it. The data used in the previous General Meeting will remain in effect. The proxy, showing the shareholder's voting intention (electronic voting), must be sent through the system between March 19<sup>th</sup> and April 01<sup>st</sup>, 2014. For more details on how to vote via the Online Meeting Platform, read the Manual that has been posted on our website.

This proxy is valid only for the Annual General Meeting / Extraordinary Meeting to be held on April 02<sup>nd</sup>, 2014.



**Public Power of Attorney Request**

25th

Rio de Janeiro, February , 2014, Petróleo Brasileiro S.A. – Petrobras hereby invites its shareholders to attend its Ordinary and Extraordinary General Meeting, to be held on April 02<sup>nd</sup> , 2014, at 3.00 p.m., in order to resolve on the matter in the Notice for General Meeting.

With a view to enable and stimulate the participation of the shareholders with a right to vote, the Company provides, through the world wide web, with the possibility for the shareholders to vote on the matter in the Notice for General Meeting, through the use of public power of attorney request, as per CVM Instruction 481 issued on December 17<sup>th</sup>, 2009.

The receipt of electronic powers of attorney will be by means of the platform Assembleias Online, available at [www.assembleiasonline.com.br](http://www.assembleiasonline.com.br). For such, it is necessary that the shareholders make their registration in this platform as soon as possible, and the registrations made for the last Meeting remain valid. The power of attorney, which has the shareholder's voting intention (electronic vote), must be sent through the system between March 19<sup>th</sup> and April 01<sup>st</sup>, 2014.

The electronic participation at the Ordinary and Extraordinary General Meetings is not available for the ADR's holders.

Please refer to the information on how to vote through the Assembleias Online system on the Investor Relations website via Financial Results and Disclosures and Meetings.

With such alternative, Petrobras seeks to reinforce its commitment to adopting the best Corporate Governance practices and transparency.



**ORDINARY GENERAL MEETING  
PRESENTATION TO SHAREHOLDERS  
ITEM I  
THE MANAGEMENT REPORT, FINANCIAL STATEMENTS AND  
FISCAL COUNCIL'S REPORT OF FISCAL YEAR OF 2013**

Dear Shareholders,

The Management Report, Financial Statements and Fiscal Council's Report of fiscal year of 2013 is available in Petrobras website:

<http://www.investidorpetrobras.com.br/en/financial-results/4q13.htm>

Rio de Janeiro, February 25<sup>th</sup> , 2014.

Maria das Graças Silva Foster  
CEO



**ORDINARY GENERAL MEETING**  
**PRESENTATION TO SHAREHOLDERS**

**ITEM II**

**CAPITAL BUDGETING FOR 2014**

Dear Shareholders,

The capital budgeting for 2014 includes total investments of BRL 69,726 million (sixty nine billion, seven hundred twenty six million reais), out of which BRL 69,545 million (sixty nine billion, five hundred forty five million reais) of Direct Investments and BRL 181 million (one hundred million reais) of Financial Investments (capital disbursement for other companies).

These investments will consist of BRL 26,660 million (twenty six billion, six hundred sixty million reais) from third-party funds and BRL 43,066 million (forty three billion, sixty six million reais) of the Company's own funds, mainly coming from its operating income.

Out of the Company's own funds considered in the schedule, BRL 42,885 million (forty two billion, eight hundred eighty five million reais) are earmarked for Direct Investments and BRL 181 million (one hundred eighty one million reais) for Financial Investments (capital disbursement for other companies). Relating to third-party funds, the amount of BRL 26,660 million (twenty six billion, six hundred sixty million reais) are earmarked for Direct Investments.

From the total investments, 62.67% are earmarked for the Exploration & Production, 26.43% for the Downstream, 9.13% for the Gas & Energy and 1.77 % for Corporate Segment.

Therefore, based on Article 196, Act no. 6.404, dated December 15<sup>th</sup>, 1976 (amended by Act no. 15<sup>th</sup> 9.457, dated May , 1997), ratified by Act no. 10.303/2001, the Board of Directors of PETROBRAS is proposing to this Annual Shareholders' Meeting, with favorable opinion of the Fiscal Committee, the approval of the Capital Budgeting for 2013, amounting to BRL 69,726 million (sixty nine billion, seven hundred twenty six million reais)

Rio de Janeiro, February 25<sup>th</sup>, 2014.

Maria das Graças Silva Foster  
CEO





**ORDINARY GENERAL MEETING**  
**PRESENTATION TO SHAREHOLDERS**

**ITEM III**

**2013 FINANCIAL YEAR RESULTS DESTINATION**

Dear Shareholders,

Petrobras accounts statement regarding the financial year, which ended on the 31<sup>st</sup> December 2013, shows a net profit of R\$ 23.407.565.780,30 (twenty three billion, four hundred and seven million, five hundred and sixty five thousand, seven hundred and eighty and thirty cents of Brazilian Real) including the provisioning of results and profits to be distributed by the employees, of R\$ 908.084.491,37 (nine hundred and eight million, eighty four hundred, four hundred and ninety one Brazilian Real and thirty seven cents), in accordance with the provisions of the law.

According to the Law No. 6,404/76, changed by Laws 9,457, of 05.05.1997, and 10,303, of 10.31.2001, and to the Company's bylaws, the Board -with the favorable opinion of the Fiscal Board -herein proposes that the above mentioned profit -following the adjustments foreseen in section 202 of the Law No. 6,404/76 -is aimed, as follows: R\$ 9.301.024.110,44 (nine billion, three hundred and one million, twenty four thousand, one hundred and ten Brazilian Real and forty four cents) for the payment of dividends to the shareholders, corresponding to 41.85% of the basic profit for the purpose of dividend to R\$ 0.5217 per ordinary and R\$ 0.9672 per preferred share, considering the number of shares at shareholding position date considered for distribution.

This dividend is being proposed as interest on own capital, subject to the withholding of income tax withheld at source of fifteen percent (15%), except for exempt shareholders. The following aspects were taken into consideration for making this proposal:

a) As provided for in Article 8 of the Articles of Association of Petrobras, the dividends payable on common and preferred shares may not be less than 25% (twenty five percent) of the adjusted net income. In 2013, the amount distributed as dividends on common and preferred shares represents 41.85% of the basic income

b) Section 5, paragraph 2 of Articles of Association of Petrobras foresees priority on receiving dividend given to preferred share at a minimum of 5% (five per cent) calculated over the installment of capital represented by this kind of share or 3% (three per cent) of the amount corresponding to the net asset value of the share. In 2013, this criteria of 3% of the amount corresponding to the net asset value of the share which corresponds to R\$ 0.8221 per share. However, considering that the dividend is in the form of interest on capital and therefore includes compensation for withholding tax, the proposed value of this General Meeting is R\$ 0.9672 per preferred share.

c) In 2013, dividends equivalent to R\$ 0.4434 per share will be allocated to the common shares. However, considering that the dividend is in the form of interest on shareholders' capital and therefore includes compensation for withholding tax, the value proposed to this Meeting is R\$ 0.5217 per common share.





Dividends of R\$ 9.301.024.110,44 (nine billion, three hundred and one million, twenty four thousand, one hundred and ten Brazilian Real and forty four cents) equivalent to R\$ 0,5217 per common share and R\$ 0,9672 per preferred share, both as interest on own capital, based on the share position on the date of this Annual Shareholders' Meeting, to be paid according defined on General Meeting, having the respective amount adjusted for inflation, as of December 31, 2013 until the start date of payment, in accordance with the variation of Selic rate.

Moreover, to face the investment foreseen to 2014, and in accordance with the annual investment program of the Company, the Board is proposing to keep net assets in profit retention reserve of de R\$ 11.744.359.338,60 (eleven billion, seven hundred forty four million, three hundred and fifty nine thousand, three hundred thirty eight of Brazilian Real and sixty cents), remaining from accumulated profit of fiscal year, keeping the amount of R\$ 143.694.256,08 (one hundred forty three thousand, six hundred ninety four thousand, two hundred fifty six Brazilian Reais and eight cents) in retained earnings to absorb the adjustments provided from changes in accounting practices

Following the favorable opinion of the Fiscal Board, the Board herein proposes to the shareholders that the destination of the net profit of the financial year is, as follows R\$ 13,962,847,413.78 (thirteen billion, nine hundred sixty two million, eight hundred forty seven thousand, four hundred thirteen and seventy eight cents of Brazilian Real) for reserves, of which R\$ 11,744,359,338.60 (eleven billion, seven hundred forty four million, three hundred fifty nine thousand, three hundred thirty eight Brazilian Real and sixty cents) for profit retention reserve and R\$ 1,170,378,289.01 (one billion, one hundred seventy million, three hundred seventy eight thousand, two hundred eighty nine of Brazilian Real and one cent) for legal reserve, R\$ 1,027,054,526.15 (one billion, twenty seven million, fifty four thousand, five hundred twenty six of Brazilian Real and fifty cents) to statutory reserve and R\$ 21,055,260.02 (twenty one million, fifty five thousand, two hundred sixty Brazilian Reais and two cents) in tax incentive reserve, besides R\$ 9,301,024,110.44 (nine billion, three hundred and one million, twenty four thousand, one hundred and ten Brazilian Real and forty four cents) to be distributed to the shareholders relating to dividends, keeping the amount of R\$ 143.694.256,08 (one hundred forty three thousand, six hundred ninety four thousand, two hundred fifty six Brazilian Reais and eight cents) in retained earnings to absorb the adjustments provided from changes in accounting practices.

The Board also proposes the approval of the dividend installment -under interest on own capital –of R\$ 0.5217 per common share and R\$ 0.9672 per preferred share, following the Company's by-laws.

Rio de Janeiro, February 25<sup>th</sup>, 2014.

Maria das Graças Silva Foster  
CEO



APPENDIX I DISTRIBUTION OF NET INCOME CVM INSTRUCTION Nº 481, 17<sup>th</sup> December 2009

## (APPENDIX 9-1-II)

**1 – Inform the net income for the period. R– R\$ 23,407,565,780.30**

**2 – Inform the global amount and the amount per share of the dividends, including anticipated dividends and interests on own capital already stated**

Date of the Equity Position	Number of Shares			Benefit amount per share	Amount in Brazilian Real		
	Common	Preferred	Total		Common	Preferred	Total
date of the OGM (*)	7.442.454.142		-7.442.454.142	0,5217	3.882.728.325,88		-3.882.728.325,88
date of the OGM (*)		-5.602.042.788	5.602.042.788	0,9672		5.418.295.784,55	555.418.295.784,55
					<b>3.882.728.325,88</b>	<b>5.418.295.784,55</b>	<b>9.301.024.110,44</b>

(\*) OGM – Ordinary General Meeting

**3 – Inform the percentage of net income for the period to be distributed**

(a) Basic income in order to calculate the dividend  
(b) Proposed dividends

**Amounts in R\$**  
22.226.570.338,17  
9.301.024.110,44

Percentage of basic income for the period (b) / (a)

**41,85%**

**4 – Inform the global amount and value per share of the dividends distributed based on income of previous years: R – Not applicable**

**5 – Inform, after deduction of the anticipated dividends and the interests on own capital already stated:**

**a. The gross amount of dividends and interests on own capital, separately, per type and class of shares**

Description	Amounts in R\$		
	ON	PN	TOTAL
<b>Proposed dividends</b>	<b>3.882.728.325,88</b>	<b>5.418.295.784,55</b>	<b>9.301.024.110,44</b>
Interests on own capital paid in advance	-	-	-
Adjustment of interests on own capital paid in advance	-	-	-
<b>Balance of proposed dividends</b>	<b>3.882.728.325,88</b>	<b>5.418.295.784,55</b>	<b>9.301.024.110,44</b>









**b. The form and deadline for payment of dividends and interests on own capital: R –**

The payment of dividends, in the form of interests on own capital, will be available on a date to be decided at the Annual General Meeting to be held in 02.04.2014.

**c. Possible incurrence of inflation adjustment and interest on the dividends and interests on own capital R –** The portion of dividends (as interests on own capital ) will be adjusted by SELIC rate from December 31st, 2013 to the initial date of payment, accordingly to the SELIC rate range. .

**d. Statement date for payment of dividends and interests on own capital, considered for the identification of the shareholders entitled to receive them.**

Date of the equity position	Date of Payment	Amount
date of the OGM (*)	to be decided by OGM(*)	9.301.024.110,44
		<b>9.301.024.110,44</b>

(\*) OGM – Ordinary General Meeting

**6 – If there have been statements of dividends and interests on own capital based on income calculated on mid-term balance sheets, or drawn up in shorter periods:**

**a. Inform the amount of dividends and interests on own capital which have already been stated. R –** Not applicable

**b. Inform the date of the respective payments R –** Not applicable

**7 – Provide a comparative table indicating the following values per shares for each type and class:**

**a. Financial year net income and the one regarding the three (3) previous years**

	Period				
	2013	2012	2011	2010	2009
Income per share - ON	1,79	1,60	2,54	3,55	3,42
Income per share - PN	1,79	1,60	2,54	3,55	3,42

**b. Dividend and interest on own capital distributed on the 3 (three) previous financial years**

	Period				
	2013	2012	2011	2010	2009
Dividends and interests on own capital per share ON*	0,52170	0,47000	0,92000	1,03000	0,95000
Dividends and interests on own capital per share PN *	0,96720	0,96000	0,92000	1,03000	0,95000

\* Considering the number of shares of the date of the equity position used for distribution.



**8 – If there is allocation of income to legal reserve**

**a. Identify the amount to be allocated to legal reserve R – R\$ 1,170,378,289.01**

**b. Detail the legal reserve calculation method**

**Legal Reserve Calculation**

Net income for the period	23.407.565.780,30
Percentage	5%
<b>Allocated retained earnings in2012</b>	<b>1.170.378.289,01</b>

**9 – If the Company has preferred shares which entitle its holders to fixed or minimum dividends:**

**a. Describe the calculation formula for fixed or minimum dividends**

**R –** Petrobras By-laws, section 5, paragraph 2, sets forth the priority on receiving dividends attributed to preferred share at a minimum of 5% (five per cent) calculated over the capital share represented by the preferred share or of 3% (three per cent) of the net asset value, the higher prevails.

**b. State whether the profit of the fiscal year is sufficient for full payment of fixed or minimum dividends**

**R –** Yes.

**c. Identify if any unpaid portion is cumulative**

**R –** Not applicable

**d. Identify the global amount of fixed or minimum dividends to be paid to each class of preferred shares.**

**R –** R\$ 5,418,295,784.55

**e. Identify the fixed or minimum dividends to be paid to each class of preferred share.**

**R –** R\$ 0.9672 per share

**10 – In relation to the mandatory dividend**

**a. Describe the calculation method set forth in the of Petrobras' By-Laws**

**R –** Each financial year, shareholders shall be entitled to dividends and/or equity interests, which shall not be less than 25% (twenty five per cent) of the adjusted net income, following the provisions set forth in Article 8 of of the By-Laws Corporation Law (Lei das Sociedades por Ações), apportioned by the shares into which the company's capital is divided

**b. Inform whether it is being paid in full**

**R** – Yes.





**c – Inform the amount eventually withheld**

**R** – Not applicable .

**11 – If there is withholding of the mandatory dividend due to the Company's financial condition**

**R** – Not applicable

**12 – If there is allocation of income for the contingencies reserve**

**R** – Not applicable

**13 – If there is allocation of income for reserve of realizable profits reserve**

**R** – Not applicable

**14 – If there is allocation of income for statutory reserves**

**a. Describe statutory provisions foreseeing the reserve**

**R** – Following the article 55 of the By-Laws, Petrobras shall allocate, from the net income on the Annual Balance Sheet, the portion of 0.5% (zero point five percent) on the paid in capital, in order to create the special reserve, allocated to finance the research and technical development programs of the Company.

**b. Identify the amount allocated to the reserve**

**R** – R\$ 1,027,054,526.15

**c. Describe how the amount was calculated**

**Calculation of the statutory reserve**

Capital Stock	205.410.905.230,50
Percentage	0,5%
<b>Allocated Amount in 2013</b>	<b>1.027.054.526,15</b>

**15 – If there is withholding of income provided for in the capital budget**

**a. Identify the withheld amount**

**R** – R\$ 9,301,024,110.44

**b. Provide a copy of the capital budget**

**R:** The capital budget is available on item 2 of Presentation to Shareholders

**16 – If there is allocation of income for the tax incentive reserve**



**a. Inform the amount allocated to the reserve**

**R** – R\$ 21,055,260.02

**b. Explain the nature of the allocation**

**R** – Income Tax Incentives (SUDENE and SUDAM) upon deposits for reinvestments upon depreciation of fixed assets.



**ORDINARY GENERAL MEETING  
PRESENTATION TO SHAREHOLDERS  
ITEM IV  
ELECTION OF THE BOARD MEMBERS**

Dear shareholders,

The election of the Board Members, following the provisions set forth in the Company's Bylaws, shall be approved during this Ordinary General Meeting.

Considering the above mentioned election, the controlling shareholder indicates the names as follows: Guido Mantega, Maria das Graças Silva Foster, Luciano Galvão Coutinho, Francisco Roberto de Albuquerque, Márcio Pereira Zimmermann, Sergio Franklin Quintella and Miriam Aparecida Belchior.

As provided for in CVM Instruction under no. 481/2009, there might be nomination of candidates for filling the positions of non-controlling shareholders in the Company's Board of Directors, by means of public proxy solicitation. The information on eventual candidates is made available through on IPE System on CVM website, option "Aviso aos Acionistas", as "Outros Avisos" and the Assembleias Online platform, using the following url: [www.assembleiasonline.com.br](http://www.assembleiasonline.com.br).

Please find attached the Appendix I, II and III regarding the data referring to the persons indicated above, following the items 12,6 to 12,10 of the Reference Form (Art. 10 of CVM 481 Instruction).

Rio de Janeiro, February 25<sup>th</sup>, 2014.

Maria das Graças Silva Foster  
CEO



**APPENDIX I****Information concerning the members nominated to the Board of Directors****Names Indicated by the Controlling Shareholder**

<b>Name TIF</b>	<b>Age Job</b>	<b>Board Job Position to be taken</b>
GUIDO MANTEGA 676.840.768-68	64 Economist	Member of the Board of Directors only Chairman
MARIA DAS GRAÇAS SILVA FOSTER 694.772.727-87	60 Engineer	Member of the Board of Directors and of the Executive Board Board of Directors (effective)
LUCIANO GALVAO COUTINHO 636.831.808-20	67 Economist	Member of the Board of Directors only Board of Directors (effective)
FRANCISCO ROBERTO DE ALBUQUERQUE 351.786.808-63	76 Military	Member of the Board of Directors only Board of Directors (effective)
MARCIO PEREIRA ZIMMERMANN 262.465.030-04	57 Engineer	Member of the Board of Directors only Board of Directors (effective)
SERGIO FRANKLIN QUINTELLA 003.212.497-04	78 Engineer	Member of the Board of Directors only Board of Directors (effective)
MIRIAM APARECIDA BELCHIOR 056.024.938-16	56 Engineer	Member of the Board of Directors only Board of Directors (effective)

**GUIDO MANTEGA** -Mr. Mantega has been the Chairman of the boards of directors of Petrobras and Petrobras Distribuidora S.A. since March 2010, and he has served both boards since April 2006. Mr. Mantega was a member of the Remuneration and Succession Committee of our board of directors (“RS Committee”) from October 2007 to April 2010. He has been Brazil’s Minister of Finance since March 2006, after serving as the president of the Banco Nacional de Desenvolvimento Econômico e Social (the Brazilian Development Bank) (“BNDES”) and as Brazil’s Minister of Planning, Budget and Management. He is a member of the Conselho de Desenvolvimento Econômico e Social—CDES (the Economic and Social Development Council), an advisory body to the Brazilian federal government. He received a bachelor’s degree in economics from the Faculdade de Economia, Administração e Contabilidade—FEA (the School of Economy, Administration and Accounting) at the Universidade de São Paulo (the University of São Paulo) (“USP”), and a Ph.D. in development sociology from the Faculdade de Filosofia, Letras e Ciências Humanas—FFLCH (the School of Philosophy, Literature and Human Sciences) at USP. He completed specialized studies at the Institute of Development Studies—IDS at the University of Sussex, England in 1977. As Brazil’s Minister of Finance, his duties include the representation of the Brazilian government with the G-20, BRICS, Mercosul, IMF and World Bank; international









roadshows to promote foreign investments in Brazil; and summits involving the President of the Republic of Brazil, Dilma Rousseff, acting as her advisor.

**MARIA DAS GRAÇAS SILVA FOSTER** -Ms. Foster has been our Chief Executive Officer since February 2012 and our Chief International Officer since July 2012. She is also a member of our board of directors and the boards of directors of Petrobras Distribuidora S.A., Petrobras Biocombustível S.A. – PBIO and Petrobras Oil&Gas B.V. – POG-BV. Ms. Foster is also chairperson of the Health, Safety and Environment Committee of our board of directors (the “HSE Committee”), and she has been the chairperson of the boards of directors of Petrobras Transporte S.A. (“TRANSPETRO”) since March 2012, and Petrobras Gás S.A. (“GASPETRO”) since February 2012. From September 2007 to February 2012, she served as Petrobras’ Chief Gas & Power Officer and from December 2007 to March 2012, as the CEO of GASPETRO. From May 2006 to September 2007, Ms. Foster was the CEO and the CFO of Petrobras Distribuidora S.A.. Ms. Foster has been a member of the board of directors of GASPETRO since October 2007. She has also served as a director of TRANSPETRO from March 2003 to September 2005 and from November 2007 to the present. Ms. Foster was also a member of the board of directors of Transportadora Associada de Gás S.A. (“TAG”) from October 2007 to March 2008, Transportadora Brasileira Gasoduto Bolívia-Brasil –TBG from March 2003 to September 2005 and Braskem S.A. (“Braskem”) from October 2005 to April 2012. Ms. Foster was also the chairperson of the board of directors of Liquigás Distribuidora S.A. (“Liquigás”), the CEO and Investor Relations Executive Officer of Petrobras Química S.A. (“PETROQUISA”), and Petrobras’ Executive Manager for Petrochemicals and Fertilizers. She has also had various roles in the Brazilian government, including the position of Secretary of Petroleum, Natural Gas and Renewable Fuels of the Ministério das Minas e Energia (the Ministry of Mines and Energy) (“MME”) from January 2003 to September 2005. In the private sector, she has been a member of the board of directors of Instituto Brasileiro de Petróleo Gás e Biocombustíveis – IBP (Brazilian Petroleum, Gas and Biofuels Institute) since October 2006 and has been its president since March 2012. She holds a degree in chemical engineering from the Universidade Federal Fluminense – UFF (the Fluminense Federal University), a master’s degree in chemical engineering and a post-graduate degree in nuclear engineering from the Universidade Federal do Rio de Janeiro (the Federal University of Rio de Janeiro) (“UFRJ”) and an MBA in economics from the Fundação Getulio Vargas (Getulio Vargas Foundation) (“FGV”).



**LUCIANO GALVAO COUTINHO** -Mr. Coutinho has been a member of our board of directors since April 2008, and he is also a member of the board of directors of Petrobras Distribuidora S.A.. He has been the President of the BNDES since April 2007. In addition, Mr. Coutinho is a member of the board of directors of Vale S.A. (“Vale”), a member of the Curator Committee for the Fundação Nacional da Qualidade—FNQ (the Brazilian Quality Foundation), and the BNDES representative at the Fundo Nacional de Desenvolvimento Científico e Tecnológico—FNDCT (the Brazilian Fund for Scientific and Technological Development). Mr. Coutinho has a Ph.D. in economics from Cornell University, a master’s degree in economics from the Fundação Instituto de Pesquisas Econômicas—Fipe (the Institute of Economic Research) at USP and a bachelor’s degree in economics from USP.

**FRANCISCO ROBERTO DE ALBUQUERQUE** - Mr. de Albuquerque has been a member of our board of directors since April 2007, and he is also a member of the board of directors of Petrobras Distribuidora S.A.. He has been a member of the Audit Committee and the RS Committee of our board of directors since April 2007, and October 2007, respectively. He earned a bachelor’s degree in military sciences from the Academia Militar das Agulhas Negras—AMAN (the Agulhas Negras Military Academy) in Resende, in the State of Rio de Janeiro, in 1958 and in economics from the Faculdade de Ciências Econômicas de São Paulo (the São Paulo College of Economic Sciences) at Fundação Álvares Penteado (Álvares Penteado Foundation) in 1968, a master’s degree in military sciences from the Escola de Aperfeiçoamento de Oficiais—EsAO (the Advanced Military School) in 1969, and a Ph.D. in military sciences from the Escola de Comando e Estado-Maior do Exército—ECEME (the Military Officer Training School) in Rio de Janeiro in 1977.

**MARCIO PEREIRA ZIMMERMANN** - Mr. Zimmermann has been a member of our board of directors since March 2010, and he is also a member of the board of directors of Petrobras Distribuidora S.A.. He has been the President of the RS Committee of our board of directors since April 2010. Mr. Zimmermann is currently the Executive Secretary (Deputy Minister) of the MME, where he previously served as Minister, Executive Secretary and Secretary for Energy Planning and Development. Mr. Zimmermann is also the Chairman of the board of directors of Centrais Elétricas Brasileiras—Eletrobras, where he previously served as Engineering Executive Officer, and the Chairman of the board of directors of Furnas Centrais Elétricas S.A. He has been a member of the Conselho Nacional de Política Energética—CNPE (National Energy Policy Council)







since February 2009. He was also the Energy Production and Commercialization Executive Officer and Technical Executive Officer of Eletrosul Centrais Elétricas S.A. and the Research and Development Executive Officer of Centro de Pesquisas de Energia Elétrica—CEPEL (Electrical Energy Research Center). Mr. Zimmermann holds a bachelor's degree in electrical engineering from the Pontifícia Universidade Católica do Rio Grande do Sul – PUC-RS (the Pontifical Catholic University of Rio Grande do Sul), a post-graduate degree in power systems engineering from the Universidade Federal de Itajubá – UNIFEI (the Federal University of Itajubá), and a master's degree in electrical engineering from the Pontifícia Universidade Católica do Rio de Janeiro – PUC-Rio (the Pontifical Catholic University of Rio de Janeiro) (“PUC-Rio”).

**SERGIO FRANKLIN QUINTELLA** -Mr. Quintella has been a member of our board of directors since April 2009, and he is also a member of the board of directors of Petrobras Distribuidora S.A.. He has been a member of the Audit Committee of our board of directors since November 2009 and was appointed as its president in November 2011. He is vice president of FGV and a member of the board of directors of Oi S.A. since September 2005 and April 2012, respectively. He was member of the board of directors of BNDES from 1975 to 1980, member of Conselho Monetário Nacional (National Monetary Council) from 1985 to 1990, and president of the Tribunal de Contas (Court of Auditors) of the State of Rio de Janeiro from 1993 to 2005. Mr. Quintella holds a bachelor's degree in civil engineering from PUC-Rio, a bachelor's degree in economics from the Faculdade de Economia do Rio de Janeiro (the College of Economics of Rio de Janeiro) and a post-graduate degree in economic engineering from the Escola Nacional de Engenharia (the National Engineering School). He also holds a master's degree in business from IPSOA Institute, in Turin, Italy and graduated from the Advanced Management Program at Harvard Business School. Mr. Quintella is currently a member of the council of PUC-Rio.

**MIRIAM APARECIDA BELCHIOR** -Ms. Belchior has been a member of our board of directors since July 2011, and she is also a member of the board of directors of Petrobras Distribuidora S.A.. She is a member of the HSE Committee of our board of directors. Ms. Belchior has been Brazil's Minister of Planning, Budget and Management since January 2011. She was the Articulation and Monitoring Sub-head of the Chief of Staff, responsible for connecting government actions and monitoring strategic projects from 2003 to 2010. She served as Executive Secretary for the Programa de Aceleração do Crescimento—PAC (the Growth Acceleration Program) in 2007 and became its General Coordinator in April 2010. Ms. Belchior is an engineer and holds a master's degree in public administration and government from FGV. She previously served as a professor with the Fundação para Pesquisa e Desenvolvimento da Administração, Contabilidade e Economia —FUNDACE (the Foundation for Research and Development of Administration, Accounting and Economics) and the Universidade de São Marcos (the University of São Marcos).



The names indicated above:

- Have not been subject, for the past 5 years, to criminal conviction, conviction in an administrative procedure of the CVM and unappealable conviction, in the judicial or administrative sphere, which has suspended or invalidated the exercise of professional or commercial activity.
- They do not have conjugal relations, steady union, or kinship susceptible to information according to item 12.9 of the “Formulário de Referência”.
- They possess the following relation of subordination with the Company’s related parties.

Identification	TIF/CNPJ	Relationship between the board member and the related person	Related Person Type
Job/Position			

**Issuer Director**

LUCIANO GALVAO  
COUTINHO  
Board of Directors

636.831.808-20

Subordinator

Creditor

**Related person**

BNDES  
Chairman

33.657.248/0001-89

**Obs**

BNDES has financial lines  
with Petrobras



**APPENDIX II****Information concerning the members nominated to the Board of Directors indicated by non-controlling shareholders****Names Indicated by the non-Controlling Shareholder**

<b>Name</b>	<b>Age</b>	<b>Board</b>
<b>TIF</b>	<b>Job</b>	<b>Job Position to be taken</b>
MAURO GENTILE RODRIGUES DA CUNHA	42	Director indicated by minority common shareholders
004.275.077-66	Manager	Member of the Board of Directors only
JOSÉ GUIMARÃES MONFORTE	66	Director indicated by preferred shareholders
447.507.658-72	Economist	shareholders

**MAURO GENTILE RODRIGUES DA CUNHA** -Brazilian, divorced, consultant, RG 404 399 MM, CPF 004.275.077-66. President of Amec -Association of Investors Capital Market -since April 2012. Previously, he was responsible for the equity area of Opus Gestão de Recursos, a company that manages approximately BRL 2 billion in investment funds in the country. Prior to that, he was senior partner of Mauá Investimentos, also with responsibility for the equity funds (2007-2010). He was Chief Investment Officer of Franklin Templeton Investments (Brazil) Ltd., and its predecessor, the Bradesco Templeton Asset Management (BTAM), since August 2001. The BTAM was a joint venture between Banco Bradesco -largest private financial institution in Latin America -and Franklin Templeton -one of the largest asset managers in the United States, having been incorporated by the latter in July 2006. The BTAM specialized in managing funds actively in corporate governance matters, reaching BRL 800 million in assets under management. Prior to joining BTAM, Mr. Cunha was a partner at Investidor Profissional, and member of the Investment Committee's main fund of that institution, IP-Participações. He also held positions at Morgan Stanley Asset Management, Deutsche Morgan Grenfell, Bank of America Latin American Private Equity and Banco Pactual. Acted as Chairman of the Board of Directors of IBGC -Brazilian Institute of Corporate Governance from 2008 to 2010, being a member of the board of that institution for seven years. In addition, he has participated actively in discussions on corporate





governance and reform of the capital market in Brazil, and participated in the boards of several companies. He is currently a member of the Board of Directors of Petrobras (where he also serves on the Audit Committee), BR Distribuidora, Trisul and CESP. CFA charterholder since 1997, and MBA from the University of Chicago. He graduated in economics from PUC-RJ.

**JOSÉ GUIMARÃES MONFORTE** -Brazilian, married, economist. Mr. Monforte's professional background is mainly focused on activities within the financial and capital markets, both domestic and international, where he developed and managed business departments in institutions of national and global level. Among these, the most relevant experiences that stand out were: (i) Grupo Banespa (from 1972 to 1979), where Mr. Monforte was responsible for structuring the Investment management department, and later became manager of the Joint Venture between Banespa Corretora and Merrill Lynch, which introduced the offering of commodity derivatives in Brazil. He also held the position of deputy manager of the London office at Grupo Banespa Commercial Bank, where he helped to restructure the office activities and develop a standard of annual planning that was later disseminated across all international operations. (ii) President of Merrill Lynch's operation in Brazil (from 1979 to 1987), which comprised brokerage activities of commodities, investment management through its own distribution, private banking, and corporate finance operations. (iii) Director at Citibank Private Bank in Brazil for four years. (iv) Director of Product at Western Hemisphere's Global Private Bank, prior to returning to Citibank Brazil as the head of Investment Bank, Asset Management and the bank's proprietary investments. (v) Mr. Monforte also held positions within the financial markets as: the Vice-Presidency of ANBID -National Association of Investment Banks and Investment, vice-chairman of Caixa Liquidação da Bolsa de Mercadorias de São Paulo and board member of Bovespa. Among other experiences, Monforte was CEO of VBC Energia (1996 to 1997) where he was responsible for structuring and coordinating acquisitions of major assets that were offered during the privatization process of power distribution assets in Brazil, including the acquisition of CPFL. He then became the Senior Country Advisor at Bell Canada during the process of acquiring licenses to operate mobile phone companies in Brazil (Americel-in Brasilia, and Telet Sure, in Rio Grande do Sul). He was also CEO and board member of these companies. He served as a director at Canbras which had previously operated cable TV services in Brazil. From 1998 to 2007, he was chairman of Janos Participações, which is the investment vehicle that manages the wealth of Natura controlling shareholders. During this experience, Mr. Monforte organized the investment management and financial services areas and also advised on transactions in the capital market. Mr. Monforte also helped to







coordinate the IPO of Natura Cosméticos. Janos was elected the best Family Office of Latin America for two consecutive years, and the offer of Natura shares also became a reference in the market. Mr. Monforte was a Founding Partner of Pragma Heritage, whose purpose was to extend to other business families the same services previously offered exclusively to Janos, which continued to be an anchor client of Pragma. It is relevant to mention that the Pragma was the coordinator of the secondary offering of Natura shares. In the investment management activity the results were excellent, and in acquiring stake in companies, Pragma stood out when acquired a significant block in Droga Raia. Besides these executive and entrepreneurial activities, José Monforte dedicated himself to the topic of corporate governance, both in support of its development in Brazil as well as practicing it through the participation of several Boards of Directors. He chaired the Board of IBGC for four years, totalling six years on the board. He also served as board member of the following companies: Sabesp, Banco Nossa Caixa (member of the Audit Committee), Canbras Intl (member of the Audit Committee), Claro (Chairman of the Board), Natura (member of the Risk Committee, Finance and Audit, and Governance), Caramuru, Vivo (member of the Audit Committee), Agrenco, JHSF (Member of the Audit Committee), Droga Raia, biophilic, Pini Publisher (Chairman of the Board), Tribanco Bank (member of the Strategy Committee), Promon Engineering (member of Audit and Risk Committee).

The names indicated above:

- Have not been subject, for the past 5 years, to criminal conviction, conviction in an administrative procedure of the CVM and unappealable conviction, in the judicial or administrative sphere, which has suspended or invalidated the exercise of professional or commercial activity.
- They do not have conjugal relations, steady union, or kinship susceptible to information according to item 12.9 of the “Formulário de Referência”.



**APPENDIX III****Information concerning the members nominated to the Board of Directors indicated by non-controlling shareholders****Names Indicated by the non-Controlling Shareholder**

<b>Name</b>	<b>Age</b>	<b>Board</b>
<b>TIF</b>	<b>Job</b>	<b>Job Position to be taken</b>
MAURO GENTILE RODRIGUES DA CUNHA	42	Director indicated by minority common
004.275.077-66	Manager	shareholders
JORGE GERDAU JOHANNPETER	76	Member of the Board of Directors only
000.924.790-49	Lawyer	Director indicated by preferred shareholders

**MAURO GENTILE RODRIGUES DA CUNHA** -Brazilian, divorced, consultant, RG 404 399 MM, CPF 004.275.077-66. President of Amec -Association of Investors Capital Market -since April 2012. Previously, he was responsible for the equity area of Opus Gestão de Recursos, a company that manages approximately BRL 2 billion in investment funds in the country. Prior to that, he was senior partner of Mauá Investimentos, also with responsibility for the equity funds (2007-2010). He was Chief Investment Officer of Franklin Templeton Investments (Brazil) Ltd., and its predecessor, the Bradesco Templeton Asset Management (BTAM), since August 2001. The BTAM was a joint venture between Banco Bradesco -largest private financial institution in Latin America -and Franklin Templeton -one of the largest asset managers in the United States, having been incorporated by the latter in July 2006. The BTAM specialized in managing funds actively in corporate governance matters, reaching BRL 800 million in assets under management. Prior to joining BTAM, Mr. Cunha was a partner at Investidor Profissional, and member of the Investment Committee's main fund of that institution, IP-Participações. He also held positions at Morgan Stanley Asset Management, Deutsche Morgan Grenfell, Bank of America Latin American Private Equity and Banco Pactual. Acted as Chairman of the Board of Directors of IBGC -Brazilian Institute of Corporate Governance from 2008 to 2010, being a member of the board of that institution for seven years. In addition, he has participated actively in discussions on corporate governance and reform of the capital market in Brazil, and participated in the boards of several companies. He is currently a member of the





Board of Directors of Petrobras (where he also serves on the Audit Committee), BR Distribuidora, Trisul and CESP. CFA charterholder since 1997, and MBA from the University of Chicago. He graduated in economics from PUC-RJ.

**JORGE GERDAU JOHANNPETER** -Brazilian, natural of the city of Rio de Janeiro (RJ), married, attorney, domiciled at Av. Farrapos, nº 1.811, bairro Floresta, Porto Alegre (RS), CEP 90220-005, bearer of Identity Card No. 1001969201, issued by the Department of Public Safety of the State of Rio Grande do Sul -SSP/RS, and CPF No. 000.924.790-49. He has been a director since October 19, 2001 and is a director at Petrobras Distribuidora S.A. -BR. He was appointed member of the Remuneration and Succession Committee of our board of directors on October 15, 2007 and of the Environment Committee on December 22, 2011. Mr. Johannpeter is chairman of the board of directors at Gerdaу, director of the Brazil Steel Institute -IABr and of the World Steel Association and is a member of the Economic and Social Development Council – CDES. He is also president of the federal government’s Chamber for Management, Performance and Competitiveness Policies. Mr. Johannpeter is also active in the area of non-profit organizations in the capacity of president of the council of the Quality and Productivity Program of Rio Grande do Sul State – PGQP, leader of the Brazil Competitive Movement – MBC, member of the Brazilian Quality Association – ABQ and of the decision-making council of Parceiros Voluntários. Mr. Johannpeter obtained a bachelor of law and a social sciences degree from the Federal University of Rio Grande do Sul –UFRGS at Porto Alegre, in 1961.

The names indicated above:

- Have not been subject, for the past 5 years, to criminal conviction, conviction in an administrative procedure of the CVM and unappealable conviction, in the judicial or administrative sphere, which has suspended or invalidated the exercise of professional or commercial activity.
- They do not have conjugal relations, steady union, or kinship susceptible to information according to item 12.9 of the “Formulário de Referência”.





**ORDINARY GENERAL MEETING**

**PRESENTATION TO SHAREHOLDERS**

**ITEM V ELECTION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS**

Dear Shareholders,

The election of the Chairman of the Board of Directors, according to what has been established in the Company's Bylaws, will be approved in the course of the Ordinary General Meeting. The controlling shareholder nominates Mr. Guido Mantega as Chairman of the Board of Directors.

Rio de Janeiro, February 25<sup>th</sup>, 2014

Maria das Graças Silva Foster  
CEO



**ORDINARY GENERAL MEETING**  
**PRESENTATION TO SHAREHOLDERS**

**ITEM VI**

**ELECTION OF MEMBERS TO THE FISCAL BOARD AND THEIR RESPECTIVE  
SUBSTITUTES**

Dear Shareholders,

The election of members to the fiscal board and their respective substitutes, according to what has been established in the Company's Bylaws, will be approved in the course of the Ordinary General Meeting.

The controlling shareholder nominates the following names to compose the Audit Committee and respective substitutes: Paulo José dos Reis Souza (substitute: Marcus Pereira Aucélio); Marisete Fátima Dadald Pereira (substitute: Ricardo de Paula Monteiro); Cesar Acosta Rech (substitute: Edison Freitas de Oliveira).

As provided for in CVM Instruction under no. 481/2009, there might be nomination of candidates for filling the positions of non-controlling shareholders in the Company's Fiscal Council, by means of public proxy solicitation. The information on eventual candidates is made available through on IPE System on CVM website, option "Aviso aos Acionistas", as "Outros Avisos" and the Assembleias Online platform, using the following url: [www.assembleiasonline.com.br](http://www.assembleiasonline.com.br).

Please find attached the Appendix I and II regarding the data referring to the persons indicated above, following the items 12,6 through 12,10 of the Reference Form (Art. 10 of CVM 481 Instruction).

Rio de Janeiro, February 25<sup>th</sup>, 2014

Maria das Graças Silva Foster  
CEO



**APPENDIX I Information about the members appointed for the Fiscal Council**

<b>Candidates appointed by the controlling shareholder</b>		
<b>Name</b>	<b>Age</b>	<b>Administration Office</b>
<b>CPF</b>	<b>Occupation</b>	<b>Elective office to be held</b>
CESAR ACOSTA RECH	46	Fiscal Council
579.471.710-68	Economist	F.C. Permanent
EDISON FREITAS DE OLIVEIRA	76	Fiscal Council
003.143.238-72	Administrator	F.C. Alternate
PAULO JOSÉ DOS REIS SOUZA	51	Fiscal Council
494.424.306-53	Administrator	F.C. Permanent
MARCUS PEREIRA AUCÉLIO	47	Fiscal Council
393.486.601-87	Engineer	F.C. Alternate
MARISETE FÁTIMA DADALD PEREIRA	58	Fiscal Council
409.905.160-91	Accountant	F.C. Permanent
RICARDO DE PAULA MONTEIRO	68	Fiscal Council
117.579.576-34	Economist	F.C. Alternate

**CESAR ACOSTA RECH** – Has been a permanent member of Petrobras’ Fiscal Council since 2008. He has a degree in economics by the Federal University of Rio Grande do Sul. Director of Department and Assistant Secretary of Development Secretariat and Investment Promotion of Rio Grande do Sul from August 2013. In 2003 and 2004 held the title of Director of the Small and Medium-Sized Companies at the Ministry of Development, Industry and Foreign Trade – MDIC. He was the Administration and Finance Director of the Support Service to Micro and Small Companies – SEBRAE/National in the years 2005 and 2006. Fiscal Council at the National Bank for Economic and Social Development – BNDES for the period 2007/2008. From 2007 to 2012 hold the office of Institutional Relations Manager at the Brazilian Trade and Investment Promotion Agency - Apex-Brasil.

**EDISON FREITAS DE OLIVEIRA** – Has been an alternate member of Petrobras’ Fiscal Council since 2002. Currently, he holds the commissioned office of Special Internal Control Advisor of the Ministry of Mines and Energy. He has been secretary of Banco do Brasil Office and head of the Brazilian Central Bank president's Office for 17 years.



**PAULO JOSÉ DOS REIS SOUZA** -He has been a permanent member of Petrobras Fiscal Council since March 2012. He is currently holding the office of Program Director of the National Treasury Department since October 2011. In addition to this position, he served from 2003 to 2011, as the General Coordinator for the General Coordination of National Treasury Financial Planning. He holds a bachelor degree in Business Administration from Faculdade de Ciências Gerenciais da União de Negócios e Administração – UNA- Belo Horizonte/MG, and has also completed a post–graduation program in Public Policies and Governmental Management at Fundação Escola Nacional de Administração Pública – ENAP- Brasília/DF and, in Public Sector Economics at Fundação Getúlio Vargas – FGV – Brasília – DF. Paulo Souza has served or is currently serving as a member of the fiscal councils at the following companies: Infraero S/A (Airport Infrastructure), SERPRO (Technology and Information System), Eletropaulo S/A (Electrical Power Distributor); Petrobras Distribuidora S/A (Fuel Distributor), INB -Indústrias Nucleares do Brasil S/A (Nuclear Fuel Production).

**MARCUS PEREIRA AUCÉLIO** -Has been an alternate member of Petrobras’ Fiscal Council since 2012. He is currently the under-secretary of Fiscal Policy of the National Treasury Department, a title he has held since January 2007. From 2002 to 2006, he held the office of general coordinator of the Funds and Tax Operations Management General Coordination. He has a degree in Forest Engineering by the Universidade of Brasília, having completed his Executive MBA in Finance by the Brazilian Capital Market Institute and his graduate studies in Public Sector Economics by Fundação Getúlio Vargas -FGV. Marcus Aucélio has been a member in the Boards of the following companies: Banespa S.A. (Fiscal Council), Banco do Brasil S.A. (Fiscal Council), Caixa de Consórcios (Fiscal Council), Centrais Elétricas Brasileiras S.A. -Eletrobrás (board of directors) and Vale S.A. (Fiscal Council).

**MARISETE FÁTIMA DADALD PEREIRA** -Has been a permanent member of Petrobras’ Fiscal Council since 2011. Accountant, graduated by the University Vale do Rio dos Sinos -Sao Leopoldo -RS Has post-graduation studies in Accounting Sciences by the Universidade do Vale do Itajaí in 1990 and in Audit and Economic Sciences by the Universidade Federal de SC – Florianópolis. Holds the office of head of the Economic Counsel of the Ministry of Mines and Energy since August 2006, where she has also held the office of special advisor to the Minister of Mines and Energy, from August 2005 to July 2006. She was the manager in the Economic-Finance department at Eletrosul Centrais Elétricas SA from 1987 to July/2005 and took on the office of Accounting and Tax expert at the David Rafael Blochtein’s Accounting and Tax Counsel for the period between 1973 and 1987.





**RICARDO DE PAULA MONTEIRO** -Has been an alternate member of Petrobras' Fiscal Council since 2008. Economist, with a Master's Degree in Systems and Applications Analysis and having a post-graduation by the Spatial Research Institute – INPE, he has held the office of Special Advisor to the State Minister of Mines and Energy since 2005. He has worked for 20 years as an economist at the Centrais Elétricas do Norte do Brasil – Eletronorte.

The names appointed hereinbefore:

- Have not been subject, for the last 5 years, to criminal conviction, conviction in a CVM administrative procedure and unappealable conviction, within the judicial or administrative scope, which has suspended or disqualified them to perform any professional or commercial activity.
- Do not have any marital relation, stable relation or relatives liable to information as provided for in item 12.9 in the Reference Form.



**APPENDIX II****Information about the members appointed for the Fiscal Council indicated by non-controlling shareholders**

<b>Name TIF</b>	<b>Age Occupation</b>	<b>Administration Office Elective office to be held</b>
REGINALDO FERREIRA ALEXANDRE	55	
003.662.408-03	Economist	Fiscal Council member indicated by minority common shareholders
MÁRIO CORDEIRO FILHO 033.547.388-12	52 Economist	Fiscal Council member indicated by minority common shareholders (substitute)
WALTER LUIS BERNARDES ALBERTONI	45	
147.427.468.-48	Lawyer	Fiscal Council member indicated by preferred shareholders
ROBERTO LAMB 009.352.630-04	65 Teacher	Fiscal Council member indicated by preferred shareholders (substitute)

**REGINALDO FERREIRA ALEXANDRE** – Brazilian economist, with twenty years of experience in investment analysis, analyst, coordinator, organizer and head of analysis and has held these positions at Citibank, Unibanco, BBA (currently Itaú-BBA) and Itaú Securities Brokerage, respectively. He was also an corporate credit analyst at Citibank, a consultant in strategy at Accenture) and worked with corporate finance at Deloitte Touche Tohmatsu -experience that extends now to ProxyCon Business Consulting. Member of the Accounting Pronouncements Committee (CPC) – entity responsible for the development of Brazilian accounting standards – since it was founded in 2005. He is both a certified investment analyst (CNPI) and an investment manager accredited by CVM. Currently member of the fiscal council of the following publicly traded companies: Cremer SA (Chairman of the Supervisory Board, elected in April 2011 and re-elected in April 2012), Paraná Banco SA (elected in April 2011 and re-elected in April 2012), Tecnisa SA (elected in April 2011 and re-elected in April 2012), Unipar SA (elected in April 2012), Bradespar SA (alternate, elected in April 2012), Grendene SA (alternate, elected in April 2012). Former member of the Supervisory Board of Tele Norte Celular Participações SA elected in April 2007. Former member of the fiscal council of Companhia Siderúrgica Belgo-Mineira (now Arcelor Mittal),





elected in April 2004 and re-elected in April 2005. President of the Brazilian Association of Investment Analysts and Professionals of the Capital Markets – APIMEC, section Sao Paulo, elected for the period 2011-2012. Member of the Working Group established by the Federal Accounting Council (CFC) to monitor and advise on proposed changes to international accounting standards issued by the International Accounting Standards Board (IASB) and the propositions of the International Financial Reporting Interpretations Committee (IFRIC).

**MÁRIO CORDEIRO FILHO** – Background in auditing, controllership, and finance. Mr. Cordeiro Filho held positions in companies such as KPMG, CCR, Valspar Renner, Koppol Films , Itaú Group, and Real Group. He is a certified board member by the Brazilian Institute of Corporate Governance – IBGC. Focal point of contacts with independent auditors, board of directors, audit committee, and supervisory board (fiscal board) of publicly held companies for matters related to accounting, audit, internal controls, and tax planning. Experience in publicly held holding company listed in the BM&FBOVESPA Novo Mercado when took part in the task forces that promoted IPOs, public offerings, issuance of debt, implementation of shared service centers, valuation and acquisitions of companies. Management of administrative-financial areas of industries including treasury, accounting, controllership, tax, information technology, legal, credit and collection, accounts payable, personnel, and outsourced services. Experience in restructuring and implementation of controlling and logistics areas with gains in productivity and cost reduction. Negotiation with IDB and BNDES for the corporate reorganization of companies. Preparation of business plans, operational budgets, financial forecasts, valuation of companies, economic feasibility studies of investment projects and the implementation of a management model based on economic profit (Economic Value Added – EVA). Specialist in international accounting (IFRS) and valuation Operation with the area of investor relations – IR in presentations of results and contacts with investment analysts. Operation with the legal areas in the preparation of tax planning. Studies abroad (England, Chile, United States, Mexico and Portugal) in accounting practices, corporate law and tax law, negotiation with the Inter-American development and workshops. Master's Degree in Accounting – PUC/SP (2009) Post-Graduation in International Financial Reporting Standards (IFRS) – FIPECAFI (2008) Graduation in Accounting – Faculdade São Luis (2004). MBA Executive in Finance –Insper, former IBMEC Business School SP, (2002) Post-Graduation in Controllership – ADIFEA/USP (1990) Post-Graduation in Industrial Administration – Universidade de São Paulo, Escola Politécnica & Fundação Vanzolini (1988) Graduation in Economics – FEA/USP (1984).





**WALTER LUIS BERNARDES ALBERTONI** -Bachelor of Laws, graduated in 1992 from Pontifical Catholic University of São Paulo (PUC-SP), lawyer registered with the OAB / SP under the number 123283, Post Graduate in Civil Litigation (PUCSP-COGEAE) in Corporate Law and in Tax Law (LLM Insper, former IBMEC-SP), Alternate Director of the Appeals Council of the National Financial System, with more than twenty (20) years of experience in civil, corporate and business, having participated in several operations (M&A), and performed the analysis and preparation of reports on corporate transactions relevant to the Brazilian securities market. He has been acting over the last 8 years as an external advisor for the Association of Capital Market Investors -AMEC, giving opinions and developing institutional manifestations in defending the rights and interests of minority shareholders.

**ROBERTO LAMB** -Brazilian, married, physicist, bearer of RG No. 300.421.290-2 SSP/RS, CPF No. 009.352.630-04, served on the Audit Boards (Conselho Fiscal) of several Brazilian companies, including Marcopolo, Gerdau and AES Eletropaulo. Currently he serves on the Audit Board of AES Tiete and the Audit Board of MARFRIG. He holds an M.Sc. in Finance and is Professor of Finance at Universidade Federal do Rio Grande do Sul (UFRGS). He is the author of the Brazilian country specific edition of Ross, Westerfield and Jordan´s “Fundamentals of Corporate Finance”. He also lead the Better Practices Guide for Audit Boards and the Better Practices Guide for Audit Committees both issued by IBGC, the Brazilian Institute of Directors.

The names appointed hereinbefore:

- Have not been subject, for the last 5 years, to criminal conviction, conviction in a CVM administrative procedure and unappealable conviction, within the judicial or administrative scope, which has suspended or disqualified them to perform any professional or commercial activity.
- Do not have any marital relation, stable relation or relatives liable to information as provided for in item 12.9 in the Reference Form.



**EXTRAORDINARY GENERAL MEETING**

**PRESENTATION TO SHAREHOLDERS**

**ITEM I**

**ESTABLISHMENT OF THE COMPENSATION OF MANAGEMENT AND EFFECTIVE MEMBERS OF THE FISCAL COUNCIL AS WELL AS THEIR PARTICIPATION IN THE PROFITS PURSUANT TO ARTICLES 41 AND 56 OF THE COMPANY'S BYLAWS**

Dear Shareholders,

Petrobras is making available a forecast of the compensation of management and effective members of the Fiscal Council for the current fiscal year.

The establishing of the compensation of management and effective members of the Fiscal Council, as well as their participation in the profits, in the form of articles 41 and 56 of the Company's Bylaws will be approved at an Ordinary General Meeting.

Please find attached the Appendix I with the information regarding the compensation of management and effective members of the Fiscal Council in the last fiscal years and the forecast mentioned above for the current fiscal year, according o item 13 of the "Formulário de Referência" (Art.12 of CVM 481 Instruction).

Rio de Janeiro, February 25<sup>th</sup>, 2014

Maria das Graças Silva Foster  
CEO



**Information on Item 13 of the “Formulário de Referência”, complying with Art. 12 of the Brazilian Securities and Exchange Commission (“CVM”) Instruction No. 481/09**

**Directors wages**

**13.1.** To describe the wages’ policy or practice regarding the Board of Directors, the Statutory and non-Statutory Board, the Fiscal board, the statues boards and the boards as follows: fiscal, risk, financial and wages.

**I -EXECUTIVE OFFICERS:**

a. goals of the wages policy or practice

The fixed wages of the Executive Board consists of monthly fees defined yearly by the Ordinary General Meeting (AGO) in accordance with the provisions of Article 152 of LSA. The wages goals and practices aim to recognize and compensate the Company’s directors taking into consideration the responsibility, the time dedicated to the function, the competence and professional reputation, as well as the practices applied by the market for companies of similar size as Petrobras.

b. wages composition:

i. description of wages elements and its goals

- Fees: fixed monthly wages applied to the officers as retribution to the services rendered.
- Direct and indirect benefits: aim at the life quality of the officers, including housing and health care.
- Profit Share Plan (PLR) and Bonus for performance: retribution for the efforts in the construction of the results achieved, in addition to the motivational factor for the achievement of the strategic goals.
- After-job benefits: aim at the life quality of the officers, including a pension plan.
- Other: Aims at the quality of life of the managers, including and Social Security (INSS)

ii. proportion of each element in the total wages iii. calculation and adjustment methodology of each one of the wages elements

	2013 Fiscal Year
Wage or pro-labore fees (Christmas Bonus and Vacation)	76.6%
Direct and indirect benefits	5.2%
PLR (Profit Share)	5.6%
Performance bonus	5.9%
After-job benefits	6.7%





iii. calculation and adjustment methodology of each one of the wages elements

• Wage or pro-labore fees (Christmas Bonus and Vacation) and Performance bonus: There is not a single methodology for calculation and adjustment, provided that it is taken into consideration other factors such as: negotiation with regulatory body, relevant legislation, market practices and the amount defined at the AGO.

• PLR (Profit Share): For the calculation of the PLR it shall be taken into consideration the performance indicators negotiated with the Department of Coordination and Governance of Public Companies (DEST), relevant legislation, market practices and the amount defined at the AGO. In the 2011, 2012 and 2013 fiscal years, it was practiced, respectively the payment of 1.96, 1.54 and 0.96 wages to the Chief Executive Officer and Officers, an amount which was defined by decision of the Board of Directors.

iv. reasons that justify the arrangement of the wages

The arrangement of wages of Petrobras administrators is defined taking into consideration the economic-financial results of the Company, as well as in recognition of the Company's administrators and alignment with the wages practices applied by the market to companies of similar size of Petrobras.

c. main performance indicators that are taken into consideration for determining each wages element

- Fees: fixed wages without an associated indicator.
- Direct and indirect benefits: without an associated indicator.
- Profit Share Plan (PLR): bound to the compliance to the performance indicators negotiated with the Department of Coordination and Governance of Public Companies (DEST), such as: National Oil Processing – Brazil, Oil and Natural Gas Production – Brazil and unit Cost of extraction without government participation.
- After-job benefits: without an associated indicator.

d how the wages is organized in order to reflect the evolution of the performance indicators

The wages is organized so that the Profit Share Plan (PLR) is associated to the compliance to the performance indicators negotiated with the Department of Coordination and Governance of Public Companies (DEST), such as: National Oil Processing – Brazil, Oil and Natural Gas Production – Brazil and unit Cost of extraction without government participation.





e. how does the policy or wages practice align to the long, medium and short term interests of the Company

The wages of Petrobras administrators is defined by taking into consideration the economic-financial results of the Company, as well as in seeking the promotion of recognition of the administrators and the alignment to the long, medium and short term strategies of the Company, followed by the achievement of the goals defined by the Board of Directors and by indicators such as National Oil Processing – Brazil, Oil and Natural Gas Production – Brazil and unit Cost of extraction without government participation.

f. existence of wages supported by subsidiaries companies, controlled companies, or direct or indirect controlling companies

Not applicable.

g. existence of any wages or benefit associated to the occurrence of a determined corporate event, such as the disposal of the Company's shareholders' control.

Not applicable.

## **II-BOARD OF DIRECTORS:**

a. goals for the wages policy or practice

The fixed wages of the Executive Board consists of monthly fees defined yearly by the Ordinary General Meeting (AGO) in accordance with the provisions of Article 152 of LSA. The wages goals and practices aim to recognize and compensate the Company's directors taking into consideration the responsibility, the time dedicated to the function, the competence and professional reputation, as well as the practices applied by the market for companies of similar size as Petrobras.

b. wages composition::

i. description of wages elements and its goals

- Fees: fixed monthly wages applied to the directors as retribution to the services rendered.
- Direct and indirect benefits: aim at the life quality of the directors, including health care.
- Other: Aims at the quality of life of the managers, including Guarantee Fund for Length of Service (FGTS) and Social Security (INSS)

ii. proportion of each element in the total wages iii. calculation and adjustment methodology of each one of the wages elements

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Wage or pro-labore fees (Christmas Bonus and Vacation)	97%
Direct and indirect benefits	3%

43

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iii. calculation and adjustment methodology of each one of the wages elements

The amount practiced corresponds to 10% (ten percent) of the monthly average fees received by the Executive Board and approved by the AGO, as provided for in Art. 152 and 145 of Law 6,404/76 and Law 9,292, de 07.12.96.

iv. reasons that justify the arrangement of the wages

The amount/limit for the wages of members of the Board of Directors is defined by the AGO.

c. main performance indicators that are taken into consideration for determining each wages element

Not applicable: fixed wages without an associated indicator.

d. how is wages structured in order to reflect the performance indicators

Not applicable.

e. how does the policy or wages practice align to the long, medium and short term interests of the Company

The wages of Petrobras administrators is defined by taking into consideration the economic-financial results of the Company, as well as in seeking the promotion of recognition of the administrators and the alignment to the long, medium and short term strategies of the Company, followed by the achievement of the goals defined by the Board of Directors and by indicators such as National Oil Processing – Brazil, Oil and Natural Gas Production – Brazil and unit Cost of extraction without government participation.

f. existence of wages supported by subsidiaries companies, controlled companies, or direct or indirect controlling companies

Not applicable

g. existence of any wages or benefit associated to the occurrence of a determined corporate event, such as the disposal of the Company's shareholders' control.

Not applicable

**III-FISCAL BOARD:**

a. goals of the wages policy or practice

The fixed wages of the Fiscal Board consists of monthly fees defined yearly by the Ordinary General Meeting (AGO) in accordance with the provisions of Article 152 of LSA. The wages goals and practices aim to recognize and compensate the Company's directors taking into consideration the responsibility, the time dedicated to the function, the competence and professional reputation, as well as the practices applied by the market for companies of similar size as Petrobras.





b. wages composition:

i. description of wages elements and its goals

Fees: fixed monthly wages applied to the directors as retribution to the services rendered. Other: Aims at the quality of life of the managers, including Social Security (INSS)

ii. proportion of each element in the total wages

	2013 Fiscal Year
Wage or pro-labore fees (Christmas Bonus and Vacation)	100%

iii. calculation and adjustment methodology of each one of the wages elements

The amount practiced corresponds to 10% (ten percent) of the monthly average fees received by the Fiscal Board and approved by the AGO, as provided for in Art. 152 and 145 of Law 6,404/76 and Law 9,292, de 07.12.96.

iv. reasons that justify the arrangement of the wages

The amount/limit for the wages of members of the Fiscal Board is defined by the AGO.

c. main performance indicators that are taken into consideration for determining each wages element

Not applicable: fixed wages without an associated indicator.

d. how the wages is organized in order to reflect the evolution of the performance indicators

Not applicable.

e. how does the policy or wages practice align to the long, medium and short term interests of the Company

The monthly wages pays the directors for the services provided to the Company and is compatible to the amount practiced in the market aligning to the long, medium and short term interests of the Company.

f. existence of wages supported by subsidiaries companies, controlled companies, or direct or indirect controlling companies

Not applicable

g. existence of any wages or benefit associated to the occurrence of a determined corporate event, such as the disposal of the Company's shareholders' control.



Not applicable

**IV-FISCALING, ENVIRONMENT, AND REMUNERATION AND SUCCESSION BOARDS:**

In Petrobras there are 3 (three) Boards associated to the Board of Directors (CA): Fiscaling, Environment and Remuneration and Succession. Each one consists of three (03) members of the CA which do not receive any additional wages as a result of accumulating the task.





## 13.2. Total wages of the Board of Directors, Executive Office and Fiscal Board

<b>Total wages estimated for the current Dec 31, 2014 fiscal year- annual amounts</b>				
	<b>Executive Board</b>	<b>Board of Directors</b>	<b>Fiscal Board</b>	<b>Total</b>
Number of members*	7.67	9	5	21.67
<b>Annual Fixed Wages</b>				
Fee or pro-labore (with Christmas Bonus and vacation) **	BRL 10,291,726.27	BRL 1,087,611.03	BRL 610,056.30	BRL 11,989,393.60
Direct and Indirect Benefits	BRL 591,196.97	BRL 33,152.29	0,00	BRL 624,349.26
Participation in boards	0.00	0.00	0.00	0.00
Others***	BRL 2,608,153.27	BRL 166,099,41	BRL 235,117.65	BRL 3,009,370.33
<b>Variable Wages</b>				
Performance Bonus	BRL 615,857.42	0,00	0,00	BRL 615,857.42
Results interests	BRL 2,044,303.73	0,00	0,00	BRL 2,044,303.73
Meetings attendance	0.00	0.00	0.00	0.00
Commissions	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
<b>After-job</b>	BRL 1,072,007.41	0,00	0,00	BRL 1,072,007.41
<b>Job termination</b>	0.00	0.00	0.00	0.00
<b>Based on shares</b>	0.00	0.00	0.00	0.00
<b>Total wages</b>	BRL 17,223,245.08	BRL 1,286,862.73	BRL 845,173.95	BRL R\$ 19,355,281.76

• The CEO is also a member of the Board of Directors (CA), however, this position will not be remunerated. In compliance to Law no. 12,353, of Dec 28, 2010, Petrobras amended its By-Laws and conducted in 03/19/2012 the process of election of a representative of the employees as a member of the CA, therefore, the number of members was changed from 9 to 10. Therefore, in the amount referring to the CA it is considered 9 remunerated members. \* \* Members of the Board of Directors and Fiscal Board are not entitled to paid vacation. \*\*\*According to the instruction of the Department of Coordination and Governance of State-owned Companies (DEST) of the Ministry of Planning, Budget and Management, upon Official Letter No. 05/DEST-MP, of 01/21/2014, the following burdens were included in the managers' global amount proposed to the Annual Meeting of Shareholders of Petrobras (AGO) of 2014: Guarantee Fund for Length of Service (FGTS) and Social Security (INSS). Such burdens have been already in use by the Company, but they were not indicated in the amounts approved in advance by the Annual Meeting of Shareholders of Petrobras.

• The CEO is also a member of the Board of Directors (CA), however, this position will not be remunerated. Therefore, in the amount referring to the CA it is considered 9 remunerated members. In compliance to Law no. 12,353, of Dec 28, 2010, Petrobras amended its By-Laws and conducted in 03/19/2012 the process of election of a representative of the employees as a member of the CA, therefore, the number of members was changed from 9 to 10.

\*\*The Ordinary General Meeting held on 02/28/2012 amended Petrobras' Bylaws raising the number of the members of the Executive Board.

\*\*\*Members of the Board of Directors and Fiscal Board are not entitled to paid vacation.

Note: The amounts considered as of the month of march are just a projection.





**Total wages for Dec 31, 2013 fiscal year - annual amounts**

	<b>Executive Board</b>	<b>Board of Directors</b>	<b>Fiscal Board</b>	<b>Total</b>
Number of members*	7**	9	5	21
<b>Annual Fixed Wages</b>				
Fee or pro-labore (with Christmas Bonus and vacation) ***	BRL 8,251,108.87	BRL 1,032,170.76	BRL 594,761.32	BRL 9,878,040.95
Direct and Indirect Benefits	BRL 557,575.19	BRL 31,266.90	0,00	BRL 588,842.09
Participation in boards	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
<b>Variable Wages</b>				
Performance Bonus	BRL 631,267.51	0,00	0,00	BRL 631,267.51
Results interests	BRL 606,016.82	0,00	0,00	BRL 606,016.82
Meetings attendance	0.00	0.00	0.00	0.00
Commissions	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
<b>After-job</b>	BRL 727,027.58	0,00	0,00	BRL 727,027.58
<b>Job termination</b>	0.00	0.00	0.00	0.00
<b>Based on shares</b>	0.00	0.00	0.00	0.00
				<b>BRL</b>
<b>Total wages</b>	<b>BRL 10,772,995.97</b>	<b>BRL 1,063,437.66</b>	<b>BRL 594,761.32</b>	<b>12,431,194.95</b>

•The CEO is also a member of the Board of Directors (CA), however, this position will not be remunerated. Therefore, in the amount referring to the CA it shall be considered 9 remunerated members. In compliance to Law no. 12,353, of Dec 28, 2010, Petrobras amended its By-Laws and conducted in 03/19/2012 the process of election of a representative of the employees as a member of the CA, therefore, the number of members was changed from 9 to 10.

Note: The number of members corresponded to the annual average of number of members of each body calculated monthly.





**Total wages for Dec 31, 2012 fiscal year - annual amounts**

	<b>Executive Board</b>	<b>Board of Directors</b>	<b>Fiscal Board</b>	<b>Total</b>
Number of members*	7.42**	8.83	5	21.25
<b>Annual Fixed Wages</b>				
Fee or pro-labore (with Christmas Bonus and vacation) ***	BRL 8,476,383.91	BRL 951,987.58	BRL 543,281.26	BRL 9,971,652.75
Direct and Indirect Benefits	BRL 126,225.63	BRL 4,767.03	0,00	BRL 130,992.66
Participation in boards	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
<b>Variable Wages</b>				
Performance Bonus	BRL 550,000.00	0,00	0,00	BRL 550,000.00
Results interests	BRL 840,528.78	0,00	0,00	BRL 840,528.78
Meetings attendance	0.00	0.00	0.00	0.00
Commissions	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
	BRL 566,222.37			BRL 566,222.37
<b>After-job Job termination Based on shares</b>	0.00 0.00 0.00	0,00 0.00 0.00	0,00 0.00 0.00	0.00 0.00 0.00
				<b>BRL 12,059,396.56</b>
<b>Total wages</b>	<b>BRL 10,559,360.69</b>	<b>BRL 956,754.61</b>	<b>BRL 543,281.26</b>	

\* The CEO is also a member of the Board of Directors (CA), however, this position will not be remunerated. Therefore, in the amount referring to the CA it shall be considered 9 remunerated members. In compliance to Law no. 12,353, of Dec 28, 2010, Petrobras amended its By-Laws and conducted in 03/19/2012 the process of election of a representative of the employees as a member of the CA, therefore, the number of members was changed from 9 to 10.

\*\*The Ordinary General Meeting held on 02/28/2012 amended Petrobras' Bylaws raising the number of the members of the Executive Board.

\*\*\* Members of the Board of Directors and Fiscal Board are not entitled to paid vacation.

The number of members corresponded to the annual average of number of members of each body calculated monthly.



**Total wages for Dec 31, 2011 fiscal year - annual amounts**

	<b>Executive Board</b>	<b>Board of Directors</b>	<b>Fiscal Board</b>	<b>Total</b>
Number of members*	7	7.92	5	19.92
<b>Annual Fixed Wages</b>				
Fee or pro-labore (with Christmas Bonus and vacation) **	BRL 10,233,900.06	BRL 702,633.23	BRL 454,562.04	BRL 11,391,095.33
Direct and Indirect Benefits	BRL 101,239.40	BRL 7,367.17	0,00	BRL 108,606.57
Participation in boards	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
<b>Variable Wages</b>				
Performance Bonus	BRL 530,000.00	0,00	0,00	BRL 530,000.00
Results interests	BRL 915,133.64	0,00	0,00	BRL 915,133.64
Meetings attendance	0.00	0.00	0.00	0.00
Commissions	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
<b>After-job</b>	BRL 442,085.38	0,00	0,00	BRL 442,085.38
<b>Job termination</b>	0.00	0.00	0.00	0.00
<b>Based on shares</b>	0.00	0.00	0.00	0.00
				<b>BRL</b>
<b>Total wages</b>	<b>BRL 12,222,358.48</b>	<b>BRL 710,000.40</b>	<b>BRL 454,562.04</b>	<b>13,386,920.92</b>

\* \* The CEO is also a member of the Board of Directors (CA), however, this position will not be remunerated. Therefore, in the amount referring to the CA it shall be considered 9 remunerated members. In compliance to Law no. 12,353, of Dec 28, 2010, Petrobras amended its By-Laws and is conducting the process of election of a representative of the employees as a member of the CA, therefore, the number of members was changed from 9 to 10.

\*\* Members of the Board of Directors and Fiscal Board are not entitled to paid vacation. The number of members corresponded to the annual average of number of members of each body calculated monthly.



**13.3. Variable Wages of the last 3 fiscal years and the estimate for the current fiscal year for the Board of Directors, Executive Board, and the Fiscal Board**

**Varying Wages foreseen for current Social year Dec 31, 2014**

<b>Body</b>	<b>Executive Board</b>	<b>Board of Directors</b>	<b>Fiscal Board</b>	<b>Total</b>
Number of Members	7,67*			7,67*
		-	-	
<b>Bonus</b>				
Minimum amount estimated in the remuneration plan	BRL 615,857.42	0.00	0.00	R\$ 615,857.42
Maximum amount estimated in the remuneration plan	BRL 615,857.42	0,00	0,00	BRL 615,857.42
Amount estimated in the remuneration plan, if the goals are achieved	0.00	0.00	0.00	0.00
Amount effectively recognized	BRL 615,857.42	0,00	0,00	BRL 615,857.42
<b>Interests in the Result</b>				
Minimum amount estimated in the remuneration plan	0.00	0.00	0.00	0.00
Maximum amount estimated in the remuneration plan	BRL 2,044,303.73	0,00	0,00	BRL 2,044,303.73
Amount estimated in the remuneration plan, if the goals are achieved	0.00	0.00	0.00	0.00
Amount effectively recognized	BRL 2,044,303.73	0,00	0,00	BRL 2,044,303.73

\*The amounts considered as of the month of march are just a projection.



**Varying Wages foreseen for Social year Dec 31, 2013**

<b>Body</b>	<b>Executive Board</b>	<b>Board of Directors</b>	<b>Fiscal Board</b>	<b>Total</b>
Number of Members	7	-	-	7
<b>Bonus</b>				
Minimum amount estimated in the remuneration plan	0.00	0.00	0.00	0.00
Maximum amount estimated in the remuneration plan	BRL 1,406,426.16	0,00	0,00	BRL 1,406,426.16
Amount estimated in the remuneration plan, if the goals are achieved	0,00	0.00	0.00	0.00
	BRL 631,267.51			BRL 631,267.51
Amount effectively recognized		0,00	0,00	
<b>Interests in the Result</b>				
Minimum amount estimated in the remuneration plan	0.00	0.00	0.00	0.00
Maximum amount estimated in the remuneration plan	BRL 1,406,426.16	0,00	0,00	BRL 1,406,426.16
Amount estimated in the remuneration plan, if the goals are achieved	0.00	0.00	0.00	0.00
	BRL 606,016.82			BRL 606,016.82
Amount effectively recognized		0,00	0,00	
Note: the number of members corresponded to the annual average of number of members of each body calculated monthly.				





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**Varying Wages foreseen for current Social year Dec 31, 2012**


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<b>Body</b>	<b>Executive Board</b>	<b>Board of Directors</b>	<b>Fiscal Board</b>	<b>Total</b>
Number of Members	7.42	-	-	7.42
<b>Bonus</b>				
Minimum amount estimated in the remuneration plan	0.00	0.00	0.00	0.00
Maximum amount estimated in the remuneration plan	BRL 1,319,472.94	0,00	0,00	BRL 1,319,472.94
Amount estimated in the remuneration plan, if the goals are achieved	0.00	0.00	0.00	0.00
	BRL 550,000.00			BRL 550,000.00
Amount effectively recognized		0,00	0,00	
<b>Interests in the Result</b>				
Minimum amount estimated in the remuneration plan	0.00	0.00	0.00	0.00
Maximum amount estimated in the remuneration plan	BRL 1,319,472.94	0,00	0,00	BRL 1,319,472.94
Amount estimated in the remuneration plan, if the goals are achieved	0.00	0.00	0.00	0.00
	BRL 840,528.78			BRL 840,528.78
Amount effectively recognized		0.00	0.00	

Note: the number of members corresponded to the annual average of number of members of each body calculated monthly.



**Varying Wages foreseen for current Social year Dec 31, 2011**

Body	Executive Board	Board of Directors	Fiscal Board	Total
Number of Members	7	-	-	7
<b>Bonus</b>				
Minimum amount estimated in the remuneration plan	0.00	0.00	0.00	0.00
Maximum amount estimated in the remuneration plan	BRL 1,637,393.66	0,00	0,00	BRL 1,637,393.66
Amount estimated in the remuneration plan, if the goals are achieved	0.00	0.00	0.00	0.00
	BRL 530,000.00			BRL 530,000.00
Amount effectively recognized		0,00	0,00	
<b>Interests in the Result</b>				
Minimum amount estimated in the remuneration plan	0.00	0.00	0.00	0.00
Maximum amount estimated in the remuneration plan	BRL 1,637,393.66	0,00	0,00	BRL 1,637,393.66
Amount estimated in the remuneration plan, if the goals are achieved	0.00	0.00	0.00	0,00
	BRL 915,133.64			BRL 915,133.64
Amount effectively recognized		0,00	0,00	

13.4. In relation to the wages plan based on shares of the Board of Directors and the executive board, in effect in the previous fiscal year and estimated for the current fiscal year, describe:

Not applicable

a. general terms and conditions

b. plan's main objectives

c. way in which the plan contributes for such goals

d. how does the plan is included in the Company's remuneration policy

e. how does the plan align with the administrators and Company's long, medium, and short term interests







- f. maximum number of shares involved
- g. maximum number of shares to be granted
- h. conditions for acquisition of shares
- i. criteria for fixing acquisition or exercise price
- j. criteria for fixing exercise term
- k. liquidation form
- l. restriction to transfer of shares
- m. criteria and events that, whenever verified, shall result in suspension, altering or extinction of plan
- n. effects of the administrator dismissal of the Company on its provided rights in the wages plan based on shares

**13.5.** Inform the amount of shares or direct quotas held in Brazil or overseas, and other securities convertible to shares or quotas, issued by the Company, its direct or indirect controllers, controlled companies or under common control, by members of the Board of Directors, the executive board or the Fiscal Board, grouped as Bodies, on the date of closing of the last fiscal year

Executive Board		Amount
Titles characteristics		
FGTS quotas		0
Common Shares		26.494
Preferred Shares		212.824

Board of Directors		Amount
Titles characteristics		
FGTS quotas		0
Common Shares		1
Preferred Shares		622

Fiscal Board		Amount
Titles characteristics		
FGTS quotas		0
Common Shares		5.000
Preferred Shares		8.471

**13.6.** In relation to the wages based on shares recognized in the result of the last 3 fiscal years and estimate for the current fiscal year, the Board of Directors and the executive board, develop a chart with the following content:



Not applicable

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a. Body

b. Number of Members

c. in relation to each granting of options for purchase of shares:

i. date of granting

ii. Amount of granted options

iii. Deadline for the options to become exercised

iv. maximum deadline for exercising of options

v. restriction deadline for transfer of shares

vi. average weighted price of each one of the following groups of options: • outstanding at the begin of the fiscal year

- lost during fiscal year

- exercised during fiscal year

- expired during fiscal year

- d. fair value of the options on the date of granting

- e. potential dilution in case of exercise of all granted options

13.7. In relation to the outstanding options of the Board of Directors and the executive board at the end of the last fiscal year, develop a chart with the following content:

**Not applicable**

a. Body

b. Number of Members

c. in relation to the options not exercised

i. Amount

ii. Date in which they will become exercisable

iii. maximum deadline for exercising of options

iv restriction deadline for transfer of shares

v. average weighted price of exercise



- vi. fair value of the options on the last day of the fiscal year
- d in relation to the exercisable options

**i. Amount**

ii. maximum deadline for exercising of options

iii. restriction deadline for transfer of shares

iv. average weighted price of exercise

**V. fair value of the options on the last day of the fiscal year**

vi. fair value of the total of options on the last day of the fiscal year

**13.8.** In relation to the exercised options and shares delivered relative to the wages based on shares of the Board of Directors and the executive board recognized in the result of the last 3 fiscal years, develop a chart with the following content:

**Not applicable**

a. Body

b. Number of Members

c. In relation to the exercised options inform:

i. Number of shares

ii. average weighted price of exercise

**iii.** total amount of the difference between the amount of the exercise and market value of the shares relative to the exercised options

d in relation to the delivered shares, inform:

**i.** number of shares

ii. average weighted price of purchase

iii. total amount of the difference between the acquisition price and market value of the shares







13.9. Summarized description of the necessary information for the comprehension of the disclosed data in items 13.6 through 13.8, as well as the explanation regarding the methodology of pricing of the shares and the options value, indicating at least:

Not applicable

a. Method of pricing

b. Data and assumptions used in the pricing method, including the average weighted price of shares, exercise price, expected volatility, option term, estimated dividends and risk free interest rate

c. Method used and assumptions considered to incorporate the expected effects of the anticipated exercise

d. Method of determining the expected volatility

e. If any other option characteristic was incorporated in the measuring of the fair amount

13.10. Pension plans in effect conferred to the members of the Board of Directors and to the executive officers

Term - 2013	Executive Board	Board of Directors	Fiscal Board
Members	7	Not applicable	Not applicable
Plan Name	Petros, Petros 2 or private pension plan reimburse	Not applicable	Not applicable

a. Amount of administrators that satisfy the conditions for retirement

Taking into consideration that the election of the administrators of Petrobras is defined by the Company's By-Laws, and subsequently, they may be dismissed from their positions at any time by decision of the Shareholders, the amount and conditions for anticipated retirement shall not be considered.

b. conditions for anticipated retirement

Taking into consideration that the election of the administrators of Petrobras is defined by the Company's By-Laws, and subsequently, they may be dismissed from their positions at any time by decision of the Shareholders, the amount and conditions for anticipated retirement shall not be considered.

c. Updated amount for accumulated contributions in the pension plan until the closing of the last fiscal year, discounted the portion relative to the contributions made directly by the administrators

Term	Executive Board	Board of Directors	Fiscal Board
2013	BRL 727,027.58	Not applicable	Not applicable

d. If there is a possibility for anticipated redemption and its conditions



The pension plans have specific conditions and rules for anticipated redemption, amongst them the possibility of redemption of just part of the contributions made by the participants.

### 13.11. Maximum, minimum and average individual wages, of Board of Directors, the executive board and the Fiscal Board

	<b>Executive Board</b>	<b>Board of Directors</b>	<b>Fiscal Board</b>
	<b>31/12/2013</b>	<b>31/12/2013</b>	<b>31/12/2013</b>
<b>Number of members*</b>	7	9	5
<b>Higher remuneration amount (Reais)**</b>	BRL 1,853,980.80	BRL 132,514.84	BRL 114,714.84
<b>Lower remuneration amount (Reais)***</b>	BRL 1,289,667.03	BRL 114,714.84	BRL 114,714.84
<b>Average remuneration amount (Reais)</b>	BRL 1,495,275.48	BRL 118,720.58	BRL 114,714.84

\* The CEO is also a member of the Board of Directors of Petrobras, however, such participation is not remunerated. Therefore, in the amount referring to the CA it shall be considered 8 remunerated members.

\*\* Exercised 12 months in the position along the year.

\*\*\* The amount was calculated with the exclusion of the members which exercised less than 12 months in the position along the year.

Notes: The number of members corresponded to the annual average of number of Members of each Body calculated monthly.

	<b>Executive Board</b>	<b>Board of Directors</b>	<b>Fiscal Board</b>
	<b>31/12/2012</b>	<b>31/12/2012</b>	<b>31/12/2012</b>
<b>Number of members*</b>	7	7,75	5
<b>Higher remuneration amount (Reais)**</b>	BRL 1,692,854.46	BRL 112,530.82	BRL 108,679.08
<b>Lower remuneration amount (Reais)***</b>	BRL 1,389,196.91	BRL 107,972.19	BRL 108,679.08
<b>Average remuneration amount (Reais)</b>	BRL 1,423,734.03	BRL 108,311.84	BRL 108,656.25

\* The CEO is also a member of the Board of Directors of Petrobras, however, such participation is not remunerated. Therefore, in the amount referring to the CA it shall be considered 8 remunerated members. \*\* Exercised 12 months in the position along the year.

\*\*\*\* The amount was calculated with the exclusion of the members which exercised less than 12 months in the position along the year.

Note: The number of members corresponded to the annual average of number of Members of each Body calculated monthly \* The CEO is also a member of the Board of Directors of Petrobras, however, such participation is not remunerated. Therefore, in the amount referring to the CA it shall be considered 8 remunerated members. In compliance to Law no. 12,353, of Dec 28, 2010, Petrobras amended its By-Laws and conducted in 03/19/2012 the process of election of a representative of the employees as a member of the CA, therefore, the number of members was changed from 9 to 10. \*\* Exercised 12 months in the position along the year. \*\*\* The amount was calculated with the exclusion of five members, which exercised 1, 2,4,5 and 9 months in the position \*\*\*\* The amount was calculated with the exclusion of two members, which exercised 4 and 8 months in the position



	<b>Executive Board</b>	<b>Board of Directors</b>	<b>Fiscal Board</b>
	<b>31/12/2011</b>	<b>31/12/2011</b>	<b>31/12/2011</b>
<b>Number of members*</b>	7	7,92	5
<b>Higher remuneration amount (Reais) **</b>	BRL 2,106,242.35	BRL 91,785.94	BRL 90,912.41
<b>Lower remuneration amount (Reais)</b>	BRL 1,463,957.80	BRL 90,912.41 ***	BRL 90,912.41****
<b>Average remuneration amount (Reais)</b>	BRL 1,746,051.21	BRL 89,646.52	BRL 90,912.41

\* The CEO is also a member of the Board of Directors of Petrobras, however, such participation is not remunerated. Therefore, in the amount referring to the CA it shall be considered 8 remunerated members. In compliance to Law no. 12,353, of Dec 28, 2010,

Petrobras amended its By-Laws and conducted in 03/19/2012 the process of election of a representative of the employees as a member of the CA, therefore, the number of members was changed from 9 to 10.

\*\* Exercised 12 months in the position along the year.

\*\*\* The amount was calculated with the exclusion of five members, which exercised 1, 2,4,5 and 9 months in the position

\*\*\*\* The amount was calculated with the exclusion of two members, which exercised 4 and 8 months in the position

**13.12.** Describe contractual arrangements, insurance policies or other instruments that organize the remuneration mechanisms or indemnification to the administrators in case of destitution or retirement, indicating the

financial consequences to the Company

Not applicable

**13.13.** In relation to the last 3 fiscal years, indicate the total remuneration percentage of each body recognized in the Company's result referring to the members of the Board of Directors, the executive board or the Fiscal Board

which are parties related to the controlling companies, direct or indirect, as defined by the accounting rules that regulate such matter

Not applicable

**13.14.** In relation to the last 3 fiscal years, indicate the amounts recognized in the Company's result as remuneration for the members of the Board of Directors, the executive board or the Fiscal Board grouped as bodies, by any other reason than the function they occupy, such as, commissions and consulting services or

advisory provided

Not applicable

**13.15.** In relation to the last 3 fiscal years, indicate the amounts recognized in the result of controlling companies, direct or indirect, of shared control companies and the companies controlled by the Company, as remuneration of the Members of the Board of Directors, the executive board or the Fiscal Board, grouped as

bodies, specifying the reasons such amounts were determined to such individuals

Not applicable





### 13.16. Other relevant information

The information referring to years 2011 through 2013 correspond to the period of a calendar year, that is, from January to December, not being associated, consequently, to the amount which is approved at the Ordinary General Meeting (AGO), which corresponds to the period of April to March of the following year.

On the information related to the year 2014, the quantities and values considered in the calculation, as of the month of February are projected.

The Law no. 12,353, of December 28, 2010, provides for the participation of employees in the board of directors of public companies and mixed capital companies, its subsidiaries and controlling companies and other companies in which the Federal government, direct or indirectly, holds the majority of the share capital with a voting right. As a consequence, in the quantitative and values taken into consideration in the calculation for year 2011, as from the month of June, it was considered the addition of one (01) member to the Board of Directors.

Exceptionally in 2011, there was a payment in the amount of BRL 3,516,073.87 (three million, five hundred and sixteen thousand, seventy and three reais and eighty seven cents) referring to a portion of balance of accumulated vacation period of the Executive Board since the first day of term of the members of this Board until March 31, 2011.

According to the instruction of the Department of Coordination and Governance of State-owned Companies (DEST) of the Ministry of Planning, Budget and Management, upon Official Letter No. 05/DEST-MP, of 01/21/2014, the following burdens were included in the managers' global amount proposed to the Annual Meeting of Shareholders of Petrobras (AGO) of 2014: Guarantee Fund for Length of Service (FGTS) and Social Security (INSS). Such burdens have been already in use by the Company, but they were not indicated in the amounts approved in advance by the Annual Meeting of Shareholders of Petrobras.



**EXTRAORDINARY GENERAL MEETING**

**PRESENTATION TO SHAREHOLDERS**

**ITEM II**

**CAPITAL STOCK INCREASE**

Dear Shareholders,

The Law No. 6.404, of 15th December 1976, Brazilian Corporation Law, in its section 195-A states the net profit installment arising from government donations or subsidies addressed to investment may be used for tax incentives reserve. Ministerial Order No. 2.091-A issued by the Brazilian Ministry of State and National Integration on the 28th December 2007, approved the Tax Incentives Regulation -in force in Amazonia and Northeast regions (SUDAM and SUDENE) –and determined that resources coming from reinvestment in projects approved by SUDENE and SUDAM are incorporated to the capital stock within 180 days following resources attribution (section 35, paragraph 1).

Petrobras accounts' statement regarding 2013 financial year show that the Company got back part of the incentive resources -by depreciation -coming from reinvestment in projects approved by SUDENE and SUDAM, which were used in its fixed assets, in the amount of R\$ 21,055,260.02 (twenty one million, fifty five thousand, two hundred sixty and two cents, Brazilian Real), addressed to tax incentive profits reserve. Moreover, we need to increase capital stock incorporated in such tax incentive profits reserve installment, following the provisions set forth in the Ministerial Order No. 2.091-A issued by the Brazilian Ministry of State and National, section 35, paragraph 1.

Therefore, the Board submits to the appreciation and deliberation of the Extraordinary General Meeting of Shareholders the proposal to incorporate part of the tax incentive profit reserve -of R\$ 21,055,260.02 (twenty one million, fifty five thousand, two hundred sixty and two cents, Brazilian Real) in the capital stock, increasing capital stock from R\$ 205,410,905,230.50 (two hundred and five billion, four hundred and ten million, nine hundred and five thousand, two hundred and thirty, and fifty cents of Brazilian Real). to R\$ 205,431,960,490.52 (two hundred and five billion, four hundred and thirty one million, nine hundred and sixty thousand, four hundred and ninety, and fifty two cents of Brazilian Real). The number of issued shares remains the same, following the provisions set forth in Law No. 6.404/76, section 169, paragraph 1.



As a consequence, section 4 of the company's by-laws shall be changed, which is now as follows: "Section 4º-The capital stock is R\$ 205,431,960,490.52 (two hundred and five billion, four hundred and thirty one million, nine hundred and sixty thousand, four hundred and ninety, and fifty two cents of Brazilian Real), divided in 13,044,496,930 (thirteen billion, forty four million, four hundred and ninety six thousand and nine hundred and thirty) common shares, of which 7.442.454.142 (seven billion, four hundred and forty two million, four hundred and fifty for thousand and one hundred and forty two) are ordinary shares and 5,602,042,788 (five billion, six hundred and two million, forty two thousand and seven hundred and eighty eight) are preferred shares".

Rio de Janeiro, February 25<sup>th</sup>, 2014.

Maria das Graças Silva Foster  
CEO



**CAPITAL INCREASE**  
**CVM INSTRUCTION No. 481, 17th DECEMBER 2009**  
**(APPENDIX 14)**

1\_ Inform on the amount of the increase in share capital and on its new amount

<b>Description</b>	<b>Amounts in Reais</b>
Share Capital before increase	205,410,905,230.50
Proposed Share Capital increase	21,055,260.02
<b>Share Capital after proposed increase</b>	<b>205,431,960,490.52</b>

2\_ Inform on how the increase shall be made, namely: (a) conversion of debentures into shares; (b) exercise of subscription right or of subscription bonus; (c) reserve or profit capitalization; (d) subscription of new shares

**R:** The capital increase shall come from the capitalization of part of the reserve of tax incentives revenues.

3\_ Detailed explanation of the reasons for the increase and its legal and economic consequences

**R:** Capital increase coming from the incorporation IRS tax incentive revenues (SUDENE and SUDAM) following the destination of part of the deposits to reinvestment, as foreseen in Portaria nº 2.091-A, section 35, paragraph 1 of the Ministry of State and National Integration.

4\_ Provide a copy of the Fiscal Board, if applied

**R:** Not applied.

5\_ In case of capital increase by shares' subscription

**R:** Not applied.

6\_ In case of capital increase by capitalization of profits or reserves

**a.** Inform whether it will imply a change in shares' nominal value, if applied, or a distribution of new shares amongst the shareholders





**R:** Not applied.

**b.** Inform whether profit or reserves capitalization shall take place with or without a change in the number of shares, in non per value companies.

**R:** It will take place without a change in the number of shares **c.** In case of distribution of new shares **R:** Not applied. **d.** Inform on the deadline foreseen in section 169, paragraph 3 of the Law 6.404, from 1976 **R:** Not applied. **e.** Inform and provided data and documents on item 5, above, if reasonable **R:** Not applied.

**7\_** In case of a capital increase due to conversion of debentures in shares or due to the exercise of subscription bonus

**R:** Not applied.

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**EXTRAORDINARY GENERAL MEETING**

**PRESENTATION TO SHAREHOLDERS**

**ITEM III**

**MERGER OF TERMOAÇU INTO PETROBRAS**

Dear shareholders,

The Board of Directors of Petróleo Brasileiro S.A. – Petrobras (“Company”) hereby comes, in relation to the merger of TERMOAÇU S.A. (“TERMOAÇU”) into Petrobras, item III of the Agenda of

the Extraordinary General Meeting to be held on 04/02/2014, to present the following information to the shareholders:

TERMOAÇU, located at Rua Angelo Varela nº 1030, Tirol, City of Natal, State of Rio Grande do Norte, is a corporation composing the current shareholding structure of Petrobras System.

The maintenance of several administrative structures would lead to an increase in its operating costs and reduction of relevant synergies in the conduct of the matters of its interest.

In this scenario, taking into account the intent to reduce costs and increase its businesses, integrating the assets, promoting synergy and economy of the system, the merger is deemed a strategy of the Gas & Energy (G & E) area to better conduct its activities and management policies.

Since the Company is the owner of one hundred (100%) percent of the membership interests of the capital stock of TERMOAÇU, the capital stock of Petrobras will not be changed, to the extent that its financial statements already consolidate the accounting records of the company to be absorbed.

At last, the purpose of the merger is to transfer all assets, rights and obligations of TERMOAÇU to the Company and is part of a process of reorganization whose goal is to simplify the corporate structure, reduce costs, manage the assets in a more efficient manner and have a better relationship with regulatory agencies, especially ANEEL.

Thus, the Board of Directors hereby submits the proposal of merger of TERMOAÇU into PETROBRAS to the Extraordinary General Meeting for its assessment and resolution, in the form of the Protocol of Merger and Justification entered into between the Company and TERMOAÇU, the corresponding Appraisal Report and other measures set forth in item III of the Agenda contained in the Notice of Meeting.



Find attached to this Manual for the Participation at Meetings of Shareholders the documents and information required for the exercise of the shareholders' voting right, including information provided for in CVM Instruction No. 481, Annex 21.

**Maria das Graças Silva Foster**

President of Petrobras



**PETRÓLEO BRASILEIRO S.A. -PETROBRAS OPINION OF THE FISCAL COUNCIL OF PETROBRAS**

The Fiscal Council of Petróleo Brasileiro S.A. -PETROBRAS, in the exercise of its legal and statutory functions, at a meeting held on this date, assessed the decisions of the Board of Directors of the Company (taken at the Directors' Meeting dated 02.25.2014), in order to submit for resolution of the Extraordinary General Meeting -EGM: I-the merger of Termoceaná Ltda. into PETROBRAS; II-the merger of Termoçu S.A. into PETROBRAS; and III-the merger of Companhia Locadora de Equipamentos Petrolíferos -CLEP into PETROBRAS.

2. Based on the content of the documents, which were timely sent to this Board, and the fact that the three transactions were not prevented due to any legal, economic, financial and tax issue, in the Appraisal Report, highlighting the following: a) the report prepared by Apsis Consultoria e Avaliações Ltda., issued on January 22nd, 2014, concluding that the amount of the equity of TERMOCEARÁ LTDA., at book value, for purposes of merger into PETROBRAS, is R\$ 336,498,484.30 (three hundred thirty six million, four hundred ninety-right thousand,, four hundred eighty-four reais and thirty cents), as per the balance sheet on the base date of 11.30.2013; b) the report prepared by Apsis Consultoria e Avaliações Ltda., issued on January 22<sup>nd</sup>, 2014, concluding that the amount of the equity of TERMOAÇU S.A., at book value, for purposes of merger into PETROBRAS, is R\$ 669,410,334.21 (six hundred sixty-nine million, four hundred and ten thousand, three hundred and thirty-four reais and twenty one cents), as per the balance sheet on the base date of 11.30.2013; and c) the report prepared by PricewaterhouseCoopers Independent Auditors, issued on 02.10.2014, concluding that the amount of the equity of Companhia Locadora de Equipamentos Petrolíferos -CLEP, at book value, for purposes of merger into PETROBRAS, is R\$ 1,530,246,091.54 (one billion, five hundred and thirty million two hundred forty-six thousand and ninety-one reais and fifty-four cents), as per the balance sheet of CLEP, on the base date of 12.31.2013; and on the Protocols that, pursuant to articles 224 and 225 of Law No. 6.404/76, present the conditions and justifications of the transactions of merger mentioned above, the Fiscal Council ratifies that the legal formalities were satisfied, and the documentation is ready to be submitted for discussion and voting at an Extraordinary General Meeting of PETROBRAS.

Rio de Janeiro, February 25<sup>th</sup>, 2014

*(There appears signature)*

**Marisete Fátima Dadald Pereira**

Chairman

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*(There appears signature)*

**César Acosta Rech**

Director

*(There appears signature)*

**Paulo José dos Reis Souza**

Director

*(There appears signature)*

**Reginaldo Ferreira Alexandre**

Director

*(There appears signature)*

**Walter Luis Bernardes Albertoni**

Director

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**Protocol and Justification of Merger of TERMOAÇU LTDA. into Petroleo Brasileiro S.A. -Petrobras**

***Entered into between***

**I. PETROLEO BRASILEIRO S.A. — PETROBRAS**, government-controlled company, with registered office at Avenida República do Chile n° 65, Centro, in the City and State of Rio de Janeiro, registered in the National Register of Corporate Taxpayers (CNPJ/MF) under No. 33.000.167/0001-01, herein represented by its attorney with sufficient authority Fernando Homem da Costa Filho, hereinafter referred to as **"PETROBRAS"** or **"Surviving Company"**; and

**II. TERMOAÇU S.A.**, a corporation with registered office at Rua Ângelo Varela, n° 1030, Tirol, in the City of Natal, State of Rio Grande do Norte, registered in the National Register of Corporate Taxpayers (CNPJ/MF) under No. 03.783.964/0001-41, herein represented according to its Articles of Incorporation, hereinafter referred to as **"TERMOAÇU"**, or **"Absorbed Company"**;

PETROBRAS and TERMOAÇU being collectively referred to as **"PARTIES"**, or individually referred to as **"PARTY"**;

***Whereas:***

(i) PETROBRAS is a government-controlled company, with a fully subscribed and paid capital stock in the amount of R\$ 205,410,905,230.50 (two hundred and five billion, four hundred and ten million, nine hundred and five thousand, two hundred and thirty reais and fifty cents), divided into 13,044,496,930 (thirteen billion forty four million, four hundred ninety-six thousand, nine hundred and thirty) no-par shares, as follows: 7,442,454,142 (seven billion, four hundred forty-two million, four hundred and fifty-four thousand, one hundred forty-two) common shares and 5,602,042,788 (five billion, six hundred and two million, forty-two thousand, seven hundred eighty-eight) preferred shares;

(ii) TERMOAÇU is a corporation holding a fully paid and subscribed capital stock in the amount of R\$ 699,737,035.08 (six hundred ninety-nine million, seven hundred thirty-seven thousand, thirty-five reais and eight cents), divided into 1,254,233,352 (one billion, two hundred fifty-four million, two hundred thirty-three thousand, three hundred fifty-two) no-par

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registered common shares, and its Articles of Incorporation provide for the application of Law No. 6.404, of December 15<sup>th</sup>, 1976 (Law No. 6.404/76);

(iii) PETROBRAS is the holder of all issue membership interests of TERMOAÇU, representing 100% of the total capital stock of TERMOAÇU;

(iv) The PARTIES aim at a transaction of merger, by which PETROBRAS shall absorb TERMOAÇU, upon automatic dissolution of the latter, which shall be succeeded in all of its rights and obligations by PETROBRAS, pursuant to Article 227, paragraph 3 of Law No. 6.404/76;

(v) The Management of the companies has analyzed options for the best conduct of its activities and management policies, taking into account the intent to reduce costs and increase its businesses, upon merger of its activities, since the maintenance of several administrative structures would lead to an increase in its operating costs and reduction of relevant synergies in the conduct of the matters of its interest;

(vi) The transaction of merger of TERMOAÇU into PETROBRAS shall be subject to the approval of the shareholders of both companies.

The PARTIES hereby DECIDE to enter into this Protocol and Justification of Merger ("Protocol and Justification"), according to the articles 224, 225 and 227 of Law No. 6.404/76, whose terms and conditions below shall govern the proposal of merger to be submitted to their shareholders:

#### CLAUSE ONE — BACKGROUND OF THE PROPOSED TRANSACTION AND JUSTIFICATION

1.1. Proposed Transaction. The transaction consists of the merger of TERMOAÇU into PETROBRAS, upon full transfer of the owners' equity of TERMOAÇU, appraised at book value, to PETROBRAS ("Transaction" or "Merger").

1.1.1. In view of the Transaction, TERMOAÇU shall be automatically dissolved, for all purposes and legal effects, so that the Surviving Company shall succeed TERMOAÇU in all of its rights and obligations, pursuant to Article 227 of Law No. 6.404/76

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1.2. The owners' equity of TERMOAÇU, for purposes of the corresponding entries into PETROBRAS, was appraised at book value by the expert APSIS Consultoria e Avaliações Ltda. appointed in item 2.1, on the base date established in item 2.2 of this Protocol and Merger, according to the criteria provided in the Civil Code and Law No. 6.404/76, for the preparation of financial statements.

1.3. The management of PETROBRAS shall perform all necessary acts for the implementation of the merger, as well as pay all costs and expenses arising from such implementation.

1.4. Justification of the Transaction. PETROBRAS has analyzed options for the best conduct of its activities and management policies, taking into account the intent to reduce costs and increase its businesses, upon merger of its activities, since the maintenance of several administrative structures would lead to an increase in its operating costs and reduction of relevant synergies in the conduct of the matters of its interest.

1.4.1. The purpose of the merger is the transfer of all assets, rights and obligations of TERMOAÇU to PETROBRAS and is part of a process of reorganization whose goal is to simplify the corporate restructuring, reduce costs and manage the assets in a more efficient manner.

1.4.2. Since PETROBRAS is the owner of one hundred percent (100%) of the membership interests representing the capital stock of TERMOAÇU, the proposed merger shall not result in change in the capital stock of PETROBRAS, to the extent that such financial statements of PETROBRAS consolidate the entries of TERMOAÇU. **CLAUSE TWO – APPRAISAL OF THE OWNERS' EQUITY OF TERMOAÇU AND BASE DATE OF THE APPRAISAL**

2.1. The appointment of the expert APSIS Consultoria e Avaliações Ltda., registered in the National Register of Corporate Taxpayers (CNPJ) under No. 08.681.36510001-30, with registered office at Rua da Assembleia, n° 35, 12° andar, in the City of Rio de Janeiro -RJ, as the company in charge of preparing the appraisal report on the equity of the Absorbed Company to be transferred to PETROBRAS ("Appraisal Report") shall be ratified upon resolution at the meeting of members of TERMOAÇU and at the Special

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Meeting of Shareholders of PETROBRAS, pursuant to articles 1.117 and 1.118, both of the Civil Code and article 227, of Law No. 6.404/76.

2.2. APSIS Consultoria e Avaliações Ltda. is an expert in appraisals, and upon request by the PARTIES, it did the following: (i) appraisal of the equity of TERMOAÇU at book value, based on the elements of the Balance Sheet of TERMOAÇU, prepared on 11/30/2013 ("Base Date of the Merger"), thus composing the amount of the equity to be transferred to PETROBRAS, and (ii) preparation of the Appraisal Report, forming Annex I to this Protocol and Justification, the amounts being subject to the prior analysis and approval of the shareholders of PETROBRAS, as provided by the law. **CLAUSE THREE — GLOBAL AMOUNT OF THE EQUITY TO BE ABSORBED**

3.1. According to the Appraisal Report, the book value of the equity of TERMOAÇU to be transferred to PETROBRAS is R\$ 669,410,334.21 (six hundred sixty-nine million, four hundred ten thousand, three hundred thirty-four reais and twenty-one cents), under Clause Four below.

3.2. The amount of the appraised equity corresponds exactly to the asset account of PETROBRAS, since TERMOAÇU is a full subsidiary of PETROBRAS. Thus, as a result of the merger, the assets of PETROBRAS represented by its investment account concerning the interest in the capital stock of TERMOAÇU shall be replaced, in the accounting records PETROBRAS, with the assets and liabilities composing the balance sheet of TERMOAÇU.

3.3. The replacement of investments of PETROBRAS in TERMOAÇU with the assets and liabilities composing the balance sheet of TERMOAÇU shall not result in change in the amount of the equity of PETROBRAS.

3.4. The balances of the credits and debts of TERMOAÇU shall be transferred to the accounting records of PETROBRAS, making the necessary adjustments.

3.5. The assets, rights and obligations of TERMOAÇU composing the equity to be transferred to PETROBRAS are those described in detail in the appraisal report, at book value. **CLAUSE FOUR — TREATMENT OF THE CHANGES N EQUITY UNTIL THE DATE OF MERGER**

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4.1. Changes in equity appraised from the base date of the merger and the actual merger shall be absorbed by PETROBRAS and transferred to the records of PETROBRAS in their amounts on the date of merger, not affecting the amounts adopted in this Protocol and Justification for the merger. **CLAUSE FIVE — DISSOLUTION OF THE MEMBERSHIP INTERESTS OF TERMOAÇU**

5.1. For the purposes of the merger proposed in this Protocol and Justification, no shares of PETROBRAS shall be distributed to the members, since PETROBRAS is the owner of all issue membership interests of TERMOAÇU.

5.2. As a result, 1,254,233,352 (one billion, two hundred fifty-four million, two hundred thirty-three thousand, three hundred fifty-two) no-par registered common shares owned by TERMOAÇU shall be dissolved, pursuant to articles 226, §1 of Law No. 6.404/76, making the necessary adjustments and adaptations in the accounting records of PETROBRAS.

5.3. No shares of PETROBRAS shall be canceled or issued due to the Merger, nor shall the amount of its capital stock be changed, thus, at the end of the merger, the capital stock of PETROBRAS shall remain unchanged in the amount of R\$ 205,410,905,230.50 (two hundred five billion, four hundred and ten million, nine hundred and five thousand, two hundred and thirty reais and fifty cents), divided into 13,044,496,930 (thirteen billion forty four million, four hundred ninety-six thousand, nine hundred and thirty) no-par shares, as follows: 7,442,454,142 (seven billion, four hundred forty-two million four hundred fifty-four thousand, one hundred forty-two) common shares 5,602,042,788 (five billion, six hundred and two million, forty-two thousand, seven hundred eighty-eight) preferred shares. As a result, the Articles of Incorporation of PETROBRAS shall not be amended. CLAUSE SIX — NOTIFICATION TO THE BOARD OF DIRECTORS OF PETROBRAS AND APPROVAL AT THE MEETING OF MEMBERS OF TERMOAÇU AND AT THE MEETING OF SHAREHOLDERS OF PETROBRAS

6.1. Board of Directors. Pursuant to the Articles of Incorporation of PETROBRAS, the Board of Directors of PETROBRAS shall be notified of the Transaction and ratify the

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hiring of the audit company for the appraisal of the equity of TERMOAÇU and, pursuant to article 142, item IV of Law No. 6.404/76, call the Special Meeting of Shareholders of PETROBRAS which shall resolve on the Transaction.

6.2. Executive Board. The Executive Board of TERMOAÇU shall call the Board of Directors to attend the Meeting of Members of TERMOAÇU, upon prior statement by the Board of Directors of PETROBRAS, for the Transaction to be resolved.

6.3. Meeting of Shareholders. In order to implement the Transaction, the Meeting of Shareholders of PETROBRAS and the Meeting of Shareholders of TERMOAÇU shall be called, according to the periods and other procedures provided by law. **CLAUSE SEVEN – MISCELLANEOUS**

7.1. Whereas TERMOAÇU is a full subsidiary of PETROBRAS, the following provisions shall not apply (i) exchange ratio; and (ii) reimbursement to the members of TERMOAÇU.

IN WITNESS WHEREOF, the PARTIES sign this Protocol and Justification, in two (2) counterparts of equal content and form, for a single purpose, along with the two undersigned witnesses.

Rio de Janeiro, February 5th, 2014.

PETROLEO BRASILEIRO S.A. -PETROBRAS.

*(There appears signature)*

Fernando Homem da Costa Filho Executive Manager of Transactions and Interests in Energy TERMOAÇU S.A..

(There appears signature)  
Taismar Zanini  
Chief Executive Officer

(There appears signature)  
Dário Freire Branco  
Chief Technician Officer

Witnesses:  
(There appears signature)  
Name: Ricardo Alves da Silva  
I.D. No. 08603250-5-SSP/RJ

(There appears signature)  
Name: Demetrio Sheeny Coutinho  
I.D. No. 09611116-6

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**Annex IV  
(CVM Instruction No. 481-Annex 21)  
Annex 21**

**1. List the appraisers recommended by the manager**

APSYS CONSULTORIA E AVALIAÇÕES Ltda, hereinafter referred to as APSYS, was designated to check the value of the net assets of TERMOAÇU S.A. to be absorbed by PETROBRAS.

**2. Describe the qualification of recommended appraisers**

APSYS, since it is a consulting firm, registered before CRC under No. CRC/RJ–005112/O-9, is qualified to issue an appraisal report at book value according the rules in force. This report satisfies the specifications and criteria established by USPAP (Uniform Standards of Professional Appraisal Practice), in addition to the requirements imposed by different agencies, such as: Ministry of Finance, the Central Bank of Brazil, Banco do Brasil, CVM – Securities and Exchange Commission, SUSEP – Private Insurance Supervisory Board, RIR – Income Tax Regulation etc.

APSYS has already performed similar services to PETROBRAS.

**3. Provide copies of the work offers and compensation of recommended appraisers**

See below.

**4. Describe any relevant existing relationship in the last three (3) years between the recommended appraisers and the parties related to the company, such as defined by the accounting rules providing for such matter**

The advisors are not interested, directly or indirectly, in the companies involved or in the transaction, and there is no other relevant circumstance that may be regarded as conflict of interests.





**Proposal RJ-0251/13**

Rio de Janeiro, July 14<sup>th</sup>, 2013.

**PETRÓLEO BRASILEIRO S.A – PETROBRAS**

Av. República do Chile, 65 -Centro Rio de Janeiro -RJ

C/O: Marco Queiroz

Dear Marco,

As requested, we are pleased to present our proposal to provide services.

**ABOUT APSIS**

Apsis is a company engaged in the market since the 70s, providing integrated services in financial consultancy for companies in Brazil and abroad. Committed to a rigorous standard of quality, APSIS offers a flexible and personalized service. Our extensive experience in many sectors of the economy helps to clearly identify the needs of your company, and propose simple and smart solutions that meet the requirements of your business. Our appraisals are performed by a highly qualified and multidisciplinary team aware of the market needs and changes, in accordance with international accounting standards (IFRS) as published and revised by the International Accounting Standards Board (IASB), the Accounting Pronouncements Committee, ABNT and other related rules and regulations.

We are part of the board of the Brazilian Committee of Business Appraisers (CBAN) of the National Association of Executives in Finance, Management and Accounting (ANEFAC).

We are an independent member of Morison International, a global association of accounting, auditing and consulting firms, which is present in 65 countries with more than 90 members.

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## **OUR SERVICES**

### **Corporate Restructuring Appraisal**

- Independent Appraisal Reports
- Merger, Demerger and Consolidation Reports
- Appraisal of Assets in Investment Funds in Interest and Real Estate
- Capital Increase
- Initial Public Offering (IPO) (Exchange Ratio)
- Alternative Dispute Resolution (ADR)

### **Appraisal for Financial Statements -Fair Value**

- Amalgamation (Intangible Assets and Goodwil)
- Impairment test (Impairment of Assets)
- Intangible assets (Brands, Software and Other)
- Economic Life, Residual Value and Replacement Value
- Investment Property
- Purchase Price Allocation (PPA)
- Biological Assets

### **Corporate Finance**

- Appraisal of Companies, Trademarks and Other Intangible Assets
- Consolidations and Acquisitions
- Fairness Opinion
- Prospection of Investors and Opportunities
- Feasibility Studies

- Strategic Financial Modeling
- Analysis of Performance Indicators

### **Management of Fixed Assets**

- Inventory and Accounting Reconciliation
- Outsourcing of assets

### **Real Estate Appraisal**

- Economic and Financial Feasibility Study
  - Expert witness evidence
  - Economic Lifetime, Residual Value and Replacement Value
  - Analysis of Performance of Real Estate Portfolios
  - Appraisal of Structural Engineering
  - Purchase and Sale/ Lease Value
  - Bank guarantee / Giving in payment
  - Insurance
  - Revision of Taxes (IPTU/ ITBI)
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### Customers of Apsis

AÇÚCAR GUARANI (TEREOS FRANÇA)  
ALL - AMERICA LATINA LOGÍSTICA  
ALIANSCCE SHOPPING CENTERS  
ANDRADE GUTIERREZ  
ANHANGUERA  
AMBEV  
AQUILA ASSET MANAGEMENT  
ARCELOR MITTAL  
AYESA INTERNATIONAL  
BANK OF AMERICA MERRIL LYNCH  
BHG - BRAZIL HOSPITALITY GROUP  
BIAM GESTÃO DE CAPITAIS  
BM&A - BARBOSA, MÜSSNICH & ARAGÃO ADVOGADOS  
BM&F BOVESPA  
BNDES  
BNY MELLON  
BRASIL FOODS  
BRASKEM  
BRAZIL PHARMA  
BR MALLS  
BR PROPERTIES  
BROOKFIELD INCORPORAÇÕES BRASCAN  
BTG PACTUAL  
BUNGE FERTILIZANTES  
CAMIL ALIMENTOS  
CARYLE BRASIL  
CASA & VIDEO  
CAMARGO CORRÊA  
CARREFOUR  
CCX - EBX - IMX - LLX - MMX  
CEG  
CIELO  
CLARO  
COCA-COLA  
COMITÊ OLÍMPICO BRASILEIRO - COB  
CONTAX  
CPFL  
CSN - COMPANHIA SIDERÚRGICA NACIONAL  
EMBRAER  
EMBRATEL  
ENERGISA  
ESTÁCIO PARTICIPAÇÕES  
GP INVERSIONES  
HYPERMARCAS  
IDEIASNET  
INBRANDS  
IOCHPE MAXION  
JBS  
KRAFT FOODS  
LAFARGE  
LIGHT  
LIQUIGÁS  
LOBO & IBEAS ADVOGADOS  
LOJAS AMERICANAS  
LORINVEST (LORETZEN)  
MACHADO, MEYER, SENDACZ E OPICE ADVOGADOS  
MAGNESITA  
MARFRIG  
MATTOS FILHO ADVOGADOS  
MG A.A DE INVESTIMENTOS  
MICHELIN  
MULTIPLAN  
OI S.A.  
OWENS ILLINOIS AMERICA LATINA  
PATRIA INVESTIMENTOS  
PEIXE URBANO  
PETROBRAS  
PINHEIRO GUIMARÃES ADVOGADOS  
PINHEIRO NETO ADVOGADOS  
PONTO FRIO - VIA VAREJO S.A.  
PROCTER & GAMBLE  
PSA PEUGEOT CITROEN  
QUATTOR  
REPSOL YPF  
REXAM  
RIO BAVO  
ROTSCHILD & SONS  
SÁ CAVALCANTE  
SHELL  
SHV GÁS BRASIL  
SOUZA, CESCON ADVOGADOS  
TAURUS  
TELOS FUNDAÇÃO EMBRATEL  
TIM BRASIL

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ESTALEIRO ALIANÇA

ETERNIT

FEMSA BRASIL

FUNDAÇÃO GETÚLIO VARGAS

FGV - PROJETOS

FOZ DO BRASIL

FRESH START BAKERIES (EEUU)

GAFISA

GENERAL ELETRIC DO BRASIL - GE

GERDAU

GETNET

GOL LINHAS AÉREAS INTELIGENTES

GOUVÊA VIEIRA ADVOGADOS

TOTVS

TRENCH, ROSSI E WATANABE ADVOGADOS

ULHÔA CANTO, REZENDE E GUERRA ADVOGADOS

ULTRAPAR

UNIMED

VEIRANO ADVOGADOS

VEREMONTE

VIVO

VOTORANTIM

XP INVESTIMENTOS

WTORRE

WHEATON DO BRASIL

WHITE MARTINS



## **1. Scope of the project**

### **1.1. Understanding the situation**

PETRÓLEO BRASILEIRO SA -PETROBRAS (“PETROBRAS”) is a Brazilian government-controlled company, with the Government as the largest shareholder, operating in the energy segment.

As agreed, Petrobras will absorb the net assets of its two companies (both being its investees), at book value, and hired the services of APSIS to help it in the preparation of Appraisal Reports in accordance with accounting practices adopted in Brazil. The reports will be issued in Portuguese, English and Spanish versions.

### **1.2. Description of the project**

#### **SCOPE 1**

Preparation of Appraisal Reports at book value of net assets of the company SFE – Sociedade Fluminense de Energia S/A, in accordance with the accounting practices adopted in Brazil, on 06/30/2013, to be absorbed by PETROBRAS, in accordance with Articles 226 and 227 of Law No. 6.404/76.

#### **SCOPE 2**

Preparation of Appraisal Reports at book value of net assets of the company Termoaçú S/A, in accordance with the accounting practices adopted in Brazil, on a base date to be defined, to be absorbed by PETROBRAS, in accordance with Articles 226 and 227 of Law No. 6.404/76.

### **1.3. Required Documentation**

- Articles of Organization/Incorporation, or qualification of companies involved in the transaction (trade name, address of the registered office and CNPJ – National Register of Corporate Taxpayers);
- Analytical trial balances of the companies involved in the analysis (including subsidiaries and affiliates) on the base date of the appraisal;
- If there are intangible assets recorded, send a report to state reasons and/or impairment test;
- Protocols and drafts of corporate documents, if available;
- Corporate Organization Chart, and
- Audit report, if available.

**1.4.** If the documentation and/or information necessary for the development of the proposed work is not provided by the customer, and additional working hours of the APSIS staff involved in the project arise from obtaining and preparing such documentation and/or information, such hours will be assessed and charged as per the table of man-hour value in force. The same will occur when the documentation or information is replaced after the start of the project.

**1.5.** Any work which is not described in the scope of this proposal, directly or indirectly related to the scope proposed herein, to be performed by Apsis upon Customer's request, will be charged as additional hours of work of the APSIS staff involved in the project or, if requested, may be the subject of another proposal. Such hours will be established and charged as per the table of man-hour value in force.

1 The scope of the proposal does not include hours for clarifications to the Audit. The necessary hours necessary will be charged as per the table of man-hour value in force.

## 2 **Methodology**

Despite considerable differences in appraisal methodologies, all of them arise from the same principle: the replacement method, which provides that no investor is required to pay for an asset whose value is higher than other substitute and corresponding asset. Find below a summary of the appraisal methodologies:

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- **Marketplace Approach** -Compare the company in analysis with other recently sold companies or on offer in the market (multiple or stock exchange quotation).
- **Approach of assets** -Analyze accounting records and assess the carrying value of equity or the value of equity at market value. The latter being the value of equity, considering the adjustments made to the assets and liabilities (difference between the net accounting balances and fair values).
- **Income approach** -also known as discounted cash flow. The market value of the company in this methodology is equal to the sum of all future monetary benefits that it can offer its holder (converted future values at present value using an appropriate rate).

The table below summarizes the methodologies described above and points out their indications, advantages and difficulties. APSIS shall determine the most appropriate methodology for the proposed

goal.

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### **3. Presentation of Service**

The final report will be presented in the form of Digital Report, i.e., electronic document in PDF –Portable Document Format with digital certification\*, and will be made available in our exclusive customer environment on our extranet for a period of ninety (90) days.

Upon request by the customer, APSIS will make available, at no charge, within five (05) business days, the document printed in an original counterpart.

\* **Digital Certification:** an identification technology that enables electronic transactions of all kinds to be carried out considering their integrity, authenticity and confidentiality in order to prevent tampering, illegal disclosure of private information or other improper actions.

### **4. Schedule**

#### **5. Period**

**5.1.** As per the schedule contained in Clause Four, APSIS shall submit the draft of the reports in the following periods: Scope 1) until the 19<sup>th</sup> of July 2013; Scope 2) within ten (10) business days (Diagnostic and Development Stage), after receipt of documentation/information required to perform the work.

**5.2.** Upon receipt of the draft of the report, the customer shall have a period of up to twenty (20) days to request clarification and to approve the issuance of the final report. After expiry of the said period, Apsis may consider the work finished, being hereby authorized to issue the final invoice, regardless of the issuance of the Final Report. After approval of the draft, Apsis shall issue the final report within seven

(7) days.

**5.3.** The services shall begin upon the express acceptance of this proposal and receipt of full documentation necessary for development thereof.

**5.4.** Changes requested after the delivery of the Digital Report shall be subject to new budget.

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## 6. Fees

6.1. Professional fees for the performance of services, covering all taxes (taxes, fees, charges, fiscal and para-fiscal contributions) correspond to **R\$ 35,772.30 (thirty five thousand, seven hundred and thirty six reais and thirty cents)**, payable as follows:

### Scope 1

**R\$ 11,867.69 (eleven thousand, eight hundred sixty-seven reais and sixty-nine cents).**

100 % (one hundred percent) of the total value, upon delivery of the Digital Report or after the expiration of twenty (20) days after the delivery of the draft, whichever comes first.

### Scope 2

**R\$ 23,904.61 (twenty-three thousand nine hundred and four reais and sixty-one cents).**

100 % (one hundred percent) of the total value, upon delivery of the Digital Report or after the expiration of twenty (20) days after the delivery of the draft, whichever comes first.

**6.2.** For each step mentioned above, the related invoice shall become due within thirty (30) days from each event giving rise to collection. Upon expiration, interest of 1 % (one percent) per month shall be charged on the net invoice amount plus 2% penalty on the amount of the invoice for the default.

1 Activities exceeding the scope provided to the customer shall be informed to the customer and collected upon issuance of the report of activities by Apsis, containing the date, time and description of the activities used.

## 2 **Validity of the Proposal**

This proposal is valid until December 31<sup>st</sup>, 2013.

## 8. Confidentiality

APSYS shall not disclose confidential information made available to it during the performance of services. For the purposes of this proposal, considered confidential shall be deemed any and all information made available to Apsis for the services to be provided, directly or indirectly. Confidential information includes all types of oral, written, recorded and computed disclosure or information disseminated through any other form by the customer or obtained from observations, interviews or analysis, including, appropriately and without limitation, all compositions, machinery, equipment, records, reports, sketches, use of patent and documents, as well as all data, compilations, specifications, strategies, projections, processes, procedures, techniques, models and all tangible and intangible assets.

## **9. General Conditions**

9.1. Relevant basic parameters to the scope of services are defined immediately upon acceptance of the proposal to enable the planning of the work to be performed.

9.2. The scope of this study did not include audit of financial statements or review of the work carried out by the auditors of the customer.

9.3. This proposal may be terminated, provided that by mutual agreement between the Parties. In this case, Apsis shall be paid the fees set out in Clause Six proportionally to the work already performed.

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9.4. Expenditure on travel and accommodation outside Rio de Janeiro and São Paulo, where necessary to perform the services are not included in the value of this proposal/agreement and will be charged separately, being, however, subject to prior approval of the customer. If such arrangements are the responsibility of Apsis, such costs shall be charged upon debit note with presentation of slips, which shall be exempted from any tax levy as they are not the purpose of this contract.

**9.5.** The courts of the capital city of Rio de Janeiro are chosen to settle any controversies arising out of this proposal/agreement, as well as all cases which are not provided herein, with the waiver of any other court, however preferable it may be. .

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## 10. Acceptance and Agreement

Upon acceptance of the proposal, it shall be signed by the legal representative of the applicant and returned to the contractor, accompanied by all necessary documentation to start the performance of the works.

Upon return of this proposal to the contractor, it shall be deemed an agreement, as per the civil legislation in force.

IN WITNESS WHEREOF, the legal representatives of the companies sign this proposal, which will be automatically converted into a services agreement with 10 pages and 02 counterparts.

We look forward to hearing from you

Regards,

*(There appears signature)*  
**ANTÔNIO LUIZFEIJÓ NICOLAU**  
**Officer**

### Acceptance:

Rio de Janeiro, 2013.

Legal Representative

Office:

CNPJ:

Witness 1:

Agnes Anne Ribeiro Nascimento

CPF No.: 056.313.427-58

Witness 2: CPF

No.:

RIO DE JANEIRO - RJ

Rua da Assembleia, 35/12º andar

Centro, CEP: 20011-001

Phone: + 55 21 2212-6850 Fax: + 55 21 2212-6851

SAO PAULO - SP

Av. Angélica, 2503 - Conj. 42

Consolação, CEP: 01227-200

Phone.: + 55 11 3666-8448 Fax: + 55 11 3662-5722



**EXTRAORDINARY GENERAL MEETING**

**PRESENTATION TO SHAREHOLDERS**

**ITEM IV**

**MERGER OF TERMOCEARÁ INTO PETROBRAS**

Dear shareholders,

The Board of Directors of Petróleo Brasileiro S.A. – Petrobras (“Company”) hereby comes, in relation to the merger of TERMOCEARÁ LTDA. (“TERMOCEARÁ”) into Petrobras, item IV of the Agenda of the Extraordinary General Meeting to be held on 04/02/2014, to present the following information to the shareholders:

TERMOCEARÁ, located at Km. 0 (zero) Highway CE-422, CEP 61600-000, Port Complex of Pecem, Municipality of Caucaia – State of Ceará, is a limited liability company composing the current shareholding structure of Petrobras System.

The maintenance of several administrative structures would lead to an increase in its operating costs and reduction of relevant synergies in the conduct of the matters of its interest.

In this scenario, taking into account the intent to reduce costs and increase its businesses, integrating the assets, promoting synergy and economy of the system, the merger is deemed a strategy of the Gas & Energy (G & E) area to better conduct its activities and management policies.

Since the Company is the owner of one hundred (100%) percent of the membership interests of the capital stock of TERMOCEARÁ, , the capital stock of Petrobras will not be changed, to the extent that its financial statements already consolidate the accounting records of the company to be absorbed.

At last, the purpose of the merger is to transfer all assets, rights and obligations of TERMOCEARÁ to the Company and is part of a process of reorganization whose goal is to simplify the corporate structure, reduce costs, manage the assets in a more efficient manner and have a better relationship with regulatory agencies, especially ANEEL.

Thus, the Board of Directors hereby submits the proposal of merger of TERMOCEARÁ into PETROBRAS to the Extraordinary General Meeting for its assessment and resolution, in the form of the Protocol of Merger and Justification entered into between the Company and TERMOCEARÁ, the corresponding Appraisal Report and other measures set forth in item IV of the Agenda contained in the Notice of Meeting.



Find attached to this Manual for the Participation at Meetings of Shareholders the documents and information required for the exercise of the shareholders' voting right, including information provided for in CVM Instruction No. 481, Annex 21.

**Maria das Graças Silva Foster**

President of Petrobras





**Protocol and Justification of Merger of TERMOCEARA LTDA. into Petroleo Brasileiro S.A.  
-Petrobras**

***Entered into between***

**I. PETROLEO BRASILEIRO S.A. — PETROBRAS**, government-controlled company, with registered office at Avenida República do Chile n° 65, Centro, in the City and State of Rio de Janeiro, registered in the National Register of Corporate Taxpayers (CNPJ/MF) under No. 33.000.167/0001-01, herein represented by its attorney with sufficient authority Fernando Homem da Costa Filho, hereinafter referred to as **"PETROBRAS"** or **"Surviving Company"**; and

**II. TERMOCEARA LTDA.**, a limited liability company, with registered office in the Municipality of Caucaia, State of Ceara, at Km 0 (zero) da Rodovia CE-422, CEP 61600-000, Complexo Portuario de Pecem, with its articles of organization filed with the Board of Trade of the State of Ceará, under NIRE 232.009.131.57, registered in the National Register of Corporate Taxpayers (CNPJ/MF) under No. 04.605.162/0001-04, herein represented according to its articles of organization, by its undersigned representatives; hereinafter referred to as **"TERMOCEARA"** and also as **"Absorbed Company"**;

PETROBRAS and TERMOCEARA being collectively referred to as **"PARTIES"**, or individually referred to as **"PARTY"**;

***Whereas:***

(i) PETROBRAS is a government-controlled company, with a fully subscribed and paid capital stock in the amount of R\$ 205,410,905,230.50 (two hundred and five billion, four hundred and ten million, nine hundred and five thousand, two hundred and thirty reais and fifty cents), divided into 13,044,496,930 (thirteen billion forty four million, four hundred ninety-six thousand, nine hundred and thirty) no-par shares, as follows: 7,442,454,142 (seven billion, four hundred forty-two million, four hundred and fifty-four thousand, one hundred forty-two) common shares and 5,602,042,788 (five billion, six hundred and two million, forty-two thousand, seven hundred eighty-eight) preferred shares;

(ii) A TERMOCEARA is a limited liability company, with a fully subscribed and paid capital stock in the amount of R\$ 275,225,890.00 (two hundred seventy-five million, two



hundred twenty-five thousand, eight hundred and ninety reais), divided into 275,225,890 (two hundred seventy-five million, two hundred twenty-five thousand, eight hundred and ninety) membership interests at par value of R\$1.00 (one real), and its articles of organization provides for the supplemental application of Law No. 6.404, of December 15<sup>th</sup>, 1976 ("Law No. 6.404/76"):

(iii) PETROBRAS is the holder of all issue membership interests of TERMOCEARA, representing 100% of the total capital stock of TERMOCEARA;

(iv) The PARTIES aim at a transaction of merger, by which PETROBRAS shall absorb TERMOCEARA, upon automatic dissolution of the latter, which shall be succeeded in all of its rights and obligations by PETROBRAS, pursuant to Article 1.116 of the Civil Code;

(v) The Management of the companies has analyzed options for the best conduct of its activities and management policies, taking into account the intent to reduce costs and increase its businesses, upon merger of its activities, since the maintenance of several administrative structures would lead to an increase in its operating costs and reduction of relevant synergies in the conduct of the matters of its interest;

(vi) The transaction of merger of TERMOCEARA into PETROBRAS shall be subject to the approval of the members and shareholders of both companies, as the case may be.

The PARTIES hereby DECIDE to enter into this Protocol and Justification of Merger ("Protocol and Justification"), according to the Articles of organization of TERMOCEARA and articles 224, 225 and 227 of Law No. 6.404/76, whose terms and conditions below shall govern the proposal of merger to be submitted to their shareholders:

#### CLAUSE ONE — BACKGROUND OF THE PROPOSED TRANSACTION AND JUSTIFICATION

1.1. Proposed Transaction. The transaction consists of the merger of TERMOCEARA into PETROBRAS, upon full transfer of the owners' equity of TERMOCEARA, appraised at book value, to PETROBRAS ("Transaction" or "Merger").

1.1.1. In view of the Transaction, TERMOCEARA shall be automatically dissolved, for all purposes and legal effects, so that the Surviving Company shall succeed TERMOCEARA in all of its rights and obligations, pursuant to Article 1.116 of the Civil Code.

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1.2. The owners' equity of TERMOCEARA, for purposes of the corresponding entries into PETROBRAS, was appraised at book value by the expert APSIS Consultoria e Avaliações Ltda. appointed in item 2.1, on the base date established in item 2.2 of this Protocol and Merger, according to the criteria provided in the Civil Code and Law No. 6.404/76, for the preparation of financial statements.

1.3. The management of PETROBRAS shall perform all necessary acts for the implementation of the merger, as well as pay all costs and expenses arising from such implementation.

1.4. Justification of the Transaction. PETROBRAS has analyzed options for the best conduct of its activities and management policies, taking into account the intent to reduce costs and increase its businesses, upon merger of its activities, since the maintenance of several administrative structures would lead to an increase in its operating costs and reduction of relevant synergies in the conduct of the matters of its interest.

1.4.1. The purpose of the merger is the transfer of all assets, rights and obligations of TERMOCEARA to PETROBRAS and is part of a process of reorganization whose goal is to simplify the corporate restructuring, reduce costs and manage the assets in a more efficient manner.

1.4.2. Since PETROBRAS is the owner of one hundred percent (100%) of the membership interests representing the capital stock of TERMOCEARA, the proposed merger shall not result in change in the capital stock of PETROBRAS, to the extent that such financial statements of PETROBRAS consolidate the entries of TERMOCEARA. **CLAUSE TWO – APPRAISAL OF THE OWNERS' EQUITY OF TERMOCEARA AND BASE DATE OF THE APPRAISAL**

2.1. The appointment of the expert APSIS Consultoria e Avaliações Ltda., registered in the National Register of Corporate Taxpayers (CNPJ) under No. 08.681.36510001-30, with registered office at Rua da Assembleia, n° 35, 12° andar, in the City of Rio de

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Janeiro RJ, as the company in charge of preparing the appraisal report on the equity of the Absorbed Company to be transferred to PETROBRAS ("Appraisal Report") shall be ratified upon resolution at the meeting of members of TERMOCEARA and at the Special Meeting of Shareholders of PETROBRAS, pursuant to articles 1.117 and 1.118, both of the Civil Code and article 227, of Law No. 6.404/76.

2.2. APSIS Consultoria e Avaliações Ltda. is an expert in appraisals, and upon request by the PARTIES, it did the following: (i) appraisal of the equity of TERMOCEARA at book value, based on the elements of the Balance Sheet of TERMOCEARA, prepared on 11/30/2013 ("Base Date of the Merger"), thus composing the amount of the equity to be transferred to PETROBRAS, and (ii) preparation of the Appraisal Report, forming Annex I to this Protocol and Justification, the amounts being subject to the prior analysis and approval of the shareholders of PETROBRAS, as provided by the law. **CLAUSE THREE — GLOBAL AMOUNT OF THE EQUITY TO BE ABSORBED**

3.1. According to the Appraisal Report, the book value of the equity of TERMOCEARA to be transferred to PETROBRAS is R\$ 336,498,484.30 (three hundred thirty-six million four hundred ninety-eight thousand, four hundred eighty-four reais and thirty cents), under Clause Four below.

3.2. The amount of the appraised equity corresponds exactly to the asset account of PETROBRAS, since PETROBRAS owns 100% of the issue membership interests of TERMOCEARA. Thus, as a result of the merger, the assets of PETROBRAS represented by its investment account concerning the interest in the capital stock of TERMOCEARA shall be replaced, in the accounting records PETROBRAS, with the assets and liabilities composing the balance sheet of TERMOCEARA.

3.3. The replacement of investments of PETROBRAS in TERMOCEARA with the assets and liabilities composing the balance sheet of TERMOCEARA shall not result in change in the amount of the equity of PETROBRAS.

3.4. The balances of the credits and debts of TERMOCEARA shall be transferred to the accounting records of PETROBRAS, making the necessary adjustments.

3.5. The assets, rights and obligations of TERMOCEARA composing the equity to be transferred to PETROBRAS are those described in detail in the appraisal report, at book value.

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CLAUSE FOUR — TREATMENT OF THE CHANGES IN EQUITY UNTIL THE DATE OF MERGER

4.1. Changes in equity appraised from the base date of the merger and the actual merger shall be absorbed by PETROBRAS and transferred to the records of PETROBRAS in their amounts on the date of merger, not affecting the amounts adopted in this Protocol and Justification for the merger. CLAUSE FIVE — DISSOLUTION OF THE MEMBERSHIP INTERESTS OF TERMOCEARA

5.1. For the purposes of the merger proposed in this Protocol and Justification, no shares of PETROBRAS shall be distributed to the members, since PETROBRAS is the owner of all issue membership interests of TERMOCEARA.

5.2. As a result, 275,225,890 (two hundred seventy-five million, two hundred twenty-five thousand, eight hundred and ninety) issue membership interests, at par value of R\$1.00 (one real), of TERMOCEARA, shall be dissolved, pursuant to articles 226, §1 of Law No. 6.404/76 and 1.118 of the Civil Code, making the necessary adjustments and adaptations in the accounting records of PETROBRAS.

5.3. No shares of PETROBRAS shall be canceled or issued due to the Merger, nor shall the amount of its capital stock be changed, thus, at the end of the merger, the capital stock of PETROBRAS shall remain unchanged in the amount of R\$ 205,410,905,230.50 (two hundred five billion, four hundred and ten million, nine hundred and five thousand, two hundred and thirty reais and fifty cents), divided into 13,044,496,930 (thirteen billion forty four million, four hundred ninety-six thousand, nine hundred and thirty) no-par shares, as follows: 7,442,454,142 (seven billion, four hundred forty-two million four hundred fifty-four thousand, one hundred forty-two) common shares 5,602,042,788 (five billion, six hundred and two million, forty-two thousand, seven hundred eighty-eight) preferred shares. As a result, the Articles of Incorporation of PETROBRAS shall not be amended.

CLAUSE SIX — NOTIFICATION TO THE BOARD OF DIRECTORS OF PETROBRAS AND APPROVAL AT THE MEETING OF MEMBERS OF TERMOCEARA AND AT THE MEETING OF SHAREHOLDERS OF PETROBRAS

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6.1. Board of Directors. Pursuant to the Articles of Incorporation of PETROBRAS, the Board of Directors of PETROBRAS shall be notified of the Transaction and ratify the hiring of the audit company for the appraisal of the equity of TERMOCEARA and, pursuant to article 142, item IV of Law No. 6.404/76, call the Special Meeting of Shareholders of PETROBRAS which shall resolve on the Transaction.

6.2. Executive Board. The Executive Board of TERMOCEARA shall call the decision-making body to attend the Meeting of Members of TERMOCEARA, upon prior statement by the Board of Directors of PETROBRAS, for the Transaction to be resolved.

6.3. Extraordinary General Meeting and Meeting of Members. In order to implement the Transaction, the Special Meeting of Shareholders of PETROBRAS and the Meeting of Members of TERMOCEARA shall be called, according to the periods and other procedures provided by law. **CLAUSE SEVEN – MISCELLANEOUS**

7.1. Whereas PETROBRAS owns 100% of the issue membership interests of TERMOCEARA, the following provisions shall not apply (i) exchange ratio; and (ii) reimbursement to the members of TERMOCEARA.

IN WITNESS WHEREOF, the PARTIES sign this Protocol and Justification, in two (2) counterparts of equal content and form, for a single purpose, along with the two undersigned witnesses.

Rio de Janeiro, January 23<sup>rd</sup>, 2014.

PETROLEO BRASILEIRO S.A. -PETROBRAS.

*(There appears signature)*

Fernando Homem da Costa Filho Executive Manager of Transactions and Interests in EnergyTERMOCEARÁ LTDA.

*(There appears signature)*

Ronaldo Batista Assunção  
Chief Executive Officer

*(There appears signature)*

Jorge Roberto Abrahão Hajar  
Chief Administrative Officer and Chief  
Commercial Officer























