Administrative Sanctions and Innovative Measures against Corruption

Petrobras S.A.
Independent Board Committee on Sanctions and Disciplinary Measures

Adriana Dantas
Independent Member
Summary

1. Introduction
2. The Independent Board Committee on Sanctions and Disciplinary Measures - CMD
3. Internal processes and indicators
4. Concluding Remarks
Introduction
The Independent Board Committee On Sanctions and Disciplinary Measures - CMD
Petrobras’ Independent Board Committee on Sanctions and Disciplinary Measures - CMD

Purpose: define, standardize and monitor the application relevant laws, internal rules and procedures by employees and legal entities, thereby contributing to fostering a culture of integrity throughout Petrobras’ global operations.

Permanent non-statutory body of Petrobras’ Board of Directors
Petrobras’ Independent Board Committee on Sanctions and Disciplinary Measures - CMD

SCOPE OF DECISIONS

- Fraud
- Corruption
- Collusion
- Nepotism
- Conflict of Interest
- Property Damage
- Sexual and Moral Harassment

Cases involving Petrobras’ global vendors and senior management
Petrobras’ Independent Board Committee on Sanctions and Disciplinary Measures - CMD

COMPOSITION: 3 members appointed and dismissible by the Board of Directors

- Member 1
- Member 2
- Member 3

At least 2 independent external members, with part-time dedication to CMD and who may not perform other activities internally

1 senior Petrobras’ officer, with full time dedication to CMD and endowed with secretarial and coordinating duties
Petrobras’ Independent Board Committee on Sanctions and Disciplinary Measures - CMD

108 cases decided since February 2019
Internal Processes and Indicators
CMD’s Internal Processes

Report + Manifestation + 1st Tier Decision

Internal Area Responsible for the Investigation
- General Ombudsman
- INC
- ISC
- Establishing Authority

- Moral and Sexual Harassment
- Fraud and Corruption
- Property damage and related offenses
- Administrative Proceedings against Legal Entities

Legal Demands Involving Board Members
- Demands (Petrobras’ Statute, art. 23)

Legal

Admissibility of the Agenda (CMD Coordinator)

Need for complementary diligence

Analysis and Deliberation:
- Report by distribution
- Meetings to deliberate

Minutes of Meetings
Communication of CMD Decisions

- Report decision to Manager or the Board (COPE), as applicable
- Administrative Proceedings involving legal entities: Communicate Establishing Authority
- Communicate decision to the Legal Dep. (art. 23)
CMD’s Internal Processes (cont.)

- Tracks measures application
- Presents status of implementation to CMD and Responsible Areas

- Receives communication of decision (art. 23)

- Receiving determinations
- Arranges publications in the Brazilian equivalent to the Official Register

- Receiving communication of Senior Management’s responsibilities
- Deliberates appeals to CMD’s decisions

- Apply measures
- Receive request for appeal

- Tracks measures application
- Presents status of implementation to CMD and Responsible Areas

- Receiving communication of decision (art. 23)

- Replacing determinations
- Arranges publications in the Brazilian equivalent to the Official Register

- Receiving communication of Senior Management’s responsibilities
- Deliberates appeals to CMD’s decisions

- Apply measures
- Receive request for appeal
## 2019 CMD's Indicators *(accumulated values)*

<table>
<thead>
<tr>
<th></th>
<th>fev</th>
<th>mar</th>
<th>abr</th>
<th>mai</th>
<th>jun</th>
<th>jul</th>
<th>ago</th>
<th>set</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TCONG</strong></td>
<td>71%</td>
<td>7%</td>
<td>30%</td>
<td>36%</td>
<td>25%</td>
<td>25%</td>
<td>43%</td>
<td>45%</td>
</tr>
<tr>
<td><strong>TDEC</strong></td>
<td>83%</td>
<td>93%</td>
<td>58%</td>
<td>59%</td>
<td>97%</td>
<td>97%</td>
<td>97%</td>
<td>94%</td>
</tr>
<tr>
<td><strong>EFD</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>96%</td>
<td>97%</td>
<td>97%</td>
</tr>
<tr>
<td><strong>CD</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>92%</td>
<td>92%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
2019 CMD’s Indicators: Average Duration (accumulated on calendar days)
Conclusions

• CMD represents an innovative response to corruption in Brazil and within the broader context of Latin American State Owned Enterprises (SOEs).

• Its initial mandate was focused on sanctions, but it will evolve to actively disseminate its work and educate companies and individuals to reduce the volume of cases.

• Cases handled in 2019 indicate that there is still a lot of work to do.

• CMD’s composition - with two independent members, and its direct line of report to Petrobras’ Board - are the main reasons for its success in promoting a culture of integrity within Petrobras’ system.
Thank You!

Adriana Dantas
Independent Member
adriana.dantas@petrobras.com.br
adantas@adrianadantas.com