

Note: This is an unofficial translation of Public Call n. 002/2018. COMPAGAS shall not be held liable for any loss incurred in reliance of this translation. Users are advised to consult the original Portuguese version.

CALL FOR PROPOSALS Nº 002/18 (UNOFFICIAL TRANSLATION)

DISCLAIMER: This document is an unofficial translation of the “Edital de Chamamento Público n. 002/2018”, made to facilitate the reach of this **PUBLIC CALL**. However, no warranty of any kind, either expressed or implied, is made as to the accuracy, correctness, or reliability of this translation. The official text is the “Edital de Chamamento Público n. 002/2018”, published in Portuguese, which terms shall prevail over any other version. COMPAGAS does not accept any liability for loss incurred in reliance of this translation.

COMPAGAS, a company registered under CNPJ nº 00.535.681/0001-92, in accordance with Law n. 13.303/16 and other applicable legal regulations, hereby publishes this **PUBLIC CALL NOTICE**, with the objective of receiving **PROPOSALS FOR THE SUPPLY OF NATURAL GAS (“PROPOSAL”)**, according to the conditions and specifications established in the **TERM OF REFERENCE** included within this Notice, complementary documents and relevant legislation.

- The **INITIAL PROPOSALS** shall be sent by electronic mail (chamadapublicagn@compagas.com.br), in accordance with the **TERM OF REFERENCE**, until 11:59 pm on January 31, 2019.

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1. OBJECT

Submission of proposals for the supply of **NATURAL GAS**, regardless of its origin, to be made available at the existing **POINTS OF DELIVERY**, or those to be built, in the State of Paraná, according to supply requirements and conditions established in the **TERM OF REFERENCE**.

2. RELATED DOCUMENTS

The documents related to this **PUBLIC CALL** can be obtained in the website www.compagas.com.br.

3. AMENDMENTS AND/OR CLARIFICATIONS

3.1 – Any interested party may submit any doubts, requests for clarification or information related to this **PUBLIC CALL** by email to COMPAGAS, before the submission of its proposal.

Address to: Comissão Especial de Suprimento

Email: chamadapublicagn@compagas.com.br

3.2 – The clarifications made to any **PROPONENT** shall be published on the company's website, without the identification of who made the request.

3.2.1 – Requests for clarifications shall be presented within 10 (ten) business days before the deadline for submitting the **PROPOSALS**, which shall be answered within 5 (five) business days.

4. PHASES OF THE PUBLIC CALL AND CONDITIONS FOR PARTICIPATION

4.1 – This **PUBLIC CALL** will occur in three stages:

4.1.1 – **FIRST PHASE: INITIAL PROPOSAL(S)** will be analyzed according to the criteria defined in item 5.

4.1.2 – **SECOND PHASE:** upon completion of the **FIRST PHASE**, COMPAGAS will notify selected **PROPONENTS** to, in accordance with the **FINAL SUPPLY CONDITIONS**, to be defined by COMPAGAS, revise and adjust the **INITIAL PROPOSALS**, if necessary, and submit the **REVISED PROPOSAL(S)**, which must be accompanied by the relevant documentation and comply with the conditions defined in item 6.

4.1.3 – **THIRD PHASE:** the **REVISED PROPOSAL(S)** selected by COMPAGAS may be included in the **NEGOTIATION PHASE**, which will require the prior signature of a **PROTOCOL OF INTENTIONS**, which may, in COMPAGAS sole discretion, result in a possible negotiation and signature of a **NATURAL GAS** purchase agreement between the parties, in accordance with Brazilian legislation.

4.2 – The participation in this **PUBLIC CALL** shall be made through the submission of **PROPOSALS** by "**electronic mail**", in the address informed in item 3.1, and shall imply and prove that the **PROPONENT**:

a) knows and agrees with all the provisions of this **NOTICE** and its annexes, with full and irreversible acceptance of all of its terms, and submits to the conditions established therein.

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b) has no doubt about any documents that are part of this **PUBLIC CALL**, including its annexes, being precluded of claiming ignorance or lack of receipt of such documents.

c) considered that the documents that are part of this **PUBLIC CALL** allowed the elaboration of concrete **PROPOSALS**.

d) that, in the eventual convocation for the **NEGOTIATION PHASE**, it has full capacity to present all the **DOCUMENTATION** required of the **PROPONENT** in this **PUBLIC CALL**.

5. PROPOSAL ANALYSIS – FIRST PHASE

5.1 – All **INITIAL PROPOSALS** shall be analyzed by the **Comissão Especial de Suprimento**, based on the documentation presented by “*electronic mail*” with the **INITIAL PROPOSAL**, in accordance with the criteria established in this **PUBLIC CALL** and its annexes.

5.2 – During the analysis of the **INITIAL PROPOSALS**, the **Comissão Especial de Suprimento** may request from the **PROPONENT**, using the electronic mail provided in the proposal, or by other means, clarifications of any nature.

5.3 – The **PROPONENT**, in addition to the presentation of the price “without tax”, shall indicate all taxes and tax rates levied. In the event of an omission regarding the indication of the rates of any taxes and duties levied, the **Comissão Especial de Suprimento** shall consider that the prices contemplate the rates defined by law, except if, in case of non-incidence and/or tax exemption, the **PROPONENT** informs such fact and presents or indicates the legal document granting the benefit.

5.4 – The **INITIAL PROPOSALS** shall be disregarded if they:

- do not meet the requirements of this **PUBLIC CALL** and its annexes;
- have irregularities or defects capable of making the analysis impossible;
- present prices or advantages based on the offer of other **PROPONENTS**;
- have irremediable defects;
- do not meet the technical specifications contained in the **NOTICE** and **TERM OF REFERENCE**;
- have not been demonstrated to be feasible.

5.5 – COMPAGAS may adopt measures to verify the feasibility of the **INITIAL PROPOSAL** presented or require the **PROPONENT** to demonstrate it.

5.6 – Concluded the **FIRST PHASE**, COMPAGAS will notify **PROPONENTS** regarding the results of the **INITIAL PROPOSALS** analysis, through the electronic mails informed in the **INITIAL PROPOSALS**, summoning the selected **PROPONENTS** for the second phase of **REVISED PROPOSALS**.

6. DOCUMENTS FOR PARTICIPATION – SECOND PHASE

6.1 - By the deadline informed by COMPAGAS, the **PROPONENTS** selected for the **SECOND PHASE** shall deliver to the COMPAGAS's headquarters a non-transparent envelope, properly sealed and initialed on the clasp, containing, together with the **REVISED PROPOSAL**, the other required and pertinent documents and, on the obverse, the following words:

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CHAMAMENTO PÚBLICO Nº. 002/18

Delivery address: Avenida João Gualberto, 1.000 - 11º Andar, Bairro: Alto da Glória - Curitiba-PR.
CEP: 80030-000

REVISED PROPOSAL

(Name of PROPONENT)

6.1.1. The **REVISED PROPOSAL** may also be sent by post, and the **PROPONENT** shall be responsible for delivering it by the deadline established in this **NOTICE**, with the same requirements set forth in item 6.1.

6.2 - The documentation accompanying the **REVISED PROPOSAL** must be presented in one copy, in a form containing the identification of the **PROPONENT**, with its sheets numbered and initialed and with date and signature in the last sheet of someone who has the power to represent the **PROPONENT**, clearly identifying the signatory, and shall contain:

6.2.1- The **REVISED PROPOSAL**, which shall cover in detail the formation of the **NATURAL GAS** sale price, as well as any and all conditions that affect the total supply price, according to the conditions set forth in the **TERM OF REFERENCE**.

6.2.2 – Under no circumstances shall be accepted reimbursements of amounts not stated in the **REVISED PROPOSAL** or mentions of discounts or price increases or any advantages in relation to the **INITIAL** or **REVISED PROPOSAL** from other **PROPONENTS**.

6.2.3 - In case of non-incident and/or tax exemption, the **PROPONENT** must present or indicate the legal document that determines the benefit.

6.3 – The **REVISED PROPOSALS** shall be valid for at least 150 (one hundred and fifty) consecutive days, and they may be extended according to the interest of the parties.

6.4 – Once the **SECOND PHASE** is concluded, COMPAGAS will notify the **PROPONENTS** of the result of the **REVISED PROPOSALS** analysis, through the electronic mail informed in the **INITIAL PROPOSAL**, enabling COMPAGAS to summon the selected **PROPONENTS** for the **THIRD PHASE**.

7. NEGOTIATION – THIRD PHASE

7.1 – The selected **REVISED PROPOSALS** may be the object of a **PROTOCOL OF INTENTIONS**, at the discretion of COMPAGAS, for the purposes of beginning the **NEGOTIATION** phase, when the details of the supply conditions will be given, a step that once successfully concluded may, at the discretion of COMPAGAS, allow the conclusion of a contract for the purchase of **NATURAL GAS** between the parties, in accordance with current legislation.

7.2 - For purposes of participation in the **NEGOTIATION** phase, the **PROPONENT(s)** shall submit the following documents:

7.2.1 - present the **NATURAL GAS** Proved Reserves Certification Report, produced by independent consultants;

7.2.2 – present a declaration of its intention regarding the **NATURAL GAS** entry and exit point in the transportation system, for its delivery, according to the conditions defined in the **TERM OF REFERENCE**.

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7.2.3 - In case of supply using LNG or CNG, proof of availability and proof of delivery capacity in the State of Paraná shall be provided.

7.2.4 - In case the **PROPONENT** is a trader, it must present its registration with the National Petroleum Agency ("ANP") and all authorizations and permissions required for its activity, as well as in place of the documents required in items 7.2.1 to 7.2.3, documents that prove the access and availability of **NATURAL GAS** and transport capacity, as defined in the **TERM OF REFERENCE**.

7.3 – Once the **NEGOTIATION** phase is successfully completed, and in the event of the conclusion of a **NATURAL GAS** purchase agreement, which will be made in the sole discretion of COMPAGAS, the **PROPONENT** shall present all legal documents required for its signature, including, but not limited to the following:

7.3.1- Registration in the Board of Trade of the domicile or seat of the **PROPONENT**, in case of a business company; or,

7.3.2 – Articles of association or articles of incorporation in effect, and its amendments, if any, duly registered in the Board of Trade of the domicile or seat of the **PROPONENT**. In case of joint stock companies or companies that elect their managers in separate acts, it shall be presented the minutes of the meeting in which the election took place, duly registered in the Board of Trade of the domicile or seat of the **PROPONENT**.

7.3.2.1: The documents referred in items 7.3.1 and 7.3.2 may be complied with by presenting a simplified certificate issued by the Board of Trade.

7.3.2.2: In case of a foreign company operating within the Country, an authorization decree must be presented, together with a registration act or operation authorization issued by the competent body.

7.3.2.3: Documents submitted in a foreign language must be translated to Portuguese by a certified translator.

8 – GENERAL PROVISIONS

8.1 – The **PROPONENT** shall not be entitled to any indemnification for the costs related to the preparation of the **PROPOSALS** or the negotiation in relation to this **PUBLIC CALL**, in any of its phases, regardless of whether a **NATURAL GAS** purchase agreement is signed between the parties.

8.2 – The simple participation in this **PUBLIC CALL** does not bind any of the parties and does not create any obligation regarding the purchase of **NATURAL GAS** by COMPAGAS, precluding any claims by the **PROPONENT**.

8.3 – Documents obtained through the Internet may be submitted in physical form, being the **Comissão Especial de Suprimento** obliged to verify its authenticity and validity in the website of the issuing body. If there are any discrepancies between the query and the document presented, the query will prevail.

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8.4 – The **PROPONENT** is responsible for the information provided, being reason to prevent participation if the information provided is false or does not represent reality, and also if the **Comissão Especial de Suprimento** learns about facts prior to or following the opening of this **PUBLIC CALL** that discredits the reputation of the **PROPONENT**, or any other fact that contravenes the terms of this **PUBLIC CALL**.

8.5 – The documentation envelopes and **PROPOSALS** received by the **Comissão Especial de Suprimento** after the deadline established by COMPAGAS through the **PHASES** of this **PUBLIC CALL** shall not be considered.

8.6 – COMPAGAS reserves the right to modify the terms or cancel this **PUBLIC CALL** at any time, giving notice through the same means as the original **NOTICE** and reinstating the deadlines originally defined, unless the amendments made do not affect the participation in the **PUBLIC CALL** or the elaboration of proposals.

8.7 – Formal omissions in the provided documentation or in the **PROPOSALS** that are negligible or that can be repaired may be disregarded or repaired, as long as they do not violate legal rules, do not compromise the candor of this **PUBLIC CALL**, and do not cause any loss to COMPAGAS and to other **PROPONENTS**, according to the understanding of the **Comissão Especial de Suprimento**.

8.8 - The receipt of **PROPOSALS** does not generate any contracting rights for any **PROPONENT** with COMPAGAS.

8.9 – The **Comissão Especial de Suprimento** may, in any phase of this **PUBLIC CALL**, take measures to clarify or complement any aspects of this **PUBLIC CALL**.

8.10 – The **PROPONENT** is responsible for the accuracy and legitimacy of the information provided and the documents presented in any phase of this **PUBLIC CALL**. In case of inaccuracy or falsehood regarding the information provided or the documents presented by the **PROPONENT**, the **Comissão Especial de Suprimento** may, at any time, disregard the **PROPOSAL**.

8.11 – The **PROPONENT** may not use the logo, symbol or any other type of signal or trademark owned by COMPAGAS, in its **PROPOSAL** documents or in any type of technical or commercial documentation. The violation of this clause will subject the **PROPONENT** to the penalties imposed by Law 9.279 of 14.05.1996 (Intellectual Property Law).

8.12- Any **PROPONENT**, when submitting its **PROPOSAL** in this **PUBLIC CALL**, declares that it is fully aware that, in case it is summoned to sign a **NATURAL GAS** purchase agreement, it shall present all necessary documents and comply with Brazilian Law to sign a contract with a semi-public company, governed by private law, with requirements such as, but not limited to:

- a) declaration that it has not been suspended by COMPAGAS;
- b) has not been declared inapt by the Union, States or the Federal District, while the sanctions are in effect;
- c) does not have any partner that is a partner of other company that has been suspended, barred or declared inapt;

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d) does not have any manager or director that is a partner of a company that has been suspended, barred or declared inapt;

e) does not have any partner that has been a partner or manager or director of a company that has been suspended, barred or declared inapt, during the time that the facts that gave rise to the sanction happened;

f) does not have a manager or director that has been a partner or manager or director of a company that has been suspended, barred or declared inapt, during the time that the facts that gave rise to the sanction happened;

g) does not have, in its board of directors, someone who participated, due to the same type of relationship, with a company declared inapt.

8.13 - In every **PHASE** of this **PUBLIC CALL** the exchange of documents and information shall be made in Portuguese.

9. CONFIDENTIALITY

9.1 – The **PROPONENT** and COMPAGAS agree, for a period of 5 years, to keep confidential all information or confidential data that were transmitted or that they had access due to this **PUBLIC CALL**, except as described in items 9.1.2 and 9.3.

9.1.1 – Information or stored data that the **PROPONENT** and COMPAGAS had access, including those transmitted orally, by writing or electronically, due to acts related to this **PUBLIC CALL**, shall be considered confidential, regardless of the express mention about their confidentiality.

9.1.2 – The period in item 9.1 is not applicable to information and data related to business secrets (“know-how”, “trade secret”), trade strategies and any other competitive advantage of COMPAGAS, which shall remain confidential by the **PROPONENT** for an indefinite period, unless expressly authorized by COMPAGAS.

9.1.3 – The **PROPONENT** and COMPAGAS, for confidentiality purposes, are responsible for the acts of their managers, employees, agents, successors and commissioners.

9.1.4 – Any information obtained by the **PROPONENTS** during this **PUBLIC CALL**, at COMPAGAS or originating therefrom, which is not directly related to this procedure, must be kept confidential under the terms and deadlines of this item.

9.2 – The breach of confidentiality obligations by the **PROPONENT**, by revealing information or confidential data or facilitating its revelation shall cause:

a) disregard of the **INITIAL PROPOSTAL** and/or the **REVISED PROPOSAL**;

b) in any event, liability for losses and damages;

c) the use of legal measures in accordance with Law n. 9.279/1996 and applicable legislation;

9.3 – The obligation of confidentiality is excepted in the following hypotheses:

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- a) information proven to be known prior to the contracting procedures, either directly or through other procedures performed by COMPAGAS.
- b) prior and express consent of the owner of the information, with the authorization of the highest authority of its governing bodies, regarding the release of the obligation of secrecy and confidentiality;
- c) information proven to be legitimately and legally known by another source;
- d) judicial or administrative determination to disclose the confidential information, provided that notification is promptly given to the owner of the information, before its release, and that confidentiality in the judicial or administrative proceeding is requested; and
- e) the disclosure of information related to this **PUBLIC CALL** among the following natural gas distributors: MSGÁS (Mato Grosso do Sul), Gás Brasileiro (São Paulo), SCGÁS (Santa Catarina) e Sulgás (Rio Grande do Sul).

9.4 – Any disclosure about any information or data related to this **PUBLIC CALL** shall be previously authorized by COMPAGAS, except for the news regarding the existence of this call.

9.5 – Legal documents arising out of this **PUBLIC CALL**, such as, but not limited to, the **PROTOCOL OF INTENTIONS** or the natural gas purchase agreement, may contain additional confidentiality criteria.

10. ANNEXES TO THE PUBLIC CALL NOTICE

The following documents are an integral part of this **PUBLIC CALL**, as annexes:

Annex A – TERM OF REFERENCE FOR THE SUPPLY OF NATURAL GAS.