



**COMPENSATION POLICY  
OF DIRECTORS PETRORECONCAVO  
S.A.**

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## MANAGEMENT COMPENSATION POLICY

### 1. PURPOSES

The purpose of this Compensation Policy for the Management of PetroRecôncavo S.A. ("**Policy**" and "**Company**", respectively) is to establish the guidelines and rules that are to be observed in determining the compensation of the members of the Board of Directors, of the Board of Executive Officers and the Advisory Committees of the Board of Directors ("**Committees**") with due regard for the applicable laws and regulations and the Company's Bylaws ("**Bylaws**").

The purpose of this Policy is for the Management's compensation system to promote a culture of exceeding results, by hiring and retaining the best professionals for the Company, aligned with the interests of the shareholders and other stakeholders.

### 2. APPLICATION

This Policy applies to the members, incumbents and alternates, of the Board of Directors, the Executive Board and the Committees ("**Management**").

### 3. GUIDELINES

Management compensation must be aligned with the Company's strategic objectives, with a focus on its perennity and the creation of long-term value.

The Company's compensation is aimed at attracting, motivating, and retaining professionals and compensating them for the services rendered by the Management, and must be proportional to the responsibility of the position and the time dedicated to the functions, professional competence and reputation, and the value of the services on the market with a focus on its perennity and long-term value creation.

The compensation of the Executive Board must be approved by the Board of Directors through a formal and transparent procedure, so that: (a) It is structured fairly and compatible with the duties and risks inherent in each position, providing alignment of the interests of the Executive Officers with the long-term interests of the Company; (b) It considers the costs and risks involved; and (c) It is linked to results, with short, medium and long-term goals clearly and objectively related to the generation of economic value for the Company in the long term.

The structure of incentives for the Executive Officers must be aligned with the risk limits defined by the Board of Directors, and it is forbidden for a single person to control the decision-making process and its respective supervision. No one can decide on his or her own compensation.

## 4. MANAGEMENT COMPENSATION STRUCTURE

The Management's compensation will be composed of a fixed portion and a variable portion and may also include benefits and long-term incentives in its composition, always based on the best corporate governance practices and market standards, under the terms of the total compensation strategy defined by the Company and within the overall compensation limit approved by the General Shareholders' Meeting, as provided by Law no. 6.404 of December 15th, 1976 ("**Corporations Law**").

**FIXED COMPENSATION:** the value of the fixed compensation paid to the Management is periodically compared to the market standard, by means of research and studies, so that its competitiveness can be gauged and eventually assess the need to adjust the compensation.

**VARIABLE COMPENSATION:** the variable portion of the management compensation is not subject to adjustment, but rather to the achievement of targets, and is established by the Company's own results and management, which will define the amount to be distributed as variable portion.

The indicators and targets are reviewed annually, in order to reflect changes in the company's strategy and results planning.

The compensation model and the indicators for variable compensation must reflect the objectives of the Company's budget and business plan, its financial and operating performance, and its strategy, and must be directly aligned with the interests of the shareholders, ensuring impartiality when making decisions about executive compensation.

The indicators taken into consideration in determining the compensation are part of a target management system, which takes into account: (i) strategic indicators of the company, such as production volume, sales, costs, expenses, EBITDA, and HSE indicators; and (ii) specific indicators of the members of the Management, who have their individual performance periodically evaluated.

The target management system used to determine the variable portion of the management compensation has the following criteria: (i) achievement of the Company's goals as a whole; (ii) achievement of the goals related to the individual Directors; and (iii) achievement of the minimum criteria, there will be no payment of variable compensation if these criteria are not met.

## **5. BOARD OF DIRECTORS**

The compensation of the members of the Board of Directors will be proportional to their respective duties, responsibilities, and time demands. The members of the Board of Directors will be entitled to a fixed compensation, which will be set according to market standards.

There will be no compensation based on attendance at meetings, and the variable compensation of directors will not be tied to short-term results.

The members of the Board of Directors will be reimbursed by the Company for travel expenses, meals and lodging necessary for the performance of their function.

The members of the Board of Directors who participate in Committees may be entitled to receive additional compensation for the function exercised, as deliberated by the Board of Directors.

## **6. EXECUTIVE BOARD**

The compensation of the Executive Board is an effective tool for attracting, motivating, and retaining Officers, and is structured fairly and compatible with the duties and risks inherent in the position, so as to provide alignment of their interests with the Company's long-term interests.

The members of the Executive Board are entitled to fixed and variable compensation. The fixed component will be set according to usual market standards for companies of the same economic size, while the variable compensation is established based on the Company's target management system.

Within the scope of variable compensation, the members of the Executive Board are entitled to long-term incentives by means of stock grants or stock options, which encourages the alignment of the interests of shareholders and members of Management in the long term.

## **7. COMMITTEES**

The compensation of the members of the Committees will be defined by the Board of Directors at the meeting that elects them.

The members of the Board of Directors who participate in Committees may be entitled to receive additional compensation for the function exercised, as deliberated by the Board of Directors.

The members of the Committees, whether or not they are members of the Board of Directors, will be reimbursed by the Company for travel, meals, and lodging expenses necessary to perform their duties on the Committees.

## **8. GENERAL PROVISIONS**

This Policy was prepared and should be interpreted, including any omissions, in accordance with the Brazilian Corporation Law, the applicable rules, the Regulations of the Securities and Exchange Commission - CVM, the New Market Regulations, the Bylaws and other applicable standards, policies and internal rules of the Company.

This Policy may be amended, whenever necessary, by resolution of the majority of the members of the Board of Directors present at the meeting that resolves on the matter.

In the event of conflict between the provisions of this Policy and the Bylaws, the provisions of the Bylaws shall prevail, and in the event of conflict between the provisions of this Policy and current legislation, the provisions of current legislation shall prevail.

Should any provision of this Policy be held invalid, illegal or unenforceable, that provision will be limited to the extent possible so that the validity, legality and enforceability of the remaining provisions of this Policy are not affected or impaired.

This Policy takes effect on the date of its approval by the Board of Directors and will be published on the Company's Investor Relations website and disclosed as provided for in the applicable laws and regulations.

Approved in a meeting of the Board of Directors of PetroRecôncavo S.A., held on January 23<sup>rd</sup>, 2021.