



July 12, 2017

**Via U.S. Mail & E-mail**

Nelson Martinez  
Minister of Oil  
Bolivarian Republic of Venezuela

**Re: Engagement Letter**

Dear Mr. Martinez:

This will confirm that Petróleos de Venezuela, S.A. ("PDVSA") ("You" and "Your") has agreed to retain Boies Schiller Flexner LLP (the "Firm") and its co-counsel Meister Seelig & Fein LLP ("MSF") to represent The PDVSA U.S. Litigation Trust ("Litigation Trust") in connection with matters relating to unlawful activities relating to PDVSA, and such other matters as You and the Firm may agree in the future in writing (the "Engagement"). In the event the Firm desires to hire any other law firm in connection with this engagement, the hiring of any such firm shall be subject to Your approval.

The Firm is not being retained for any other matter or litigation. The Firm is being retained only by You and not by any director, officer, employee or employer, beneficiary, parent, subsidiary, or affiliate of Yours or of the Litigation Trust. The terms of this Engagement Letter may only be amended pursuant to a further written document signed by both You and the Firm.

**Distribution of Proceeds and Billing Matters**

You agree that the Gross Sum Recovered shall be transferred 34% to be distributed in accordance with the PDVSA U.S. Litigation Trust Agreement. The remaining 66% (The "Contingency Fee") shall be transferred 22% to Algamex Limited ("Algamex"), 22% to the Brennan Group, and 22% to the Firm to be distributed by the Firm in accordance with the agreement of co-counsel (65% to the Firm and 35% to MSF). The "Gross Sum Recovered" means all monetary or non-monetary benefits received through any settlement, judgment, or agreement, including any attorney's fees awarded by the court or arbitration panel. You acknowledge and agree that the Contingency Fee is reasonable in relation to the services to be provided for this Engagement. The Contingency Fee does not cover representation of You or the Litigation Trust against any permissive counterclaims or cross-complaints, or related actions. Separate financial arrangements would be required for the handling of those matters, except for compulsory counterclaims which are covered by this representation. You authorize the Firm to require that any check received pursuant to settlement or judgment be made payable jointly to the Litigation Trust and the recipients of the Contingency Fee pursuant to the foregoing terms.

BOIES SCHILLER FLEXNER LLP

575 Lexington Avenue, New York, NY 10022 | (t) 212 446 2300 | (f) 212 446 2350 | www.bsflp.com



**CONFIDENTIAL**

**PDVSATRUST-0000285**

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You will be informed of all offers of settlement. If the Litigation is settled, in whole or in part, by Your receipt or receipt by the Litigation Trust of anything of value other than cash, the parties agree to negotiate in good faith to determine the present value of any non-cash consideration and the form of payment that should be made to compensate the parties who are due to receive the Contingency Fee. If such negotiations are unsuccessful, the parties further agree that the issue shall conclusively be determined by ICC arbitration in the manner, as applicable, contemplated under "Arbitration" below.

You have been advised that You should seek the advice of an independent lawyer of Your choice regarding this agreement, and You acknowledge that You have had a reasonable opportunity to do so.

The Firm or Algamex will pay all costs and expenses of the Litigation. They shall be entitled to obtain payment and reimbursement of all expenses and costs incurred through the date of each settlement or judgment from the settlement or judgment before proceeds of the recovery are dispersed to the recipients of the Contingency Fee. For the avoidance of doubt, the Litigation Trust shall receive 34% of the Gross Sum Recovered. The Firm or Algamex shall therefore obtain reimbursement for the costs they advanced before the remaining 66% of the Gross Sum Recovered is distributed to the recipients of the Contingency Fee pursuant to their respective allocation percentages. If there is no recovery, neither You nor the Litigation Trust shall be responsible for costs or expenses.

Please note that the Firm's Taxpayer Identification Number is [REDACTED] 0056. All payments to the Firm being made by wire transfer should be sent to the Firm's account at Wells Fargo Bank, N.A., Account Number: [REDACTED] 1415, Routing Number: 121000248. All payments to the Firm being made by ACH should be sent to the Firm's account at Wells Fargo Bank, N.A., Account Number: [REDACTED] 1415, Routing Number: 021101108. Please note there is a different routing number for payments made by wire and payments made by ACH. Any payments to the Firm being made by check and all billing correspondence should be sent to Amy Habie, Chief Financial Officer, at our Boca Raton office located at 2200 Corporate Blvd., NW, Suite 400, Boca Raton, Florida 33431.

#### No Guarantees

You hereby acknowledge that the Firm has made no guarantees regarding the outcome of this Engagement and that all statements regarding the outcome of this Engagement are expressions of opinion.

#### Arbitration

In the unlikely event that a dispute arises between You and the Firm arising from or relating to the Engagement, the parties agree that such dispute shall be finally settled by binding, confidential arbitration by the ICC in New York City under the ICC Rules of Arbitration in force at the time such arbitration is commenced; provided, however, in the event that a dispute arises between the parties in connection with the Engagement relating to our fees involving a sum between \$1,000 and \$50,000, as an alternative to the arbitration provided for above you may have the right to arbitration of that dispute pursuant to Part 137 of the Rules of the Chief Administrator of the Courts, a copy of which will be provided to You upon request.





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Arbitration is an alternative to judicial resolution of disputes, and is conducted by a trained neutral that will decide the dispute and issue a binding decision. Under this arbitration agreement, You are waiving Your right to file a claim against the Firm in a court of law. With limited exceptions, there is no appeal from the decision of an arbitrator.

Subject to the above, the Parties irrevocably consent to the exclusive jurisdiction of the state and federal courts located within the State of New York, County of New York for any action or proceeding relating to the Engagement.

## Conflicts of Interest and Waiver

We have explained and You have agreed that as a result of the types of clients the Firm advises and the types of engagements in which we are involved, we may be requested during the Engagement to act for other persons on matters which are not related to the Engagement, where the interests of the other persons, and the Firm's representation of them, may be adverse to You, including adversity in litigation. In addition, because of the persons and entities that could be related to the Engagement, and the nature of the Firm's practice, during the course of the Firm's representation of the clients, the Firm may represent some of those persons and entities in matters other than the Engagement. In such circumstances, the Firm would, of course, not be relieved of any obligation we may have to retain in confidence any confidential information obtained from You and to refrain from using or disclosing such information in connection with any other representation we may undertake.

You agree that our representation in this matter will not be asserted by You as an actual or potential conflict should we represent any party in a matter adverse to You which is unrelated to this Engagement or if the Firm represents a person or entity related to this Engagement in a matter unrelated to the Engagement.

You should consult with separate counsel about the conflict issues raised above. Your signature below confirms that You have been given adequate time to consult with counsel, that You waive any and all potential and actual conflicts to the extent permitted by applicable law, and that You agree not to seek our disqualification in any matter based upon such representation.

## Access to Documents

The Firm agrees to provide You with copies of all documents related to the Litigation, unless precluded from doing so by court order.

## Confidentiality

In accordance with the Firm's ethical obligations, the communications among You, representatives of the Litigation Trust and the Firm shall be kept confidential and privileged and shall not be disclosed to third parties.

## Conduct of Litigation

The Firm will provide drafts of any court submissions to You in advance of filing and will advise You of the time by which it needs to receive any comments You have. You



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recognize that some filings may need to be made on an emergency or time-sensitive basis and that, as a result, advance review may not be possible. You may have a representative present to work with the Firm on any such submissions, however, final decisions as to the content of all papers must rest with the Firm.

You will receive written progress reports on the status of the Litigation within the first fifteen business days of each month and upon request.

## Termination

The Litigation Trust may terminate this Engagement, and we may terminate this Engagement, at any time for any reason by written notice, subject on our part to applicable rules of professional conduct. Unless previously terminated, this Engagement will terminate upon our sending the Litigation Trust our final statement for services rendered. The Engagement will end, unless the Litigation Trust or the Firm terminates the Engagement, when there is a final agreement, settlement, decision, or judgment by the court.

If, upon termination, You wish to have documents delivered to You, please advise us. For various reasons, including the minimization of unnecessary storage expenses, the Firm reserves the right to destroy or otherwise dispose of any documents retained by us unless You specifically, and in writing, advise us otherwise.

If this Engagement is terminated and You or the Litigation Trust obtains any recovery in the litigation that is the subject of this Engagement, the parties due to receive the Contingency Fee shall be paid from such recovery a reasonable fee that will compensate them fairly and justly for their time and effort expended in connection with the Engagement.

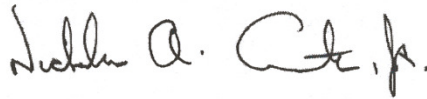
If the terms of this Engagement are agreeable to You please so indicate by signing below and returning this letter to me at Boies Schiller Flexner LLP, 575 Lexington Avenue, 7<sup>th</sup> Floor, New York, NY 10022.



**BSF**

We are pleased to represent You and look forward to working together on this matter.

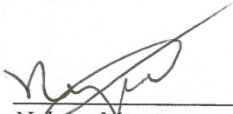
Sincerely,



Nicholas A. Gravante, Jr.

The foregoing is acknowledged, accepted and agreed to as of the 13 day of July, 2017.

By:

  
\_\_\_\_\_  
Nelson Martinez

Minister of Oil  
Bolivarian Republic of Venezuela

