

Exhibit 12

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE PETROBRAS SECURITIES
LITIGATION

No. 14-cv-9662 (JSR)

ECF CASE

**DECLARATION OF JEREMY HILL IN SUPPORT OF (i) PLAINTIFFS’
MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND PLAN
OF ALLOCATION, (ii) CLASS COUNSEL’S MOTION FOR AN AWARD OF
ATTORNEYS’ FEES AND REIMBURSEMENT OF EXPENSES, AND (iii) USS’S
REQUEST FOR REIMBURSEMENT OF COSTS**

I, Jeremy Hill, hereby declare under penalty of perjury as follows:

1. I am Group General Counsel to Universities Superannuation Scheme Limited (“USSL”) (acting in its capacity as sole corporate trustee of Universities Superannuation Scheme) (“USS”), the Court-appointed Class Representative in the above-captioned class action (the “Action”). USS is one of the largest occupational pension schemes in the UK. It provides pensions to academic staff at universities and higher education institutions in the UK. The corporate trustee, USSL, has appointed its wholly owned subsidiary, USS Investment Management, Ltd. (“USSIM”), a company regulated by the Financial Conduct Authority in the United Kingdom, as its principal investment manager and adviser to provide services to USS in connection with investments which includes the oversight of securities litigation matters. I work across the various business areas of USS and USSIM. The corporate trustee effectively acts as fiduciary to the scheme. USSIM also owes fiduciary duties to the trustee. USSIM is funded by USSL and the costs incurred by USSIM in providing investment and ancillary services to USS are paid out of the assets of the scheme. Those scheme assets are held ultimately to support the pension retirement benefits to which the members of the scheme are entitled. I am cognizant of the fact that any time and resources spent, and any costs incurred, by me and my USS colleagues in connection with securities litigation are funded ultimately by these scheme assets. It is against

that background that we seek respectfully to recoup some of the costs incurred by USS in managing the Action in the past three years. I respectfully submit this declaration in support of (i) the motion of Class Representatives USS, North Carolina Department of State Treasurer (“North Carolina”) and Employees’ Retirement System of the State of Hawaii’s (“Hawaii”) (collectively, “Class Representatives” or “Plaintiffs”) for final approval of the proposed Settlement and approval of the proposed Plan of Allocation; (ii) Class Counsel’s motion for an award of attorneys’ fees and reimbursement of expenses; and (iii) approval of Class Representatives’ request to recover certain reasonable costs incurred in connection with their representation of the Settlement Class in the prosecution of this litigation. I make this declaration with the benefit of having discussed the contents of the same with Class Counsel and having reviewed the (i) Memorandum of Law in Support of Plaintiffs’ Motion For Final Approval of Settlement (“Final Approval Memorandum”); (ii) Memorandum of Law in Support of Class Counsel’s Motion for An Award of Attorneys’ Fee and Reimbursement of Litigation Expenses (“Fee Memorandum”); and (iii) the Declaration of Jeremy A. Lieberman in Support of Class Representatives’ Motion For (A) Final Approval of Class Action Settlement And Plan of Allocation;(B) Class Counsel’s Motion for an Award of Attorneys’ Fees And Reimbursement of Litigation Expenses; and (C) Class Representatives’ Motion for Reimbursement of Costs and Expenses (“Lieberman Declaration”).

2. I am aware of and understand the requirements and responsibilities of a representative plaintiff in a securities class action, including those set forth in the Private Securities Litigation Reform Act of 1995 (“PSLRA”). I have personal knowledge of the matters set forth in this Declaration, as I have been directly involved in monitoring and overseeing the prosecution of the Action, as well as the negotiations leading to the Settlement, and I could and

would testify competently to these matters.

3. By order dated March 4, 2015, the District Court appointed USS as Lead Plaintiff, and appointed Pomerantz LLP (“Pomerantz”) as Lead Counsel for the putative Class. On October 15, 2015, Plaintiffs filed a Motion for Class Certification, appointment of class representatives, and appointment of Pomerantz as Class Counsel. On February 2, 2016, the District Court issued its Opinion and Order granting Plaintiffs’ Motion. The District Court certified a Securities Act class and an Exchange Act class, appointed USS as Class Representative for the Exchange Act class, and appointed North Carolina and Hawaii as Class Representatives for the Securities Act class.

I. USS’S OVERSIGHT OF THE LITIGATION

4. Throughout the litigation, USS has devoted significant time and resources in providing oversight of Class Counsel’s prosecution of this Action. Such oversight included receiving periodic status reports from Class Counsel on case developments and participating in frequent telephonic and in person discussions concerning the prosecution of the Action, the strengths of and risks to the claims, and potential settlement. In particular, throughout the course of the Action, I or other USS personnel: (a) regularly communicated and met with Pomerantz regarding the posture and progress of the case; (b) communicated and/or met with other Class Representatives; (c) reviewed and/or discussed a vast majority of the significant pleadings, motions, and briefs filed in the Action; (d) reviewed and/or discussed all significant decisions in the Action; (e) coordinated USS’s document production in response to Defendants’ discovery requests; (g) travelled from the United Kingdom to New York for my deposition as well as the depositions of other USS personnel; (h) travelled from the United Kingdom to New York to attend court hearings; (i) travelled from the United Kingdom to New York to attend six

mediation sessions; (j) travelled from the United Kingdom to Frankfurt, Germany to meet with members of the legal team at Union Asset Management (which, at the outset, held bonds in Petrobras and were named plaintiffs for the Section 11 claims)) to discuss the progress of this Action (k) travelled to Raleigh, North Carolina to meet with North Carolina's General Counsel and Deputy General Counsel to discuss the progress of this Action; (l) engaged in extensive discussions with Pomerantz regarding settlement negotiations; and (k) evaluated and approved the proposed Settlement.

5. For each significant pleading submitted on behalf of Class Representatives, including the respective Settlement Stipulations, either myself or my colleague Juan Perez Tejedor, a senior attorney at USS, provided extensive comments to Class Counsel both orally and in writing. Over the course of this Action, I estimate that either I or my colleagues at USSL and USSIM tasked with oversight of this Action participated in over 70 telephonic or in person meetings with attorneys at Pomerantz to discuss the progress of the litigation, Class Representatives' settlement posture, and the details regarding the actual settlement documentation.

6. Moreover, on a number of occasions, I visited Pomerantz's offices to meet with the key attorneys charged with prosecuting the litigation. At those meetings, the various attorneys tasked with overseeing different aspects of the case, be it third party discovery, claims against PWC Brazil, claims against the Underwriters, document review, etc., made formal presentations to me regarding their activities and roles in prosecuting the litigation.

7. In addition to this extensive oversight, it was a priority for USS to make sure that the other Class Representatives, Hawaii and North Carolina, were properly apprised of and engaged in the supervision of this litigation. To this end, I and Mr. Tejedor participated in

regular periodic telephonic conversations with my counterparts at North Carolina and Hawaii, in order to make sure that they were properly apprised with the progress of this Action and settlement strategy. Moreover, I held a number of in person meetings with the General Counsel of North Carolina in Raleigh, North Carolina, to discuss this Action. Significantly, these meetings and telephonic discussions were not in the presence of Class Counsel, in order to allow for open discussion between the Plaintiffs to address any potential concerns with the conduct of the litigation and any possible points of disagreement with Class Counsel. I and Mr. Tejedor liaised with North Carolina and Hawaii in the run up to the settlement agreement being signed and discussed acceptable settlement parameters.

8. Moreover, throughout the course of the litigation, I required Class Counsel to send to me and Mr. Tejedor a lodestar and expense report on a monthly basis to ensure that their expenses and time expended in the case were appropriate. Periodically, we would meet either telephonically or in person with Class Counsel to ask for specific justification for the time and expenses incurred in pursuit of this litigation. Moreover, we asked Class Counsel to provide an analysis comparing its lodestar and expenses in this Action with that of other “mega-class actions” in the United States in order to assess the appropriateness of the fees incurred in the Action.

II. APPROVAL OF THE SETTLEMENT

9. Through my active participation, USS was kept informed of the progress of the settlement negotiations in this litigation. Before, during, and after the mediation process presided over by the Hon. Layn R. Phillips, at which I was present for all six sessions, I conferred with Class Counsel regarding the parties’ respective positions and the comments made by the mediator. Moreover, I or Mr. Tejedor reviewed and provided comments to all Mediation

Statements and formal written submissions made by Class Counsel pursuant to the mediation process.

10. Prior to the first mediation session, Class Counsel requested that USS provide it with authority to settle the claims on behalf of the Class at a certain minimum level. I ensured that this recommendation was made to certain members of the USSIM board of directors (the CEO of USSL, CIO and a non-executive director) as well as the Head of Equities at USSIM in accordance with the securities litigation policy in place at USSL and USSIM. To that end, I required Class Counsel to draft an extensive memorandum detailing the merits of the Plaintiffs' Claims, any significant defenses thereto, and the various possible damages scenarios. After receiving Class Counsel's memorandum, Mr. Tejedor and I raised a number of questions and points requiring clarification. Class Counsel revised the memorandum to address these issues. Thereafter, I presented, via a live video conference call, Class Counsel's recommendation to certain members of the USSIM board of directors (the CEO of USSL, CIO and a non-executive director) as well as the Head of Equities at USSIM in accordance with the securities litigation policy in place at USSL and USSIM, which meeting approved the authority requested by Class Counsel. The \$3 billion settlement ultimately agreed to by the parties is significantly larger than the settlement authority approved by USSIM in 2015. A similar process applied in respect of the settlement achieved with PWC Brazil. Prior to the only mediation session with PWC Brazil, Class Counsel requested that USS provide it with authority to settle the claims on behalf of the Class at a certain minimum level. In order to make that recommendation, I worked with, and advised, the CEO of USSL and CIO of USSIM to record our rationale for the same. I attended the PWC mediation session alongside a representative from North Carolina and members of Class Counsel.

11. Similarly, in or around November 2017, Class Counsel advised that there was a realistic possibility of settling with the Petrobras Defendants for \$2.95 billion, in addition to the \$50 million settlement achieved with PWC Brazil. Class Counsel asked USS to reconfirm its authority to settle the Action at this number, and recommended that any settlement offer lower than this amount be rejected by USS. I again requested that Class Counsel provide a detailed memorandum explaining the benefits of settling the Action for this amount at this stage of the litigation, as opposed to continuing the litigation through trial, as well as the risks inherent in rejecting a settlement at that amount. Class Counsel provided said memorandum, which was again subject to extensive comments and questions by myself and Mr. Tejedor, requiring further revision thereof. I presented this revised memorandum to certain of USSIM's Board of Directors, which approved the \$3 billion settlement recommendation. I and Mr. Tejedor liaised with North Carolina and Hawaii in the run up to the settlement agreement being signed; and we discussed with them acceptable settlement parameters.

12. Based on my involvement throughout the prosecution and resolution of the claims asserted in the Action, I believe that the Settlement provides an excellent recovery for the Settlement Class, particularly in light of the risks of continued litigation. It is my understanding that the Settlement is the largest securities class action in a decade, the largest class action settlement involving a foreign issuer, and the fifth largest securities class action settlement on record.

13. Perhaps most significantly, and having read the Final Approval Memorandum, Fee Memorandum and Lieberman Declaration, and taking account of my discussions with Class Counsel, I understand that Class Counsel estimates that the \$3 billion recovery achieved represents a more than 65% percent premium relative to the recovery obtained by the related

Individual Actions, which include some of the largest institutional investors in the world, represented by sophisticated and competent counsel. Moreover, I understand that as a result of this premium, a number of the institutional investors whose claims are still pending intend to remain in the Class and withdraw their Individual Actions to participate in the Class recovery. My understanding from the contents of the Final Approval Memorandum, Fee Memorandum and Lieberman Declaration and from discussions with Class Counsel, is that such an action is remarkable.

14. Thus, from my understanding of the progress of the Action, the circumstances surrounding the Action and taking into account the arguments set out in the Fee Memorandum as well as my discussions with Class Counsel, I believe that the proposed Settlement is fair, reasonable, and adequate to the Settlement Class and I endorse approval of the Settlement by the District Court.

III. CLASS COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES

15. USS acknowledges the level of financial risk undertaken by Class Counsel in funding and undertaking this Action over a long period of time and believes that this should be taken into account by the Court in approving Class Counsel's request for an award of attorneys' fees of \$284,500,000.00. In addition, from my understanding of the progress of the Action, the circumstances surrounding the Action and taking into account the arguments set out in the Fee Memorandum and Lieberman Declaration, as well as my discussions with Class Counsel and the work Class Counsel performed on behalf of the Settlement Class, the Class Counsel's above request for an award of attorney's fees is fair and reasonable. In particular, the requested attorneys' fee award is based upon the retainer agreement executed between USS and Pomerantz, which was provided to the Court *in camera*. The fee percentage negotiated in that agreement

was the result of arms-length negotiations between Pomerantz and USS, and represents a significant reduction from the fee percentage initially proposed by Pomerantz at the outset of the litigation. Indeed, as part of our negotiations with Pomerantz and consistent with USS's policy on securities litigation, USS retained Keith Johnson at Reinhart Boerner Van Duren LLP, the former Chief Legal Counsel at the State of Wisconsin Investment Board, who has significant experience overseeing securities class action litigation to provide an independent assessment of the engagement terms with Class Counsel. The retainer agreement executed with Pomerantz was reviewed independently by Mr. Johnson and reflected Mr. Johnson's guidance regarding a number of points, including the appropriate attorneys' fees. Moreover, we have reviewed Class Counsel's analysis as more particularly set out in the Fee Memorandum and Lieberman Declaration, demonstrating that the fee request is well within the range of fees awarded in other "mega class action settlements".

16. Based on the various arguments laid out by Class Counsel in the Fee Memorandum, USS further believes that the litigation expenses being requested for reimbursement to Class Counsel are reasonable and represent expenses necessary for the prosecution and resolution of the claims in the Action. Again, throughout the course of the litigation, USS requested from Class Counsel data confirming both the necessity of these expenses, as well that the amount thereof was consistent to those expended in class actions of similar size. Moreover, as referenced above, throughout the course of the litigation, Pomerantz provided detailed expense reports to USS on a monthly basis.

17. Moreover, consistent with the results achieved in this litigation and having reflected on the timeline and progress of the Action and having read the Lieberman Declaration, we are of the view that Class Counsel's prosecution thereof was skillful and competent. In

addition, at all points of the litigation, I believe that Pomerantz worked with diligence and the right level of pro-activeness aimed at optimizing the Class' Recovery. Indeed, it was clear to me and my colleagues at USS that Pomerantz was singularly focused on securing an extraordinary result for the Class, which was ultimately achieved.

18. On behalf of USS, I have evaluated Class Counsel's request by reviewing the Fee Memorandum and the Lieberman Declaration. In the light of those documents and my experience of the Action, and considering the work performed, the recovery obtained for the Settlement Class, and the risks of the Action, I have authorized this fee request for the District Court's ultimate determination.

19. Based on the foregoing, and consistent with USS's obligation to the Settlement Class to obtain the best result at the most efficient cost, and having read the Fee Memorandum and the Lieberman Declaration and in light of these documents, our experience of the Action and our discussions with Class Counsel, USS supports Class Counsel's request for an award of attorneys' fees and reimbursement of litigation expenses.

IV. USS's MOTION FOR A COMPENSATORY AWARD

20. USS understands that reimbursement of a class representative's reasonable costs and expenses is authorized under the PSLRA, 15 U.S.C. § 78u-4(a)(4). For this reason, in connection with Class Counsel's request for reimbursement of litigation costs, USS is seeking reimbursement for the costs, comprising personnel time, that USS incurred directly relating to USS's representation of the Settlement Class in the Action. These costs incurred by USS and by USSIM is funded by USS and comes out of the scheme assets which are held, ultimately, to support retirement pension benefits to which members of the scheme are entitled. It is against this background that USS respectfully seeks award of this compensatory amount. For

completeness, I should note that travel expenses associated with many (but not all) of the meetings noted in this declaration were paid by Pomerantz and these have not been included in our calculation of USS's incurred costs.

21. The time that my USS colleagues and I have devoted to the representation of the Class in this Action was time that we otherwise would have spent on other activities at USS or USSIM (as the case may be). Accordingly, this activity represented a cost to USS which cost is met by USS from the scheme assets which are held, ultimately, to support retirement benefits to which USS's members are entitled. Accordingly, USS seeks reimbursement in the amount of \$300,000 which represents a significant discount to the (estimated) \$703,590.51 in time that USS's employees devoted to participating in this Action, which USS estimates to be equivalent to 859.45 hours. In light of the time spent on the oversight of the Action, it is my belief that USS's request for reimbursement is fair and reasonable.

22. As Group General Counsel of USS, I personally worked at least 248 hours on the Action performing multiple tasks as described above. I have been a English Law qualified solicitor since 1991, and have very significant UK financial services experience, much of which is pensions related; I have held several Financial Conduct Authority-controlled function positions; have been a main board director of a UK investment manager; and over the course of the last seven years, have served on the executive management committees of two investment management businesses – Martin Currie Investment Management and USSIM.

23. After first working at USS between 2009 and 2011 as General Counsel for the investment management division of USS (the prior incarnation of USSIM), I rejoined USS as Group General Counsel in August 2014. Some of my previous roles included responsibility for various areas of the legal coverage for the EMEA business at Morgan Stanley Investment

Management, Vice President at Merrill Lynch Investment Managers and legal advisor at the London Stock Exchange. I was also General Counsel and a main board director at Martin Currie Investment Management. I estimate that my current billable rate is equivalent to approximately £825 or \$1,168.45 per hour.

24. My colleague, Juan Perez Tejedor, Investment Legal Transaction Manager at USS, personally worked at least 477 hours performing many tasks along with me as described above. Mr. Tejedor is an English Law qualified solicitor since 1998 with more than fifteen years' experience in corporate law, M&A, Private Equity and commercial law, ten years of which were with DLA Piper UK. Mr. Perez has worked at USS since September 2012, undertaking legal support on large infrastructure and PE investment transactions, supporting the Private Markets Group. I estimate that his current billable rate is equivalent to £550 or \$779.80 per hour.

25. Dr. Daniel Summerfield, Co-Head of Responsible Investment, spent 88 hours working on the Action. Dr. Summerfield identified and submitted relevant documents between 2015 and 2016; prepared for his deposition and was deposed in New York. Moreover, at the outset of the litigation, Dr. Summerfield was involved in recommending whether USS should pursue Lead Plaintiff appointment. Dr. Summerfield is responsible for leading USS's work to improve the corporate governance performance of companies, funds and markets in which USS invests and ensuring the investment processes identify and integrate key operational, strategic and governance risks to which the Scheme is exposed. He also serves as a member of committees including the NAPF's Stewardship Advisory Group and the ICAEW's corporate governance committee. Previously, he was the head of corporate governance at the Institute of Directors ("IoD") where he was responsible for the IoD's work on corporate governance. He

also currently serves as a Chair of Governors and Trustee of a local school and is an Honorary Visiting Fellow at the Cass Business School of the City University London. USS estimates that his billable rate is equivalent to £213.87 or \$300 per hour.

26. Elizabeth Fernando, Head of Equities at USSIM, spent 16.25 hours working on the Action. Ms. Fernando was involved in many calls, meetings and collected and analyzed USS's trading activity in Petrobras securities. She was also involved in discussions regarding Class Counsel's settlement recommendations. She has been Head of Equities since August 2012 and prior to that, was Deputy CIO, Head of European Equities from January 2006 to August 2012. As a seasoned investment professional with over twenty years of experience, USS estimates that her billable rate is equivalent to £275 or \$393.25 per hour.

27. Chris Shale, a GEMS (Global Emerging Markets) Portfolio Manager for USSIM, spent 30.2 hours working on the Action. Mr. Shale was involved in meetings, calls, deposition preparation and was deposed in New York. Mr. Shale's testimony was critical to USS's participation as Class Representative as he made the relevant investment decisions in Petrobras securities at issue in this Action. As a seasoned investment professional with over 20 years of portfolio manager experience, USS estimates that his billable rate is equivalent to £213.87 or \$300 per hour.

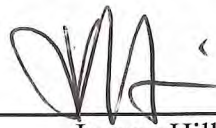
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CONCLUSION

28. In conclusion, I and other USS personnel were closely involved throughout the prosecution and settlement of the claims in this Action, endorse the Settlement as fair, reasonable and adequate, and believe that the Settlement represents a significant recovery for the Settlement Class. USS appreciates the District Court's attention to the facts presented in my Declaration and, in light of the contents of the Final Approval Memorandum, Fee Memorandum and the Lieberman Declaration and of our experience of the Action and our discussions with Class Counsel, respectfully requests that the District Court approve (i) Plaintiffs' motion for final approval of the proposed Settlement and approval of the Plan of Allocation; (ii) Class Counsel's motion for an award of attorneys' fees and reimbursement of expenses; and (iii) USS' request for reimbursement of the reasonable costs incurred in prosecuting the Action on behalf of the Settlement Class.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge.

Executed this 18th day of April, 2018, in London, United Kingdom.



Jeremy Hill
Group General Counsel
Universities Superannuation Scheme