

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.



CONTRACT XXX/CABW/2020

INVITATION FOR BID 203675/CABW/2020

PAG 67102.203675/2020-93



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PAG No. **67102.203675/2020-93**
CONTRACT No. **XXX/CABW/2020**

CONTRACT OF INSURANCE COVERAGE FOR BACW's MATERIALS, FOR A PERIOD OF 12 MONTHS, WITH THE POSSIBILITY OF CONTRACT EXTENSIONS OF UP TO AN AGGREGATE OF 60 MONTHS, WHICH THE BRAZILIAN FEDERAL GOVERNMENT HEREBY ENTERS INTO, THROUGH THE BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON ("BACW"), AND THE COMPANY **(COMPANY'S NAME)**.

The Brazilian Federal Government, through the Brazilian Aeronautical Commission in Washington, DC ("BACW"), with main offices located at **1701 22nd St N.W. Washington, D.C. 20008**, represented herein by **Col Roberto Martire Pires**, in the use of his legal attributions, as per Directive No. 50, issued by the Ministry of Aeronautics on January 29, 1953, and as per Art. 61 of Brazilian Federal Law No. 8,666/93, hereinafter referred to as the CONTRACTING (ASSURED) PARTY, and the company **XXXXXXXXXXXXXXXXXX**, with main offices located at **XXXXXXXXXXXXXXXXXXXX**, in the Municipality of **XXXXXXXXXXXX**, **COUNTRY XXXXXXXXX**, hereinafter the CONTRACTED PARTY, represented herein by **Mr. XXXXXXXXXXXX**, representing the Marine Division of the Company and bearing in mind the content of PAG nº **67102.203675/2020-93**, and the final result of the **Invitation for Bid No. 203675/CABW/2020**, based on the principles of the Brazilian Federal Law No. 8,666/93, the Decree No. 2.271, of 1997, and the Normative Instruction SLTI/MPOG No. 2, of April 30, 2008, and related legislation, hereby decide to enter into this agreement and execute this instrument, in accordance with the following terms and conditions:

1. DEFINITIONS

1.1. In order to facilitate the comprehension of terminology and to simplify text composition, the following abbreviations and expressions were adopted, followed by their definitions hereafter:

- 1.1.1. BACW/ASSURED – Brazilian Aeronautical Commission in Washington, DC;
- 1.1.2. COMAER – Brazilian Aeronautical Command;
- 1.1.3. COMREC – Goods and Services Receiving Commission;
- 1.1.4. CONTRACT TYPE – Marine Cargo Insurance;
- 1.1.5. CONTRACTED PARTY – The natural person or legal entity contracted to perform the services;
- 1.1.6. CONTRACTING PARTY- Brazilian Aeronautical Commission in Washington, DC (BACW);
- 1.1.7. DRAFT AD – Draft to be used for quotes purposes only.
- 1.1.8. ICA – Aeronautical Command Directive;
- 1.1.9. MO – Military Organization;
- 1.1.10. MONITOR – the individual or commission –representing the CONTRACTING PARTY before the CONTRACTED PARTY, appointed to systematically monitor the fulfillment of contractual terms and complementary orders issued by the Government, in all their aspects.
- 1.1.11. PAG – Administrative Management Process;
- 1.1.12. TERM OF RECEIPT – Document issued by the COMREC attesting and accepting services performed.

2. CLAUSE – OBJECT

2.1. The Contracting of insurance coverage for BACW materials to be transported by air and Sea, from the Warehouse, located at 4601 Beech Road, Temple Hills, MD 20748, USA, to Rio de Janeiro, RJ, Brazil, for a contractual period of 12 months, with the possibility of extensions of up to an aggregate of 60 months, seeking the fulfillment of the BACW's needs.



3. CLAUSE – PERFORMANCE

3.1. The CONTRACT shall be performed on the basis of indirect execution of Lowest Global Price.

4. CLAUSE – LANGUAGE

4.1. It is hereby agreed by the parties that the language of this CONTRACT, for the purpose of documentation, correspondence, and any other interests shall be English.

5. CLAUSE – CONDITIONS FOR PROVIDING SERVICES

5.1. The services shall be performed by the CONTRACTED PARTY as described herein and in accordance with the BASIC PROJECT, Annex B.

6. CLAUSE – OBLIGATIONS

6.1. In addition to that set forth in the Basic Project, the CONTRACTED PARTY shall be required to:

6.1.1. Perform services in accordance with the specifications in the BASIC PROJECT and its proposal with the resources necessary for full compliance with the provisions of the CONTRACT.

6.1.2. Strictly observe specifications and instructions contained in the Invitation for Bid;

6.1.3. Take full responsibility for the performance of the contracted services;

6.1.4. Ensure supply of all material and equipment required for full and perfect fulfillment of contractual obligations;

6.1.5. Provide all clarification requested by the CONTRACTING PARTY, immediately addressing any complaints;

6.1.6. Use qualified employees who have essential knowledge of the services that will be performed in accordance with the rules and regulations in effect;

6.1.7. Be responsible for all labor, social, and tax obligations, as well as for any other duties or obligations provided for under specific legislation, the violation of which shall not carry a liability to the CONTRACTING PARTY;

6.1.8. Instruct its employees on the need to follow the guidelines provided by the CONTRACTING PARTY, including with regard to Internal Regulations, if any;

6.1.9. Maintain throughout the term of the Contract, consistent with the obligations assumed, all conditions of eligibility and qualification required in the bidding process;

6.1.10. Be responsible for any costs resulting from any possible mistakes made in calculating the quantitative items in its proposal, including with regard to variable costs associated with future and uncertain facts, being responsible for covering those items should what was initially provided for in its proposal not be enough to perform the object of the bidding process.

6.1.11. The CONTRACTED PARTY shall not perform any extra service without first providing an estimated budget, which is to be formally authorized by the CONTRACTING PARTY;

6.1.12. The CONTRACTED PARTY shall appoint a POINT-OF-CONTACT for the purpose of overall management of the activities/services, following up on the CONTRACT and representation with the CONTRACT MONITOR;

6.1.13. Comply with all the CONTRACTING PARTY's requirements, especially those related to deadlines, performance and conclusion of the contracted services, as well as the requirements related to the services under special deadline, priority and emergency;



6.1.14. Abide by BACW's business hours, and according to its convenience or need for any change, communicate the change to the CONTRACT MONITOR, with at least 24 (twenty four) hours in advance;

6.1.15. Promptly communicate, in writing to BACW, any and all information related to any errors, mistakes or flaws found in the BASIC PROJECT;

6.1.16. Use of adequate equipment and tools, to allow for proper execution of the services, and utilize efficient and safe work methods;

6.2. The CONTRACTING PARTY shall be required to:

6.2.1. The CONTRACTING PARTY, through the assistance of the CONTRACT MONITOR, duly designated for that function, shall:

6.2.1.1. Appoint a RECEIVING COMMISSION (COMREC), through Internal document, to carry out receipt of the qualitative and quantitative object of the CONTRACT;

6.2.1.2. Provide all the conditions for the CONTRACTED PARTY to be able to perform its services in accordance with the provision of the CONTRACT, the Invitation for Bid and its Annexes, and particularly the BASIC PROJECT;

6.2.1.3. Require compliance with all obligations assumed by the CONTRACTED PARTY in accordance with the provisions of the CONTRACT and the terms and conditions of its proposal;

6.2.1.4. Provide monitoring of services by an official specifically designated for that purpose, who shall record in his own log any flaws found;

6.2.1.5. Notify the CONTRACTED PARTY in writing of the occurrence of any irregularities during the performance of services, and establish a deadline for their correction;

6.2.1.6. Pay the CONTRACTED PARTY the amount due for the provision of services, as established in the CONTRACT through the receipt and acceptance of an INVOICE; and

6.2.1.7. See to it that, throughout the term of the CONTRACT, all conditions of eligibility and qualifications required in the bidding process are maintained, consistent with the obligations assumed by the CONTRACTED PARTY.

7. CLAUSE – DISCRIMINATION OF SERVICE

7.1. The CONTRACT shall be performed by the CONTRACTED PARTY as described herein and in the BASIC PROJECT, Annex B.

8. CLAUSE – AMOUNT OF THE CONTRACT

8.1. The maximum total amount of the CONTRACT is **US\$ 54.364,64** being initially provided the value of US\$ 40.000,00 through the Purchase Order nº 15T004063, being the remaining US\$ 14.364,64, the complement for the above mentioned Purchase Order.

9. CLAUSE - BUDGETARY ALLOCATION

9.1. The expenses arising from this contract shall be paid with resources of the item 33.90.39, Action 20XV, Work Program: 05.122.2108.2000.00001 received by the BACW from the Plan of Action of the Aeronautical Command, based in the Brazilian General Budget for the fiscal year.

10. CLAUSE - SUBCONTRACTING

10.1. Subcontracting is not allowed for this Contract.



11. CLAUSE - TERMS

11.1. Term of Validity

11.1.1. The CONTRACT details the performance of the services over 12 months, in accordance with this Administration's requirements.

11.1.2. The validity may be extended for an additional equal periods of 12 months, in the Administration's interest up the limit of overall 60 months.

11.2. Term of Execution

11.2.1. Performance time shall be 365 consecutive days, starting on the day on which the contract is published in the Brazilian Official Gazette ['Diário Oficial da União'].

11.3. Payment Processing Time

11.3.1. The payment processing time shall be up to 30 days, starting on the date on which the Term of Receipt is issued.

12. CLAUSE - FINANCIAL GUARANTEE

12.1. The provision of a Contract guarantee is not required for this process

13. CLAUSE - CHANGES TO THE CONTRACT

13.1. Pursuant to Article 65, § 1, of the Brazilian Federal Law No. 8.666/93, a CONTRACTED PARTY is required to accept, under the same terms and conditions, any changes involving addition or subtraction the amount of the demand for the services, that may be necessary, at the discretion of BACW, up to the limit of twenty-five percent (25%) of the original total amount of the Contract.

13.1.1. Since the demands are estimated due to the characteristics of the OBJECT of this CONTRACT, deductions in the amount that exceeds the limit of twenty-five percent (25%) of the Contract may occur during the performance of the CONTRACT.

13.1.2. The set of increases and the set of decreases shall be calculated based on the original shipments of, or services to be provided under, the Contract, on a case by case basis, without any sort of compensation up to the limits established above.

14. CLAUSE - PRICE ADJUSTMENT

14.1. Price shall be firm and fixed (FFP) during the first 12 (twelve) months of contract performance.

14.2. After the first 12 (twelve) months of contract performance, in case it is renewed for additional 12 (twelve) months, an adjustment may be applied, to reestablish the financial relation initially agreed upon between the parties at contract signature, thus ensuring adequate compensation for services, if and only if, the increase in input costs associated with the BID Object is proved to the satisfaction of the BACW's Chief.

15. PAYMENT

15.1. The deadline for payment for rendered services shall be within thirty (30) calendar days from the date the term of receipt is issued by the Receipt Commission. The payment will occur as follows:

15.1.1. Upon presentation of the INVOICE with the required documentation as follows:

15.1.2. Term of Receipt issued by COMREC after appraisal and acceptance of the required documents specified in this BASIC PROJECT, especially the MONTHLY REPORT.

15.1.3. The CONTRACTED PARTY shall invoice the CONTRACTING PARTY for published ADs on a single itemized and consolidated invoice at the end of each month of performance.

16. CLAUSE - MONITORING



16.1. The CONTRACT MONITOR must be an Administrative Public Agent, specifically appointed by the Administration, in accordance with the precepts established by the Brazilian Federal Law Nº 8.666/1993, the ICA No. 65-8/2009, and the ICA No. 12-23/2014, so as to monitor and inspect the fulfillment of the contract to be executed.

16.2. The monitoring of contractual fulfillment consists in verifying the conformity of the contracted services and the allocation of the necessary financial resources, thereby ensuring the perfect application of adjustment, and that must be performed by the CONTRACT MONITOR.

17. CLAUSE - RECEIPT OF THE OBJECT

17.1. The services that are the object of the CONTRACT shall be received by the BACW's Receiving Commission in accordance with the specifications set forth in the Basic Project, Annex I of this Bid Announcement.

18. CLAUSE – UNFORESEEABLE EVENTS OF FORCE MAJEURE

18.1. Unforeseeable –or force majeure- events shall be notified in writing to the Chief of the BACW, so that he may decide appropriate course of action, provided it has been proven that such events affect the services/material supplied in connection with the Subject of this CONTRACT.

18.2. For the purposes of this Contract, events shall be considered unforeseeable or caused by force majeure if they fit legal description provided in single paragraph of article 393 of the Brazilian Civil Code, or terms of line II, § 1º, Art. 57 of the Brazilian Federal Law No. 8.666/93.

19. CLAUSE – LINKAGE

19.1. This Contract is hereby linked to Invitation for Bid No. **203675/CABW/2020**, and the Commercial Proposal of the CONTRACTED PARTY, submitted by company **(COMPANY'S NAME)** to BACW.

20. CLAUSE – TERMINATION

20.1. Pursuant to the provisions of Article 78 of the Brazilian Federal Law No. 8,666/93, the following are cause for terminating this Contract:

- 20.1.1.** Failure to comply with CONTRACT clauses, specifications, projects and deadlines;
- 20.1.2.** Inappropriate compliance with CONTRACT clauses, specifications, projects and deadlines;
- 20.1.3.** Slowness in its compliance which may lead the CONTRACTING PARTY to find it impossible to complete the services within the established deadlines;
- 20.1.4.** Unjustifiable delay in initiating service;
- 20.1.5.** Stoppage in the service, without cause, and without providing previous notice to the CONTRACTING PARTY;
- 20.1.6.** Failure to comply with orders from the authority designated to follow up and supervise the performance of services, or higher authorities;
- 20.1.7.** Bankruptcy;
- 20.1.8.** Dissolution of company or death of the CONTRACTED PARTY;
- 20.1.9.** Corporate change or alteration of purpose or business of the CONTRACTED PARTY that hinders the performance of the CONTRACT;
- 20.1.10.** Reasons of public interest (Brazil) that are of high importance, broadly publicized, justified and ordered by a higher executive authority with jurisdiction over CONTRACTING PARTY, based on an administrative case referred to in the CONTRACT;
- 20.1.11.** Suspension of service, through a written order of the CONTRACTING PARTY, for more than one hundred twenty (120) days, in the event of a disasters, domestic disturbances or war, or also repeated suspensions that add up to 120 days. In addition to the required payment of



indemnification to the CONTRACTED PARTY, it is also entitled in these cases to suspend complying with its obligations until normalcy is achieved;

20.1.12. A delay for more than ninety (90) days in making payments due by the CONTRACTING PARTY, for services, supply and work already received and performed, except in the event of a disasters, domestic disturbances or war. The CONTRACTED PARTY shall be entitled to suspend compliance with its obligations until normalcy is achieved;

20.1.13. Failure of the CONTRACTING PARTY to release the object for the performance of services within the established deadlines;

20.1.14. Acts of God or force majeure that prevents performance of the CONTRACT, which is to be duly demonstrated;

20.2. Termination will be formally recorded under the law, with the right of due process and ample defense ensured.

20.3. Termination of this CONTRACT may be:

20.3.1. Decided unilaterally and in writing by the CONTRACTING PARTY in the event listed under in items 1 to 11, and 16, of this CLAUSE;

20.3.2. Agreeable, through an agreement between the parties, entered as an addendum in the process, provided it is convenient to the CONTRACTING PARTY; and

20.3.3. Judicially, pursuant to applicable legislation.

20.4. The Administrative or agreeable termination shall be preceded by written and well-grounded authorization by the appropriate authority.

20.5. When termination is based on Items 12 through 14 of this CLAUSE, without fault of the CONTRACTED PARTY, it shall be entitled to receive payments due for the performance of the CONTRACT up to the date of termination. Under no circumstances shall CONTRACTED PARTY be entitled to any indirect or consequential damages, including lost profits, due to termination.

20.6. Termination for failure to comply with contractual clauses shall cause warranty to be forfeited to be applied toward compensating the CONTRACTING PARTY for the fines and indemnifications that are due. Any credits arising from the CONTRACT shall be withheld up to the limits of the losses caused to the CONTRACTING PARTY, in addition to the sanctions provided for herein.

20.7. The term of terminations shall include, as appropriate:

20.7.1. Assessment of contract services provided and those that have been fully completed;

20.7.2. List of payments made and payments due; and

20.7.3. Indemnifications and fines.

21. CLAUSE – CANCELLATION

21.1. The Assured may terminate this Contract upon submission of a written notice to **(COMPANY'S NAME)** ("the Broker") if:

21.1.1. The Broker has committed fraud;

21.1.2. The Broker has acted with deceit or bad faith;

21.1.3. The Broker does not abide with or underperforms in respect of the terms and conditions agreed;

21.1.4. The Broker becomes insolvent or enters into liquidation whether compulsory or voluntary;

21.1.5. The Assured considers the overall services delivered as unsatisfactory;

21.1.6. Force Majeure is invoked.

21.2. Risks covered by Institute War Clauses may be cancelled at any time by Underwriters giving 7 days' notice, in writing, to take effect from the date of such notice, and such risks, covered by Institute Strikes Clauses, may be cancelled at 7 days' notice.

22. CLAUSE – CONVEYANCE



22.1. Per Land, and/or Sea, and/or Air, and/or Conveyances.

23. CLAUSE – INTEREST

23.1. All goods and/or merchandise of every description incidental to the business of the Assured, or in connection therewith consisting principally of, but not limited to, goods, aircraft spares, aeronautical materials of any description, being mainly equipment either new or reconditioned, or replacement parts packed to manufacturer's standards. (Reconditioned equipment and/or parts to be valued as new). Including damaged interests being dispatched anywhere in the world (excluded embargoed destinations) from Brazil for repair and return.

24. CLAUSE – LIMIT OF LIABILITY

24.1. USD 15,000,000.00 (United States Dollars Fifteen Million (or equivalent in any other currency) any one Vessel and/or Aircraft and/or Conveyance and/or Location.

25. CLAUSE – BASIS OF VALUATION

25.1. Cost and Freight value only (Freight deemed to be 10% of cost). In respect of transport effected by aircraft of the Brazilian Aeronautical Command, Basis of Valuation shall be Cost Value only).

26. CLAUSE – VOYAGE

26.1. From Seller's or Forwarding Agent's warehouse in the World to Brazilian Air Command warehouse in Brazil (and vice-versa in the case of interests being returned for repair). Including temporary storage in the ordinary course of transit and/or for consolidation purposes not exceeding 60 days. Periods in excess of 60 days or storage not in the ordinary course of transit and/or not for consolidation purposes at rates to be agreed.

26.2. Including transshipments risks whether customary or otherwise.

26.3. Including the risks of loading and unloading at any stage of the voyage.

27. CLAUSE – CONDITIONS

27.1. All Risks of physical loss or damage as per the following terms and conditions as far as they are applicable:

27.1.1. Institute Cargo Clauses (A) CL252 1.1.82 and/or Institute Cargo Clauses (Air Cargo) (excluding sendings by post) CL259 1.1.82;

27.1.2. Institute War Clauses (Cargo) CL255 1.1.82 and/or Institute War Clauses (Air Cargo) (excluding sendings by post) CL258 1.1.82 and/or Institute (sendings by post) CL257 1.1.82;

27.1.3. Institute Strikes Clauses (Cargo) CL256 1.1.82 and/or Institute Strikes Clauses (Air Cargo) CL260 1.1.82;

27.1.4. Institute Classification Clause CL354 1.1.01;

27.1.5. Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause CL370 10.11.03;

27.1.6. Institute Cyber Attack Exclusion Clause CL380 10.11.03;

27.1.7. Institute Replacement Clause CL161 1.1.34;

27.2. The Institute Clauses referred to herein are those current at the inception of this Open Contract but should such Clauses be revised during the period of this Open Contract and provided that Underwriters shall have given at least 30 days Notice thereof, then the revised Institute Clauses shall apply to risks attaching subsequent to the date of expiry of said Notice.

27.3. Termination of Transit (Terrorism) JC2001/056.

27.4. Service of Suit Clause (U.S.A.) CL355 1.11.92.



27.5. Sanction Limitation & Exclusion Clause JC2010/014.

27.6. Cargo ISM Endorsement JC98/019 1.5.98.

27.7. Cargo ISPS Endorsement JC2004/050 4.11.04.

27.8. Cargo ISPS Forwarding Charges Clause JC2004/050b 4.11.04.

28. CLAUSE – GENERAL AVERAGE

28.1. For the purpose of claims for General Average and Salvage Charges recoverable hereunder the subject-matter insured shall be deemed to be insured for its full contributory value.

29. CLAUSE – CONTAINER SHIPMENTS

29.1. Interest in containers per specialized container vessels shipped in and/or over are insured hereunder subject to cover rates applicable to cargo shipped under deck.

29.2. Interest in containers shipped on deck on non-specialized vessels are held covered at rates to be agreed.

29.3. Including jettison and loss overboard in either case.

30. CLAUSE – SHIPMENTS PER CONTAINERS &/OR TRAILERS SERVICE

30.1. Applying to full containers and/or full trailers – agreed accept shippers and/or consignors and/or Assured's load and count.

31. CLAUSE – CHANGE OF DESTINATION/DEVIATION

31.1. In the case of voluntary change of destination and/or deviation within the Assured's control, the insured goods are held covered hereunder subject to the Assured reporting, as soon as possible all such events to Underwriters.

31.2. In case of short shipment in whole or part by vessel reported for insurance hereunder, Underwriters agree to hold the Assured covered against the risks insured hereunder until arrival at the final destination to which the goods are insured or until the goods are no longer at the risk of the Assured, whichever may occur first.

32. CLAUSE – DAMAGED PACKING

32.1. Loss and/or damage to packing howsoever arising including reconditioning and expenses incidental thereto provided always that the goods themselves are lost or damaged and such loss or damage is recoverable hereunder.

33. CLAUSE – PROTECTION OF PROPERTY

33.1. In case of loss, it shall be lawful and necessary for the insured, his or their factors, servants and assigns, to sue, labour and travel for, in and about the defence, safeguard and recovery of the property insured hereunder, or any part thereof, without prejudice to this insurance, nor shall the acts of the Insured or Underwriters and/or their Agents, in recovering, saving and preserving the property insured in case of loss be considered a waiver or an acceptance of abandonment. The expenses so incurred shall be borne by the Insured and the Underwriters proportionately to the extent of their respective interests

34. CLAUSE – FREIGHT REPLACEMENT

34.1. In the event of loss of or damage to the subject matter insured, Underwriters agree to pay costs of airfreighting the damaged parts to manufacturers for repair and then return or the airfreighting of



replacement parts from suppliers to destination, notwithstanding that the insured goods may not have been originally dispatched by airfreight.

35. CLAUSE - UNDISCLOSED DAMAGE

35.1. Loss or damage discovered on opening of cases and/or packages shall be deemed to have occurred during the period insured hereunder (and irrespective of attachment of the Assured's interest) and shall be paid accordingly unless proof conclusive to the contrary be established, it being understood that any cases and/or packages showing visible signs of damage must be opened immediately on cessation of the risk hereunder.

35.2. This agreement shall however only to apply where such loss or damage id discovered within 60 days of cessation of the risk hereunder.

36. CLAUSE – SURVEY

36.1. It is agreed by Underwriters that the Assured may instruct **(COMPANY'S NAME)** Agents, to survey on their behalf in cases where shipments arrive in Brazil showing evidenced of damage to packing.

36.2. Survey Charges to be invoiced to **(COMPANY'S NAME)**, and to be deemed recoverable under the above policy, regardless of whether damage to the insured interest is discovered as a result.

36.3. Claims to be paid to BACW in Washington, D.C., without any deduction, in the same currency as premium paid on insured interest.

37. CLAUSE – CHOICE OF LAW & JURISDICTION

37.1. This insurance shall be subject to the exclusive jurisdiction of the English Courts, except as may be expressly provided herein to the contrary.

38. CLAUSE – RATES

38.1. World to Brazil (&/or vice-versa):

38.1.1. Sea freight/Airfreight – **(X.XXXX%)**;

38.1.2. Rate is deemed to be inclusive of basic War, Strikes, Riots and Civil Commotions risks rate applicable on date of shipment;

38.1.3. Premium payable monthly;

38.1.4. Aircraft (including Gliders), Flight simulators, Helicopters and Dangerous Goods classified by the United Nations Organization (UNO) and weapons shall be considered to be “Special Consignments” and therefore all terms, conditions and rates to be agreed by Underwriters;

38.1.5. Excluding shipments to “Embargoed Destinations” as per following list:

38.1.5.1. Afghanistan, Armenia, Azerbaijan, Belarus, Burma, Democratic Republic of the Congo, Democratic People’s Republic of Korea, Iran, Iraq, Ivory Coast, Lebanon, Liberia, Libya, Republic of Guinea, Sierra Leone, Somalia, South Sudan, Sudan, Syria, and Zimbabwe.

39. CLAUSE – INFORMATION GIVEN TO UNDERWRITERS

39.1. Annual shipped values estimated at **USD 70,000,000.00.**

40. CLAUSE – UNDERWRITING SECURITY

40.1. 100% Certain Underwriters at **(COMPANY'S NAME)** as follows:

40.1.1. **XX.XX%** Insurance X – Syndicate No. X.

40.1.2. **XX.XX%** Insurance X – Syndicate No. X.



- 40.1.3. XX.XX% Insurance X – Syndicate No. X.
- 40.1.4. XX.XX% Insurance X – Syndicate No. X.
- 40.1.5. XX.XX% Insurance X – Syndicate No. X.

41. CLAUSE – WARRANTIES

41.1. The Assured must comply with any warranty contained within this insurance (whether express or implied). Failure to do so may discharge underwriters from all liability.

42. CLAUSE – MATERIAL FACTS

42.1. The Insured is required to disclose, and properly represent, every material fact that could influence insurers' decision when accepting the risk and of any material alteration during the period of cover. Failure to do so constitutes a breach of good faith and the insurer may be entitled to avoid the contract

43. CLAUSE – JURISDICTION AND CHOICE OF LAW

43.1. This Contract shall be construed and interpreted in accordance with the **principles** of the Brazilian Federal Law N° 8,666/93, and shall be governed by and enforced in accordance with the laws of the District of Columbia, including the Uniform Commercial Code as adopted in the District of Columbia, without regard to any choice of law or conflict of laws doctrines that might otherwise be applied. The UN Convention on Contracts for the International Sale of Goods shall have no application to this Contract.

43.2. The parties hereto agree to make a diligent, good-faith attempt to amicably resolve all disputes before either party commences litigation pursuant to this Clause 22 of this Contract.

43.3. Any dispute or claim arising out of or relating to this Contract, with a breach thereof, shall be submitted to the District of Columbia Superior Court or the United States District Court for the District of Columbia, to the exclusive jurisdiction of which the parties hereby irrevocably submit.

44. CLAUSE – CORRESPONDENCE AND NOTIFICATION

44.1. All correspondence, reports and notifications arising from the execution of this CONTRACT shall be made in writing and shall only be considered to be received by the CONTRACTING PARTY and the CONTRACTED PARTY, if delivered to the addresses indicated below by one party to the other party or to any other addresses that may be communicated by the PARTIES, throughout the term of this Contract.

45. CLAUSE – NUMBER OF THE COPIES

45.1. It is hereby agreed that this CONTRACT shall be issued in two (2) originals, with same content and form, as follows:

45.1.1. (One) original for the CONTRACTING PARTY; and

45.1.2. (One) original for the CONTRACTED PARTY.

45.2. In witness whereof, the parties have executed this CONTRACT in two (2) equal counterparts, of equal content, in the presence of the witnesses subscribed below.

CONTRACTING PARTY:

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON

Attn: Bidding and Contracts Division

1701 22nd Street NW, Washington, D.C. 20008 - USA

Phone: 202/518-7348

Fax: 202/483-4684

E-mail: chf.dlc.cabw@fab.mil.br



CONTRACTED PARTY:

COMPANY'S NAME

Attn: Company's Representative's Name

Address 01:

Address 02:

City, State, Zip Code, Country

Phone:

Fax:

E-mail:

Washington, D.C., **Month, Day, Year.**

For the CONTRACTING PARTY:

Roberto Martire Pires, Col.
Commanding Officer
BACW

Rodrigo Otavio Correia Sampaio, Lt Col
Head of BACW's Fiscal Division

Thiago Dellazari Melo, Lt Col
Head of BACW's Bidding and Contracts Division

Alexandre Marcondes Alves de Souza, Maj
Contract Monitor



ANNEX A - PHYSICAL AND FINANCIAL SCHEDULE

PHASE	DESCRIPTION	VALUE (US\$)	TERM FOR EXECUTION	TERM FOR PAYMENT
1	INSURANCE COVERAGE FOR CABW MATERIALS	US\$ 4.525,00	14/12/2015	31/12/2015
2	INSURANCE COVERAGE FOR CABW MATERIALS	US\$ 4.525,00	31/12/2015	31/01/2016
3	INSURANCE COVERAGE FOR CABW MATERIALS	US\$ 4.525,00	31/01/2016	28/02/2016
4	INSURANCE COVERAGE FOR CABW MATERIALS	US\$ 4.525,00	28/02/2016	31/03/2016
5	INSURANCE COVERAGE FOR CABW MATERIALS	US\$ 4.525,00	31/03/2016	30/04/2016
6	INSURANCE COVERAGE FOR CABW MATERIALS	US\$ 4.525,00	30/04/2016	31/05/2016
7	INSURANCE COVERAGE FOR CABW MATERIALS	US\$ 4.525,00	31/05/2016	30/06/2016
8	INSURANCE COVERAGE FOR CABW MATERIALS	US\$ 4.525,00	30/06/2016	31/07/2016
9	INSURANCE COVERAGE FOR CABW MATERIALS	US\$ 4.525,00	31/07/2016	31/08/2016
10	INSURANCE COVERAGE FOR CABW MATERIALS	US\$ 4.525,00	31/08/2016	30/09/2016
11	INSURANCE COVERAGE FOR CABW MATERIALS	US\$ 4.525,00	30/09/2016	31/10/2016
12	INSURANCE COVERAGE FOR CABW MATERIALS	US\$ 4.589,64	31/10/2016	13/12/2016
TOTAL		US\$ 54.364,64		



ANNEX B
BASIC PROJECT



ANNEX C
INSTITUTE CARGO CLAUSES & CONDITIONS

INSTITUTE CARGO CLAUSES (A)

Cl. 252 1/1/82

RISKS COVERED

Risks Clause

1. This insurance covers all risks of loss of or damage to the subject-matter insured except as provided in Clauses 4, 5, 6 and 7 below.

General Average Clause

2. This insurance covers general average and salvage charges, adjusted or determined according to the contract of affreightment and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in Clauses 4, 5, 6 and 7 or elsewhere in this insurance.

"Both to Blame Collision" Clause

3. This insurance is extended to indemnify the Assured against such proportion of liability under the contract of affreightment "Both to Blame Collision" Clause as is in respect of a loss recoverable hereunder. In the event of any claim by shipowners under the said Clause the Assured agree to notify the Underwriters who shall have the right, at their own cost and expense, to defend the Assured against such claim.

EXCLUSIONS

General Exclusion Clause

4. In no case shall this insurance cover
 - 4.1. loss damage or expense attributable to willful misconduct of the Assured
 - 4.2. ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
 - 4.3. loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 4.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)
 - 4.4. loss damage or expense caused by inherent vice or nature of the subject-matter insured
 - 4.5. loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
 - 4.6. loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel
 - 4.7. loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

Unseaworthiness and Unfitness Exclusion Clause

- 5.1. In no case shall this insurance cover loss damage or expense arising from unseaworthiness of vessel or craft, unfitness of vessel craft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein.
- 5.2. The Underwriters waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination, unless the Assured or their servants are privy to such unseaworthiness or unfitness.

War Exclusion Clause

6. In no case shall this insurance cover loss damage or expense caused by
 - 6.1. war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
 - 6.2. capture seizure arrest restraint or detention (piracy excepted), and the consequences thereof or any attempt thereat
 - 6.3. derelict mines torpedoes bombs or other derelict weapons of war.

Strikes Exclusion Clause

7. In no case shall this insurance cover loss damage or expense
 - 7.1. caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
 - 7.2. resulting from strikes, lock-outs, labour disturbances, riots or civil commotions
 - 7.3. caused by any terrorist or any person acting from a political motive.

DURATION

Transit Clause

8

- 8.1. This insurance attaches from the time the goods leave the warehouse or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either
 - 8.1.1. on delivery to the Consignees' or other final warehouse or place of storage at the destination named herein,
 - 8.1.2. on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either
 - 8.1.2.1. for storage other than in the ordinary course of transit or
 - 8.1.2.2. for allocation or distribution, or
 - 8.1.3. on the expiry of 60 days after completion of discharge overside of the goods hereby insured from the oversea vessel at the final port of discharge, whichever shall first occur.
- 8.2. If, after discharge overside from the oversea vessel at the final port of discharge, but prior to termination of this insurance, the goods are to be forwarded to a destination other than that to which they are insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend beyond the commencement of transit to such other destination.
- 8.3. This insurance shall remain in force (subject to termination as provided for above and to the provisions of Clause 9 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to shipowners or charterers under the contract of affreightment.

Termination of Contract of Carriage Clause

9. If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is otherwise terminated before delivery of the goods as provided for in Clause 8 above, then this insurance shall also terminate unless prompt notice is given to the Underwriters and continuation of cover is requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters, either
 - 9.1. until the goods are sold and delivered at such port or place, or unless otherwise specially agreed, until the expiry of 60 days after arrival of the goods hereby insured at such port or place, whichever shall first occur, or
 - 9.2. if the goods are forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 8 above.

Change of Voyage Clause

10. Where, after attachment of this insurance, the destination is changed by the Assured, held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters.

CLAIMS

Insurable Interest Clause

11

- 11.1. In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
- 11.2. Subject to 11.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.

Forwarding Charges Clause

12. Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a port or place other than that to which the subject-matter is covered under this insurance, the Underwriters will reimburse the Assured for any extra charges properly and reasonably incurred in unloading storing and forwarding the subject-matter to the destination to which it is insured hereunder. This Clause 12, which does not apply to general average or salvage charges, shall be subject to the exclusions contained in Clauses 4, 5, 6 and 7 above, and shall not include charges arising from the fault negligence insolvency or financial default of the Assured or their servants.

Constructive Total Loss Clause

13. No claim for Constructive Total Loss shall be recoverable hereunder unless the subject-matter insured is reasonably abandoned either on account of its actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject-matter to the destination to which it is insured would exceed its value on arrival.

Increased Value Clause

14.
 - 14.1. If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured. In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.
 - 14.2. Where this insurance is on Increased Value the following clause shall apply: The agreed value of the cargo shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured. In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

BENEFIT OF INSURANCE

Not to Inure Clause

15. This insurance shall not inure to the benefit of the carrier or other bailee.

MINIMISING LOSSES

Duty of Assured Clause

16. It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder
 - 16.1. to take such measures as may be reasonable for the purpose of averting or minimising such loss, and
 - 16.2. to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

Waiver Clause

17. Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

AVOIDANCE OF DELAY

Reasonable Despatch Clause

18. It is a condition of this insurance that the Assured shall act with reasonable despatch in all circumstances within their control.

LAW AND PRACTICE

19. This insurance is subject to English law and practice.

1/1/82

INSTITUTE CARGO CLAUSES (AIR)
(excluding sendings by Post)

RISKS COVERED

1 This insurance covers all risks of loss of or damage to the subject-matter insured except as provided in Clauses 2, 3 and 4 below.

EXCLUSIONS

- 2 In no case shall this insurance cover
- 2.1 loss damage or expense attributable to wilful misconduct of the Assured
 - 2.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
 - 2.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 2.3 "packing" shall be deemed to include stowage in a container of liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servant)
 - 2.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
 - 2.5 loss damage or expense arising from unfitness of aircraft conveyance container or liftvan for the safe carriage of the subject-matter insured is loaded therein
 - 2.6 loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against
 - 2.7 loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the aircraft
 - 2.8 loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- 3 In no case shall this insurance cover loss damage or expense caused by
- 3.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
 - 3.2 capture seizure arrest restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat
 - 3.3 derelict mines torpedoes bombs or other derelict weapons of war.
- 4 In no case shall this insurance cover loss damage or expense
- 4.1 caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
 - 4.2 resulting from strikes, lock-outs, labour disturbances, riots or civil commotions
 - 4.3 caused by any terrorist or any person acting from a political motive.

DURATION

- 5 5.1 This insurance attaches from the time the subject-matter insured leaves the warehouse, premises or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either
- 5.1.1 on delivery to the Consignees' or other final warehouse, premises or place of storage at the destination named herein,
 - 5.1.2 on delivery to any other warehouse, premises or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either
 - 5.1.2.1 for storage other than in the ordinary course of transit or
 - 5.1.2.2 for allocation or distribution
- or*
- 5.1.3 on the expiry of 30 days after unloading the subject-matter insured from the aircraft at the final place of discharge,
whichever shall first occur.

- 5.2 If, after unloading from the aircraft at the final place of discharge, but prior to termination of this insurance, the subject-matter insured is forwarded to a destination other than that to which it is insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend beyond the commencement of transit to such other destination.
- 5.3 This insurance shall remain in force (subject to termination as provided for above and to the provisions of Clause 6 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to the air carriers under the contract of carriage.
- 6 If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a place other than the destination named therein or the transit is otherwise terminated before delivery of the subject-matter insured as provided for in Clause 5 above, then this insurance shall also terminate *unless prompt notice is given to the Underwriters and continuation of cover is requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters*, either
- 6.1 until the subject-matter is sold and delivered at such place or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the subject-matter hereby insured at such place, whichever shall first occur,
- or*
- 6.2 if the subject-matter is forwarded within the said period of 30 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 5 above.
- 7 Where, after attachment of this insurance, the destination is changed by the Assured, *held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters.*

CLAIMS

- 8 8.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss
- 8.2 Subject to 8.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.
- 9 Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a place other than that to which the subject-matter is covered under this insurance, the Underwriters will reimburse the Assured for any extra charges properly and reasonably incurred in unloading storing and forwarding the subject-matter to the destination to which it is insured hereunder.
- This Clause 9, which does not apply to general average or salvage charges, shall be subject to the exclusions contained in Clauses 2,3 and 4 above, and shall not include charges arising from the fault negligence insolvency or financial default of the Assured or their servants.
- 10 No claim for Constructive Total Loss shall be recoverable hereunder unless the subject-matter insured is reasonably abandoned either on account of its actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject-matter to the destination to which it is insured would exceed its value on arrival.
- 11 11.1 If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.
In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.
- 11.2 **Where this insurance is on Increased Value the following clause shall apply:**
The agreed value of the cargo shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.
- In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

BENEFIT OF INSURANCE

12 This insurance shall not inure to the benefit of the carrier or other bailee.

MINIMISING LOSSES

13 It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder

13.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss,
and

13.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

14 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

AVOIDANCE OF DELAY

15 It is a condition of this insurance that the Assured shall act with reasonable despatch in all circumstances within their control.

LAW AND PRACTICE

16 This insurance is subject to English law and practice.

NOTE:- It is necessary for the Assured when they become aware of an event which is "held covered" under this insurance to give prompt notice to the Underwriters and the right to such cover is dependent upon compliance with this obligation.

INSTITUTE WAR CLAUSES (CARGO)

RISKS COVERED

- 1** This insurance covers, except as provided in Clauses 3 and 4 below, loss of or damage to the subject-matter insured caused by
- 1.1. war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 1.2. capture seizure arrest restraint or detention, arising from risks covered under 1.1 above, and the consequences thereof or any attempt thereat
- 1.3. derelict mines torpedoes bombs or other derelict weapons of war.
- Risks Clause
- 2** This insurance covers general average and salvage charges, adjusted or determined according to the contract of affreightment and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from a risk covered under these clauses.
- General Average Clause

EXCLUSIONS

- 3** In no case shall this insurance cover
- 3.1 loss damage or expense attributable to wilful misconduct of the Assured
- 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
- 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 3.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)
- 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
- 3.5 loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
- 3.6 loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel
- 3.7 any claim based upon loss of or frustration of the voyage or adventure
- 3.8 loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- General Exclusions Clause
- 4** 4.1 In no case shall this insurance cover loss damage or expense arising from unseaworthiness of vessel or craft, unfitness of vessel craft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein.
- 4.2 The Underwriters waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination, unless the Assured or their servants are privy to such unseaworthiness or unfitness.
- Unseaworthiness and Unfitness Exclusion Clause

DURATION

- 5** 5.1 This insurance
- 5.1.1 attaches only as the subject-matter insured and as to any part as that part is loaded on an oversea vessel and terminates, subject to 5.2 and 5.3 below, either as the subject-matter insured and as to any part as that part is discharged from an oversea vessel at the final port or place of discharge, or on expiry of 15 days counting from midnight of the day of arrival of the vessel at the final port or place of discharge, whichever shall first occur; nevertheless, *subject to prompt notice to the Underwriters and to an additional premium*, such insurance reattaches when, without having discharged the subject-matter insured at the final port or place of discharge, the vessel sails therefrom.
- 5.1.2 terminates, subject to 5.2 and 5.3 below, either as the subject-matter insured and as to any part as that part is thereafter discharged from the vessel at the final (or substituted) port or place of discharge, or on expiry of 15 days counting from midnight of the day of re-arrival of the vessel at the final port or place of discharge or arrival of the vessel at a substituted port or place of discharge, whichever shall first occur.
- 5.1.3 reattaches when, without having discharged the subject-matter insured at the final port or place of discharge, the vessel sails therefrom.
- 5.1.4 terminates, subject to 5.2 and 5.3 below, either as the subject-matter insured and as to any part as that part is thereafter discharged from the vessel at the final (or substituted) port or place of discharge, or on expiry of 15 days counting from midnight of the day of re-arrival of the vessel at the final port or place of discharge or arrival of the vessel at a substituted port or place of discharge, whichever shall first occur.
- 5.2 If during the insured voyage the oversea vessel arrives at an intermediate port or place to discharge the subject-matter insured for on-carriage by oversea vessel or by aircraft, or the goods are discharged from the vessel at a port or place of refuge, then, subject to 5.3 below and to an additional premium if required, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the vessel at such port or place, but thereafter reattaches as the subject-matter insured and as to any part as that part is loaded on an on-carrying oversea vessel or aircraft. During the period of 15 days the insurance remains in force after discharge only whilst the subject-matter insured and as to any part as that part is at such port or place. If the goods are on-carried within the said period of 15 days or if the insurance reattaches as provided in this Clause 5.2
- 5.2.1 where the on-carriage is by oversea vessel this insurance continues subject to the terms of these clauses, or
- 5.2.2 where the on-carriage is by aircraft, the current Institute War Clauses (Air Cargo) excluding sendings by Post) shall be deemed to form part of this insurance and shall apply to the on-carriage by air.
- 5.3 If the voyage in the contract of carriage is terminated at a port or place other than the destination agreed therein, such port or place shall be deemed the final port of discharge and such insurance terminates in accordance with 5.1.2. If the subject-matter insured is subsequently reshipped to the original or any other destination, then *provided notice is given to the Underwriters before the commencement of such further transit and subject to an additional premium*, such insurance reattaches
- 5.3.1 in the case of the subject-matter insured having been discharged, as the subject-matter insured and as to any part as that part is loaded on the on-carrying vessel for the voyage;
- 5.3.2 in the case of the subject-matter not having been discharged, when the vessel sails from such deemed final port of discharge; thereafter such insurance terminates in accordance with 5.1.4.
- 5.4 The insurance against the risks of mines and derelict torpedoes, floating or submerged, is extended whilst the subject-matter insured or any part thereof is on craft whilst in transit to or from the oversea vessel, but in no case beyond the expiry of 60 days after discharge from the oversea vessel unless otherwise specially agreed by the Underwriters.
- 5.5 *Subject to prompt notice to Underwriters, and to an additional premium if required*, this insurance shall remain in force within the provisions of these Clauses during any deviation, or any variation of the adventure arising from the exercise of a liberty granted to shipowners or charterers under the contract of affreightment.
- Transit Clause

(For the purpose of Clause 5

"arrival" shall be deemed to mean that the vessel is anchored, moored or otherwise secured at a berth or place within the Harbour Authority area. If such a berth or place is not available, arrival is deemed to have occurred when the vessel first anchors, moors or otherwise secures either at or off the intended port or place of discharge

"oversea vessel" shall be deemed to mean a vessel carrying the subject-matter from one port or place to another where such voyage involves a sea passage by that vessel)

6	Where, after attachment of this insurance, the destination is changed by the Assured, <i>held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters.</i>	Change of Voyage Clause
7 Anything contained in this contract which is inconsistent with Clauses 3.7,3.8 or 5 shall, to the extent of such inconsistency, be null and void.		
CLAIMS		
8	8.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss. 8.2 Subject to 8.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the underwriters were not.	Insurable Interest Clause
9	9.1 If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured. In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances. 9.2 Where this insurance is on increased Value the following clause shall apply: The agreed value of the cargo shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured. In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.	Increased Value Clause
BENEFIT OF INSURANCE		
10	This insurance shall not inure to the benefit of the carrier or other bailee.	Not to Inure Clause
MINIMISING LOSSES		
11	It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder 11.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss, and 11.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.	Duty of Assured Clause
12	Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.	Waiver Clause
AVOIDANCE OF DELAY		
13	It is a condition of this insurance that the Assured shall act with reasonable despatch in all circumstances within their control	Reasonable Despatch Clause
LAW AND PRACTICE		
14	This insurance is subject to English law and practice.	English Law and Practice Clause

NOTE:- It is necessary for the Assured when they become aware of an event which is "held covered" under this insurance to give prompt notice to the Underwriters and the right to such cover is dependent upon compliance with this obligation.

INSTITUTE WAR CLAUSES

(sendings by Post)

RISKS COVERED

- 1** This insurance covers, except as provided in Clauses 3 below, loss of or damage to the subject-matter insured caused by
- 1.1. war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
 - 1.2. capture seizure arrest restraint or detention, arising from risks covered under 1.1 above, and the consequences thereof or any attempt thereat
 - 1.3. derelict mines torpedoes bombs or other derelict weapons of war.
- 2** This insurance covers general average and salvage charges, adjusted or determined according to the contract of affrieghtment and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from a risk covered under these clauses.

Risks Clause

General
Average Clause

EXCLUSIONS

- 3** In no case shall this insurance cover
- 3.1. loss damage or expense attributable to wilful misconduct of the Assured
 - 3.2. ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
 - 3.3. loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 3.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)
 - 3.4. loss damage or expense caused by inherent vice or nature of the subject-matter insured
 - 3.5. loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
 - 3.6. any claim based upon loss of or frustration of the voyage or adventure
 - 3.7. loss damage or expense arising from any hostile use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

General
Exclusions
Clause

DURATION

- 4** This insurance attaches only as the subject-matter insured and as to any part as that part leaves the premises of the senders at the place named in the insurance for the commencement of the transit and continues, but with the exclusion of any period during which the subject-matter is in packers' premises, until the subject-matter insured and as to any part as that part is delivered to the address on the postal package(s) when this insurance shall terminate.
- 5** Anything contained in this contract which is inconsistent with Clauses 3.6,3.7 or 4 shall, to the extent of such inconsistency, be null and void.

CLAIMS

- 6**
- 6.1. In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
 - 6.2. Subject to 6.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the underwriters were not.

Insurable
Interest
Clause

MINIMISING LOSSES

- 7** It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder
- 7.1. to take such measures as may be reasonable for the purpose of averting or minimising such loss, and
 - 7.2. to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised
- and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.
- 8** Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as Waiver
- a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

Duty of
Assured Clause

Clause

AVOIDANCE OF DELAY

- 9** It is a condition of this insurance that the Assured shall act with reasonable despatch in all circumstances within their control

Reasonable
Despatch Clause

LAW AND PRACTICE

- 10** This insurance is subject to English law and practice.

English Law
and Practice
Clause

INSTITUTE STRIKES CLAUSES (CARGO)**RISKS COVERED**

Risks Clause

- 1 This insurance covers, except as provided in Clauses 3 and 4 below, loss of or damage to the subject-matter insured caused by
- 1.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
 - 1.2 any terrorist or any person acting from a political motive.
- 2 This insurance covers general average and salvage charges, adjusted or determined according to the contract of affreightment and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from a risk covered under these clauses.

General
Average
Clause**EXCLUSIONS**

- 3 In no case shall this insurance cover
- 3.1 loss damage or expense attributable to wilful misconduct of the Assured
 - 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
 - 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 3.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)
 - 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
 - 3.5 loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
 - 3.6 loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel
 - 3.7 loss damage or expense arising from the absence shortage or withholding of labour of any description whatsoever resulting from any strike, lockout, labour disturbance, riot or civil commotion
 - 3.8 any claim based upon loss of or frustration of the voyage or adventure
 - 3.9 loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - 3.10 loss damage or expense caused by war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.
- 4 4.1 In no case shall this insurance cover loss damage or expense arising from unseaworthiness of vessel or craft, unfitness of vessel craft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein.
- 4.2 The Underwriters waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination, unless the Assured or their servants are privy to such unseaworthiness or unfitness.

General
Exclusions
ClauseUnseaworthiness
and Unfitness
Exclusion
Clause**DURATION**

- 5 5.1 This insurance attaches from the time the goods leave the warehouse or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either
- 5.1.1 on delivery to the Consignees' or other final warehouse or place of storage at the destination named herein,
 - 5.1.2 on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either
 - 5.1.2.1 for storage other than in the ordinary course of transit or
 - 5.1.2.2 for allocation or distribution,
 - or
 - 5.1.3 on the expiry of 60 days after completion of discharge overseas of the goods hereby insured from the overseas vessel at the final port of discharge, whichever shall first occur.
- 5.2 If, after discharge overseas from the overseas vessel at the final port of discharge, but prior to termination of this insurance, the goods are to be forwarded to a destination other than that to which they are insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend beyond the commencement of transit to such other destination.

Transit Clause

5.3	This insurance shall remain in force (subject to termination as provided for above and to the provisions of Clause 6 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to shipowners or charterers under the contract of affreightment.	
6	If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is otherwise terminated before delivery of the goods as provided for in Clause 5 above, then this insurance shall also terminate <i>unless prompt notice is given to the Underwriters and continuation of cover is requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters, either</i>	Termination of Contract of Carriage Clause
6.1	until the goods are sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the goods hereby insured at such port or place, whichever shall first occur, or	
6.2	if the goods are forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 5 above.	
7	Where, after attachment of this insurance, the destination is changed by the Assured, <i>held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters.</i>	Change of Voyage Clause
CLAIMS		
8	8.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss. 8.2 Subject to 8.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.	Insurable Interest Clause
9	9.1 If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured. In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances. 9.2 Where this insurance is on Increased Value the following clause shall apply: The agreed value of the cargo shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured. In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.	Increased Value Clause
BENEFIT OF INSURANCE		
10	This insurance shall not inure to the benefit of the carrier or other bailee.	Not to Inure Clause
MINIMISING LOSSES		
11	It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder 11.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss, and 11.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.	Duty of Assured Clause
12	Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.	Waiver Clause
AVOIDANCE OF DELAY		
13	It is a condition of this insurance that the Assured shall act with reasonable despatch in all circumstances within their control.	Reasonable Despatch Clause
LAW AND PRACTICE		
14	This insurance is subject to English law and practice.	English Law and Practice Clause

NOTE:— It is necessary for the Assured when they become aware of an event which is "held covered" under this insurance to give prompt notice to the Underwriters and the right to such cover is dependent upon compliance with this obligation.

CL.256.

INSTITUTE STRIKES CLAUSES (AIR CARGO)

RISKS COVERED

- 1** This insurance covers, except as provided in Clause 2 below, loss of or damage to the subject-matter insured caused by
- Risks
Clause
- 1.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 1.2 any terrorist or any person acting from a political motive.

EXCLUSIONS

- 2** In no case shall this insurance cover
- General
Exclusions
Clause
- 2.1 loss damage or expense attributable to wilful misconduct of the Assured
- 2.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
- 2.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 2.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)
- 2.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
- 2.5 loss damage or expense arising from unfitness of aircraft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unfitness at the time the subject-matter insured is loaded therein
- 2.6 loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against
- 2.7 loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the aircraft
- 2.8 loss damage or expense arising from the absence shortage or withholding of labour of any description whatsoever resulting from any strike, lockout, labour disturbance, riot or civil commotion
- 2.9 any claim based upon loss of or frustration of the voyage or adventure
- 2.10 loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- 2.11 loss damage or expense caused by war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.

DURATION

- 3** 3.1 This insurance attaches from the time the subject-matter insured leaves the warehouse, premises or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either
- Transit
Clause
- 3.1.1 on delivery to the Consignees' or other final warehouse, premises or place of storage at the destination named herein
- 3.1.2 on delivery to any other warehouse, premises or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either
- 3.1.2.1 for storage other than in the ordinary course of transit or
- 3.1.2.2 for allocation or distribution
- or
- 3.1.3 on the expiry of 30 days after unloading the subject-matter insured from the aircraft at the final place of discharge,
whichever shall first occur.
- 3.2 If, after unloading from the aircraft at the final place of discharge, but prior to termination of this insurance, the subject-matter insured is forwarded to a destination other than that to which it is insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend beyond the commencement of transit to such other destination.
- 3.3 This insurance shall remain in force (subject to termination as provided for above and to the provisions of Clause 4 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to the air carriers under the contract of carriage.
- 4** If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a place other than the destination named therein or the transit is otherwise terminated before delivery of the subject-matter insured as provided for in Clause 3 above, then this insurance shall also terminate *unless prompt notice is given to the Underwriters and continuation of cover is requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters*, either
- Termination of
Contract of
Carriage
- 4.1 until the subject-matter is sold and delivered at such place or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the subject-matter hereby insured at such place, whichever shall first occur,
or
- 4.2 if the subject-matter is forwarded within the said period of 30 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 3 above.
- 5** Where, after attachment of this insurance, the destination is changed by the Assured, *held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters.*
- Change of
Transit
Clause

CLAIMS

- 6** 6.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss. Insurable Interest Clause
- 6.2 Subject to 6.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.
- 7** 7.1 If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured. Increased Value Clause
- In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.
- 7.2 **Where this insurance is on Increased Value the following clause shall apply:**
The agreed value of the cargo shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.
In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

BENEFIT OF INSURANCE

- 8** This insurance shall not inure to the benefit of the carrier or other bailee. Not to Inure Clause

MINIMISING LOSSES

- 9** It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder
9.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss, and
9.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties. Duty of Assured Clause
- 10** Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party. Waiver Clause

AVOIDANCE OF DELAY

- 11** It is a condition of this insurance that the Assured shall act with reasonable despatch in all circumstances within their control. Reasonable Despatch Clause

LAW AND PRACTICE

- 12** This insurance is subject to English law and practice. English Law and Practice Clause

NOTE:— It is necessary for the Assured when they become aware of an event which is “held covered” under this insurance to give prompt notice to the Underwriters and the right to such cover is dependent upon compliance with this obligation.

Institute Classification Clause – Cl. 354

01/01/2001

QUALIFYING VESSELS

- 1). This insurance and the marine transit rates as agreed in the policy or open cover apply only to cargoes and/or interests carried by mechanically self propelled vessels of steel construction classed with a Classification Society which is:
 - 1.1. a Member or Associate Member of the International Association of Classification Societies (IACS)* , or
 - 1.2. a National Flag Society as defined in Clause 4 below, but only where the vessel is engaged exclusively in the coastal trading of that nation (including trading on an inter-island route within an archipelago of which that nation forms part).

Cargoes and/or interests carried by vessels not classed as above must be notified promptly to underwriters for rates and conditions to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable commercial market terms.

AGE LIMITATION

- 2). Cargoes and/or interests carried by Qualifying Vessels (as defined above) which exceed the following age limits will be insured on the policy or open cover conditions subject to an additional premium to be agreed.

Bulk or combination carriers over 10 years of age or other vessels over 15 years of age unless they:

- 2.1. have been used for the carriage of general cargo on an established and regular pattern of trading between a range of specified ports, and do not exceed 25 years of age, or
- 2.2. were constructed as containerships, vehicle carriers or double-skin open-hatch gantry crane vessels (OHGCs) and have been continuously used as such on an established and regular pattern of trading between a range of specified ports, and do not exceed 30 years of age.

CRAFT CLAUSE

- 3). The requirements of this Clause do not apply to any craft used to load or unload the vessel within the port area.

NATIONAL FLAGS SOCIETY

- 4). A National Flag Society is a Classification Society which is domiciled in the same country as the owner of the vessel in question which must also operate under the flag of that country.

PROMPT NOTICE

- 5). Where this insurance requires the assured to give prompt notice to the Underwriters, the right to cover is dependent upon compliance with that obligation.

LAW AND PRACTICE

- 6). This insurance is subject to English law and practice.

** For a current list of IACS Members and Associate Members please refer to the IACS website at www.iacs.org.uk.*

Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause – Cl. 370

01/01/2001

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith:

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
 - 1.1. ionising radiations from or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel
 - 1.2. the radioactive, toxic, explosive, or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.3. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - 1.4. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes
 - 1.5. any chemical, biological, bio-chemical, or electromagnetic weapon

Institute Cyber Attack Exclusion Clause – Cl . 380

10/11/2003

- 1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
- 2.1 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

INSTITUTE REPLACEMENT CLAUSE

In the event of loss of or damage to any part or parts of an insured machine caused by a peril covered by the Policy the sum recoverable shall not exceed the cost of replacement or repair of such part or parts plus charges for forwarding and refitting, if incurred, but excluding duty unless the full duty is included in the amount insured, in which case loss, if any, sustained by payment of additional duty shall also be recoverable.

Provided always that in no case shall the liability of the Underwriters exceed the insured value of the complete machine.

Sanction Limitation and Exclusion Clause

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

JC2010/014

11 August 2010

TERMINATION OF TRANSIT CLAUSE (TERRORISM)

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

- 1 Notwithstanding any provision to the contrary contained in this Policy or the Clauses referred to therein, it is agreed that in so far as this Policy covers loss of or damage to the subject-matter insured caused by any terrorist or any person acting from a political motive, such cover is conditional upon the subject-matter insured being in the ordinary course of transit and, in any event, SHALL TERMINATE:

either

- 1.1 As per the transit clauses contained within the Policy,

or

- 1.2 on delivery to the Consignee's or other final warehouse or place of storage at

the destination named herein,

- 1.3 on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either for storage other than in the ordinary course of transit or for allocation or distribution,

or

- 1.4 in respect of marine transits, on the expiry of 60 days after completion of discharge overseas of the goods hereby insured from the overseas vessel at the final port of discharge,

- 1.5 in respect of air transits, on the expiry of 30 days after unloading the subject-matter insured from the aircraft at the final place of discharge,

whichever shall first occur.

- 2 If this Policy or the Clauses referred to therein specifically provide cover for inland or other further transits following on from storage, or termination as provided for above, cover will re-attach, and continues during the ordinary course of that transit terminating again in accordance with clause 1 .
- 3 This clause is subject to English law and practice.

JC2001/056

20 November 2001

SERVICE OF SUIT CLAUSE

This insurance is subject to the Institute Service of Suit Clause (USA) CL 355 dated 1/11/92 as follows:

It is agreed that in the event of the failure of the Underwriters severally subscribing this insurance (the Underwriters) to pay any amount claimed to be due hereunder, the Underwriters, at the request of the Assured, will submit to the jurisdiction of a court of competent jurisdiction within the United States of America.

Notwithstanding any provision elsewhere in this insurance relating to jurisdiction, it is agreed that the Underwriters have the right to commence an action in any court of competent jurisdiction in the United States of America, and nothing in this clause constitutes or should be understood to constitute a waiver of the Underwriters' rights to remove an action to a United States Federal District Court or to seek remand therefrom or to seek a transfer of any suit to any other court of competent jurisdiction as permitted by the laws of the United States of America or any state therein.

Subject to the Underwriters' rights set forth above:

(a) It is further agreed that the Assured may serve process upon any senior partner in the firm of: Mendes & Mount (Attorneys), 750 Seventh Avenue, New York, N.Y. 10019-6829 and that in any suit instituted against any one of them upon this contract the Underwriters will abide by the final decision of the Court or of any Appellate Court in the event of an appeal.

(b) The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon the Underwriters' behalf in the event such a suit shall be instituted.

(c) The right of the Assured to bring suit as provided herein shall be limited to a suit brought in its own name and for its own account. For the purpose of suit as herein provided the word Assured includes any mortgagee under a ship mortgage which is specifically named as a loss payee in this insurance and any person succeeding to the rights of any such mortgagee.

(d) Further, pursuant to any statute of any state, territory or district of the United States of America which makes provision therefor, Underwriters hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office (the Officer), as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-named as the person to whom the Officer is authorized to mail such process or a true copy thereof.

If this clause is attached to a contract of reinsurance the terms insurance and Assured shall mean reinsurance and Reassured respectively.

1/11/92 CL355

CARGO ISM ENDORSEMENT

Applicable to shipments on board Ro-Ro passenger ferries.

Applicable with effect from 1 July 1998 to shipments on board:

- 1) passenger vessels transporting more than 12 passengers and
- 2) oil tankers, chemical tankers, gas carriers, bulk carriers and cargo high speed craft of 500 gross tonnage or more.

Applicable with effect from 1 July 2002 to shipments on board all other cargo ships and mobile offshore drilling units of 500 gross tonnage or more.

In no case shall this insurance cover loss, damage or expense where the subject matter insured is carried by a vessel that is not ISM Code certified or whose owners or operators do not hold an ISM Code Document of Compliance when, at the time of loading of the subject matter insured on board the vessel, the Assured were aware, or in the ordinary course of business should have been aware:-

- a) Either that such vessel was not certified in accordance with the ISM Code.
- b) Or that a current Document of Compliance was not held by her owners or operators

as required under the SOLAS Convention 1974 as amended.

This exclusion shall not apply where this insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract.

(JC 98/019 1 May 1998)



Cargo ISPS Endorsement

In no case shall this insurance cover loss, damage or expense where the subject matter insured is carried by a vessel that does not hold a valid International Ship Security Certificate as required under the International Ship and Port Facility Security (ISPS) Code when, at the time of loading of the subject matter insured on board the vessel, the Assured were aware, or in the ordinary course of business should have been aware that such vessel was not certified in accordance with the ISPS Code as required under the SOLAS Convention 1974 as amended.

This exclusion shall not apply where this insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract.

JC 2004/050

04/11/04



Cargo ISPS Forwarding Charges Clause

(For use only with JCC Cargo ISPS Endorsement (JC 2004/050))

In consideration of an additional premium to be agreed, this insurance is extended to reimburse the Assured, up to the limit of the sum insured for the voyage, for any extra charges properly and reasonably incurred in unloading, storing and forwarding the subject-matter to the destination to which it is insured hereunder following release of cargo from a vessel arrested or detained at or diverted to any other port or place (other than the intended port of destination) where the voyage is terminated due to such vessel not being certified in accordance with the ISPS Code as required under the SOLAS Convention 1974 as amended.

This clause, which does not apply to General Average or Salvage or Salvage Charges, is subject to all other terms conditions and exclusions contained in the policy and to JCC Cargo ISPS Endorsement (JC 2004/050).

JC 2004/050b
04/11/04