

BRAZILIAN AERONAUTICAL COMMISSION IN WASHINGTON D.C.



CONTRACT XXX/CABW/2020

INVITATION FOR BID 203675/CABW/2020

PAG 67102.203675/2020-93



CONTENT

1. DEFINITIONS	4
2. CLAUSE – OBJECT	4
3. CLAUSE – PERFORMANCE	5
4. CLAUSE – LANGUAGE	5
5. CLAUSE – CONDITIONS FOR PROVIDING SERVICES.....	5
6. CLAUSE – OBLIGATIONS	5
7. CLAUSE – DISCRIMINATION OF SERVICE	6
8. CLAUSE – AMOUNT OF THE CONTRACT	6
9. CLAUSE - BUDGETARY ALLOCATION.....	6
10. CLAUSE - SUBCONTRACTING	6
11. CLAUSE - TERMS	7
12. CLAUSE - FINANCIAL GUARANTEE.....	7
13. CLAUSE - CHANGES TO THE CONTRACT	7
14. CLAUSE - PRICE ADJUSTMENT	7
15. PAYMENT.....	7
16. CLAUSE - MONITORING.....	7
17. CLAUSE - RECEIPT OF THE OBJECT	8
18. CLAUSE – UNFORESEEABLE EVENTS OF FORCE MAJEURE	8
19. CLAUSE – LINKAGE	8
20. CLAUSE – TERMINATION	8
21. CLAUSE – CANCELLATION.....	9
22. CLAUSE – CONVEYANCE	9
23. CLAUSE – INTEREST	10
24. CLAUSE – LIMIT OF LIABILITY.....	10



25. CLAUSE – BASIS OF VALUATION	10
26. CLAUSE – VOYAGE	10
27. CLAUSE – CONDITIONS.....	10
28. CLAUSE – GENERAL AVERAGE	11
29. CLAUSE – CONTAINER SHIPMENTS	11
30. CLAUSE – SHIPMENTS PER CONTAINERS &/OR TRAILERS SERVICE	11
31. CLAUSE – CHANGE OF DESTINATION/DEVIATION	11
32. CLAUSE – DAMAGED PACKING.....	11
33. CLAUSE – PROTECTION OF PROPERTY	11
34. CLAUSE – FREIGHT REPLACEMENT.....	11
35. CLAUSE - UNDISCLOSED DAMAGE	12
36. CLAUSE – SURVEY	12
37. CLAUSE – CHOICE OF LAW & JURISDICTION	12
38. CLAUSE – RATES	12
39. CLAUSE – INFORMATION GIVEN TO UNDERWRITERS.....	12
40. CLAUSE – UNDERWRITING SECURITY.....	12
41. CLAUSE – WARRANTIES.....	13
42. CLAUSE – MATERIAL FACTS.....	13
43. CLAUSE – JURISDICTION AND CHOICE OF LAW.....	13
44. CLAUSE – CORRESPONDENCE AND NOTIFICATION.....	13
45. CLAUSE – NUMBER OF THE COPIES.....	13





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