

SHIPPING POLICY EMBRAER

Production Materials and Spare Parts

Embraer - Empresa Brasileira de Aeronáutica S.A.
Lote A – I, Loteamento do Parque de Indústria Aeronáutica de Évora
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1. REVISION CONTROL

Revision	Date	Section	Page	Subject of Revision

2. SCOPE OF THIS POLICY

Embraer's Shipping Policy for **PRODUCTION MATERIALS** and **SPARE PARTS** sets forth the requirements

Suppliers must comply with in order to ship such materials to Embraer. Supplier's failure in complying with this policy may result in shipments being held by Portuguese customs, loss of import privileges and monetary penalties for which Supplier will be responsible, and will affect directly the On Time Delivery.

For purposes of this policy, Material(s) shall mean any and all products, goods, item, piece parts, components, technical publications and spare parts to be delivered by Supplier to Embraer.

This policy is valid only for shipments destined to Embraer Portugal facilities.

3. INSTRUCTIONS FOR INVOICING

Prior to the export of any Material, one (1) Original Invoice signed and stamped must be enclosed in a waterproof envelope or wrapper, clearly marked "Original Invoice", securely attached to the **OUTSIDE** of the volume. If the shipment has more than one volume, every volume must have an invoice copy attached outside and one of them must have the Original. Supplier will specify in Original Invoice all information outlined below as required by Portuguese legislation.

3.1 Invoice - Essential Information

All invoices must contain the following information and must be in accordance with the Purchase Order data:

1. Invoice Number
2. Date of issuance
3. Purchase Order Number (One PO per invoice number)
4. Exporter's full name, address and TAX ID
5. Importer's full name and address
6. Manufacturer's full name and address
7. Country of Origin (where the Materials were manufactured or where the last significant transformation occurred, it means, the manufacturer's country). This information has to be provided per item.
8. Country of Source (where the shipping documents were issued, the freight forwarder's country)
9. Country of Acquisition (this means the country where the Materials were purchased to be exported to Portugal, the exporter's country)
10. Incoterm (according to Incoterms 2010) and delivery place
11. Payment Terms
12. Packing list number
13. Part Number
14. Complete description of Materials, written in English or Portuguese only
 - Embraer's code number for each material
 - Purchase Order line number
15. Quantity per Material and unit of measurements (the measures must be in accordance with the mentioned in the Purchase Order)
16. Negotiated currency

17. Unit Price and Total Price for each Material in accordance with the negotiated Purchase Order
18. Total Amount of the Invoice
19. HS Code of each item
20. Box Quantity
21. Type of package
22. Package dimension
23. Total Net weight
24. Total Gross Weight
25. Invoice page number under “1 of 3, 2 of 3, 3 of 3” format

3.2 Invoice – Portuguese Customs Requirements

Portuguese customs will only accept invoices with the following requirements:

- The Original Invoice must be issued on the Supplier’s official letterhead or standard invoice form.
- Striking out invoice terms, typing over the invoice original terms or writing on the invoice are **not** acceptable and invalidate the invoice.
- Legible and not damaged. Clean with no corrections. In English or Portuguese.
- Photocopy of the invoice is not acceptable.
- Signed and stamped
- Identified with the word “ORIGINAL” on it.

For **PO’S NO CHARGE must be issued an Pro-Forma Invoice** and the following statement must be printed in the invoice: “VALUE FOR CUSTOMS PURPOSES ONLY”. Even in this case, Supplier shall include in the invoice the price of the Material as required by Portuguese legislation.

Important: For invoices No Charge the payment term field must mention NO CHARGE.

3.3 Invoice - Distribution

3.3.1 Original Invoice

The Original Invoice is a MANDATORY document for goods clearance at the Portuguese customs.

The Original Invoice must always accompany the shipment securely attached to the OUTSIDE of Outer case.

Materials received at Freight Forwarder without Original Invoices will not be shipped to Portugal until Supplier delivers these documents to Freight Forwarder.

In operations for full containers loaded (FCL) at Supplier’s facilities, the freight forwarder must receive along with the container the Original Invoice and Packing List.

3.3.2 Invoice Copy

An Invoice copy **MUST** be sent to Embraer Logistics Department within one (1) calendar day after its issuance to the following e-mail: international.logistics@pt.embraer.com

3.4. Invoice – Standard Form (example)

For Standard form, see attachment 1.

4. INSTRUCTIONS FOR PACKING LIST

4.1 Packing List - Essential Information

As required by Portuguese Legislation, all Packing List shall contain the following information and must be in accordance with the Purchase Order and Invoice details:

- Packing list number
- Exporter's full name
- Importer's full name
- Case number and type of package
- Dimensions
- Number of items and unit of measurements
- Purchase Order number
- Part number
- Packing list page number under "1 of 3, 2 of 3, 3 of 3" format

Additional information:

- All entries must be typed, no hand written entries are acceptable

4.2 Packing List – Portuguese Customs Requirements

- The original Packing List must be issued on the Supplier's official letterhead and stamped
- Striking out packing list terms, typing over the original packing list or writing on the packing are **not** acceptable and invalidate the packing.
- Legible and not damaged. Clean with no corrections. In English or Portuguese.

4.3 Packing List Distribution

The Packing List must always accompany the shipment securely attached to the OUTSIDE of Outer case.

Materials received at freight forwarder without packing list will not be shipped to Portugal until the receipt of this document by the forwarder.

4.4. Packing List - Standard Form

For Standard form, see attachment 2.

5. QUALITY ASSURANCE DOCUMENTS

5.1 Original Certificate of Conformance (CofC), Test Report

The original Quality Assurance Documents requested in the Purchase Order must be sent along with the Materials **INSIDE** the box, **never outside the box**. Supplier must include the serial number in the Certificate of Conformance and Test Report (if applicable) and must have those documents signed and identified by its qualified personnel.

The CofC must always be sent to international.logistics@pt.embraer.com no later than one calendar day after the Invoice issuance.

Certificate of Conformance is a MANDATORY document.

5.2 Original Log Card when applicable

When requested in the Purchase Order, Supplier must send, along with the Materials **INSIDE** the box, an original Log Card duly filled in for each serial number.

5.3 Dangerous Goods Declaration

According to the modal of transport will be required the following documents for transportation of Dangerous Goods:

ROAD: two (2) **ORIGINAL** ADR declaring the transport from Supplier to Freight Forwarder. For more details, please access the *International Carriage of Dangerous Goods by Road* at <http://www.unece.org>.

AIR: two (2) **ORIGINAL** documents for the international freight plus three (3) **ORIGINAL DOCUMENTS** for the transportation company declaring the transport from Supplier to Embraer. For more information, please access *International Air Transport Association* homepage at <http://www.iata.org>.

SEA: two (2) **ORIGINAL** documents declaring the transport from Supplier to Embraer. For more information, please consult *International Maritime Dangerous Goods* at <http://www.imo.org>.

Important: All Dangerous Goods Declaration and safety data sheet **MUST** be typed. Declarations hand written will not be accepted.

6. PACKAGING

The **EMBRAER PACKAGE MANUAL** requirements must be followed and are available at http://www.embraer.com/hotsites/shipping_policy/english/content/home/default.asp

All Materials must be prepared and packed to prevent damage and deterioration during the full logistics cycle. Packaging design has to be suitable and consistent with the requirements and limitations of the transportation mode specified by Embraer and shall follow the specifications of International Air Transport Association (“IATA”) for air transport and of International Maritime Organization (“IMO”) for maritime transport. Supplier will be totally responsible for the design and manufacture of the packaging for the Materials.

Supplier agrees to provide NON-WOOD skids for the utilization of mechanical handling equipment in case of any package (or unitized group of packages) weighs more than forty-five (45) kilograms or otherwise is not suited to manual handling.

Materials shipped in the event of an AOG (Aircraft on Ground) will be packaged and shipped separately, and shall be identified as an AOG package.

Supplier shall comply with specific packaging conditions that Embraer may request in Purchase Orders, when necessary due to the nature of the Materials.

When unitizing the load, Supplier shall NOT employ raw wooden crates of pallets or raw wood dunnage.

Consider alternatives such as plastic, plywood or metal pallets - which does not need special treatment.

Exceptionally in cases where the chosen pallets do not support the cargo weight, Supplier may use pallets or dunnages made of treated wood in compliance with ISPM 15 (for the full set of requirements, please access <https://www.ippc.int>). Portuguese Customs requires "enhanced" ISPM15 compliance requiring to have "all pieces of wood" to be individually stamped to ISPM15 requirements.

If the Portuguese Customs does not approve the wooden packaging, the cost of repackaging and/or reverse logistics will be charged to Supplier.

For Export Controlled Products supplier must identify all boxes with the phrase: EXPORT CONTROLLED MATERIAL. If the cargo is consolidated, export controlled products shall not be unitized with non-controlled materials.

7. MARKS ON CARTON

Packages must always be identified in **ACCORDANCE** with the Material inside. Supplier must provide the following information in printed label (use bar codes – Linear Code128 alphanumeric):

Important Information: In case of not having inner boxes the inner label shall be considered as the only label to be used and must be placed outside the box replacing the outer label.

7.1 Inner Label

- EMBRAER FULL ADDRESS (final destination informed at the PO)
- EXPORTER FULL ADDRESS
- EMBRAER PURCHASE ORDER NUMBER (PO#)
- INVOICE NUMBER
- PART NUMBER (PN)
- EMBRAER CODE
- PN QUANTITY
- LOT NUMBER
- CASE NUMBER (e.g. 1 of 3, 2 of 3, 3 of 3)

7.2 Outer Label

- EMBRAER FULL ADDRESS (final destination informed at the PO)
- EXPORTER FULL ADDRESS
- EMBRAER PURCHASE ORDER NUMBER (PO#)

- INVOICE NUMBER
- BOX NUMBER (e.g. 1 of 3, 2 of 3, 3 of 3)

8. SHIPMENT

Shipments or deliveries shall be made strictly in accordance with the specified quantities on the Purchase Order without shortage or excess. **Embraer cannot in any circumstances accept shipment of Materials by courier.**

Partial shipment may only be made with previous agreement by and between Embraer (directly through its Purchase Department) and Supplier.

Once approved by Embraer, Supplier will provide the invoice reflecting the partial shipment. The freight forwarder is not authorized to ship Materials with discrepancies on the document.

The INCOTERMS specified in the Purchase Order is strictly mandatory and must be followed by Supplier.

If Embraer places a Purchase Order pursuant to an agreement with Supplier, unless different conditions are specifically and in writing accepted by Embraer and Supplier, Supplier must follow the INCOTERM provided for in such agreement.

The complete list of INCOTERMS may be found at the International Chamber of Commerce website

(<http://www.iccwbo.org>).

Shipments can not be sent to Portugal without Embraer's previous authorization.

8.1 Prepaid shipments (International freight)

All purchase orders with international freight as prepaid, have the international logistics process under Supplier's responsibility.

- Invoiced material not delivered at acknowledged freight forwarder within 10 (ten) days from the invoice issuance date will be considered canceled by Embraer.
- Shipments can not be sent to Portugal WITHOUT Embraer's previous authorization.
- HAWB and BL copies must be sent to international.logistics@pt.embraer.com

8.2 Export documents at origin (When applicable)

Supplier is timely responsible to obtain, monitor, control and/or provide all information necessary for the export clearance of goods in Supplier's country, including, but not limited to:

- Export license: License must have the same address as identified in Embraer's Purchase Order. Supplier is solely responsible for the balance, validation and lodge process of the export license.
- Schedule B and ECCN/UMSL (for U.S origin item): Supplier is responsible to provide correct classification in all applicable documents. Note that such information is mandatory for U.S clearance process.
- Origin certificate and Dangerous Goods Declaration: Suppliers is responsible of issuance and shipping original to freight forwarder when necessary.

9. ADMINISTRATIVE SANCTIONS

The non-compliance of the above mentioned requirements will result in the Portuguese customs authorities applying administrative sanctions to Embraer. Embraer will charge these fines to Supplier.

9.1 Missing Material

Example: stated 10 Materials on the invoice but Embraer received only 8 Materials = missing 2 Materials

- Payment of all import taxes of 2 missing items;

9.2 Excess Material

Example: stated 10 Materials in the invoice but arrival 12 Materials = excess of 2 Materials

- Payment of all import taxes of 2 exceeding items;

9.3 Missing Original Invoice

- Fine between 50€ and 2500€ as mentioned on the articles nº 14º and 68º of the comum customs code(CAC)

10. ADDITIONAL INFORMATION

10.1 Payment Information

Supplier's bank name and NIB/IBAN must be kept updated and the correct information must be sent to:

EMBRAER Portugal SGPS, SA
Att: Finance Department

Address:

Lote A – I, Loteamento do Parque de Indústria Aeronáutica de Évora
Herdade do Pinheiro e Casa Branca
7000-505 Évora
Phone: +351266742500

10.2 Embraer Logistic Department

logistics.portugal@pt.embraer.com



SHIPPING POLICY – Production Materials and Spare Parts

Attachment 1 – Invoice Example

<i>Original letterhead and trademark</i>		Exporter/Supplier <i>Full name, address and TAX ID</i>			PAGE: 1 of 1			
ORIGINAL INVOICE				INVOICE NUMBER: INVOICE ISSUANCE DATE:				
BILL TO: Name: _____ Address: _____ City - State: _____ Country: _____ CNPJ No: _____		SHIP TO: Name: _____ Address: _____ City - State: _____ Country: _____ CNPJ No: _____			FREIGHT FORWARDER: _____ _____ _____			
PURCHASE ORDER	COUNTRY OF SOURCE	COUNTRY OF ACQUISITION	INCOTERMS	PACKING LIST NUMBER				
DOMESTIC TRACKING NUMBER:			PAYMENT TERMS:		CURRENCY:			
PART NUMBER	DESCRIPTION OF GOODS, OTHER MARKS AND REFERENCES	PO LINE	QUANTITY UM	PRICE				
				UNIT	TOTAL			
XXX999-2	DESCRIPTION CEMB: XXXX MANUFACTURER: Manufacturer's name Address City State ZIP Code COUNTRY OF ORIGIN: XXXXXX SCHEDULE B: XXXXXX ECCN: XXXXXX LICENSE DETERMINATION: XXX	10	XX EA	\$ XXXX,XX	\$ XXXX,XX			
YYY999-3	DESCRIPTION CEMB: XXXX MANUFACTURER: Manufacturer's name Address City State ZIP Code COUNTRY OF ORIGIN: XXXXXX SCHEDULE B: XXXXXX ECCN: XXXXXX LICENSE DETERMINATION: XXX	20	XX KG	\$ XXXX,XX	\$ XXXX,XX			
BOX QUANTITY	TYPE OF PACKAGE	BOX DIMENSIONS	TOTAL NET WEIGHT	TOTAL GROSS WEIGHT				
X	CARDBOARD BOX	XXm / XXm / XXm	XXX kg	XXXX kg				
X	CRATE	Xm / Xm / Xm	XXX kg	XXXX kg				
NAME:		TITLE:		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;">TOTAL AMOUNT</td> <td style="width:50%; text-align: right;">\$ XXXX,XX</td> </tr> </table>			TOTAL AMOUNT	\$ XXXX,XX
TOTAL AMOUNT	\$ XXXX,XX							
SIGNATURE: <small>As per Brazilian Customs all Invoices MUST be hand signed in blue ink</small>		DATE:						

Attachment 2 – Packing list Example

<i>Original letterhead and trademark</i>		Exporter/Supplier <i>Full name, address and TAX ID</i>		PAGE: 1 of 1		
PACKING LIST				PACKING LIST NUMBER: PACKING LIST ISSUANCE DATE:		
BILL TO: Name: _____ Address: _____ City - State: _____ Country: _____ CNPJ No: _____			SHIP TO: Name: _____ Address: _____ City - State: _____ Country: _____ CNPJ No: _____			
NUMBER	PACKAGE		PART NUMBER AND DESCRIPTION	QUANTITY	UM	PO
	DIMENSIONS	TYPE				
1 of 2	XX / XX / XX	CARTON	PN AND DESCRIPTION	XX	EA	XXXXXXXXXX
			PN AND DESCRIPTION	XX	EA	XXXXXXXXXX
2 of 2	XX / XX / XX	CRATE	PN AND DESCRIPTION	XX	EA	XXXXXXXXXX
			PN AND DESCRIPTION	XX	EA	XXXXXXXXXX
			PN AND DESCRIPTION	XX	EA	XXXXXXXXXX