

PERFORMANCE WORK STATEMENT (PWS)

DATE: February 19, 2025

1.0 INTRODUCTION

This contract is for loan recovery assistance from Varella & Advogados Associados located in Rio de Janeiro, Brazil to collect a debt of [REDACTED] – **EXIM Bank Claim No. G491524**

The Contractor shall provide all personnel, equipment, supplies, postage, facilities, transportation, tools, materials, travel, supervision, and other items and non-personal services necessary to perform **loan recovery Services** as defined in this Performance Work Statement except for those items specified as Government furnished property and services.

2.0 BACKGROUND

(a) The Export-Import Bank of the United States (“EXIM Bank”) supports the financing of U.S. goods and services. It assumes credit and country risks the private sector is unable or unwilling to accept. In covering these risks EXIM Bank paid on this claim related to Claim No. G491524. Upon payment of the claim, it becomes the responsibility of the Asset Recovery Group (“ARG”) within the Asset Management Division of EXIM Bank (“AMD”) to seek repayment from the debtor and/or guarantors.

(b) Throughout this document the term “recovery officer(s)” will be used. For the purposes of this document, recovery officer(s) refers to the International Recovery Officers, and Managing Director – Recoveries, within ARG.

(c) ARG collects on accounts in three ways:

1. Direct Collection – EXIM Bank officers personally work the collection cases,
2. **Local Attorneys – EXIM Bank signs a contract with a local attorney to work on the collection within certain guidelines from EXIM Bank, and**
3. Collection Contractor – EXIM Bank contracts with a collection firm to handle collections within certain guidelines from EXIM Bank.

****The second collection method is the subject of this Performance Work Statement.**

*****Collection type for each case is at the discretion of the Asset Management Recovery Office.**

3.0 SCOPE

The Contractor shall provide collection services and servicing of above-mentioned defaulted loan which may include borrower negotiations, restructuring, and workout agreements. The Contractor is already providing loan recovery services, institute legal proceedings, provide credit restructuring services and take such other actions required to effect recovery for EXIM Bank.

4.0 OBJECTIVES (NATURE OF WORK)

To recover this asset, it has instituted legal proceedings and/or provide a credit restructuring related to the claim, involving the debtor and guarantor(s), located in **Brazil**.

Desired Outcome: To recover as much of the debt as possible given the debtor's financial circumstance.

Constraints: If the Contractor (i.e., Law Firm) is "debarred" (prohibited from performing legal work) based on local jurisdiction directives, the Contractor shall inform EXIM Bank. EXIM Bank will then take appropriate action which may include termination of the contract.

5.0 APPLICABLE DIRECTIVES

1. EXIM Bank's AMD procedures
2. Industry practices as observed by peer institutions including Federal Agencies, foreign ECAs, and multilateral development banks

6.0 GOVERNMENT FURNISHED INFORMATION OR PROPERTY

EXIM Bank will notify Contractor by email from the COR as to the specifics of each case to be recovered. The email will include the name of the debtor, the claim number, the buyer debt, the claim amount, and the date the claim was paid.

7.0 SPECIFIC REQUIREMENTS/TASKS

Task Introduction:

This contract will cover EXIM Bank Claim No. G491524 assigned to the Varella & Advogados Associados law firm for recovery.

Contractor shall analyze the specifics of the case, consider recovery strategies, and implement actions based on the potential recoveries and risks with the aim of maximizing collections on behalf of the EXIM Bank.

There will be one contingency fee of [REDACTED] on actual cash applicable for this assigned case and it remains the same throughout the life of that case.

Contractor will instruct debtor to remit recovered funds directly to EXIM designated accounts. In the event the Contractor receives directly recovered funds, the Contractor shall remit the funds in their entirety (without deduction of expenses or collection fee) promptly to EXIM's designated account.

EXIM Bank reserves the right to cease work on any particular case in the event that:

1. EXIM Bank determines the Contractor's work is unsatisfactory.
2. The Contractor requests release from the Case

3. It is determined to be in the best interest of the Government.

Task 1 – The Contractor shall provide Case Analysis/Due Diligence in Brazil:

- a. The Government will send a copy of the collection claim file via email.
- b. The Contractor shall perform due diligence and analyze the specifics of the case, consider recovery strategies and recommend actions based on the potential recoveries and risks with the aim of maximizing collections on behalf of EXIM Bank.
- c. The Contractor has ensured there is no conflict of interest between the firm and the debtor. No work shall be completed by vendors in the event a conflict of interest arises.
- d. The Contractor will conduct a preliminary research /evaluation of the case, including, but not limited to, asset search, credit analysis and legal actions registered against the obligor.

Task 2 – The Contractor shall recover Defaulted Debt per Contingency Fee Basis of [REDACTED].

- a. The Contractor shall attempt extrajudicial collection of the debt within ten (10) business days of the Recovery Officer's authorization to proceed and report the results of such attempts to the Recoveries Group, Asset Management Division.
- b. The Contractor shall provide a written brief (preferably in English) via email to EXIM Bank's COR on a frequent basis, at a minimum on a quarterly basis for active cases. The reports should discuss the life cycle of the cases and enable the COR to understand the particular situations surrounding the progress of the case. The COR will also monitor the work of the Contractor through periodic site trips.
- c. The Contractor shall provide a Collected Funds report not later than fifteen (15) calendar days after notifying COR notification of incoming funds and identify fee to be received based on percentage of all monies actually collected in accordance with the Assignment email.
- d. Contractor understands compensation for Task 2 services is limited to the negotiated contingency fee percentage of [REDACTED]. No expenses will be reimbursed unless approved by COR. These expenses are to be determined on a case-by-case basis.

Task 3 – The Contractor shall conduct Litigation

- a. Prior to legal action and incurring related costs, the Contractor must request and obtain in writing the approval from the Recoveries Group, Asset Management Division and EXIM Bank's Office of the General Counsel through the Litigation Request Form (See Attachment A). Duly authorized, the Contractor can then file legal proceedings against the Debtor [and the Guarantors].
- b. The Contractor shall provide a break-down of anticipated work/cost on a Litigation Request Form (See Attachment A). The Government will review the Form to determine the acceptability of request/cost. Once the Contractor is authorized by EXIM Bank to pursue litigation against a debtor, the Contractor can complete work of this nature.
- c. Contractor understands compensation for Task 3 services is divided in two sections: 1. Legal expenses, approved in advance for [REDACTED]. Negotiated contingency fee percentage of [REDACTED] applied to the total amount collected – [REDACTED] (Calculated at [REDACTED] of principal amount of debt of [REDACTED]). (See Task 2 paragraph d.)

- d. Contractor understands EXIM Bank directed that litigation be commenced since it deemed to be in the best interest of the Government.

8.0 CONTRACTOR QUALIFICATIONS

- a. Work is to be completed in Brazil and Contractor shall have experience in: locating assets, in particular hidden assets if any, and embargoing (placing liens) and executing upon such assets; drafting / negotiating restructuring agreements appropriate for debtors of the type in this matter, and litigating the collection matter at all levels of courts through the debtor's country.
- b. The Contractor shall be a law firm registered/licensed in the Brazilian Bar Association to practice law in Brazil. Any subcontracted effort must also be registered / licensed in the Brazilian Bar Association.
- c. The Contractor shall have experience handling collection matters of this sort on behalf of foreign entities, and especially foreign government entities such as EXIM Bank (Contractor shall provide documentation noting relevant experience with foreign government entities). This requirement is to ensure Contractor is able to understand legal risks that may be raised during representation of the foreign government entity. These risks include the risk of countersuits, referrals for criminal prosecution, withholding tax questions, and the ability to communicate in the local language.

9.0 DELIVERABLES

<i>Deliverable Item</i>	<i>PWS Section</i>	<i>Due Date</i>	<i>Format/ Quantities</i>
Project Task Log	Project Task Log, Para a.	Once every other month	Electronic, (In English)
Conflict of Interest notification	Task 1 Para b.	Within 5 business days of identifying conflict	Email
Written Brief for active Cases	Task 2 Para b.	Quarterly on active cases	Email
Collected Funds report	Task 2 Para c.	Fifteen days from COR notification in terms of incoming funds	Written report
Litigation Request Form with break-down of anticipated work/cost	Task 3 Para b.	Upon determined litigation is required	Written Document

10.0 PERFORMANCE REQUIREMENT SUMMARY (PRS)

Task or Deliverable	Performance Standard	Acceptable Quality Level (AQL)	Surveillance Method	Performance Rating	Incentives/Disincentives
Project Task Log	Complete, accurate and timely All claims accounted for	100% accuracy. All deliverables as described in the PWS and specified in the approved Schedule of Deliverables	Surveillance by EXIM Bank COR will be performed as the Event occurs.	Exceptional Very Good Satisfactory Marginal Unsatisfactory Exceptional (greater than 99%) Very Good (between 98% and 96%). Satisfactory (between 93% and 95%) Marginal (between 91% and 93%) Unsatisfactory (less than 90%).	Positive or negative CPARS rating
Task 1: Case Analysis/Due Diligence	Timeliness, complete and thorough record keeping, effective communication.	100% Compliance with Brazilian Law, thoroughness, and accuracy. Regular and ad-hoc meetings between contractor and Government as needed	Surveillance by EXIM Bank COR will be performed as the Event occurs.	Exceptional Very Good Satisfactory Marginal Unsatisfactory Exceptional (greater than 99%) Very Good (between 98% and 96%). Satisfactory (between 93% and 95%) Marginal (between 91% and 93%) Unsatisfactory (less than 90%).	Positive or negative CPARS rating
Conflict of Interest notification	Complete, accurate and timely	100% accuracy. All deliverables as described in the PWS	Surveillance by EXIM Bank COR will be performed as the Event	Exceptional Very Good Satisfactory Marginal Unsatisfactory	Positive or negative CPARS rating

		and specified in the approved Schedule of Deliverables	occurs.	<p>Exceptional (greater than 99%)</p> <p>Very Good (between 98% and 96%).</p> <p>Satisfactory (between 93% and 95%)</p> <p>Marginal (between 91% and 93%)</p> <p>Unsatisfactory (less than 90%).</p>	
Task 2: Recovery of Defaulted Principal/Contingency	Timeliness, complete and thorough record keeping, effective communication.	<p>100% Compliance with Brazilian Law, thoroughness, and accuracy.</p> <p>Regular and ad-hoc meetings between contractor and Government as needed</p>	Surveillance by EXIM Bank COR will be performed as the Event occurs.	<p>Exceptional</p> <p>Very Good</p> <p>Satisfactory</p> <p>Marginal</p> <p>Unsatisfactory</p> <p>Exceptional (greater than 99%)</p> <p>Very Good (between 98% and 96%).</p> <p>Satisfactory (between 93% and 95%)</p> <p>Marginal (between 91% and 93%)</p> <p>Unsatisfactory (less than 90%).</p>	Positive or negative CPARS rating
Written Brief for active Cases	<p>Complete, accurate and timely</p> <p>All cases accounted for</p>	<p>100% accuracy. All deliverables as described in the PWS and specified in the approved Schedule of Deliverables</p>	Surveillance by EXIM Bank COR will be performed as the Event occurs.	<p>Exceptional</p> <p>Very Good</p> <p>Satisfactory</p> <p>Marginal</p> <p>Unsatisfactory</p> <p>Exceptional (greater than 99%)</p> <p>Very Good (between 98% and 96%).</p> <p>Satisfactory (between 93% and 95%)</p> <p>Marginal (between 91% and 93%)</p> <p>Unsatisfactory (less than 90%).</p>	Positive or negative CPARS rating

Collected Funds report	Complete, accurate and timely Accurate accounting of expenses.	100% accuracy. All deliverables as described in the PWS and specified in the approved Schedule of Deliverables	Surveillance by EXIM Bank COR via portfolio monitoring of existing outstanding claims as well as site visits.	Exceptional Very Good Satisfactory Marginal Unsatisfactory Exceptional (greater than 99%) Very Good (between 98% and 96%). Satisfactory (between 93% and 95%) Marginal (between 91% and 93%) Unsatisfactory (less than 90%).	Positive or negative CPARS rating Unrecovered cases might be recalled back to EXIM Bank's portfolio and Contractor instructed to "Cease and Desist" from any further recovery efforts.
Task 3: Provide Litigation	Timeliness, complete and thorough record keeping, effective communication.	100% Compliance with Brazilian Law, thoroughness, and accuracy. Regular and ad-hoc meetings between contractor and Government as needed	Surveillance by EXIM Bank COR will be performed as the Event occurs.	Exceptional Very Good Satisfactory Marginal Unsatisfactory Exceptional (greater than 99%) Very Good (between 98% and 96%). Satisfactory (between 93% and 95%) Marginal (between 91% and 93%) Unsatisfactory (less than 90%).	Positive or negative CPARS rating
Litigation Request Form with break-down of anticipated work/cost	Complete, accurate and timely Clear breakdown of projected expenses.	100% accuracy. All deliverables as described in the PWS and specified in the approved Schedule of Deliverables	Surveillance by EXIM Bank COR will be performed as the Event occurs.	Exceptional Very Good Satisfactory Marginal Unsatisfactory Exceptional (greater than 99%) Very Good (between 98% and 96%).	Positive or negative CPARS rating

				Satisfactory (between 93% and 95%) Marginal (between 91% and 93%) Unsatisfactory (less than 90%).	
Business Relations	Professional and respectful of all parties	Regular and ad-hoc meetings between contractor and Government	Semi-Annual Performance Evaluation	Exceptional Very Good Satisfactory Marginal Unsatisfactory Exceptional (greater than 99%) Very Good (between 98% and 96%). Satisfactory (between 93% and 95%) Marginal (between 91% and 93%) Unsatisfactory (less than 90%).	Positive or negative CPARS rating
Management of Key Personnel	Appropriate credentials for the work involved. Attends scheduled meetings if needed. Available for ad-hoc meetings as necessary for contractual concerns	Regular and ad-hoc meetings between contractor and Government as needed	Semi-Annual Performance Evaluation	Exceptional Very Good Satisfactory Marginal Unsatisfactory Exceptional (greater than 99%) Very Good (between 98% and 96%). Satisfactory (between 93% and 95%) Marginal (between 91% and 93%) Unsatisfactory (less than 90%).	Positive or negative CPARS rating