



Brazilian Naval Commission in Washington

5130 MacArthur Blvd., NW Washington, D.C. 20016-3316

Tel.: (202) 244-3950

CONTRACT: 70200/18-06/00

Contract between

BRAZILIAN NAVAL COMMISSION IN WASHINGTON

And

MANITOWOC

For the acquisition of

New Auto-Propelled Hydraulic

Rough Terrain Crane, Model RT 765E-2, 60t, Grove Brand

(As specified in the Annex)


**BNC References: DV41000-2018-50001
P2018-9506
IFSB N° 03/2018**

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- Annexes:
1. Seller's Revised Price Proposal dated 9/12/2018 submitted for IFSB 03/2018
 2. International Shipping Instructions



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5130 MacArthur Blvd., NW Washington, D.C. 20016-3316
Tel.: (202) 244-3950

CONTRACT: 70200/18-06/00

**Contract entered between the
Brazilian Naval Commission in
Washington and Manitowoc for
the Acquisition of one Auto-
Propelled Hydraulic Crane.**

This Contract was entered on this 16 day of October of 2018 at the offices of Brazilian Naval Commission in Washington, located at 5130 MacArthur Blvd. NW, Washington, DC, 20016-3316, with complete observance of the existing legal provisions, between Brazilian Naval Commission in Washington, represented by its president, Captain Décio Maia de Sales, holder of the United States Department of State PID nº 5000-9749, and Manitowoc, represented by Mr. Darryl Mellott, holder of Passport N° 098110080, Director Government Marketing, located at 1565, Buchanan Trail East, Shady Grove, Pennsylvania 17256-0021, USA.

WHEREAS the present Contract fulfilled all legal requirements of Brazilian Law nº 8.666/93 and its amendments.

WHEREAS this Contract was preceded by Invitation for Sealed Bid No. 03/2018.

WHEREAS this Contract was approved by the End User, "Arsenal de Marinha no Rio de Janeiro (ARMJ)", with the Brazilian Navy, according the administrative proceedings.

WHEREAS the legal instruments Rules for Administrative Agreements of the Brazilian Navy (SGM-102, Rev 4, item 13.10.1) and Ordinance nº 180/2001, modified by Ordinances 236/MB/2002, 258/MB/2003, 111/MB/2004, 258/MB/2012, 159/MB/2013 and 626/MB/2014 issued by the Commander of the Brazilian Navy, granted authority to the President of the Brazilian Naval Commission in Washington to sign this Contract on behalf of the Brazilian Navy within its area of jurisdiction.

WHEREAS in order to meet the payments of the costs and expenses referred in this Contract, funds were allocated through End User's request nº DV41000-2018-50001.

NOW THEREFORE, in consideration of the foregoing, the execution of this agreement by each of the parties hereto, and the full and faithful performance of the covenants, representations and warranties contained herein, it is agreed as follows.

CLAUSE 1 - DEFINITIONS

As used in this Contract, the following terms shall have the meanings given to them below:

1.1 "Buyer" shall mean the Brazilian Naval Commission in Washington (BNC).

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[Signature]

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- 1.2 "Seller" shall mean Manitowoc, a corporation organized under the United States laws.
- 1.3 "End User" shall mean "Arsenal de Marinha no Rio de Janeiro" (AMRJ).
- 1.4 "Equipment" and "Service" shall mean any good(s) or service(s) covered by this contract.

CLAUSE 2 - OBJECT OF THE CONTRACT

The object of this Contract is the acquisition of a new Auto-Propelled RT Crane including all items listed below on items "a" to "e":

- a) **EQUIPMENT: 01 Auto-Propelled Hydraulic Rough Terrain Crane, Model RT 765E-2, 60t, Grove Brand.** The object specifications are in the Seller's Proposal, which is an integral part of this contract as Annex
- b) **COLOR:** manufacturer color – yellow and gray.
- c) **TECHNICAL MANUALS** (Operation and Maintenance in Portuguese Language)
- d) **SPECIAL necessary TOOLS** for maintenance.
- d) **INTEGRATED LOGISTIC SUPPORT:** Assembly, commissioning and performance tests, operation and maintenance training, supply and maintenance logistics in Brazil. The Seller ought to have representatives in the city or in the vicinity of Rio de Janeiro, Brazil.
- e) **WARRANTY** – A minimum one-year manufacturer complete warranty from installation and End User's certification.

CLAUSE 3 - PERFORMANCE

- 3.1 Seller agrees certify that the product was tested by the manufacturer, to deliver, to assemble, to commission, to warrant and to provide training and the Technical Manuals as described on Clause 2 of this contract, pursuant to the delivery schedule and in conformity with the Equipment description and all other requirements of this Contract.
- 3.2 Buyer agrees to assist Seller in obtaining licenses and authorizations, related to this Contract that might be required by the Brazilian authorities as well as to provide required documentation for obtaining licenses required by the US government, for instance, End User's Certification.

CLAUSE 4 - TECHNICAL DOCUMENTATION AND SUPPORT

- 4.1 Seller shall send the Technical Manuals specified in item "b", Clause 2 of this contract, to End User in Brazil, to the address below:

Arsenal de Marinha do Rio de Janeiro
Divisão de Guindastes AMRJ 249
At.: RAFAEL Garcia ALVES / CLAUDINEI NAZARETH
Complexo do 1º Distrito Naval, Ilha das Cobras S/Nº
Edifício 04D – Cais Norte
20091-000 Rio de Janeiro-RJ, BRASIL

The manual must be received before the beginning of assembly at the End Users' facilities. Seller must provide proof of the Manuals delivery to the BNC offices in Washington, DC.

- 4.2 Seller shall provide **Technical Support** for the equipment.
- 4.3 Buyer reserves the right to terminate this Contract if Seller fails to deliver the Manuals or to comply with requests from End User within the scope covered by clause 3.1.

Handwritten signatures:
1. Top right: A signature, possibly "Rafael".
2. Middle right: A signature, possibly "Claudinei".
3. Bottom right: A signature, possibly "Buyer".

- 4.4. **Training:** Seller must provide operational and technical maintenance training for up to 08 operators, and 08 mechanics/electricians should be given in two groups of four participants (operation/maintenance), as recommended in the manufacturer's manual, certificate issuance for the participants. Basement in NR 11 (transport, storage and handling of materials) and NR 12 (machinery and equipment) and NR 16 (activities and dangerous operations). Within the operation training, preventive and predictive maintenance tables should be presented for the adequacy of hours of operation and access to critical lubrication points. The End User will make available on its premises, room for application of training. Manitowoc representative will coordinate the date for training with the End User.

CLAUSE 5 - PRICE

- 5.1 The total value of this contract is **USD 541,580.00** (five hundred and forty-one thousands five hundred and eighty dollars), is firm fixed, it includes **INCOTERM 2010 CIF-Rio de Janeiro** and insurance covering 110% of contract value.
- 5.2 All taxes, stamps, insurance, consular fees, and other duties fees or charges levied by the Brazilian authorities will be paid by the Buyer unless these expenses are due to a non-compliance of Clause 8 by the Seller, and all duties, taxes, and fees levied by The United States authorities will be paid by the Seller.
- 5.3 All costs and expenses not specifically addressed in this Contract shall be paid by the party incurring such costs and expenses.

CLAUSE 6 - INVOICES

- 6.1 Invoices shall be to Brazilian Naval Commission in Washington.
- 6.2 Invoices issued by the Seller must conform strictly to this Contract, and any amendment hereto must be agreed to and signed by the Buyer with regard to Order Numbers, Part Numbers, Description and Condition of Material, Unit Prices, Quantities, etc. Any deviations whatsoever in the invoice, as compared to this Contract and its Appendices and amendment, must have had a signed acceptance by the Buyer.
- 6.3 Invoices must contain Seller's banking information that will be needed for the payment by the Buyer. The invoices must also be accompanied by the export license and/or any other document required by United States for the export of the Equipment to Brazil.

CLAUSE 7 - TERMS OF PAYMENT

Payment to Seller shall be partial as Net-30 70% after Object delivery, Net-30 15% after documents delivery, and Net-30 15% after training and inspection, according to Delivery-Events described below.

- 7.1 **Event 1 – Net-30 70%** - after BNC provides Manitowoc with the international dispatch authorization, and after Manitowoc submits an Ocean Bill of Lading from a freight forwarder that would show the Object was delivered to a port and is in route.
- 7.2 **Event 2 – Net-30 15% - Receipt of three printed copies of technical documentation:** the data book composed of interconnection project, maintenance manual (workshop) of the systems, service, operating and parts, drawings / diagrams, electro-electronic, hydraulic, lubrication, electronic boards and layout of printed circuits, resident software program and list of parts and components as well as spare parts needed for maintenance. All documentation for the object of this Contract must be in Portuguese language. A digital version shall be sent via email to:

rafael.alves@marinha.mil.br – Contract Manager
jonata.carlos@marinha.mil.br – Contract Division
claudinei@marinha.mil.br – Equipment Maintenance

Presentation of the ITP (Inspection and Testing Procedure), execution of the provisional acceptance tests, and preparation for training, specific tools for maintenance (wheel wrench, filters and adjustment tools) indicated in the official technical manual of the crane manufacturer. Special tools for maintenance of the turbo diesel, indicated in the technical manual of official of the engine manufacturer. Wheel mounted spare tire with or without inner tube (spare tire). Parts kit for up to 2000 hours operation, including maintenance oils and greases indicated in the crane manufacturers, technical workshop manual, and this list should be prepared and presented per systems.

- 7.3 **Event 3 – Net-30 15% – Execution of operation and maintenance training:** In accordance to manufacture’s manual, an operation and maintenance training must be provided. End User requires training to up to 08 operators and 08 mechanics/electricians. The training must be delivered in two groups of four participants.

Seller will have the ability to invoice this event no later than 120 days after Ocean Bill of Landing date.

Safety and Regulations: NR 12 (machinery and equipment) and NR 16 (hazardous activities and operations). The operation training must include preventive and predictive maintenance tables, presented for the adequacy of hours of operation and access to critical lubrication points. Certificate must be provided to the participants.

Tests: A commissioning ITP (Inspection and Test Procedure) plan shall be presented based on the operational load table and static and dynamic test. The equipment must be accompanied by the Manufacturer’s Certificate. The equipment will be evaluated by the End User’s qualified technicians, who may conduct further tests at their facilities for the approval. Operational load tests shall be performed with the End User operator representative, and the commissioning performance shall be in according to the characteristics of the equipment manufacturer, based on the manufacturer’s manual and according to ABNT / NBR 16147, and shall be verified.

The commissioning ITP will occur at the End User’s premises, and will be performed at the presence of the contractor’s representative and supervised by the End User’s technical team, who may approve and accept the tests.

All instruments to be used by the contractor for commissioning must have the calibration certificate and validation, and they must be incorporated into the acceptance documentation of the equipment.

The final acceptance of the crane will be conditioned to the commissioning with the respective tests.

- 7.4 Invoices should be presented immediately after performance of each Event, and payment can be made before the 30-day term.

CLAUSE 8 - QUALITY ASSURANCE AND ACCEPTANCE

It is assumed that regardless of specific requirements, the Seller shall perform on his own initiative quality control, factory testing and other internal tests to verify that all Equipment, parts and spares conform with the criteria set forth in the applicable specifications and that the equipment meets high standards of quality. No approval or comment by the Buyer in respect to the Seller’s work or the Equipment shall affect or diminish the full and absolute responsibility of the Seller to comply with the requirements under this Contract.

CLAUSE 9 - DELIVERY

- 9.1 Delivery shall be on INCOTERM 2010 CIF - Rio de Janeiro, Brazil, within 180 days from the signing of the contract.
- 9.2 The Object shall be delivered to the Brazilian Navy's warehouse, "Centro de Distribuição e Operações Aduaneiras da Marinha", in Rio de Janeiro.

Centro de Distribuição e Operações Aduaneiras da Marinha
CNPJ 00.394.502/0382.06
Arsenal de Marinha do Rio de Janeiro
Contract Number: 70200/18-06/00
Av. Brasil, 10500 – Olaria
Rio de Janeiro, RJ - 21012-350
BRAZIL Tel: *55-21-2598-0552 Ext: 1552

- 9.2 Seller must ship the Equipment to the Brazilian Navy with a **straight Bill of Lading without intermediate consignees or transshipments.**
- 9.3 In order to allow customs clearance of the Equipment at the Rio de Janeiro port, Seller must provide the shipping documents listed below prior to shipment in order to obtain the Buyer's authorization for delivering in Brazil.
 - a) Invoice (two signed copies);
 - b) Export License or a Declaration that no Export License is required, pursuant to Clause 20 (01 copy);
 - c) Packing List (two copies)
 - d) Bill of Lading; and
- e) Proof of Insurance covering at least 110% of the Contract value in favor of Buyer. Seller may not ship the Equipment before receiving authorization from the Buyer's Export Division. Please contact BNC's Export Division for shipping instructions before shipping of material.

Mr. Rodrigo Marchesini
Export Compliance and Shipping Coordinator
(202) 244 3950 ext.: 334
marchesini@marinha.mil.br

- 9.4 Packing list and case markings shall read:

Centro de Distribuição e Operações Aduaneiras da Marinha CNPJ 00.394.502/0382.06 Arsenal de Marinha do Rio de Janeiro – OMD 41000 Contract Number: 70200/18-06/00 Av. Brasil, 10500 - Olaria Rio de Janeiro, RJ - 21012-350 BRAZIL

- 9.5 We would like to stress that any delay in the receipt of the above referenced documents or in the issuance of a Bill of Lading not in compliance with sub clause 9.2 and 9.3 might result in customs clearance delays at the Rio de Janeiro port, such additional costs would be incurred by the Seller, as per sub clause 5.2.



- 9.6 The object of the Contract to be supplied shall be suitably packed for sea, in accordance with the Seller's standard commercial practice, and all packing materials utilized shall be deemed to be property of the Buyer.
- 9.7 If Seller anticipates or encounters difficulty that will jeopardize the delivery schedule, Seller shall notify the Buyer in writing immediately, providing pertinent details (including stating the cause(s) and the Seller's efforts to keep on schedule). This request is for informational use only and shall not be construed as a waiver by Buyer of any shipping effort or of any rights or remedies provided at law, or in equity, or under this Contract.
- 9.8 Buyer agrees to assist Seller in obtaining authorizations, which may be required by the Government authorities in Brazil, relating to this Contract.
- 9.9 The object of the Contract shall be suitably packed, in accordance with the Seller's standard commercial practice, and all packing materials utilized shall be deemed property of the Buyer.
- 9.10 Time is the essence with respect to delivery of the Equipment and any other performance required from Seller in this Contract. Delivery is expected by the due date, and if seller fails to meet such schedule and Buyer elects to call for expedited shipments, Seller shall pay any additional costs associated with such shipments.
- 9.11 Seller shall bear the risk of loss of the Equipment until it has been delivered to the delivery point pursuant to this Contract and has been accepted by the Buyer. After receiving the Equipment, the Buyer will be responsible for any loss concerning the Equipment.
- 9.12 It is understood and agreed that Buyer will inspect the Equipment upon its arrival at the final destination in Brazil. At this inspection, the End User shall have the right to reject the Equipment if any defect is found or otherwise is not in conformity with the requirements in this Contract. The ultimate decision as to whether the goods are in conformity with this Contract shall be the decision of the Buyer alone. In the event of such rejection, the Buyer shall have the right to require the Seller to replace or repair, at the Seller's own risk and expense, the rejected items or lots in order that the Equipment furnished will be in strict conformity with applicable specifications and requirements. In the event that the Buyer rejects the Equipment in accordance with this provision, but does not require that such Equipment be replaced, payments made or to be made shall be equitably adjusted accordingly. The Seller shall be responsible for and shall bear all risks and expenses as to the rejected Equipment after notice of rejection, which Equipment shall be returned promptly by Buyer to Seller. Final inspection and acceptance shall not be conclusive in respect of latent defects or fraud or otherwise restrict the Buyer's rights under any guaranty or any warranty made herein by Seller.

CLAUSE 10 - INSPECTION

The Seller shall perform all inspections and tests according to standard practices that apply to this type of equipment.

CLAUSE 11 - AMENDMENTS

This Contract can only be changed by means of written Amendment, which must be dated and signed by the Seller and the Buyer. Under no circumstances shall oral statements and understandings be valid or binding upon either the Buyer or the Seller. No waiver by Buyer or any breach of this Contract or the granting of an extension of time for performance hereunder shall be deemed to be a waiver of any other or subsequent breach.

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CLAUSE 12 – DEFAULT

- 12.1 In the event of any violation by either party under this Contract, or, in the case non-delivery of the Equipment by Seller herewith, the aggrieved party may, but is not required to terminate this Contract for default in whole or in part, and seek the remedies as set forth below.
- 12.1 Buyer may terminate this Contract, in whole or in part, for Seller's default by written notice to Seller in accordance with Article 16 below. If Buyer terminates this Contract in part, Seller shall continue performance of this Contract to the extent not terminated.
- 12.2 In the event of termination for Seller's default, Buyer shall have all remedies provided in this Contract and all rights and remedies available under applicable law. The rights and remedies of Buyer under this Contract are cumulative with, and in addition to, all other rights and remedies available under applicable law.

CLAUSE 13 – WARRANTY

- 13.1 The Crane warranty consists of replacing or repairing parts or components that exhibit manufacturing defects or service failures that compromise the performance or efficiency of the equipment within the manufacturer's pre-set operating range. The availability of spare parts shall be guaranteed for a period of at least 5 years. In case of replacement of parts within the 12-month warranty period, the costs will be the responsibility of the manufacturer/contractor. The replaced part warranty will be extended for equal period.
- 13.2 The manufacturer must provide a communication channel during the warranty period, through 01 technician to clarify doubts from the End User (Arsenal de Marinha do Rio de Janeiro – AMRJ), as well as send a technician within 72 hours from the time of the technical support request.
- 13.3 The warranty applicable to repaired or substituted Equipment will be 06 months after its return to the End User, but will not expire before the original warranty.
- 13.4 Seller shall be responsible for payment of shipping and insurance costs of any defective part or Equipment returned to repair, overhaul, or substitution at the Seller's facility, as well as any international shipping that might occur.
- 13.5 Seller's refusal or failure to perform as required under this warranty shall constitute a reasonable and justified excuse for Buyer to withhold from the unpaid balance of the purchase price, or to recover from the Seller, a sum equal to what it costs the Buyer to replace or repair any defective Equipment that Seller has refused or failed to replace or correct in a timely manner as required in accordance with this warranty.
- 13.6 The warranties, obligations, and liabilities of Seller shall survive delivery, and shall not be deemed waived either by reason of Buyer's acceptance of said Equipment or by payment for them.
- 13.7 The rights and remedies of Buyer provided in this Contract shall not be exclusive and are in addition to any other rights and remedies provided at law or in equity.

CLAUSE 14 - EXCUSABLE DELAYS

- 14.1 Neither the Buyer nor the Seller shall be deemed to be in default or to fail to perform or delay any of its obligations under this Contract if such default, failure or delay is directly due to any of the following circumstances considered *force majeure* and such circumstances are beyond the affected party's reasonable control and could not be avoided by exercising due care: (a) war, riot, insurrection or other civil commotion, (b) strike, lockout or other labor dispute, (c) fire, flood or other act of God, (d) labor, material, transportation or utility shortage or curtailment, or (e) governmental order, decree or regulation, or (f) other similar circumstances. Nothing in this article will restrict or impair the right of either Buyer or Seller

to terminate this Contract on other grounds or to exercise any other right or remedy based on any breach or other circumstances that are not excused.

- 14.2 Seller shall notify the Buyer of such failure or delay by a written notification, within three (3) days from the date of actual occurrence of *force majeure* circumstance set forth in Article 14.1, and shall, subsequently, send to the Buyer a written confirmation.
- 14.3 When such written notification and such written confirmation as provided in Article 14.2 have been delivered to the Buyer, the latest date for shipment of the Equipment will be extended until *force majeure* circumstance has ceased. However, if such *force majeure* circumstance continues for more than 90 (ninety) days, the remainder portion of this Contract to be performed by the Seller may be terminated at the option of the Buyer, by giving notice to the Seller. In the event of such termination by the Buyer, the Seller shall not make any claim for compensation against the Buyer with respect to such termination.

CLAUSE 15 - PENALTIES/LIQUIDATED DAMAGES

In the event Seller fails to deliver the Equipment in accordance with the delivery schedule set forth in this Contract or if Seller delivers nonconforming Equipment in accordance with such delivery schedule, and such failure is not excused pursuant to Article 14, Buyer shall be entitled to collect damages from Seller for the delay in delivery at the daily rate of 0.1% (one-tenth) percent of the price of the Equipment specified in this Contract for each day until conforming Equipment is delivered to Buyer, provided that such liquidated damages shall not exceed 10% (ten) percent of the price of the Equipment specified in this Contract. Nothing in this Article 15 shall be deemed to restrict Buyer's right to terminate this Contract, in whole or in part, in accordance with the terms hereof.

CLAUSE 16 - NOTICES

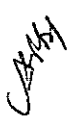
- 16.1 All required notices or permits to be given hereunder shall be in writing and in English, and shall be delivered by email or certified mail. Addresses of the Seller and the Buyer are listed below. The effective time of notice shall be upon the receipt date.

To Seller: Maniowoc
Attn.: Darryl Mellott
Contract No. 70200/18-06/00
1565, Buchanan Trail East
Shady Grove, PA - 17256-0021

Email: Darryl.Mellott@manitowoc.com
Tel.: (717) 593-5594, M (717) 377-4768

To Buyer: Brazilian Naval Commission in Washington
Attn. LCDR Ana Garcia / Etna Cavalcante
Contract No. 70200/18-06/00
5130 Mac Arthur Blvd, NW
Washington, D.C. 20016-3316

Email: etna@marinha.mil.br
Tel: (202) 244-3950, ext. 341, fax: (202) 364-7173



16.2 Seller shall notify Buyer at least three (3) months in advance of any planned halt of production of the Equipment or of any of its components to be supplied under this Contract.

CLAUSE 17 - GOVERNING LAW

This contract is governed by the laws of the District of Columbia. Any controversy or claim arising out of or relating to this Contract will be determined in accordance with the laws of the District of Columbia, and Buyer and Seller will submit to the federal courts sitting in the District of Columbia.

CLAUSE 18 – DISPUTES

- 18.1 If the parties are unable to amicably settle a dispute or controversy that arises from or related to this Contract, the settlement shall be determined by arbitration in accordance to the International Center for Dispute Resolution of the American Arbitration Association.
- 18.2 The place of arbitration shall be Washington, D.C., the number of arbitrators shall be three and the award of the arbitrators shall be final and binding on the parties. Each party shall select one arbitrator within 30 (thirty) days after the commencement of the arbitration and the two arbitrators shall select a third. If either party fails to select an arbitrator within such time period, the arbitrator selected by the other party shall be the sole arbitrator. If the two arbitrators do not agree on the selection of a third arbitrator within 45 (forty-five) days after the commencement of the arbitration, the American Arbitration Association shall select the third arbitrator.
- 18.3 The arbitration shall be conducted in the English language, and all documentation shall be in the English language.
- 18.4 The arbitration award shall be the sole and exclusive remedy between the parties regarding any claims, counterclaims, issues or accountings presented or pled to the arbitrators. The award shall be payable in U.S. Dollars. Any costs, fees, and expenses incurred in connection with enforcing the award shall, be charged against the party resisting such enforcement.
- 18.5 The award shall include interest from the date of the breach or other violation of this Contract. The arbitrators shall also fix the appropriate rate of interest from the date of the breach or other violation to the date when the award is paid in full. In no event, however, should such interest rate during such period be lower than the prime commercial lending rate announced by Bank of America for 90 (ninety)-day loans for commercial borrowers for the corresponding period.
- 18.6 Judgment upon the arbitration award may be entered by any court of competent jurisdiction. Notwithstanding the foregoing, nothing in this Article 19 shall be construed to prevent Buyer from seeking injunctive relief or other interim measures during the pending of the arbitration.
- 19.7 All notices to be given in connection with the arbitration shall be in writing. All notices shall be sent to BNC, to the address stated in Clause 16.1.

CLAUSE 19 - EXPORT LICENSE

- 19.1 Seller shall ensure compliance with U.S. and foreign laws, regulations and governmental requirements applicable in the context of selling to Buyer, the shipping to Brazil and other transactions contemplated by this Contract, including, without limitation, all special identification marking requirements of the U.S. Coast Guard and the U.S. Department of Commerce.

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- 19.2 Seller shall obtain all licenses required for the export of the Equipment from the United States to Brazil. Upon Seller's request, Buyer will provide the Seller with a "Nontransferable and End Use Certificate" form DSP-83.
- 19.3 If no export license is required, Seller is required to notify buyer in writing.

CLAUSE 20 - ADDITIONAL EQUIPMENT

- 20.1 Seller agrees to provide Buyer with data relating to any improvement which may be introduced during the useful life of the Equipment.
- 20.2 If Buyer decides to incorporate these modifications, the cost of providing such data, including modifications in the documentation, will be borne by the Buyer.
- 20.3 Buyer shall have the right to purchase additional equipment related to the object of this Contract. Any additional purchase will be made through an Amendment to this contract.
- 20.4 The terms and delivery schedule will be agreed upon by both parties, before the signature of the Amendment.

CLAUSE 21 - LIABILITY FOR NEGLIGENCE

- 21.1 Seller shall be liable for any death or personal injury, and loss of or damages to property caused by their negligence that might occur, while processing and fulfilling this contract and while its validity.
- 21.2 Buyer shall be liable for any death or personal injury, and loss of or damages to property caused by their negligence that might occur, while processing this contract and while its validity.

CLAUSE 22 - TERMINATION

- 22.1 In the event of a material breach by either party of its obligations under this Contract or, in the case of the Seller, non-delivery of conforming products in accordance herewith, the aggrieved party may, but is not required to, terminate this Contract for default in whole or in part, and seek the remedies as set forth below.
- 22.2 Buyer may terminate this Contract, in whole or in part, for Seller's default by written notice to Seller in accordance with Article 15. If Buyer terminates this Contract in part, Seller shall continue performance of this Contract to the extent not terminated.
- 22.3 In the event of termination for Seller's default, Buyer shall have all remedies provided in this Contract and all rights and remedies available under applicable law. The rights and remedies of Buyer under this Contract are cumulative with, and in addition to, all other rights and remedies available under applicable law.
- 22.4 Buyer may terminate this Contract by written notice addressed to the Seller, if:
- Delivery is due for more than 3 (three) months, as per Clause 9;
 - The Seller fails to comply with any other contractual obligations and does not take measures to remedy such default, within 30 (thirty) days from the receipt of the written notice from the Buyer, requesting them to do so;
 - The Seller fails to make satisfactory progress in the work and services, so as to endanger performance in accordance with the terms of this contract, or perform any other provision resulting in material breach of the contract;
 - The Seller becomes insolvent, undergoes voluntary or compulsory liquidation, except for the purpose of consolidation or merger;
 - The Seller transfers or assigns its rights and obligations under this Contract, without the previous written consent from the Buyer.

- 22.5 In the event Buyer should terminate this Contract, in whole or in part, for convenience, Seller has the right to a negotiated cost incurred in the process of Equipment production commensurate with the work completed. This amount shall be negotiated between Buyer and Seller.

CLAUSE 23 - TECHNICAL DATA

- 23.1 Seller must provide all standard documentation and manuals required to identify the various components of the Equipment.
- 23.2 Upon request, the Seller will keep the Buyer updated regarding modifications in identification of the Equipment, its spare parts and about data related to handling the material.
- 23.3 All technical information from the documentation provided by the Seller for catalog purposes may be used in connection with national and international transactions. In case the specific data are classified as confidential, they will not be used outside the Brazilian Government without express authorization of the Seller.
- 23.4 The following data regarding the identification and handling of the items related to the Equipment will be required from the Seller:
- a) Item denomination;
 - b) Name and address of the Supplier;
 - c) Manufacturer reference number;
 - d) Item part number;
 - e) NATO Stock Number, if existent;
 - f) Price per unit in USD

Data including items "a" through "f" in Clause 24.4 will be provided for items included in the recommended spare parts kit. Data for other items related to the Equipment will be provided upon request on item by item basis.

- 23.5 Seller is responsible for all costs and expenses of providing the Catalog data as mentioned in this clause.

CLAUSE 24 - INTELLECTUAL PROPERTY RIGHTS

- 24.1 Seller warrants that the Equipment purchased hereunder does not infringe any patent registration granted by the Government of the United States and the Government of Brazil, any copyright, trade secret, or other intellectual property right in the United States or Brazil, with respect to the use of the Equipment delivered hereunder.
- 24.2 Seller agrees to hold harmless and protect the Buyer against any liability, including without limitation, costs, expenses and attorney's fees for or by reason of any actual or alleged infringement of any patent, copyright, trade secret or any intellectual property right arising out of the design, manufacture, use, sale, delivery or disposal of the Equipment furnished under this Contract

CLAUSE 25 – EFFECTIVE DATE

This Contract will come into force upon signatures by both parties commencing on October 16, 2018 and expiring on October 15, 2019 or remain into force until all obligations therein are satisfactorily fulfilled.



CLAUSE 26 – SUPERVISION

The execution of this Contract will be carried out by a Supervisor designated by the End User, whom will have total authority to:

- a) Reject material and services that are not in compliance with this contract;
- b) Take the necessary measures for cases covered by this contract;
- c) Require from SELLER, without any explanation, the immediate withdrawn of any personnel that inhibits the supervisor’s audit actions or that AMRJ consider not capable of performing their tasks.

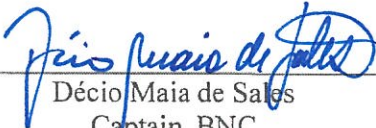
CLAUSE 27 – COPIES

This Contract is made in two original counterparts: one for the Buyer and one for the Seller. Copies of the contract will be provided to.

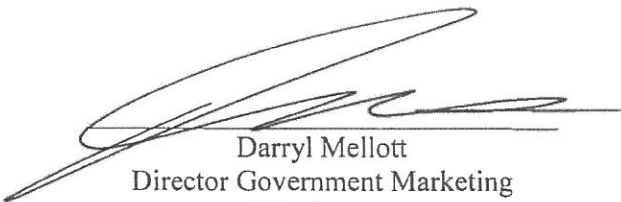
- a) Arsenal de Marinha do Rio de Janeiro
- b) Centro de Distribuição e Operações Aduaneiras da Marinha

And, it is hereby agreed that both parties have accepted the provisions of this Contract, which was read, agreed and signed by Captain Décio Maia de Sales, President of the Brazilian Naval Commission in Washington, representing the Buyer and Mr. Darryl Mellott, representing the Seller, and witnessed by LCDR Ana Cristina Rodrigues Brites Garcia and Mr. Mark Harlacher, for BNC and Manitowoc respectively.

Washington-DC, October 16, 2018

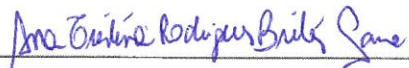


Décio Maia de Sales
Captain, BNC
President



Darryl Mellott
Director Government Marketing
Manitowoc

Witnesses:



Ana Cristina Rodrigues Brites Garcia
Commander, BNC
Head of Contracts Division



Mark Harlacher
Program manager
Manitowoc