

**Rules of Tender Auctions held  
by Tadano Used Crane Association**

**General Rules**

The rules shall be applicable to tender auctions (hereinafter called **tender auction**) held by the Tadano Used Crane Association. Therefore, those who desire to participate in such tender auctions shall meet requirements and observe provisions stipulated in the Rules below.

**Article 1 . Qualifications for Participation in Tender Auction**

Customers who are approved by the Tadano Used Crane Association ( hereinafter called TUCA ) and the TUCA Auction Committee ( hereinafter called Committee ) are entitled to participate in the tender auction.

General used-equipment dealers may likewise participate in the tender auction subject to prescribed bond being deposited.

**Article 2 . Procedures for Acquisition of Qualifications for Tender Auction**

**( 1 ) Procedures for approval of entry by TUCA and the Committee**

Acquisition of the tender auction qualifications makes it a condition that any customers for the purpose( hereinafter called Applicant )have a continued business relationship with any of TUCA members, and that the applicant has a trade license provided for by the Antique Dealings Law of Japan, which shall however be applied to the applicant who resides in Japan and does business domestically.

The applicant who meets the above requirements shall apply for the required qualifications for, and the approval of entry to, the tender auction participation to the TUCA member with whom the applicant is in business relations.

The TUCA member who received such an application from the applicant shall carefully examine the contents thereof, and deliver a recommendation letter to the Committee in case the member judges the applicant worthy of the qualifications and entry.

The Committee shall conduct a final examination in this relation, and the applicant who is approved by the Committee shall be entered and entitled to participate in the tender auction.

**( 2 ) Entry of General Used-Equipment Dealers to Tender Auction Participation**

General used-equipment dealers who are interested in participating in the tender auction shall deposit prescribed tender bond, by means of bank transfer into the designated bank account of TADANO IMES Co.,Ltd. ( hereinafter called IMES ) by the day before the tender auction takes place. IMES is being appointed by the Committee to arrange for the implementation of the tender auction.

Any bank transfer of the tender bond made without consent of IMES shall not be

accepted.

The bank transfer shall be made by mutual consent after due consultation with IMES.

The prescribed bond is fixed at J.¥500,000-, of which full amount shall be paid by bank transfer with no bank transfer charge being deducted from the said amount.

( Note ) : Basic handling way of the deposited bond

- The deposited bond shall be refunded by bank transfer upon the closing of the tender auction.
- In that case, however, the bank transfer charge incurred shall be deducted from the said amount.
- In case of a successful bidder, the deposited bond shall be appropriated for part of the purchase price.

Upon receipt of the tender bond at IMES, the relevant used-equipment dealer shall be an approved and qualified bidder for the tender auction.

The tender bond shall be remitted by bank transfer to the following :

Corporate Name : TADANO IMES Co., Ltd.

( address : 4-12 Kamezawa 2-chome, Sumida-ku, Tokyo 130-0014,Japan )

Bank Name : Mizuho Bank, Ltd., Honjo Branch

Account Number : 1774359

### **Article 3 . Bidding System**

Bids shall be accepted by means of facsimile, and addressed to the following facsimile number : +81-3-3621-7757

When bidding, the attached designated form shall be used. Bids quoted on different forms from the designated one shall not be accepted.

Bidders are requested to completely fill out the designated form. If there is any part left in blank, the bid shall not be accepted. Be sure to mention the bidder's name thereon with his or her signature.

Bidders who are recommended by TUCA members shall individually mention the member's name thereon.

Bids shall be quoted in Japanese Yen only excluding the consumption tax. Any bids quoted in foreign currency shall not be accepted.

Any bidders shall fully understand the following purchase terms and conditions prior to bidding :

- Any purchase price applicable to successful bidders shall be paid cash in Japanese Yen. When invoicing, the consumption tax ( currently 5% ) shall be added thereto.

( Note ) : The consumption tax shall be applicable to domestic trades for domestic use only.

- Delivery condition : Any purchased machine shall be “ as per the pertinent tender auction

data ” displayed on the Internet on an “ AS IS WHERE IS ” condition and “ released at the location specified on the Internet ”

- No warranty shall be provided for the purchased machine.
- No cancellation of, nor claim for, any purchased machine shall be accepted concerning the performance, quality or alleged defect thereof as well as against any discrepancy between the purchased machine and the pertinent displayed tender auction data due to a typographic error and so on.

Upon receipt of the bidding facsimile, IMES shall return to the bidder a copy thereof for acknowledgement duly signed by IMES.

#### **Article 4 . Condition of Successful Bid**

Each machine displayed on the Internet has a reserve price, which is the lowest acceptable tender auction price. Therefore, if the highest bidding price fails to reach the reserve price, then the tender auction for the displayed machine shall be regarded as void.

If no bidder appears, the tender auction for the displayed machine shall be handled as void likewise.

Any bidder who quoted the highest price in excess of the reserve price shall become a successful bidder. If there are two and more successful bidders, then the Committee shall determine which one is a winner by means of a lottery.

#### **Article 5 . After Successful Bid**

The bidding result will be informed to all of the bidders.

IMES, on behalf of TUCA and the Committee, shall send to the successful bidder a contract note ( which serves as a successful bid notice ) together with a covering invoice on which the consumption tax ( currently 5% ) shall be added to.

The successful bidder operating in Japan shall pay the purchase price with the consumption tax added thereto into the bank account designated by IMES within seven days from and including the date of receipt of the contract note.

Any successful bidder operating overseas shall remit the purchase price excluding the consumption tax into the bank account designated by IMES within two weeks from and including the date of receipt of the contract note.

In the event that any successful bidder fails to make the payment within two weeks from and including the date of receipt of the contract note, IMES, on behalf of TUCA and the Committee, shall have a right to cancel the contract note. In addition, in case of cancellation of the contract note, the successful bidder shall pay to IMES 20% of the purchase price as a penalty for breach of contract.

## **Article 6 . Delivery of Purchased Machine**

【Where to contact : IMES in case of domestic trades】

- IMES, on behalf of TUCA and the Committee, shall deliver the purchased machine to the successful bidder after the payment is confirmed.
- The successful bidder shall carry the purchased machine out from the pertinent location specified on the Internet at the cost of the bidder and on his or her own responsibility within two weeks after completion of the payment.

【Where to contact : IMES for export】

- Delivery of the purchased machine shall be made at the “pertinent location (port)” specified on the Internet.
- In case any successful bidder entrusts to IMES the work of inland transportation of the purchased machine from the delivered location (port) to an export port as well as necessary arrangements for the export formalities, then IMES may undertake such work on condition that all costs incurred or estimated for the work shall be paid cash in advance by the successful bidder.
- The successful bidder may likewise entrust such work to a TUCA member, his or her business partner, in which case the work shall be carried out, with mutual consent, after due consultation with the TUCA member.

## **Article 7 . Observation of Export Control Laws and Regulations**

In case the purchased machine is used overseas or exported to overseas, any successful bidder, on his or her own responsibility, shall observe the export / import control laws and regulations of Japan and the importing country, and all the necessary actions in this relation shall be taken by the successful bidder.

【Ovservation of Catch-all control】

- In the case where there is a concern over the purchased machine being used for development of weapons of mass destruction, from the viewpoint of the end use and end user involved, it shall be subject to export license, applied to, and approved by, the Ministry of Economy, Trade and Industry of Japan.
- In April, 2005, the said Ministry added cranes to the list of concerned commodities as being convertible into missiles.
- Under the Catch-all control, TUCA decided to establish its internal surveillance system, based on which TUCA will follow the law, rules and regulations pertinent to the foreign exchange and foreign trade law of Japan.
- The pertinent law shall be applicable to TUCA members and tender participants as well. Therefore, in the event of any violation for it being found after successful bidding, sales may be canceled.
- Even in case of any sales being confirmed, both a successful bidder and his or her final end

user shall make an oath that they will not use nor reuse the purchased machine for proliferation of weapons of mass destruction or any military purposes.

**Article 8 . Cancellation of Contract**

In case of violation of any provision stipulated in the pertinent Rules on the part of any successful bidder, IMES, on behalf of TUCA and the Committee, may cancel the contract note at any time.

**Article 9 . Governing Law and Jurisdiction**

The pertinent Rules shall be construed and governed by the Japanese Laws, and the Tokyo District Court shall be the court having jurisdiction for the first trial for any dispute related to the pertinent Rules.

**Article 10 . Discussion**

Issues that are not stipulated or determined by the pertinent Rules and questions concerning interpretation of the same shall be settled through faithful discussions between TUCA and the party concerned.