

Rules of Tadano Tender Auctions

General Rules

Tadano tender auctions take place under the auspices of TADANO LTD. and are implemented under the management of TADANO IMES LTD. (hereinafter called tender auction)

Therefore, those who desire to participate in tender auction shall meet requirements and observe provisions stipulated in the Rules below.

The said Rules shall be applicable solely to tender auction.

Article 1. – Qualifications for Participation in Tender Auction

1. Customers who are currently in a business relationship with TADANO LTD. (hereinafter called TADANO) and/or TADANO IMES LTD. (hereinafter called IMES) in terms of used cranes and other used equipment are entitled to participate in tender auction.
2. General used-equipment dealers may likewise participate in tender auction subject to examination by, and approval of, IMES.

Article 2. – Acquisition of Qualifications for Tender Auction and Deposit of Bond

1. Dealers in Article 1, Clause 2 who want to join tender auction shall deposit the prescribed bond by the time before tender auction takes place to acquire the qualifications for tender auction. The bond shall be paid into IMES's bank account by a bank transfer. However, any bank transfer of the bond without consent of IMES shall not be accepted. The bank transfer shall therefore be made by mutual consent after due consultation with IMES.
2. The bond is fixed at J. ¥500,000. - whose full amount shall be paid without deducting any bank charge incurred.
3. Once the receipt of the bond is confirmed by IMES, the said dealers shall be qualified to join tender auction.
4. The bond, in case of successful bidding, shall be appropriated for part of a contracted price. In the event of unsuccessful bidding, it shall be refunded by a bank transfer upon the closing of tender auction. In the latter case, however, any bank charge incurred for refundment shall be deducted from the said amount.
5. The bond shall be remitted by a bank transfer to the following:
Corporate Name : TADANO IMES LTD.
Address : 4-12 Kamezawa 2-chome, Sumida-ku, Tokyo 130-0014,, Japan
Bank Name : Mizuho Bank Ltd., Honjo Branch, Branch No. 050

Account No. : Ordinary 1774359

Articles 3. – Bidding System

1. Bids shall be accepted by means of facsimile alone, and addressed to the following facsimile number : +81-3-3621-7742
After acceptance of bidding facsimile, IMES shall return to each bidder a copy thereof duly signed by IMES for acknowledgement.
2. When bidding, the designated form shall be used. Bids quoted on different forms from the designated one shall not be accepted.
3. 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.
4. Bids shall be quoted in Japanese Yen only excluding the consumption tax. Any bids quoted in foreign currency shall not be accepted.
5. Bidders shall fully understand the following sales terms and conditions prior to bidding.
Payment of contracted prices shall be made cash in Japanese Yen. In case of domestic deals, a consumption tax (currently 5%) shall be added thereto.
Delivery condition of contracted machines 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 contracted machines.
No cancellation of, nor claim for, any contracted machines shall be accepted concerning the performance, quality or alleged defect thereof as well as against any discrepancy between the contracted machines and the pertinent tender auction data due to a typographic error and so on.

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, 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 bidders who quoted the highest price, then IMES shall determine who will be a winner by means of a lottery.

Article 5. – Successful Bid Notice and Other Related matters

Bidding results shall be informed to successful bidders by IMES.

IMES shall send to each successful bidder a contract note (which serves as a successful bid notice) along with a covering invoice including the consumption tax (currently 5%).

Successful bidders shall remit the invoiced amount to the bank account designated by IMES within seven days from and including the date of receipt of the contract note.

Successful bidders operating overseas shall remit the invoiced amount to 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 the prescribed period of time, IMES shall have a right to cancel the relevant contract note. In addition, in case of cancellation of the contract, the said successful bidder shall pay to IMES the money equal to 20% of the invoiced amount as a penalty for breach of contract.

Article 6. – Delivery of Contracted Machine

In case successful bidders are domestic dealers, IMES shall deliver them contracted machines upon its confirmation of receipt of the payment.

The successful bidder shall carry the contracted machines out from the pertinent location specified on the Internet at their cost and on their own responsibility within two weeks after completion of the payment.

In the event of successful bidders being overseas importers, IMES shall deliver them contracted machines upon its confirmation of receipt of the payment.

While the location of delivery is as specified on the Internet, IMES on their behalf will undertake the work of inland transportation of the contracted machines from the pertinent location to a port of lading as well as the necessary arrangements for the export formalities.

In this case the successful bidder shall pay IMES costs that will be determined separately for and including transportation, customs clearance, shipment and so on.

Article 7. – Observation of Export Control Laws and Regulations

In case contracted machines are used overseas or exported to overseas, successful bidders, on their

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 bidders.

[Observation of Catch-all control]

In the case where there is a concern over contracted machines being used for development of weapons of mass destruction, from the viewpoint of the end use or end users 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.

The relevant law shall be applicable to tender auction participants as well.

Therefore, in the event of any violation for it being found ever after successful bidding, contracts may be cancelled by IMES.

In case of any contracts being confirmed, both successful bidders and their end users shall make an oath that they will not use nor reuse the contracted machines 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 relevant Rules on the part of successful bidders, IMES may cancel the contract in question at any time.

Article 9. – Governing Law and Jurisdiction

The relevant 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 relevant Rules.

Article 10. – Discussion

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