

# KOBELCO Tender by KiT/KCT July 2010

## USED EQUIPMENT SALES FAIR BIDDING PROCEDURE

**QUALIFICATION** All companies and persons shall agree with the following BIDDING PROCEDURE and NOTICE of EXPORT CONTROL.

**NOTICE of EXPORT CONTROL** Please refer to the attached NOTICE of EXPORT CONTROL.

**Compliance**

- 1) The successful bidder who exports the subject products from Japan shall comply with the laws and regulations of the countries of destination concerning environment protection, product safety and so on, and shall complete all required steps (including but not limited to the required modifications, governmental approval, etc.) in accordance with such laws and regulations.
- 2) After the Successful Bidder wins a bid, KiT or KCT may do a case-by-case screening about the Successful Bidder(s), Custom and intended use of the Purchased Product(s) under the Export Control Laws and Regulations which may result in the following condition.
  - 1) KiT or KCT may extend the delivery date of the awarded machine(s) to the Purchaser(Successful Bidder) by the result of the above-mentioned screening(examination)
  - 2) KiT or KCT may limit on resale of the awarded machine(s) by the Purchaser(Successful Bidder) by the result of the above-mentioned screening(examination)
  - 3) KiT or KCT may cancel the acceptance of the bid by the result of the above-mentioned screening(examination)All of the Purchasers(Successful Bidders) are required to obtain prior consent of KiT or KCT in case the Purchaser(Successful Bidder) resells to the country & area designated by Japanese governmental authority concerned under Export Trade Control Order & also to Cuba, Syria, Eritrea.

**ENTRY**

- 1) Bid Entry Format is available at the Tender Reception.
- 2) Please fill in your Name and YOUR BID PRICE for the machine you want.
- 3) Please sign your name and submit to the tender reception.
- 4) After you get the copy, please shoot the original into the Tender Box.

**PERIOD**

Bidding period & time ( Japanese time )	
<b>Ichikawa</b>	<b>Kobe</b>
<b>Period; 1st July - 4th July '10</b>	<b>Period; 7th July - 10th July '10</b>
<b>End of tender; At 6PM 4th July '10</b>	<b>End of tender; At 6PM 10th July '10</b>
<b>End of Fax Bidding; At 5PM 4th July '10</b>	<b>End of Fax Bidding; At 5PM 10th July '10</b>

**BID PRICE**

- 1) This tender is conducted in Japanese Yen.
- 2) JPY 10,000.- shall be the minimum currency unit for Bidding Price.  
Any non-responsive Bid to this guideline will be rejected as " Non-Responsive".
- 3) The minimum price is effective during Bidding period & time only.
- 4) Every item sold ' AS IS & WHERE IS '.
- 5) For the Order on the delivery of FOB Japanese Ocean Port or CIF port of entry; the extra cost for Inland transportation to the Port of shipment, Customs Clearance, FOB Charge, Ocean Freight, Marine Insurance and else shall be additionally paid by Purchaser (Successful Bidder).  
For extra cost, please consult with us, if you wish us to arrange.
- 6) The followings are Bidding procedures only for " UNRESERVED Machine "  
JPY 10,000.- shall be also the minimum currency unit for "UNRESERVED Machine ".  
Any bidding price over JPY 10,000.- is acceptable.  
The highest bidding price is not shown during the Tender Period.  
The final results will be advised to the bidders only by means of e-mail PDF File attached or through FAX.  
Result of announcement is the same as mentioned below in "AWARD OF BID"

**AWARD OF BID**

- 1) The Bidder who offered highest bidding price becomes a Successful Bidder.
- 2) If there are more than two bidders offering the same highest bidding price, Successful Bidder will be selected by means of lottery (Lucky Draw) by KiT/KCT
- 3) **Award of Bid will be announced with following schedule by means of e-mail PDF file attached or through FAX.**  
**Result of Ichikawa; 5th July. Kobe; 12th July.**  
**If the announcement does not reach you by above mentioned days, please ask us to send.**

**TAXES & DUTIES**

The Price shall be net price and not include any Consumption Tax to be levied by the Japanese Government at the rate of five percent (5%). In case delivery terms are FOB or CIF, such Consumption Tax will not be levied.

**PAYMENT TERMS**

- 1) TTR fully in advance within fourteen (14) calendar days after Award of Bid.
- 2) As the alternative payment terms, an acceptable and irrevocable L/C at sight opened by the first class international bank will be accepted by KOBELCO.
- 3) All banking charges incurred shall be the account of Purchaser (Successful Bidder).

**DELIVERY**

- 1) Delivery (Ex-Yard) will be made upon receipt of the full payment by TTR or L/C at sight.
- 2) In case Purchaser (Successful Bidder) wishes to select the delivery terms of **Ex-yard Used Machinery Center**, the Purchaser shall be responsible for arrangement of suitable transportation method to the final destination and for instruction to KOBELCO within fourteen (14) calendar days after the payment.
- 2) In case Purchaser (Successful Bidder) wishes to select the delivery terms of **FOB Japanese Ocean Port**, Purchaser shall be responsible for arrangement of suitable vessel from the agreed ocean port to the final destination and for instruction to KOBELCO within fourteen (14) calendar days after the payment. Consult with us for extra cost concerning FOB prior to T/T Remittance or Opening L/C. Please refer to the attached sheet for FOB charges and Ocean Freight.
- 3) In case Purchaser (Successful Bidder) wishes to select the delivery terms of **CIF Port of Entry**, KOBELCO will advise shipment schedule soon after receipt of payment or L/C. Consult with us for extra cost concerning CIF prior to T/T Remittance or Opening L/C. Please refer to the attached sheet for FOB charges and Ocean Freight.
- 4) INCOTERMS 2000 shall be generally referred and applied for this agreement.

**WARRANTY**

- 1) The condition of Sale shall be on "As it is" and on "Bare or Naked"
- 2) No guarantees made or warranties implied.
- 3) KOBELCO products being sold here today are designed and built to suite Japanese safety industrial standards, statutory regulations and requirements. They do not have non-Japanese warning labels nor manuals. It is strictly your responsibility to take necessary measures to make the machines which you take from this tender ground comply with the safety industrial standards, statutory regulations and requirements in the countries or areas where you are bringing into.

**SPECIAL WASHING**

- 1) Subject to the destination of shipment and depending the relevant Governmental regulations of Country. Equipment shall be cleanly washed.
- 2) Purchaser (Successful Bidder) shall indicate if the special extra washing treatment is required.
- 3) The extra cost for washing treatment shall be consulted with KOBELCO.

**CANCELLATION**

- 1) Once the Bid was accepted by KiT or KCT. No cancellation by the Bidder will be allowed.
- 2) In case of the cancellation according to successful bidder's reasons, the successful bidder shall pay 20% of the price to KiT or KCT as a liquidated damages.
- 3) Notwithstanding the above-mentioned 1) and 2) in this section, if Purchaser (Successful Bidder) fails to pay or to open L/C within fourteen (14) calendar days after Award of Bid, KOBELCO withhold a right to cancel the said Award.

KOBELCO machines listed here are designed and manufactured according to the Japanese standards and requirements for use in Japan.

When using this machine outside of Japan, it is required to confirm that the specifications of this machine comply or are adapted to comply with standards and requirements in a country where this machine is used.

"NOTICE of EXPORT CONTROL"

(1) Objective

Upon the Resolution over Decision on Nonproliferation of Weapons of Mass Destruction at the United Nations, the Ministry of Economy, Trade and Industry ("METI") of Japan established national Security Trade Control Programs to prevent proliferation of weapons of mass destruction and excessive stockpiling of conventional weapons.

Japan's Security Trade Control Programs also abide by the government's strict principles controlling arms export.

Based upon the national programs, KOBELCO Construction Machinery Co., Ltd. ("KCM") established in-house export control rules and the export activities of KOBELCO International Trading ("KIT"), as a subsidiary of KCM, are regulated according to the rules.

(2) Compliance with Export Control Laws and Regulations

The person and/or company who purchases and exports KIT's commodities or merchandise is obligated to comply with the Japanese Foreign Exchange and Foreign Trade Law, Export Trade Control Order and all other related laws, regulations or ordinances as well as the U.S. Re-export Regulations and the similar laws and regulations of other countries (if applicable) (hereinafter collectively referred to "Export Control Laws and Regulations").

(3) Destination countries and/or areas

METI publishes lists showing concerned countries and/or areas under the Security Trade Control Programs. The person and/or company who exports KIT's commodities or merchandise to such countries and/or areas may be subject to examination by METI and may be obligated to obtain export license from METI as a condition to entering into export contracts.

(4) End-users and/or buyers

The person and/or company purchases KIT's commodities or merchandise is obligated to pledge to KIT that the end-users and/or buyers will abide by Export Control Laws and Regulations and will not use them for any activities related to proliferation of mass destruction weapons or any other military purpose.

METI and the U.S. Department of State/Department of Commerce issue lists showing persons and/or companies who actually committed activities related to proliferation of mass destruction weapons or whose activities imposed a risk of diverting exported and re-exported items into programs related to weapons of mass destruction. It is our policy to prevent any export of KIT's commodity or merchandise destined to such concerned end-users.

(5) Use

KIT's commodities or merchandize shall be used for civil use only. The person and/or company who purchases KIT's commodities or merchandize is obligated to pledge to KIT that he or it shall not use them for any of the following purposes:

- (i) Sale, development, manufacture, use, transport or storage of conventional weapons, weapons of mass destruction including nuclear weapons, chemical weapons, biological weapons, spraying system of these weapons, missiles and unmanned aircrafts for delivery of these weapons, and the related items such as manufacturing facilities; and
- (ii) Other use for which licenses of METI or other foreign authorities are required to export under Export Control Laws and Regulations and out of such use licenses are not issued.

I have read and understood the statement of Notice of Export Control above, and comply with the regulations of Japanese government and policy of Kobelco Construction Machinery CO.,LTD.

"NOTICE of EXPORT CONTROL"

(1) Objective

Upon the Resolution over Decision on Nonproliferation of Weapons of Mass Destruction at the United Nations, the Ministry of Economy, Trade and Industry ("METI") of Japan established national Security Trade Control Programs to prevent proliferation of weapons of mass destruction and excessive stockpiling of conventional weapons.

Japan's Security Trade Control Programs also abide by the government's strict principles controlling arms export.

Based upon the national programs, KOBELCO Cranes Co., Ltd. ("KCL") established in-house export control rules and the export activities of KOBELCO Cranes Trading ("KCT"), as a subsidiary of KCL, are regulated according to the rules.

(2) Compliance with Export Control Laws and Regulations

The person and/or company who purchases and exports KCT's commodities or merchandise is obligated to comply with the Japanese Foreign Exchange and Foreign Trade Law, Export Trade Control Order and all other related laws, regulations or ordinances as well as the U.S. Re-export Regulations and the similar laws and regulations of other countries (if applicable) (hereinafter collectively referred to "Export Control Laws and Regulations").

(3) Destination countries and/or areas

METI publishes lists showing concerned countries and/or areas under the Security Trade Control Programs. The person and/or company who exports KCT's commodities or merchandise to such countries and/or areas may be subject to examination by METI and may be obligated to obtain export license from METI as a condition to entering into export contracts.

(4) End-users and/or buyers

The person and/or company purchases KCT's commodities or merchandise is obligated to pledge to KCT that the end-users and/or buyers will abide by Export Control Laws and Regulations and will not use them for any activities related to proliferation of mass destruction weapons or any other military purpose.

METI and the U.S. Department of State/Department of Commerce issue lists showing persons and/or companies who actually committed activities related to proliferation of mass destruction weapons or whose activities imposed a risk of diverting exported and re-exported items into programs related to weapons of mass destruction. It is our policy to prevent any export of KCT's commodity or merchandise destined to such concerned end-users.

(5) Use

KCT's commodities or merchandize shall be used for civil use only. The person and/or company who purchases KCT's commodities or merchandize is obligated to pledge to KCT that he or it shall not use them for any of the following purposes:

- (i) Sale, development, manufacture, use, transport or storage of conventional weapons, weapons of mass destruction including nuclear weapons, chemical weapons, biological weapons, spraying system of these weapons, missiles and unmanned aircrafts for delivery of these weapons, and the related items such as manufacturing facilities; and
- (ii) Other use for which licenses of METI or other foreign authorities are required to export under Export Control Laws and Regulations and out of such use licenses are not issued.

I have read and understood the statement of Notice of Export Control above, and comply with the regulations of Japanese government and policy of Kobelco Cranes CO.,LTD.