

Terms and Conditions of Kaiho Truck Net Auction Membership

Chapter 1 General Rules

Article 1 (Objective and Relation among Parties)

1. The main objective of these **Terms and Conditions of Kaiho Truck Net Auction Membership** (“Terms and Conditions”) is to provide, through Kaiho Truck Net Auction (“KTN Auction”), to (i) those who completed membership registration of exhibiting member (“Exhibiting Member”) and (ii) those who completed membership registration of bidding member (“Bidding Member”) (Exhibiting Member and Bidding Member shall be collectively referred to as the "Members") with opportunities of entering into a sale and purchase agreement of used automobiles, etc., (“SP Item(s)”) between an exhibitor and a successful bidder of the auction (“SPA”) pursuant to the Terms and Conditions.
2. Only the Members shall be allowed to participate in the KTN Auction. In order to exhibit SP Items in the KTN Auction, the Member shall be required to have been registered as an Exhibiting Member, and in order to make a bid in the KTN Auction, the Member shall be required to have been registered as a Bidding Member.
3. KAIHO INDUSTRY Co., Ltd. (“Company”) engages in the SPA as a manager and operator of KTN Auction, however, the seller and the purchaser under the SPA are relevant exhibitor and successful bidder and **THE COMPANY SHALL BEAR NO RESPONSIBILITIES OR LIABILITIES UNDER THE SPA AND SHALL PROVIDE NO GUARANTEES IN RELATION TO THE SP ITEMS.**

Article 2 (Management / Operations, etc.)

1. The Company shall be entitled to manage and operate KTN Auction including its web site.
2. The Company may from time to time post the start date and time for bidding and deadline date and time for bidding regarding the SP Items on the KTN Auction website. The Company may, at its sole discretion, cancel or postpone the auction, cancel the Member’s exhibition or bidding, and invalidate the auction which has been carried out. In such case, the Members shall make no objections to the Company and comply with the Company’s instructions.
3. The intellectual property right and usage right of data and information, such as vehicle information, etc., provided in the KTN Auction belongs exclusively to the Company and the Members and any third party are strongly prohibited from reuse of the data and information, such as re-posting them without the Company’s permission.

Article 3 (Handling of Personal Information)

1. In order to ensure smooth flow of operations of KTN Auction, the Company may request submission of personal information to the Members. The personal information means information of living individual which identifies a party, such as name, address, phone number and date of birth.
2. The use of personal information shall be limited to the following purposes:
 - (1) For the operation or management of KTN Auction or to provide services relating to or incidental to KTN Auction;
 - (2) To improve services offered by KTN Auction, to develop new services, and to provide instructions and explanation, etc., in relation to such services;
 - (3) To affiliate with other auction, to provide services, etc., relating to or incidental to such affiliation.
3. Personal information provided shall not be shared with a third party with the exception of the following:
 - (1) if permission is granted by the party who provided the information;
 - (2) if disclosure of information is requested by court, tax office, police station or any other public institutions;
 - (3) disclosure of information to the business alliance, business consignee of the Company or their candidates in order for the Company to provide its services;
 - (4) disclosure to the successful bidder and the exhibitor of the other party's name, address, telephone/fax number, email address, name of the personnel in charge, and other contact information relating to the SPA which has been executed between them;
or
 - (5) if the Company deems the disclosure of information necessary or appropriate for the operation of KTN Auction.
4. The Company shall take appropriate measures to prevent leakage, misuse, falsification and loss of personal information which the Company acquired.

Article 4 (Countermeasure and Disclaimer, etc., under Unforeseen Circumstances)

1. Countermeasures in case of occurrence of unforeseen circumstances
In case of occurrence of natural disasters, breakdown of computers, facilities, etc., or other unforeseen circumstances, the Company may decide not to carry out KTN Auction and may cancel, suspend or discontinue at any time the auction in process at its sole discretion. In such case, the Members shall comply with the Company's determination and instructions and shall not make any objections thereto.
2. **DISCLAIMER**
THE COMPANY SHALL NOT BEAR ANY RESPONSIBILITIES OR LIABILITIES FOR DAMAGES SUFFERED BY THE MEMBERS DUE TO ANY OF THE FOLLOWING:

- (1) DAMAGES CAUSED BY FAILURE, ETC., OF COMPUTER SOFTWARE, HARDWARE OR OTHER SYSTEM;
 - (2) DAMAGES CAUSED BY FAILURE, ETC., OF COMMUNICATION DEVICE OR COMMUNICATION LINE, ETC.;
 - (3) DAMAGES CAUSED BY MATTERS ATTRIBUTABLE TO THE MEMBER, SUCH AS THE MEMBER'S MISTAKE IN ITS OPERATION OF THE AUCTION PROCESS;
 - (4) DAMAGES CAUSED BY NATURAL DISASTERS, FIRE, ABNORMAL ELECTRIC CURRENT, ETC., OR OTHER FORCE MAJURE EVENT; OR
 - (5) DAMAGES CAUSED BY UNFORESEEN CIRCUMSTANCES OTHER THAN ANY OF THE ABOVE.
3. THE COMPANY SHALL BE RESPONSIBLE ONLY FOR THE DAMAGES SUFFERED BY THE MEMBER DUE TO COMPANY'S WILLFUL MISCONDUCT OR GROSS NEGLIGENCE. PROVIDED, HOWEVER THAT UNDER ANY CIRCUMSTANCES, THE COMPANY SHALL BEAR NO RESPONSIBILITIES OR LIABILITIES FOR INDIRECT, INCIDENTAL OR CONSEQUENTIAL LOSS OR DAMAGES, INCLUDING THE LOSS OF PROFIT OR LOSS OF BUSINESS OPPORTUNITIES.

Article 5 (Amendment of Terms)

The Company may amend and add new provisions to the Terms and Conditions (including, but not limited to contents and amount, etc., regarding fees, etc., described in Exhibits hereto) without obtaining the consent of the Members. The newly amended or added terms and conditions shall effectuate on and from the time when the Company posted them on the KTN Auction website.

Article 6 (About Service Provision)

The Company may suspend or cease the provision of the KTN Auction service at any time. In principle, the Company shall make notice of suspension or cease of the services in advance through its website, etc., however, the Company may suspend or cease the services without advance notice in case of emergency.

Article 7 (Compensation for Damages)

The Member shall indemnify the Company for the loss and damages incurred by the Company due to the Member's breach or violation of the Terms and Conditions or the SPA.

Article 8 (Vehicle Information)

The information provided by the Company to the Members, including the information

regarding a vehicle is for reference purpose only and THE COMPANY MAKES NO REPRESENTATION OR WARRANTIES REGARDING THE ACCURACY OR CORRECTNESS OF THE INFORMATION OR NON-EXISTENCE OF DEFECTS IN THE SP ITEMS. THE COMPANY SHALL BEAR NO RESPONSIBILITIES OR LIABILITIES FOR THE INCORRECTNESS OR INACCURACY OF THE INFORMATION OR DEFECTS OF THE SP ITEMS.

Chapter 2 Membership

Article 9 (Membership Qualification)

1. Unless otherwise approved by the Company, Members shall be required to satisfy all of the following qualifications.
 - (1) Qualification which are common to an Exhibiting Member and a Bidding Member
 - (i) The party submitted all documents required by the Company pursuant to Paragraph 1 of Article 10;
 - (ii) The party has a business base with which the Company can contact within the Company's business hours; and
 - (iii) The party does not fall into any of the Antisocial Forces.
 - (2) Qualification to be an Exhibiting Member
 - (i) The party is a *kaisha* incorporated under the laws of Japan; and
 - (ii) The party has a license under the Secondhand Articles Dealers Act ("*furumonogyoho*"), provided, however, that this does not apply to a case where such license is not required, such as the case where the party exhibits the vehicle which became a second hand product through its own usage.
 - (3) Qualification to be a Bidding Member
 - (i) The party has a license under the Secondhand Articles Dealers Act ("*furumonogyoho*"); and
 - (ii) The party mainly engages in sales of used goods such as automobiles, motorcycles, construction machinery, agricultural machinery, etc.
2. A Bidding Member shall be required to deposit security money to the Company prior to making an actual bid in the auction pursuant to the Terms and Conditions.

Article 10 (Membership Registration)

1. Those who desire to become a Member ("Candidate") shall submit the following documents to the Company. The Company may conduct an interview, etc., to a Candidate. Registration conditions and procedures may differ depending on the Company's determination:

- (1) Membership application form;
 - (2) Certified copy of commercial registration;
 - (3) Copy of secondhand articles dealer license ;
 - (4) Letter of covenants in a form designated by the Company; and
 - (5) any other documents or materials designated by the Company.
2. The Company may reject the membership application of a party whom the Company deems not appropriate to be a Member, including the following cases. Under any circumstances, the Company shall not be required to disclose or explain the reason of such rejection.
- (1) If a party or any of its officers has received a bankruptcy order or issued a check or note which was unpaid, within the last five (5) year period;
 - (2) If a party or any of its officers has been subject to civil rehabilitation proceedings or company reorganization proceedings within the last five (5) year period;
 - (3) If a party or any of its officers has received a conviction (including a judgment with suspended execution of sentence) beyond imprisonment in criminal cases in the past;
 - (4) If the Company concludes that a party or any of its officers or employees falls into (i) organized crime group (*boryokudan*), (ii) organized crime group (*boryokudan*) affiliated companies, (iii) extortionists (*sokaiya*), (iv) groups engaging in criminal activities under the pretext of conducting social campaigns, etc. (*shakaiundotohyobogoro*), (v) crime groups specialized in intellectual crimes, etc., (*tokushuchinoboryokushudanto*), (vi) member or quasi-member of any of (i) through (v) above, or (vii) a party who supports, engages in or has supported or engaged in activities, maintenance or operation of any of (i) through (vi) above by means such as provision of funds or other means ((i) through (vii) collectively referred to as “Antisocial Forces”); or
 - (5) If the Company concludes that the party does not qualify for membership for any other reason.
3. A Candidate becomes a Member at the time of the Company’s issuance, by email or other means, of notice to the Candidate to the effect that the Company accepts the Candidate’s application for membership registration (“Application Acceptance Notice”) after the Candidate’s submission of the documents described in Paragraph 1 above.
4. The term of the membership shall commence on and from the issuance date of the Application Acceptance Notice and shall continue to be effective until the end of the year to which the issuance date of the Application Acceptance Notice belongs (if the issuance date of the Application Acceptance Notice is in December, until the end of the next year of the year to which the issuance date of the Application Acceptance Notice belongs). The term of the membership shall be automatically renewed for a further period of one (1) year, beginning on and from January 1st until December 31, and for successive one (1)

year periods thereafter unless either the Company or the Member notifies the other party in writing, at least thirty (30) days prior to the expiration of the initial term or any renewed term, of its intention not to renew the membership.

Article 11 (Rights of Members)

The Members may use only the functions granted to the Members under the KTN Auction within the scope granted by the Company.

Article 12 (Obligations of Members)

1. A Member shall sincerely comply with the Terms and Conditions and the Company's instructions.
2. A Member shall promptly notify in writing to the Company in case of change in the matters stated in the membership application form such as name, representative, head office address, contact information, business form, etc. In such case, the Member shall submit to the Company a certified copy of the commercial registration (if the Member is a legal entity), residence certificate ("*juminhyo*") (if the Member is an individual) or other documents designated by the Company.

Article 13 (Restrictions on Members' rights)

In case of occurrence of any Item described in Paragraph 1, Paragraph 2 of Article 14 or any Item described in Article 15, or if the Company deems it necessary to do so taking into consideration the transaction status of a Member, the Company may restrict the rights of the Member by means the Company deems appropriate, including, but not limited to, taking the following measures:

- (1) The Company may cancel the bidding or exhibiting made by the Member;
- (2) The Company may (i) ban the Member from participation to the auction, or (ii) set additional conditions to participate in the auction and demand the Member to satisfy the same; and
- (3) The Company may set the maximum bid limit for each of the Members respectively.

Article 14 (Prohibited Actions and Termination of Membership)

1. The Members shall refrain from committing any of the following actions:
 - (1) Direct sale and purchase of the SP Items which are currently or have been the subject of KTN Auction within the last six (6) month period without going through the KTN Auction;
 - (2) Tampering with the meter of the vehicle, making false statement, explanation or report to the Company or other Members with respect to the SP Items;
 - (3) Obstructing the bidding of other Members;

- (4) Bidding by the exhibitor for the SP Items which the exhibitor itself exhibited in the auction;
 - (5) Contacting the exhibitor (seller) or a party who is indicated as a former owner of vehicle in the registration, etc., by a successful bidder without permission from the Company;
 - (6) Ignoring or failure to comply with the Company's instructions;
 - (7) Having transaction with any of the Antisocial Forces, including provisions of financial or any other support to any of the Antisocial Forces; or
 - (8) Breach or violation of any of the Terms and Conditions, the SPA or any other actions which are not appropriate as a Member.
2. The Company may terminate immediately the membership of the Member by sending a notice to the Member if:
- (1) the Member committed any of the actions described in Paragraph 1 above;
 - (2) the Member fails to make payment of the sale and purchase price of the SP Items, fees or other debts by the due date designated by the Company;
 - (3) the Member receives an order of attachment, provisional attachment or provisional disposition, etc.; or
 - (4) it turned out that the Member lacks its qualification to be a Member, including the case where (i) the Member, (ii) its officer or employee or (iii) party which substantially controls the Member falls into any of the Antisocial Forces.

Article 15 (Loss of Membership)

Members shall lose their membership as a Member at the time of occurrence of any of the following without the Company's notice to such Member:

- (1) If the Member receives bankruptcy order, civil rehabilitation procedure commencement order, corporate reorganization procedure commencement order or commencement order of any other insolvency procedure, or if the Member voluntarily files a petition for any of the foregoing;
- (2) If payment is not made for checks or notes issued by the Member;
- (3) Withdrawal of the membership by the Member; or
- (4) If it becomes impossible for the Company to contact the Member for more than 365 days.

Article 16 (Expiration, Termination or Loss of Membership and the SPA, etc.)

1. In principle, bidding for or exhibition of the SP Items shall become invalid in case of expiration, termination or loss of membership during such bidding or exhibition. Provided, however, that (i) the Company shall be entitled to demand the exhibitor to pay the "Exhibitor Fees" even if the exhibition becomes invalid and (ii) the Company may, at

its sole discretion, deem and treat such bidding or exhibition as effective bidding or exhibition depending upon the situation.

2. In case of occurrence of expiration, termination or loss of membership after the execution of the SPA, the parties shall perform the SPA in accordance with the Terms and Conditions.

Chapter 3 Basic Structure of the Auction

Article 17 (Exhibition)

1. An Exhibiting Member shall be allowed to exhibit SP Items as an exhibitor in the KTN Auction pursuant to the Terms and Conditions.
2. The Company may restrict the contents of SP Items (including, but not limited to, the number of vehicles, vehicle name and manufacturing year) at the sole discretion of the Company.

Article 18 (Condition of Vehicles to be Exhibited and Exhibitor's Obligations, etc.)

1. An Exhibiting Member may exhibit only those vehicles which satisfy the requirements described in Exhibit 1 (Conditions relating to Vehicles to be Exhibited).
2. With the care of a good manager, an exhibitor shall clean and conduct thorough inspection and maintenance of the vehicle (including cleaning and inspection of the loading platform, tank and crane, etc., attached to the vehicle ("Attached Installation")) and make accurate report in writing to the Company regarding the specifications, quality, defects, etc., of the vehicle and the Attached Installation.
3. The exhibitor shall describe the items specified in Exhibit 2 accurately in an exhibition application form designated by the Company. The exhibitor shall bear all and full responsibility for the contents of such description.
4. In case of reporting travel distance of a vehicle, the exhibitor shall describe the actual running distance accurately in the exhibition application form. Also, if the vehicle to be exhibited falls under any of the "Tampered Meter Vehicle", "Replaced Meter Vehicle" or "Over MK Vehicle" as described in Exhibit 3, the exhibitor shall describe the matters described in Exhibit 3 accurately in the exhibition application form and report the same to the Company.
5. If the Company has doubts about the accuracy of the contents of the exhibition application form submitted by the exhibitor or other reports of the exhibitor, the Company may, at its sole discretion, cancel the exhibition of such vehicle. Even in such case, the exhibitor shall pay the Agent Fee described in Exhibit (Fees) 1 and relevant consumption tax to the Company.

6. If any change will be made in appearance of installation or vehicle from description in or photos attached to the exhibition application form by the time of delivery of the vehicle, the exhibitor shall expressly indicate to that effect in the column of the special notes in the exhibition application form.
7. The exhibitor may cancel exhibition of the SP Items only if the exhibitor sends the Company a written notice to that effect by 1700 hour on the preceding date of the date on which the auction starts. Such exhibitor shall pay the Agent Fee described in Exhibit (Fees) 1 and relevant consumption tax to the Company.

Article 19 (Bidding and Security Money)

1. Only the Bidding Member who deposited to the Company security money in the amount designated by the Company pursuant to the Company's instructions shall be allowed to make a bid in the auction.
2. The security money shall be deposited for the purpose to secure the obligations which Bidding Member owes under the Terms and Conditions and/or the SPA to (i) the Company, such as payment obligations of fees and expenses and any other payment obligations and (ii) the exhibitor, such as payment obligations of sale and purchase price of the SP Items and expenses and other payment obligations ((i) and (ii) collectively referred to as "Secured Obligations"). Only after the auction and completion of payment of the Secured Obligations in full and if there is any remaining of the security money, the Company shall return such remaining of the security money to the Bidding Member upon the Bidding Member's request. THE BIDDING MEMBER SHALL NOT BE ALLOWED TO ALLEGE SET OFF OF ITS OBLIGATIONS OWED TO THE COMPANY OR THE EXHIBITOR UNDER THE TERMS AND CONDITIONS OR THE SPA AGAINST THE BIDDING MEMBER'S CLAIMS FOR RETURN OF THE SECURITY MONEY. NO INTEREST SHALL ACCRUE WITH RESPECT TO THE SECURITY MONEY AND THE COMPANY SHALL NOT BEAR ANY OBLIGATIONS TO PAY INTEREST TO THE BIDDING MEMBER WITH RESPECT TO THE SECURITY MONEY. The remittance fee for repayment of the remaining of the security money shall be borne by the Bidding Member.
3. A party who intends to make bidding shall make bidding at bidding unit of one (1) thousand Japanese Yen.
4. Bidding, re-bidding and cancellation of the bidding may be allowed only by the deadline time of the bid.

Article 20 (Successful Bid)

1. Among the bidding made during the period beginning from the starting time of the bidding until the deadline time of the bidding ("Bidding Period"), the Company

- determines, in principle, that the bidder who made the bid of the highest price to be the successful bidder of the bid. Provided, however that the bid shall not be successful if the highest price is less than the lowest successful bid price.
2. If several bidders made bids of the same highest price, the Company shall determine, in principle, that the bidder who made such bid the earliest to be the successful bidder of the bid.
 3. Notwithstanding Paragraphs 1 and 2 above, the SPA shall be deemed to have been executed between the Exhibiting Member of the SP Items and the Bidding Member who made the successful bid for the SP Items at the time when the Company notifies them by email that the sale and purchase agreement of the SP Items has been executed between them.
 4. If the SPA is terminated pursuant to the Terms and Conditions, or if the SPA is not executed between the exhibitor and the successful bidder who made the bid of the highest price due to any other reason, the Company may, at its sole discretion, determine (i) the bidder who made the bid of the second highest price or (ii) other bidder to be the successful bidder.
 5. The Members shall make no objections in relation to the Company's determination of the successful bidders and shall comply with the Company's determination.

Article 21 (Termination of SPA by Payment of Cancellation Fee)

A successful bidder may terminate the SPA by sending the Company a notice to that effect via email by 17:00 of the next business day of the deadline date of bidding. The successful bidder shall pay the Company the following amount pursuant to the Company's instruction:

- (1) Cancellation fee of JPY50,000;
- (2) Exhibitor Fees described in the Exhibit (Fees); and
- (3) Consumption tax with respect to (1) and (2) above.

Chapter 4 Payment of Fees and Price of SP Items

Article 22 (Fees)

1. The exhibitor shall pay the Company "Exhibitor Fees" described in the Exhibit (Fees) ((i) Agent Fee, (ii) Input Service Fee, (iii) Transportation Expenses and (iv) Successful Fees) pursuant to the Company's invoice.
2. The successful bidder shall pay the Company the Successful Bidder Fees described in Exhibit (Fees) ((i) Successful Bidding Fee, (ii) Shipping/Custom Clearance Fee, Expenses, Etc.) pursuant to the Company's invoice.

Article 23 (Price settlement after successful bidding)

1. The successful bidder shall pay (i) the sale and purchase price of the SP Items (the amount by which the bidder won the bid), (ii) Successful Bidder Fees described in the Exhibit (Fees), (iii) consumption tax regarding (i) and (ii) above, (iv) recycling fees, (v) automobile tax which shall be borne by the successful bidder and other expenses for transportation and custom clearance, etc., pursuant to the Company's invoice by making remittance to a bank account designated by the Company.
2. Remittance fee (including the receiving bank's fees for handling receipt of remittance from abroad, etc.) shall be borne by the successful bidder.
3. The successful bidder shall make the payment under the Terms and Conditions only by cash and payment by notes or checks are not allowed.

Article 24 (Settlement of Payment)

1. The Company shall pay to the exhibitor, by making a remittance to the bank account designated by the exhibitor, the remaining amount ("Remaining Amount") calculated by deducting the following amount from the amount which the successful bidder actually remitted to the bank account designated by the Company under the preceding Article. Provided, however, that the remittance fee shall be borne by the exhibitor;
 - (1) Exhibitor Fees;
 - (2) Successful Bidder Fees;
 - (3) Consumption tax for (1) and (2); and
 - (4) Other fees which shall be borne by the exhibitor or the successful bidder.
2. Fulfillment of all of the following shall be the condition precedent for the Company's payment to the exhibitor under Paragraph 1 above, and such payment shall be made within three (3) business days after all of the following conditions are fulfilled:
 - (1) All of the documents required for registration of ownership transfer and other documents required by the Company has been submitted by the exhibitor to the Company; and
 - (2) Successful bidder's completion of payment in full of the amount described in Paragraph 1 of Article 23 by making remittance to the Company's bank account pursuant to the Company's invoice.

Article 25 (Transfer of Ownership, Risk of Loss)

Vehicle ownership and risk of loss shall transfer from the exhibitor to the successful bidder at the time when the Company made remittance of the Remaining Amount to the exhibitor pursuant to the preceding Article (the date on which such remittance is made shall be referred to as "Remittance Date").

Article 26 (Delivery of Vehicles which was successfully won by the bidder)

1. After the Remittance Date, the Company shall inform the successful bidder of a certain date (“Delivery Date”) as the delivery date of the vehicle which is the SP Item. The successful bidder shall take possession of such vehicle from the exhibitor at the location designated by the Company within six (6) business days on and from the Delivery Date (“Take Over Period”).
2. Any and all expenses arising from or relating to the delivery, transportation and custom clearance, etc., of the vehicle shall be borne by the successful bidder.
3. The successful bidder shall inform the Company information necessary for delivery of the vehicles, such as (i) the pickup date and time and (ii) name of the personnel or the company which is in charge of picking up the vehicle and their contact information, by the preceding day of the date on which the successful bidder intends to pick up the vehicle at the latest.
4. If the successful bidder fails to pick up the vehicle within the Take Over Period, the successful bidder shall pay a delay fee of Two Thousand (2,000) yen per day and per one (1) vehicle on and from the next date of the last date of the Take Over Period to the Company or the exhibitor whichever has the custody of the vehicle.

Article 27 (Exhibitor’s Obligations regarding Submission of Documents, etc.)

1. An exhibitor of the vehicle which was successfully won by the bidder shall submit the following documents relating to the vehicle to the Company within six (6) business days from the deadline date of bidding:
 - (1) documents required for the registration application (including, but not limited to, vehicle inspection certificate (*shakensho*), transfer certificate (*joto shomeisho*), document which proves payment of automobile tax, seal certificate and certified copy of the commercial registration of the exhibitor, etc.);
 - (2) documents relating to the Attached Installation (including, but not limited to, certificate of completion inspection of tank vehicle, etc.);
 - (3) recycle ticket or deposit status sheet of the recycling fee for automobile; and
 - (4) other documents or materials request by the Company.
2. Documents required for the registration application shall be those documents which can be used for registration in any place in Japan and shall be valid and can be used for registration application at the last date of the next month after the month to which the bidding deadline date belongs.
3. If the successful bidder fails to submit documents and materials to the Company under Paragraph 1 of this Article, the successful bidder shall pay a delay fee of Two Thousand (2,000) yen per day and per one (1) vehicle to the Company on and from the next date of the due date of submission.

Article 28 (Successful Bidder's Obligations for Ownership Change Registration, etc.)

1. The Company shall deliver the documents necessary for the registration application of the vehicle which was successfully won by the bidder to the successful bidder within (20) business days after the Remittance Date.
2. Within five (5) business days after the receipt of the documents necessary for the registration application ("Registration Procedure Period"), the successful bidder shall complete procedure of registration of changes, such as registration of ownership transfer, etc., and submit a copy of the vehicle inspection certificate (*shakensho*) reflecting such changes to the Company.
3. If the successful bidder fails to complete procedure of registration of changes by the end of the Registration Procedure Period, the successful bidder shall pay a delay fee of Two Thousand (2,000) yen per day and per one (1) vehicle to the Company on and from the next date of the last date of the Registration Procedure Period.
4. After the successful bidder's receipt of the documents necessary for the registration application, any and all loss and damages arising from the delay of the registration of changes shall be borne by the successful bidder.

Article 29 (Settlement of Automobile Tax)

The successful bidder and the exhibitor shall bear and settle the automobile tax pursuant to the Company's instructions, which has been paid prior to the execution of the SPA for the vehicle which was successfully won by the bidder.

Article 30 (Limitation of Liabilities of Exhibitor, etc.)

1. SP ITEMS SHALL BE SOLD AND PURCHASED UNDER THE SPA "AS-IS" BASIS WITHOUT WARRANTY OF ANY KIND. THE EXHIBITOR SHALL NOT BEAR SELLER'S LIABILITIES AGAINST DEFECTS ("*kashitannposekinin*") WITH RESPECT TO THE SP ITEMS.
2. Notwithstanding the preceding Paragraph, if the exhibitor breaches or violates any terms or conditions described in Article 18, Exhibit 1, Exhibit 2 or Exhibit 3 and the successful bidder cannot achieve the purpose of the SPA due to such breach or violation (including, but not limited to the case where the exhibitor failed to expressly indicate in the exhibition application form that vehicle falls into "Tampered Meter Vehicle", "Replaced Meter Vehicle", "Over MK Vehicle" or "Flooded Vehicle"), the successful bidder may terminate the SPA. In such case, if the SPA cannot be terminated, the successful bidder may only demand compensation for damages.
3. Successful bidder shall exercise the right of termination of agreement and/or right to demand compensation for damages under this Article within thirty (30) days after the

Delivery Date designated by the Company (“Exercise Period”) by making a written notice to the exhibitor. Provided, however, that the Exercise Period shall be ninety (90) days if the successful bidder locates outside of Japan.

Article 31 (Termination of SPA, etc.)

1. If the successful bidder fails to make payment to the Company under Paragraph 1 of Article 23 (“Non-Payment”), the exhibitor may terminate the SPA by sending a notice to the successful bidder. If the exhibitor terminates the SPA, the exhibitor shall promptly provide a copy of the said notice to the Company.
2. If the exhibitor fails to submit documents to the Company under Paragraph 1 of Article 27 (“Non-Submission”), the successful bidder may terminate the SPA by sending a notice to the exhibitor. If the successful bidder terminates the SPA, the successful bidder shall promptly provide a copy of the said notice to the Company.
3. In case of occurrence of Non-Payment, the Company, as well as the exhibitor, may terminate the SPA by sending a notice to the successful bidder. In case of occurrence of Non-Submission, the Company, as well as the successful bidder, may terminate the SPA by sending a notice to the exhibitor. For clarification, each of (i) the exhibitor, (ii) the successful bidder and (iii) the Company may exercise its termination right solely by itself.

Article 32 (Effect of Termination)

1. If the SPA is terminated due to matters attributable to the exhibitor, the exhibitor shall pay to the Company both (i) the Exhibitor Fees described in Exhibit (Fees) 1 and (ii) the Successful Bidder Fees described in Exhibit (Fees) 2.
2. If the SPA is terminated due to matters attributable to the successful bidder, the successful bidder shall pay to the Company both (i) the Exhibitor Fees described in Exhibit (Fees) 1, (ii) Cancellation fee of JPY50,000, and (iii) Consumption tax with respect to (ii) above.
3. In case of termination of the SPA prior to the Company’s remittance of the Remaining Amount to the exhibitor, the Company shall return the Remaining Amount to the successful bidder. The Company shall not bear any responsibilities or liabilities to pay any interest with respect to such amount to be returned.
4. In case of termination of the SPA prior to the Company’s delivery of the documents to the successful bidder under Article 28, the Company shall return such documents to the exhibitor.

Article 33 (Governing Law, Jurisdiction, etc.)

1. The Terms and Conditions and the SPA shall be governed by and construed in accordance with the laws of Japan.
2. Any disputes between (i) Members or (ii) any Member and the Company arising from, relating to, or in connection with the Terms and Conditions and/or the SPA (“Disputes”) shall be submitted to the exclusive jurisdiction of the Tokyo District Court as a court of first instance.
3. Notwithstanding the preceding Paragraph, the Company and/or any Member in Japan may submit the Disputes to The Japan Commercial Arbitration Association for arbitration. In such case, arbitration shall be conducted in Tokyo, Japan in accordance with the Commercial Arbitration Rules of The Japan Commercial Arbitration Association. The award rendered by the arbitrator(s) shall be final and binding upon the parties thereto.
4. The Members shall comply with instructions which the Company made for the purpose to resolve the Disputes and submit a written report regarding the Disputes upon the Company’s request. For clarification, this Paragraph applies to the party even after it loses the membership as a Member until the completion of resolution of the Disputes.

1. Exhibitor Fees

Agent Fee	Small passenger car/Light (Kei) car: JPY5,500 per one vehicle Small size vehicle /Middle size vehicle (total weight less than 8t): JPY11,000 per one vehicle Large size vehicle (total weight 8t or more): JPY16,500 per one vehicle
Input Service Fee	JPY1,100
Travel Expenses	Depending upon the location of the vehicle, the Company may separately demand the payment of the travel expenses, etc., which the Company's staff spent for confirmation of the vehicle.
Successful Fees	Upon execution of the SPA, eight (8) % of the amount at which the vehicle was successfully won by the bidder per one vehicle

2. Successful Bidder Fees

Successful Bidding Fee	Small passenger car/Light (Kei) car: JPY5,500 per one vehicle Small size vehicle /Middle size vehicle (total weight less than 8t): JPY16,500 per one vehicle Large size vehicle (total weight 8t or more): JPY22,000 per one vehicle
Shipping/Custom Clearance Fee, Expenses, Etc.	If the Company ships the vehicle which was successfully won by the bidder upon the successful bidder's request, the Company may separately demand the payment of the fees and expenses, etc., relating to the shipment and custom clearance, etc.

Revised on October 1st, 2019