

Terms and Conditions for Entry of Equipment

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These terms and Conditions provide rules for putting up equipment in the Internet Auction JEN Corp. ("JEN") holds.

1. Qualification

- (1) JEN Auction is available only to JEN's network members.
- (2) JEN Auction is held for used construction machinery traders. Membership is limited to traders who have undergone JEN's examination. Traders who are introduced and endorsed by other auction companies operated by manufacturers and/or traders.
- (3) Domestic Members who are required to possess Used Articles Dealer's Licenses are requested to inform JEN of their respective License Number, Prefecture from which License was issued and the Name of Licensee.

2. Elimination of Antisocial Group

- (1) The following people or group of people cannot participate in JEN Auction.
 - (a) Gangster organization, gangsters, quasi-gangsters, gangster-related enterprises
 - (b) Fixers of stockholders' meetings, racketeers in disguise with propaganda or social welfare activities, swindler groups (such as in remittance fraud cases)
 - (c) Others that correspond to the items enumerated above
- (2) Executing acts indicated below by Consigner himself/herself or with the help of the Third Party is prohibited.
 - (a) Violent demanding acts
 - (b) Unreasonable demanding acts
 - (c) Threatening words and deeds or acts of violence regarding the deal
 - (d) Frauds, acts of damaging JEN's reputation by influence or acts of disturbing JEN's businesses
 - (e) Others that correspond to items enumerated above

3. Terms for Entry the Equipment in the Auction

The equipment to be listed in the auction must meet the following conditions.

- (1) The equipment (*) to be put up in the auction must be used construction equipment (including used vehicles and parts) owned by Consignor and is limited to the equipment that is stored in the Consignor's Yard. Equipment commissioned in some ongoing specific work or equipment which is subject of sale negotiation with any other Customer cannot be put up in the auction.
 - (*) The equipment to be put up in the auction must not be a stolen or lost property. There should be no remaining debt or mortgage, or no right of pledge left on the equipment. And there should be no binding condition attached to the item from either creditor or debtor so that no third party including the third party in good faith can claim any right to the item.
- (2) Once Consigner has made application and entrusted the sale of the subject equipment to JEN, he/she must not make a deal with the Third Party regarding the subject item until the auction close.
- (3) "Machines damaged by accidents", "machines turned over on their sides", machines without legible name

plates”, “machines without confirmed engraved serial numbers”, “inoperative machines”, machines with important parts missing”, “imported used construction machines”, “items such as parts that are unable to self-travel”, etc. can be put up in the auction. However, clear explanation of each of such conditions is required. Moreover, when it is difficult to take a photo of the belly pan of a vehicle, or the frame has been corroded due to salt or snow-melting agent, or a crack has been developed, Consigner is required to inform us of such condition without fail at the application of Auction Entry.

If some discrepancy, change or defect (including hidden flaw) is found, after the successful sale, between the actual condition of the equipment and what was described in the Condition Report (irrespective of who having done inspection originally, Consigner or JEN), and if some form of settlement becomes necessary for the Successful Bidder, Consigner shall be responsible for all expenses. Please be aware that Consigner is responsible for loading work when the delivery of equipment is conducted in terms of Freight on Board. (See 8-(2))

- (4) "Model/Serial number", "Maker", "Production year", "Operation hour (Hour meter)" are informed relying on data registered by the Consignor before the auction. If there is found lie in registered information that caused big complaints from Successful Bidder or the Third Party, the Consignor must follow the rules of JEN Auction about cancelation and compensation.

If you are not sure in information of "Serial Number", "Hour" and other content for registration, please kindly contact with JEN CORP before registration.

But concerning "Hour" we will notice in "Feature & Comment" that Hour meter is wrong, if we detect a discrepancy of registered content before the enter in auction through the records of selling at other auctions or records of repairing.

Also, in case when the unit was purchased at other auction and entered in JEN Auction, if we detect that the Consignor intentionally changed "Hour", we remove the unit from auction list and put the name of Consignor in Black List at homepage of JEN CORP.

- (5) Regarding the Entry of vehicles or construction equipment, if it will be known that the Hour Meter Count has been changed without notifying in advance by Consigner before Entry. The compensation for all expenses including loss for claims and cancellation will be borne by Consigner. Also, if the falsification of Hour Meter Count is disclosed, Consigner become object of criminal punishment.
- (6) Consigner is required, when necessary, to submit to JEN, prior to the auction, a photocopy set of documents such as the “Deed of Transfer”, “Registration of Cancellation”, or “Vehicle Inspection Certificate”. Upon the successful sale of the equipment, Consigner is required to send the original of such documents to JEN. (See 9-(3))
- (7) If the equipment Consigner is putting up in the Auction comes with a Recycle Ticket, he/she is requested to include the amount of the Recycle Ticket (in the Japanese Yen value) in the Starting Price for the Auction.
- (8) When there is not enough fuel for transport or transfer of the entry equipment, Consigner is required to supply appropriate amount of fuel.
- (9) All the entry equipment must undergo Washing before the Auction Entry. (No mud by visual inspection)
- (10) The items with high level of radiation (more than 0.3 Micro-sievert) are available for Entry, but level of radiation with maximum values must be reported in advance. As a rule, the sale of items with high level of radiation is available only for domestic sale. If the overseas Buyer made a bid for item with high level of radiation, decision of cancellation shall be discussed and finally the Buyer shall follow the policy of

JEN. If the item was consigned without previous report of high level radiation, the deal shall be canceled. Regardless the reason all charges and damage will be borne by Consignor.

- (11) Consigner cannot cancel the Entry Registration after his/her equipment has been displayed on the website. When the cancellation is unavoidable under inevitable circumstances, Consigner is responsible for the damage incurred and must pay the damage compensation to JEN within five working days.
- (12) Cancellation before Successful Sale
Consigner must pay, for Entry Cancellation, the same amount of the Sales Commission as in a case the equipment is sold at the Starting Price.
- (13) Cancellation after Successful Sale
Consigner is totally responsible for the cancellation and must pay JEN's Sales Commission, Penalty (10% of the Sold Price (minimum JPY100,000)), all other costs for processing the deal and compensation for all the damage.
- (14) Consignment Sales Contract of equipment is made at the point when it is successfully sold in the auction. But Consigner have to agree to cancellation the contract if there are reasonable reasons.
- (15) Entry equipment needs to be kept within Japan. If Consignor wishes to put up equipment located overseas, prior consultation is necessary.

4. Cancellation of Sales Contract and Complaints

When Consignor acts contrary to the Terms for Consigning Equipment in the Auction described in Clause 3, or when any severe defects which have not been identified from photos, condition reports are discovered, Sales Contracts become subject to cancellation or may result in causing complaints, despite the following conditions:

- (a) whether the settlement for the subject equipment is over or not;
- (b) herever the subject equipment may be kept (including overseas);
- (c) under whoever the control of the subject equipment may be.

(a) Cancellation

Consigner is totally responsible for the cancellation and must pay to JEN, within five working days, the necessary amount of money including sales price of the subject equipment, all charges regarding the deal and the compensation for the loss.

(b) Complaints

JEN discusses with Consigner and the successful bidder respectively. Those concerned, however, are requested to agree to JEN's final decision.

5. Approval for Auction Entry

JEN reserves the right to determine, even after the acceptance of the entry application, whether or not each equipment may be put up in the Auction as well as Auction schedule.

6. Registration as Consigner

All members are required to agree to the contents of these Terms and Conditions and fill out the JEN Auction Entry Agreement and submit it to JEN prior to the first Auction Entry Application.

7. Sales Commission and Charges

(1) Entry fee
 Case of Entry after carrying Equipment into JEN's Designated Delivery Yard JPY5,000
 (at the time of successful bid)
 (Not Applicable when the Starting Price is lowered by JPY10,000 or more)

(2) Commission
 when Sale Price (highest bid price) is JPY4,000,000 or less 5%
 over JPY4,000,000 up to JPY10,000,000 4%
 over JPY10,000,000 3%
 Minimum Commission JPY20,000

(3) Others Fee

(a) Inspection Fee

Operating Weight Under 20t and box-shaped items JPY10,000
 Operating Weight 20t and over JPY15,000
 Special Vehicles, Cranes Price on Application
 * Consignor shall be charged with Travel fee (actual travel costs) of JEN's Sales Staff.

(b) Washing and Repair work Charge (in place of consignor)

JPY6,000(one mechanic/ hour) + material expenses+ material expenses + Travel Cost

(c) Parking Charge

①About the units carried into a Shipping Forwarder's Yard by the name registry of JEN before Sale.

If Consignor has carried his/her equipment into a Shipping Forwarder's Yard by the name registry of JEN before Sale, Parking Charge will be charged from the date of Carry-In to the date of Auction close date (Purchase date). If Consignor carried out his equipment due to some necessity, Parking Charge will be charged from the date of Carry-in to the date of Carry-Out.

②About the units carried into NORI's Yard.

If Consignor has carried his/her equipment into NORI Narita yard, Parking Charge will be charged from the date of 61st day after Carry-in to the date of successful bid.

If Consignor has carried his/her equipment into NORI Narita yard, Parking Charge will be charged from the date of 21st day after Carry-in to the date of successful bid.

If Consignor carried out his equipment due to some necessity, Parking Charge will be charged from the Start Date of Parking Charge to the date of Carry-Out.

Parking Charge for ①&② will be charged per the day as below. But in case of set of units, Storage Fee will be applicable for each unit separately. If you have any question, please contact with staff of JEN.

Parking Charge

Parts/ Attachment JPY300/Day
 Box type Equipment (except large size) JPY/400/Day
 Operating weight 5t less JPY400/Day
 Operating weight 5t up to 20t less JPY500/Day
 Operating weight 20t or over JPY600/Day ~ *

*Please contact with JEN Corp to check the rate of Storage Fee

(d) Releasing Charge

If Consignor has carried his/her equipment into a Shipping Forwarder's Yard by the name registry of JEN before Sale and carried out his equipment due to some necessity, Releasing Charge (JPY5,000~JPY30,000) will be required.

Delivery Yard (F:Forwarder)	
TOMAKOMAIPORT-A	KURIBAYASHI Co., Ltd
TOMAKOMAI CITY	TORANS WORK Co., Ltd
YOKOHAMA PORT-A	KEINARA Co., Ltd.
YOKOHAMA PORT-D	WAKYO SHOJI Co., Ltd.
YOKOHAMA PORT-B	Eye-Eye TRANS Co., Ltd.
YOKOHAMA PORT-C	KYODO SHOKAI Co., Ltd.
YOKOHAMA PORT-E	NISSHIN Co.
OSAKA PORT-A	MARUSHIN KOUN Co., Ltd.
OSAKA SOUTH PORT	DAISHO KOUN Co., Ltd
KOBE PORT-A	SHOSEN KOUN Co., Ltd.
KOBE PORT-B	UNI-X NCT CORPORATION
KOBE PORT-C	NISSIN CORPORATION KOBE
KOBE PORT-E	SHINRYO KOUN Co., Ltd.
KOBE SOUTH PORT	DAISHO KOUN Co., Ltd
HAKATA PORT-B	SANKYU Inc. HAKATA
HAKATA PORT-C	KAMIGUMI Co., Ltd HAKATA
FUKUOKA YARD-A	URSA Co., Ltd.

(e) Others (such as conducting necessary works in place of Consigner) Actual Expenses

* If Consignor has carried his/her equipment into NORI yard, please contact with Business Staff (in charge).

8. Auction Entry Application and Procedure for Putting Up Equipment in the Auction

Please consult with JEN's Sales Staff, first of all, about the Auction Entry Application and how to put up equipment in JEN Auction.

(1) Pre-Auction Inspection (Preparing Condition Report) and Taking photos

(a) When Consigner conducts inspection himself/herself, there will be no charge. However, if the difference or change from the content shown in the Condition Report or defect (including flaw invisible from outside) is found, and the consultation becomes necessary with the successful bidder after the Auction, Consigner is responsible for all the necessary damage compensation including that for cancellation.

(b) When Consigner asks JEN to conduct inspection for him/her, he/she is charged with Inspection Fee. (As for Yard-Visit Inspection, consult our Sales Staff.)

(2) Entry Yard and Delivery Yard

(a) When Entry yard is Consigner's Own Yard and Delivery Yard is also Consigner's Yard:

Trucking Charge for the Equipment from Consigner's Yard to JEN-Designated Forwarder's Yard for exportation must be indicated. (Consult our Sales Staff.).

Consigner is responsible for keeping the subject equipment appropriately until the equipment is transferred.

Settlement for the sold equipment is made at the time of or after the transfer according to the

Settlement Rules.

- (b) When Entry Yard is Consigner's Own Yard and Delivery Yard is one of JEN's Designated Delivery Yards (See Web):

Within one week after the successful sale in the Auction, Consigner is required to carry the subject equipment into the Designated Delivery Yard at his/her own expense. After confirmation of the Carry-in, settlement for the sold equipment is made according to the Settlement Rules.

- (c) When both Entry Yard and Delivery Yard are JEN's Designated Delivery Yard:

Inspection of the subject equipment is made by JEN. Consigner is responsible for the Inspection Fee. Until the equipment is successfully sold, the ownership remains under the name of Consigner. At the time of the successful sale, consigner is required to transfer the title to JEN without delay. After the change of the title, settlement for the subject equipment is made according to the Settlement Rules.

9. Settlement Rules

- (1) JEN faxes an account statement indicating the balance after deducting the designated costs (Entry fee, Commission, Repair Work Charge, charge for attaching/detaching attachments, Inspection Fee in place of Consigner, Trucking Charge, etc.) from the Sale Price (highest bid price) of the equipment.

- (2) Consigner confirms the contents of the account statement and fills in the Consigner's name and puts his/her seal and sends it back to JEN's office by Fax. This serves as Consigner's Invoice to JEN.

- (3) When there is/are document(s) pertinent to the subject equipment, the payment to Consigner is made after such document(s) has/have reached JEN. Consigner is requested to send the Original Document(s) to JEN's office within five working days after Auction close date (Purchase date).

(When confirmation of engraved frame serial number or engine serial number becomes necessary, the settlement is made after the confirmation.)

- (4) Settlement Rules according to Auction Entry Place and Delivery Yard

- (a) In case that Auction Entry is made from Consigner's Yard and the Designated Delivery Yard is also Consigner's yard

The Settlement is made within two days after the Carry-Out of the purchased equipment.

- (b) In case that Auction Entry is made from Consigner's Yard and the Delivery Yard is JEN's Designated Delivery Yard:

The Settlement is made within one week after the confirmation of the Carry-In of the purchased equipment to JEN's Designated Delivery Yard.

- (c) In case of the Auction Entry from JEN's Designated Delivery Yard:

The Settlement is made within one week after the Transfer of the Title of the purchased equipment.

※When such abnormalities as falsification of serial number, ownership claim from a third party, or striking difference in condition are detected, JEN may refuse the settlement for the subject equipment even after JEN has received the Sale Price (highest bid price) from the successful bidder. Furthermore, even after the settlement, JEN can claim the compensation (including cancellation) for damages from Consigner. Consigner is required to send such compensation to JEN within five working days.

10. Negotiation over Withdrawn Equipment and Re-Entry in the Auction

- (1) Negotiation over Withdrawn Equipment

Negotiation over the Equipment withdrawn from Auction starts with a purchase offer for the equipment

by Buyer. If the purchase of the withdrawn equipment is made on the same day as the original Auction Day, the settlement condition is just the same as the purchase is made during the Auction. If the purchase of the withdrawn equipment is made in days after the Auction Day, The amounts of Commission, Entry Fee, other fees and charges and sales conditions are the same as in the Auction.

(2) Re-Entry in the Auction

If Consigner re-enters his/her formerly withdrawn equipment at the same price as before, JEN will collect JPY2,000 from Consigner as Re-Entry Fee. *If Consigner lowers the Starting Price of the formerly withdrawn equipment by JPY10,000 or over, the above rule does not apply.

(See 7. Commission Fees and Charges)

11. Governing Law and Revision

- (1) No part of rights and duties of JEN Auction Membership shall be transferred or sublet to any third party.
- (2) JEN reserves the right to refuse the entry of equipment by such auction member as obstruct or may obstruct the fair operation of the auction or can terminate his/her JEN Auction Membership without prior notice.
- (3) JEN reserves the right to revise these rules, if need be, without prior notice.
- (4) When issues and problems that are not stipulated by these rules take place or some uncertainty regarding the interpretation of rules arises, JEN and Consigner shall seek for mutually acceptable solution through consultation with each other.
- (5) These Terms and Conditions shall be governed by the Japanese laws and all disputes shall be submitted to Tokyo District Court as the Court of First Instance.

12. Indemnity in JEN Auction Service

- (1) The content of JEN Auction Service is limited to what JEN can offer at any point of time, and JEN shall not be responsible for the completeness, correctness, applicability nor usefulness of the data, etc. kept by a third party
- (2) JEN shall not be responsible for the loss or falsification by a third party of the data, etc. which Auction Member has kept in his/her digital terminal for the use in JEN Auction.
- (3) JEN shall not be responsible nor have an obligation to compensate for the loss suffered by Auction Member through the use of JEN Auction Service (including the loss suffered through the trouble between Auction Member and a third party). JEN shall neither be responsible nor have an obligation to compensate for the loss suffered by Auction Member or a third party because of not being able to use the JEN Auction Service.
- (4) JEN shall not be responsible for the loss suffered in any of the following cases.
 - (a) The loss suffered due to the malfunction of the hardware and/or software of the computers owned by JEN and JEN's associated organizations
 - (b) The loss suffered due to communication failure (including failure due to Auction Member's equipment)
 - (c) The loss suffered due to natural disasters, lightning, fires, abnormal current and other uncontrollable situations which made JEN unable to operate normally or provide JEN Auction Service properly"
 - (d) The loss suffered because the ID/Password of Auction Member were stolen, irrespective of reason, by a third party

- (e) The loss suffered due to the failure by Auction Member in operating his/her equipment
- (f) Other kinds of losses due to reasons for which it is impossible for JEN to be responsible