

## Terms and Conditions for Bidding in JEN Auction

This "Terms and Conditions for Bidding in JEN Auction" regulates conditions for participation in Auction under the sponsorship of JEN Corp.

### 1. Qualification

- (1) JEN Auction is available only to registered members of JEN Auction provided by 'JEN Corp' and registration is required prior to participation in JEN Auction.
- (2) Auction is held for used machinery traders. In order to participate in the Auction, Security Deposit of JPY500,000 is necessary. (\*1) Be advised that introduction and guarantee from other auction companies or manufacturers and traders conducting construction machine auctions are required for the registration for JEN Auction.

\*1: JEN Corp. receives Security Deposit from JEN Auction Member.

- Amount of the Security Deposit is JPY500,000.
  - There shall be no interest accumulated for the Security Deposit.
  - The Security Deposit shall guarantee the debt the Member may owe JEN Auction (including NORI Auction) in participating in our Auction.
  - The remaining amount of the Security Deposit shall be returned to the Member after it is applied to the outstanding amount the Auction Member owes JEN Corp. (including NORI Enterprise), when the membership is canceled. However, JEN Corp. will be exempted from returning the Security Deposit, when no application for return has been made within three (3) years from the date of Membership Cancellation.
- (3) JEN Auction members residing in Japan need to be Licensed Used Articles Dealers and are required to indicate their respective Registered Used Articles Dealer Number, Name and Location of Registration.

### 2. Procedure for the Registration for JEN Auction

- (1) Apply through our web-site at: <http://www.jencorp.net>.
- (2) JEN Corp. will send an e-mail to the applicant informing about the transfer route of deposit after JEN Corp. has received an application.
- (3) JEN Corp. will register the applicant as a bidder when the transfer of the deposit is confirmed and contact the bidder by e-mail.

### 3. Procedure for Bidding

- (1) Bidding shall be made only through internet (\*2).
- (2) JEN Auction employs "Buy it now" and "Bid up" systems. In the case of a "Buy it now" item, the first bidder is the successful bidder. In the other case, a "Bid up" item, the bidder who offers the highest price becomes the successful bidder when the auction of a given machine is closed (\*3).
- (3) Successful bidders will be charged with "Contract Fee" of JPY10,000 per item.
- (4) JEN Corp. shall send a "confirmation notice of the successful bid" by e-mail and an "invoice" by fax to

the successful bidder. When we send these two documents, we regard our contract has concluded. He/she takes responsibility for all the risk of loss once we send above two documents.

(5) JEN cannot be held responsible for any damage suffered due to internet communication environment problems on either the bidder's or JEN's part resulting in delayed reception or non acceptance of bids.

\*2: A bid price is unable to be changed or cancelled, regardless of the reason.

\*3: All displayed prices on Auction are in Japanese yen. All transaction related to successful bids must be made in Japanese yen.

#### 4. Terms of Payment

(1) The successful bidder shall complete the payment within one week(\*4) from the date that he receives the confirmation notice of the successful bid by e-mail. The ownership of the purchased equipment shall be transferred to the successful bidder when the payment is confirmed by JEN Corp.

(2) Only T/T is accepted for the payment. (L/C and cash payment shall not be accepted.)

Bank transfer charges shall be covered by the successful bidder.

(3) The successful bid price is defined as the price of the item sold "AS IS/WHERE IS" condition. Consumption tax will be applied to the successful bidder operating in Japan.

\*4: If the payment of the price is not made within one week after the confirmation notice is e-mailed, JEN Corp. shall take one of the following two actions:

(a) When JEN Corp. deems it as a delay of payment, the successful bidder shall pay the Late Fee that would be calculated as an annual interest of 7.6% of the purchased product's price multiplied by the delayed days.

(b) When JEN Corp. deems it as a cancellation, the successful bidder shall pay the penalty for the breach of contract, that is the higher one between JPY500,000 deposit and 25% of the bid price of the subject equipment.

#### 5. Carry-out

(1) The successful bidder is required to give JEN an advance notice, by the previous day, of the carry-out date and time and transport company name of the purchased equipment. When there is no such advance notice, there may be cases where the purchased equipment cannot be carried out (\*8).

(2) The purchased equipment shall be carried out from the NORI yard (Narita/Kobe) or other designated yard indicated at "Delivery Yard" on the Auction page within three weeks(\*5) after the auction of a given equipment is closed (\*6).

(3) The successful bidder shall pay for the charges of purchased equipment's transportation, delivery, washing, FOB charge, and others.

(4) The successful bidder shall be liable for damages or losses caused by any reasons which may be incurred after the auction. (e.g., oil leakage, rust, adhesion, weak battery, and others).

(5) The successful bidder shall be liable for necessary repairs when the purchased equipment is carried out, delivered, or shipped (\*7).

(6) The successful bidder shall be liable for any injury or accident related to carrying-out.

\*5: Storage is free basically for the period of three "3" weeks, and after three weeks Storage Charge of JPY200--JPY500 is required daily per item (except for special and large-sized equipment with other specific amount of charge).

\*6: In some cases the purchased equipment is placed in the owner's yard. In such a case, it takes about one week for the purchased equipment to be transported from the local area to the designated delivery yard.

\*7: JEN Corp. handles repair works at a specified NORI yard at the request of the successful bidder. The charge shall be JPY6,000 per hour per one mechanic plus prices of parts and materials.

\*8: When the successful bidder carries out the purchased equipment without giving JEN an advance notice, the successful bidder shall be liable for any differences or unusual points about the purchased equipment after the carrying-out, and relieve JEN from any responsibility for them.

## **6. Warranty**

(1) Every item is sold "AS IS/WHERE IS."

(2) The purpose of the condition report is for the reference and not to guarantee the condition of machines including "working hour" (\*9).

\*9: Note:

a) Condition report shows model year, working hour and machine information as much as possible. However JEN Corp. does NOT guarantee this information.

b) Yellow colored condition remark shows that serious problem may occur in unusual operation. However JEN Corp. does NOT guarantee this information.

## **7. Right to Cancel any Bid and the Contract**

JEN Corp. may cancel any bids and contracts at any time with no indemnity including but not limited to the following cases:

(1) AUCTION DATA error

(2) Inability of the ownership transfer of the purchased item

## **8. Governing Law and Alteration Rights**

(1) The membership cannot be sublet nor transferred to the third party.

(2) JEN Corp. reserves the right to suspend those who participate in JEN Auction without prior notification, when JEN Corp. deems those participants would interfere with the auction.

(3) JEN Corp. may revise these rules from time to time as the need should arise.

(4) Issues and problems that are not stipulated in the rules shall be resolved through discussion between JEN Corp. and the members concerned for a compromise acceptable to all.

(5) These rules shall be governed by the Japanese law and Tokyo district court shall be the first trial court when any dispute should occur.