

GENERAL TERMS AND CONDITIONS FOR THE SUPPLY OF PRODUCTS AND SERVICES

Article 1. PREAMBLE

1.1 Parts-Mall Corporation (hereinafter referred as “PMC”) will proceed future transactions with Customer based on this General Terms and Conditions unless both parties agreed on separate Agreement and/or each contract.

Article 2. PRICE

The Unit Price of GENUINE and REPLACEMENT items supplied by us can be changed by the following reasons.

Manufacturer Prices : The manufacturers used to change their prices periodically or without any prior notice and this change is totally beyond our control. This price change is mainly due to the cost of raw material and labors.

Exchange Rates : Unit prices also can be changed depending upon the movement of foreign exchange rates such as Won-Dollar and Won-Euro. Note that we buy from our suppliers mostly by Korean Won, not by US Dollar. We change our sales price in case there is a drastic up and/or down in the exchange rates.

If the Customer confirmed orders within the validity date of quotations and fulfill the agreed payment, prices would not be changed although the official price increase factors are announced. We are obliged to send revised quotation with new price for the pending quotations which passed the validity date.

3. PRICE TERMS

We carry unit prices based on EXW (Parts Net Values) condition ONLY in our Offer sheet and Web Order Price and additional costs will be added to other Price Terms as below;

- FOB Amount : EXW Total + INLAND Cost + Additional Packing (If necessary)
- CFR Amount : FOB Amount + OCEANFREIGHT
- CIF Amount : CFR Amount + INSURANCE

INLAND cost means the costs accompanied with the delivery from our warehouse to the vessel such as Trucking, CY/Terminal charge, Custom clearance, Documentation and so on.

- 20 feet container : \$700 (Its rate is based on 1st of Jan, 2019)
- 40 feet container : \$800 (Its rate is based on 1st of Jan, 2019)

Additional Packing means that our basic export packing is CARTON and additional packing such as Wooden package can be necessary for items like body parts, glass parts to avoid possible damage in the course of transportation. This additional packing will be subject to a prior approval from the Customer and the cost will be added to Invoice.

OCEAN FREIGHT cost varies depending on container type (20 ft / 40 ft / 40 ft High Cubic) and destination parts.

INSURANCE varies depending on total invoice amount.

4. PAYMENT TERMS

The basic Payment terms is T/T, L/C, D/P and Combinations are possible.

All payment conditions except L/C are required to pay in advance at least 30% of total Contract amount by T/T to start preparing goods otherwise it is not considered as confirmed order.

In case of T/T Payment terms, the Balance amount shall be remitted within 1 week from the date of B/L. PMC will send relevant shipping documents such as Copy of Bill of Lading, Commercial Invoice, Packing List and others for the customer's reference and payment.

Additional bank interests and/or charges resulted from Customer's delayed payment will be charged to Customers based on the legal rate of interest
(It's yearly 18% based on 1st of Jan, 2019)

5. BACK ORDER

Due to frequent price changes by Korean Auto Parts Manufacturers and foreign exchange rate, the Back Order (hereinafter referred as "BO") shall be valid only 1(one) time in the same price of Original order. BO of the previous BO is automatically to be canceled or should be renegotiated by PMC and Customer.

BO shall be valid in case Customer has a different order in process and/or places a new order within 15 days from the back-order date (shipping date of the original order) which can consolidate BO. Otherwise, PMC may cancel the BO.

PMC shall give a revised quotation with changed prices for BO not shipped by the Customer's request and/or default. This BO list can be added to a new order on condition that Customer accepts revised prices.

6. CLAIM

PMC shall be liable for any claims or complaints resulted from PMC's mistake and shall compensate a customer for claims **ONLY FILED ACCORDING TO BELOW CONDITIONS** after investigating the cases.

The Claim Report with PMC format should be submitted within one month from the date vessel arrived in the destination port. Any exceptions to the above requirement must be accompanied with special comments on the Claim Report.

When the reason of delay is as follows, however, Parts Mall may accept the Parts Claim Report even after the time limit.

- Wrong parts contained in the unit package although the correct parts number label is attached and found after expiry of the time limit.
- Transportation from port to Customer warehouse is delayed due to Force Majeure
- Defective items which are under PMC's Warranty Policy & Period. But various brands which can be not controlled by PMC (Genuine, OEM and other After-Market brands) are also not object of claim.

We can reject the claim which is not submitted in Claim Report form or cannot verify our mistake due to the lack of evidence from Customer side. We may decide and close the claim by ourselves if Customer does not give reply to our request for evidence.

We recommend wooden package for Less-than-Container Load (LCL) or AIR orders at Customer's cost and Damages from LCL or AIR order shipped without wooden package shall be rejected as a Claim.

Rebuilt brand stays out of the claim range except for the items provided Warranty by PMC.

Customer shall keep the claimed items in stock until we request for a certain way of treatment. For the ship back of the claimed items, the maximum period of keeping them from the Customer side is up to 6 months. Those items can be disposed by Buyer if there is no request of ship back from us within 6 months after claim report.

Payment shall be made in time as originally agreed by both parties and Customer shall not delay the payment in connection with the claim.

7. Duties of Customer

The Customer should provide the shipping company / agent information to the Principal within seven (7) days after placing the order in case delivery condition is FOB.

When payment is carried on money transfer (T/T), after the Customer transfer money to PMC account, the Customer should inform PMC by sending money transfer document, MT103 by e-mail or fax within 3(three) working days after transferring money.

The order placement should be done by PMC web-order system preferentially if there is no special reason.

8. Confidentiality

Any party shall keep confidential any information received from the other party and pertaining to the product or the contract, always provided that the information received is not within the public domain.

S. D. RYOO

PRESIDENT

PARTS-MALL CORPORATION

NAME

TITLE

CUSTOMER COMPANY NAME