

## Memorandum of Understanding

### Introduction

This agreement is between IBC Japan "IBC" and Ichiban Auto "Ichiban". The purpose of this agreement is to outline the general terms and format to which IBC exports vehicles on behalf of Ichiban to New Zealand. IBC is the exporter. Ichiban is the Importer.

The overarching tone to the agreement is one of mutual gain and to create win-win situations for both parties involved.

### Services Provided by IBC to Ichiban

- IBC will Inspect, Purchase, Export & Ship vehicles from Japan to New Zealand on behalf of Ichiban Auto.
- IBC will provide a dealer floor plan system that Ichiban can re-sell.
- IBC will provide a retail finance product that Ichiban can re-sell.
- IBC will provide an auction bid service, branded as Ichiban to Ichiban customers.

### Service Provided by Ichiban to IBC

- Ichiban will promote, sell and distribute vehicles on behalf of IBC across the lower north island and top of the South Island of New Zealand. Regions included but not limited to:
  1. Hawkes Bay
  2. New Plymouth
  3. Whanganui
  4. Palmerston North
  5. Wellington
  6. Nelson
  7. Blenheim
- Ichiban will promote IBC retail finance products.
- Ichiban will promote IBC dealer floor plan system in New Zealand
- Ichiban will act as a representative for IBC based accounts if IBC wishes.

### Fees Chargeable by IBC to Ichiban

IBC will charge JPY Car Cost + 45,000 yen when it invoices vehicles to Ichiban

IBC may charge additional fees for Japan domestic transport where the vehicle has been purchased from a "country auction". The additional charge must be disclosed before Ichiban agrees to purchase the vehicle and be included in the final FOB price.

### Fees Chargeable by Ichiban to IBC

Ichiban may charge an agreed fee for managing an IBC account.

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### **Shipping rates**

IBC and Ichiban agree a fixed price shipping rate using RORO boats of \$1,150.00 for vehicles discharged into the port of wellington.

IBC and Ichiban agree a fixed price shipping rate using RORO boats of \$1,100.00 for vehicles discharged into the port of Nelson.

IBC and Ichiban agree to a fixed Heat Treatment Charge of \$200.00 per vehicle.

### **Acceptable Quality Standards**

Ichiban accepts that mistakes are made in the usual course of businesses of used vehicles in the inspection processes. Ichiban agrees to the following tolerance of errors in IBC service:

1. 1 in 100 vehicles panel condition misquoted that results in a claim being paid by ichiban to the customer.
2. 1 in 100 vehicles require a repair cert that was undisclosed.
3. 1 in 300 vehicles requiring off the boat major mechanical repair.
4. 1 in 1000 vehicles unable to pass compliance due to not meeting regulatory standards such as ESC.
5. 1 in 100 vehicles take longer than 7 weeks from the time of purchase to arrive on port in New Zealand.

IBC agrees to pay fair compensation when vehicles fall outside of the agreed quality standards to Ichiban.

### **Japan Trips**

Ichiban agrees to cover the costs of accommodation and flight expenses for members of its staff and its customers.

IBC agrees to cover all other costs, including transfers.

### **Japan Stock Holding**

IBC agrees to hold behalf of ichiban a stock holding of 25 units on port in Japan that Ichiban has exclusive rights to offer to its customers for the first 30 days from auction purchase.

### **Individual Customer Agreements**

A side agreement can be formed at any time between Ichiban and IBC that may supersede any of the terms set out in this memorandum of understanding for an individual customer of IBC or Ichiban.

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**Exclusive Customers**

IBC or Ichiban may request for a customer to be exclusive to either company meaning the other party may not offer any products or services their group provides to customer.

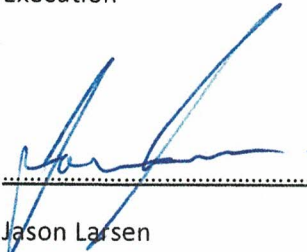
For a customer to become exclusive to either Ichiban or IBC both sides must agree in writing.

**Exclusive Suppliers**

Ichiban is not bound to solely use the services of IBC.

IBC may request that Ichiban only offer its products or services to a individual Ichiban customer, where IBC is providing floor plan services on behalf of Ichiban.

Execution



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Jason Larsen

Ichiban Autos



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Jojo Hemi

IBC Japan