

Regulations on Desired Practices for Contract Execution

Contract Execution Practices for Mutual Growth and Cooperation

Enacted July 1, 2017

First Amendment: August 1, 2018

Second Amendment: January 2, 2021

Article 1 [Purpose]

These practices are adopted from the Fair Trade Commission's "Practices for Desirable Contract Formation for Mutual Growth Cooperation between Large and Small/Medium Enterprises." They aim to ensure that small and medium-sized enterprises (SMEs) with insufficient bargaining power can fairly reflect their interests when concluding contracts with Hanssem Co., Ltd. (hereinafter referred to as 'Hanssem'), and to prevent Hanssem from abusing its superior bargaining power in transactions with SMEs, thereby undermining the principle of contractual freedom. By presenting the content that should be observed in contract formation between large and small/medium enterprises or among small/medium enterprises, it aims to establish reasonable and fair transaction practices while minimizing state intervention.

Article 2 [Composition of Implementation Items]

These implementation guidelines consist of: "Contract Formation Infrastructure" that Hanssem must establish prior to contract formation; "Contract Formation with Guaranteed Self-Determination Rights," which outlines desirable items to be included by contracting parties under circumstances where self-determination rights are guaranteed; and "Faithful Contract Performance in Accordance with the Contract and Relevant Laws and Regulations," which specifies matters to be observed during contract performance.

Article 3 [Establishment of Selection Criteria for Contract Formation Methods]

- ① The types of contract execution methods are as follows:
1. Direct Contract: A contract concluded by arbitrarily selecting a suitable counterparty without using methods such as bidding.
 2. General Competitive Contract: A contract concluded by freely opening the bidding to competition without restricting participant qualifications or designating participants, then determining the successful bidder.
 3. Restricted Competitive Contract: A contract awarded by limiting the qualifications of participants in a bid, such as construction capability, project performance, and debt status, then selecting the successful bidder to enter into the contract (provided that when restricting participant qualifications, the restrictions and criteria must be specified in the bid notice).
 4. Named Competitive Contract: A contract awarded by inviting designated participants to compete in a bidding process, selecting the successful bidder, and concluding the contract.

as follows:

Purchase Amount Scale Importance of Goods	<u>Low</u>	<u>High</u>
	<u>Low</u>	Open Competitive Contract Restricted Competitive Contract Designated Competitive Contract Negotiated Contract
<u>High</u>	Restricted competitive contract, Designated competitive contract	Named Competitive Contract

③ The specific selection criteria for the contract award method pursuant to Paragraph 2 are as follows:

1. Direct Contract

- (1) In cases of sudden price surges in raw materials or other comparable circumstances where there is no leeway to put the matter out to competitive bidding
- (2) When contracting with the current business partner is unavoidable
 - a) In construction projects where liability for future defects in facilities is difficult to determine, or in finishing work
 - b) When the manufacturer or supplier of the item directly installs, assembles, or maintains it
 - c) When obtaining manufacturing or supply from a party other than the manufacturer or supplier of the item would result in incompatibility
 - d) When switching suppliers would incur significantly high transition costs
- (3) When competition is effectively impossible
 - a) Construction using patented methods or new technologies
 - b) When manufacturing or purchasing goods that have been patented, registered as utility models, or registered as designs
- (4) Other cases where competition is impossible due to a specific person's technology, services, or specific location, structure, quality, performance, efficiency, etc.
- (5) When offering particularly competitive contract terms
- (6) Purchases based on strategic decision-making (e.g., MOU signing, consolidated procurement, joint development, technical cooperation)

2. General Competitive Contract

When it is deemed appropriate to proceed with a general competitive contract, considering the type and importance of the goods, etc., and the number of counterparties

3. Restricted Competitive Contract

- (1) Construction contracts requiring specialized technology or construction methods
- (2) Goods manufacturing contracts requiring specialized equipment or technology
- (3) Procurement contracts for goods requiring special performance or quality

- (4) Service contracts requiring special technology
- 4. Named Competitive Contract
 - (1) Cases where achieving the contract's purpose is difficult unless performed by a party possessing specific equipment, technology, materials, goods, or proven performance
 - (2) When purchasing products with special certifications such as standard markings or environmental labels
- ④ Notwithstanding Paragraphs 2 and 3, the contracting method under this Article may be modified considering the specific characteristics of individual companies and the nature of the items.

Article 4 [Operation of the Proposed Company System]

Hanssem may, when necessary, provide opportunities for direct proposals, such as on-site briefings, to new companies wishing to transact.

Article 5 [Establishment of PRM (Partner Relationship Management)]

- ① Hanssem shall establish PRM and strive to promote mutual growth between Hanssem and SMEs through open partner management that includes transactions with new companies, rather than closed partner management.
- ② Upon request from partner companies, efforts shall be made to establish a dedicated online space for partner companies or to arrange regular meetings to support information sharing and collaboration among them.

Article 6 [Operation of SME Support Organization]

Hanssem's Shared Growth Team, Finance Team, Purchasing Team, and Public Affairs Team are responsible for supporting partner companies through technical assistance, financial support, training, and suggestion systems.

Article 7 [Contract Execution with Guaranteed Self-Determination]

- ① The contracting parties shall comply with the following matters when concluding contracts.
 - 1. Prior issuance of written documents
 - (1) Contracts shall be concluded in advance as a principle. At a minimum, a signed and sealed contract must be concluded before commencing work for delivery (or 'delivery' in the case of construction; the same applies hereafter).
 - (2) The contract must include the contents of the subcontracting agreement, such as the subcontracting payment and its payment method, as well as the requirements, methods, and procedures for adjusting the subcontracting payment in accordance with fluctuations in raw material prices, as stipulated in the Enforcement Decree.
 - (3) For frequent transactions, a basic contract shall be issued first, and a settlement statement shall be provided after settling transactions for a certain period.

- (4) If minor and frequent additional work clearly indicates anticipated volume fluctuations, a settlement agreement must be provided immediately upon completion of delivery or other work.
 - (5) If additional work is requested within a period significantly shorter than the normally permitted timeframe, the main details must be agreed upon in writing beforehand.
2. Determination of unit prices based on a reasonable calculation method
- (1) Unit prices for parts shall be determined through mutual agreement based on a reasonable calculation method. This method shall consider quantity, quality, specifications, delivery schedule, payment method, material prices, labor costs, or market price trends, and shall include appropriate management fees and profit margins.
 - (2) If a reason for change arises during the contract period that affects the initial unit price, either party may request a price adjustment. In such cases, the parties shall mutually agree on a new price within 30 days (extendable by 30 days) from the date of the request.
 - (3) If unit price determination is delayed due to special circumstances, a provisional unit price agreed upon through consultation shall be applied. In such cases, the difference between the provisional and final unit prices shall be settled retroactively upon finalization of the unit price.
 - (4) The standard labor rate used for cost calculation shall be regularly surveyed to present a realistic unit price. The labor rate shall be set considering the labor costs of the same industry and the characteristics of each company, such as working conditions, the scale of the trading company, and the level of technology.
 - (5) The contract shall stipulate the criteria and procedures for consultation between the parties when the initially agreed unit price is changed.
 - (6) Specific details such as the reasons for the unit price change (e.g., inflation, raw material prices, exchange rate fluctuations), the consultation period, and payment terms must be clearly stated.
3. Clear Delivery Schedule
- (1) Hanssem shall determine delivery schedules appropriate to normal industry practices, considering sector-specific characteristics, through sufficient consultation with small and medium-sized business partners.
 - (2) The delivery schedule must be established at the time of contract execution and clearly communicated if changed. If a shorter delivery schedule than usual is required under circumstances such as urgent orders, it must be agreed upon through consultation with the trading partner.
 - (3) Hanssem shall compensate trading partners for any damages incurred due to unjustified delays or refusals in receiving goods, provided there are no grounds attributable to the trading partner.
4. Objective Inspection Standards
- (1) When inspecting delivered goods, Hanssem shall establish objective, fair, and reasonable inspection standards and methods in consultation with the business partner.
 - (2) When receiving deliveries, a receipt must be issued immediately even before inspection, and inspection must be conducted promptly in accordance with pre-established inspection regulations and procedures.
 - (3) Unless there is a valid reason, the inspection results must be notified within 10 days from the date of receiving the delivered goods from the supplier.
 - (4) For ordered parts prior to or during the inspection period, they must be managed with the care of a prudent manager

5. Determining a Reasonable Payment Due Date

- (1) When entrusting manufacturing or similar tasks to a business partner, payment must be made by a payment deadline set as short as possible within 60 days from the date of receipt of the delivered goods (in the case of construction, the date of acceptance; in the case of services, the date of completion of the entrusted service; if deliveries are frequent and the parties have agreed to issue tax invoices at least once a month, the agreed date; the same applies hereafter).
- (2) When entrusting manufacturing, etc., to a business partner and receiving completion payments, etc., from the ordering party upon completion of manufacturing, repair, construction, or service performance, payment must be made within 15 days from the date of receipt (or by the payment due date if it arrives earlier).
- (3) When progress payments are received based on the progress of manufacturing, repair, construction, or service performance, the transaction company shall pay an amount corresponding to the portion manufactured, repaired, constructed, or serviced within 15 days from the date of receipt (or by the payment due date if it arrives earlier).
- (4) When making payments, the amount paid shall not be less than the cash payment ratio received from the client in connection with the entrusted manufacturing or similar work.
- (5) When paying the price by promissory note, the note issued within the payment period (from the date of issue to the maturity date) of the note received from the Orderer in connection with the entrusted manufacturing, etc., shall be delivered.
- (6) When payment is made by promissory note, the note must be discountable at a financial institution established under law, and the discount fee (the discount rate prescribed and announced by the Fair Trade Commission) for the period from the date of issuance to the maturity date of the note must be paid on the date the note is issued.
- (7) If a bill is delivered within 60 days from the date of receipt of the delivered goods, etc., the discount fee for the period exceeding 60 days from the date of receipt of the delivered goods, etc., up to the maturity date must be paid within 60 days from the date of receipt of the delivered goods, etc.
- (8) When payment is made using a bill substitute payment method, the fee (including loan interest) for the period from the payment date (meaning the card payment approval date for corporate purchase cards, the date of transmission of delivery details for accounts receivable secured loans, or the purchase fund settlement date for purchase loans) to the subcontract payment repayment date shall be paid on the payment date.
- (9) If payment is made using a bill substitute payment method within 60 days from the date of receipt of the delivered goods, etc., the fee for the period from the day exceeding 60 days after the date of receipt of the delivered goods, etc., until the subcontract payment repayment date must be paid to the recipient business within 60 days from the date of receipt of the delivered goods, etc.
- (10) If payment is made more than 60 days after the date of receipt of the delivered goods, etc., interest at the rate prescribed and announced by the Fair Trade Commission shall be paid for the period of delay.

6. Reasonable Return Processing for Defects Discovered After Delivery

The entity responsible for identifying the cause of the defect, the type of defect cause, and the corresponding liability ratio shall be stipulated, and the return shall be processed by mutual agreement between the parties.

7. Contract Cancellation or Termination

(1) The grounds for termination or cancellation shall be determined by mutual agreement between the parties, distinguishing between cases where termination or cancellation is possible without prior notice and cases where prior notice is required. However, if grounds for termination or cancellation arise, written notice must be given without delay.

(2) Cases where notice is not required are as follows:

a) When the other party receives a transaction suspension order from a financial institution or a business revocation/suspension order from a supervisory authority

b) When the counterparty resolves to dissolve, transfer its business, or merge with another company, or when both parties acknowledge that it is difficult to perform the basic contract or individual contract due to disaster or other reasons

(3) Notice is required in the following cases. In such cases, the other party shall be given a period of at least one month to perform, and termination shall be possible if performance is not made within that period.

a) If the counterparty violates a material term of this Agreement or an Individual Contract, or if the receiving company delays the fulfillment of matters necessary for the production of ordered parts without just cause, thereby hindering the work of the trading company

b) When the supplier unreasonably refuses to manufacture ordered parts or delays commencement, making delivery within the agreed timeframe difficult

c) Where there are substantial grounds to believe the supplier lacks the technical, production, or quality management capabilities to satisfactorily fulfill the contract terms.

② The contracting parties shall refrain from the following matters when concluding a contract.

1. Failure to issue or retain written documentation

(1) Issuing a document without including items that are difficult to determine at the time of entrustment without justifiable reason, and failing to state the reason why such items remain undetermined or the scheduled date for determining them

(2) Issuing a document with omitted details, then delaying or failing to issue a new document to the business partner even after the omitted details have been finalized

(3) Failure to respond in writing within 15 days to a business partner's request for confirmation of the details of a verbally commissioned (ordered) task, including the nature of the commissioned work, subcontracting fees, and the date of commission, by either acknowledging or denying the details

(4) Failing to affix the signature or seal of the principal contractor (contracting officer or other company contract authority) when replying to a request for confirmation or denial of the details of a verbally commissioned (ordered) task

(5) Failure to issue a specific additional work order, work instruction, or similar document for additional work where the scope is distinct and the amount is substantial

Failure to issue a written agreement or work order specifying the scope and cost of additional work

- (6) In the case of construction projects, failing to issue a change order or settlement statement when additional or altered work quantities are proven during construction but disputes arise between parties regarding settlement
 - (7) Failure to preserve statutory documents for three years and instead arbitrarily disposing of them within three years based on the principal contractor's regulations, etc.
 - (8) Retaining written documents for three years from the transaction termination date, but creating and retaining false documents or documents with false content after the fact
 - (9) Failure to preserve documents related to determining subcontractor payments, such as bid details, award decision documents, quotations, and for construction contracts, site explanation documents, specifications, etc.
2. Unfair determination of subcontractor payments
- (1) Determining subcontractor payments by uniformly reducing unit prices at a fixed rate without justifiable reason
 - (2) Determining subcontract payments by unilaterally allocating a fixed amount under any pretext, such as a cooperation request, and then deducting that amount
 - (3) Determining payments by discriminating against specific contractors without justifiable reason, or unilaterally setting payments at low unit prices without agreement with the contractor
 - (4) Deceiving a business partner by inducing errors regarding transaction terms such as order volume, or by presenting another business operator's quotation or a false quotation, and using this deception to determine the payment amount
 - (5) In concluding a contract through private negotiation, determining the payment amount at a level lower than the sum of the direct construction cost items without justifiable reason
 - (6) Determining the payment amount below the lowest bid price without justifiable reason when concluding a contract through competitive bidding
 - (7) Determining payment amounts by uniformly reducing unit prices without objectively valid reasons for such reductions, such as declines in material prices or labor costs
 - (8) The act of discriminating against a specific trading company by setting a lower payment amount despite no differences in payment terms, transaction volume, or work difficulty
 - (9) Requiring a quotation based on a large order volume, then placing a small order and setting the payment amount based on that quotation price
 - (10) The act of determining payment below the standard rate without consultation with the trading company after outsourcing manufacturing or other work without setting the payment amount
 - (11) Requiring and obtaining technical data related to delivery, then providing it to another business operator and using that operator's quotation price as a basis to reduce the payment
 - (12) Creating an execution budget significantly lower than the original contract price and then setting the payment amount low, citing the requirement to complete construction within that reduced budget
 - (13) Determining payment amounts significantly below the usual compensation level under the pretext of exports, discount special sales, promotional items, or samples

- (14) In the case of distribution businesses, forcing suppliers to deliver goods at prices significantly lower than the usual supply price in order to conduct special sales events such as discount special sales or bargain sales
- 3. Requests for proposals or development commissions made verbally
 - Canceling development after equipment completion or production readiness, or demanding a reduction in the unit price presented upon verbal request
- 4. Unfair interference in management
 - (1) Interfering in personnel matters by requiring the appointment or dismissal of employees to follow one's instructions or approval, or forcing the hiring of specific individuals against the contractor's will
 - (2) Intervening in subcontracting transactions to restrict the content of such transactions, such as selection or contract terms, regardless of the purpose of the subcontracting transaction (e.g., maintaining the quality of goods entrusted for delivery or ensuring delivery within the deadline)
 - (3) Forcing the mobilization of field workers to perform construction work against the will of the small or medium-sized enterprise, even when the work is being properly executed
 - (4) Restricting a business partner's production items or facility scale, or preventing a business partner from transacting with competitors of oneself or one's affiliated companies
 - (5) Requiring a business partner to provide technical data related to delivery without justifiable reason
 - (6) Forcing business partners to participate in special sales events such as prize sales or discount sales, or forcing them to purchase goods or gift certificates
- 5. Failure to reflect additional construction costs (in construction-related contracts)
 - (1) Preventing contractors from requesting settlement for additional quantities arising after project completion
 - (2) Shifting the costs of establishing and operating the supervisor's office to the subcontractor, or prohibiting any contract modifications after the initial agreement due to reasons such as wage increases or price fluctuations
 - (3) Construction delays or suspensions due to company circumstances, or suspensions caused by natural disasters or rainy seasons due to weather conditions, shall be excluded from the construction period, and actions refusing to recognize additional contracts based on these reasons
- 6. Failure to adjust subcontractor payments due to design changes, etc.
 - (1) Failure to pay additional amounts received from the client due to design changes or economic fluctuations, or paying less than the received proportion or amount
 - (2) Failure to adjust the contract amount within 30 days after receiving an adjustment from the client due to design changes or economic fluctuations, or adjusting it after exceeding 30 days
 - (3) Failure to pay cash, bills of exchange, or bill substitute payment instruments for the amount received from the client as additional funds due to design changes or economic conditions, etc., within 15 days of the payment date, and failure to pay late interest, bill discount fees, or commissions for the overdue period

Payment made in cash, promissory note, or note substitute payment method after 15 days have passed since the date of receipt, without paying late interest, note discount fees, or commissions for the overdue period

- (4) Failure to notify the contractor within 15 days of receiving an increase or decrease in the contract amount from the client due to design changes or economic conditions, etc., of the reason and details of the increase or decrease (excluding cases where the client notified directly)
7. Failure to adjust subcontractor payments in response to fluctuations in raw material prices
 - (1) Failure to respond to a request for consultation, or failure to proceed with substantive consultation procedures such as holding meetings, exchanging opinions, or presenting unit price adjustment proposals after notifying the intention to commence consultation
 - (2) Failure to have the responsible person with actual authority to adjust unit prices participate in negotiations even after 30 days have passed since the request for consultation was made
 - (3) Market research for price adjustments, cost calculations, etc., without objective grounds, repeatedly presenting prices unacceptable to the other party
 8. Requiring exclusive dealings
Prohibiting a business partner from transacting with any other entity except oneself or a designated entity (excluding cases where exclusive dealings are agreed upon with the business partner for the purpose of joint technology development)
 9. Unilateral shifting of responsibility for handling complaints
Assuming all economic and administrative responsibility for various complaints arising during construction; if the complaint remains unresolved and the potential for dispute persists, the prime contractor handles the complaint and deducts all related costs from progress payments
 10. Unfair Contractual Terms
 - (1) Setting contract terms that unfairly infringe upon or restrict the subcontractor's interests
 - (2) Establishing agreements that impose costs incurred due to demands for items not specified in the contract upon the subcontractor
 - (3) Establishing an agreement that shifts costs related to grievance handling, industrial accidents, etc., which the prime contractor should bear, to the subcontractor
 - (4) Establishing an agreement that requires the subcontractor to bear costs incurred due to demands for items not included in the bid details

Article 8 [Faithful Contract Performance in Accordance with the Contract and Relevant Laws and Regulations]

- ① The contracting parties shall comply with the following matters in contract performance.
 1. Compliance with the Civil Code and other relevant laws and regulations
The principle of good faith, the Subcontracting Act, the Fair Trade Act, and other relevant laws and regulations shall be observed; however, disputes shall be resolved based on written documentation.
 2. Prior to any price reduction, sufficient prior agreement and written documentation must be obtained.

In cases of unit price reductions due to factors such as raw material price decreases or increased volume, a reasonable basis for the extent of the price reduction corresponding to the increased volume must be presented and resolved.

3. Adjustment of payment due to contract changes

If additional costs are incurred due to contract changes, such as additional specification requirements, the corresponding payment must be made to resolve the issue.

② The contracting parties shall refrain from the following actions during contract performance.

1. Unjustified Refusal to Accept Delivery

- (1) Refusing to accept goods or construction work delivered or performed because the consignment details are unclear, making it difficult to determine whether they differ from the consignment specifications, despite such difficulty.
- (2) Refusing to accept goods already consigned due to claims from the ordering party, foreign importer, or customer, or due to poor sales
- (3) Refusing to accept goods on the grounds of delivery delays, even when such delays are caused by late supply of raw materials or construction materials, making delivery or construction within the agreed timeframe impossible
- (4) Applying standards higher than the usual standards without establishing inspection criteria
- (5) Refusing to accept goods by applying unclear inspection standards or standards higher than those specified in the original contract, even if inspection standards were established
- (6) Refusing to accept delivery despite a request from the supplier, without a legitimate reason such as insufficient storage space
- (7) Arbitrarily refusing to accept goods already ordered because stable supply is deemed difficult due to the business partner's insolvency, etc.
- (8) Refusing to accept other items on the grounds of defects in some items when multiple items were outsourced for manufacturing, or refusing acceptance due to the ordering party canceling or suspending the order

2. Unjustified Returns

- (1) Returning goods citing reasons such as order cancellations by the trading partner or changes in economic conditions
- (2) The act of unfairly rejecting goods as defective and returning them by defining inspection standards and methods in an ambiguous manner
- (3) Returning goods despite their being judged defective due to poor quality of supplied raw materials
- (4) Returning goods citing delivery delays caused by raw material supply delays as the reason
- (5) Returning goods already received due to claims from the ordering party, foreign importer, or customer, or due to poor sales
- (6) Returning goods after the supplier has delivered them following inspection by a third party, even though the supplier completed the third party's inspection
- (7) Returning goods after acceptance, citing delivery or production delays, despite objective evidence that such delays were tolerated

3. Unjustified reduction of payment

- (1) Acts of reducing payment after entrusting work without specifying conditions for reduction at the time of entrustment, citing unreasonable reasons such as requests for cooperation after entrustment, order cancellations by the counterparty, or changes in economic conditions
- (2) The act of retroactively applying a price reduction agreement to orders placed before the agreement was reached, thereby unilaterally reducing the payment amount
- (3) Excessively reducing payments on the grounds that payment was made in cash or before the due date
- (4) Unilaterally reducing payment based on minor errors by the business partner that have no substantial impact on the occurrence of damages
- (5) Deducting an amount from the payment that exceeds the appropriate purchase price or usage fee when requiring the customer to purchase necessary goods for manufacturing, repair, construction, or service performance from oneself or to use one's own equipment
- (6) Deducting payment amounts on the grounds that prices or material costs at the time of payment have fallen compared to the time of delivery, etc.
- (7) Unjustly reducing payments for unreasonable reasons such as operating losses or sales price reductions
- (8) Deducting indirect labor costs, general administrative expenses, profit, value-added tax, etc., contrary to the original contract terms
- (9) Shifting employment insurance premiums, industrial safety and health management costs, or other expenses that the principal contractor is legally obligated to bear under the Employment Insurance and Industrial Accident Compensation Insurance Premium Collection Act, the Industrial Safety and Health Act, etc., to the business partner
- (10) Delaying the supply of materials and equipment when agreed to supply them, or setting unreasonably tight delivery deadlines or construction periods and then reducing payments on the grounds that delivery or completion was not achieved within these periods
- (11) Reducing already confirmed subcontract payments on the grounds of continuous orders, or reducing payments after contracting for a lump sum based on the specific details of manufacturing or construction
- (12) Reducing payments from the original contract amount on grounds such as having secured the order at a low price
- (13) The act of altering contracts or otherwise reducing payments despite no change in the terms or conditions of the entrusted work
- (14) Shifting exchange rate losses or other costs to the business partner under conditions different from the original contract to reduce payment

4. Unjust demands for economic benefits

- (1) Demanding economic benefits such as sponsorship fees, incentive payments, or subsidies as a condition for initiating transactions or conducting large-volume transactions
- (2) Demanding sponsorship fees, incentives, subsidies, or other economic benefits for unreasonable reasons such as deteriorating profits or business conditions

- (3) Demanding sponsorship fees, incentives, support funds, or other economic benefits despite the trading partner having no legal obligation to bear such costs
5. Shifting costs attributable to the company's own causes
Shifting costs to business partners due to the company's wage increases or delays in internal approval procedures
6. Unfair barter transactions
Demanding payment in goods contrary to the business partner's intent and requiring acceptance, differing from the original contract
7. Retaliatory measures
Restricting order opportunities, suspending transactions, or imposing other disadvantages on a business partner because they reported a violation of the Subcontracting Act to the Fair Trade Commission
8. Illegal acts
 - (1) Acts aimed at evading the application of the Subcontracting Act through indirect means in relation to subcontracting transactions
 - (2) Recovering payments made to a business partner pursuant to the Fair Trade Commission's corrective measures by means such as reclaiming the funds or deducting them from subsequent payments
 - (3) The act of uniformly lowering unit prices by an amount equivalent to the payment of discount fees, late interest, etc., to business partners
9. Forced purchase of goods or services
 - (1) Forcing business partners to purchase or use products or services from the company, its affiliates, or specific companies without justifiable reason
 - (2) Forcing a business partner to purchase materials used at a construction site against their will without justifiable reason, or compelling them to purchase or use goods or equipment specified by the company
 - (3) Repeatedly requesting purchases from a business partner without just cause, even when the partner has indicated no intention to purchase or when it is clearly recognized that there is no intention to purchase, even if no explicit indication is given
10. Unjustly demanding payment for goods purchased or other fees
 - (1) Forcing a business partner to purchase goods necessary for delivery, etc., from oneself or to use one's equipment, etc., and requiring payment of all or part of the purchase price or usage fee before the payment due date
 - (2) Forcing a business partner to purchase goods necessary for delivery from oneself or to use one's equipment, and paying at significantly disadvantageous terms compared to the terms under which one purchases, uses, or supplies to a third party
11. Prohibition of Coercion to Provide Technical Data
 - (1) Forcing a business partner, without justifiable reason, to provide the following technical data to oneself or a third party
 - a) Information concerning manufacturing, repair, construction, or service performance methods maintained as confidential through considerable effort

- b) Information related to intellectual property rights such as patent rights, utility model rights, design rights, and copyrights
 - c) Other technical or managerial information useful for business activities and possessing independent economic value
- (2) Using technical data acquired from a business partner for one's own or a third party's benefit

Supplementary Provisions (July 1, 2017)

This regulation shall take effect from July 1, 2017.

Supplementary Provisions (August 1, 2018)

These regulations shall take effect from August 1, 2018.

Supplementary Provisions (January 2, 2021)

These regulations shall take effect from January 2, 2021.