



Dealer Agreement

Armenia

[Caucasus Automotive LLC-Importer]

BETWEEN:

(1) **Caucasus automotive LLC** (registered in [Georgia], Registration Number 405302836 having its registered office at Georgia, Tbilisi, Vake District, Kavtaradze Str 68, Apartment N43a (the "Importer"); and the person or entity whose name and address are set out in Attachment A ("Dealer").

Background

- (1) The Importer has been appointed Authorised Importer by Volvo Car Corporation or a Volvo Affiliated Company (hereinafter referred to as "Volvo") and is responsible under the agreement with Volvo for the marketing, sale and distribution of Volvo Products and the provision of Repairer Services in the Territory. The Importer shall establish, maintain and develop a distribution network for the Volvo Products and Repairer Services in support of Volvo's strategies. For this purpose, the Importer desires to appoint the Dealer as a non-exclusive Authorised Dealer of the Importer in the Territory.
- (2) The Dealer specialises in the marketing, sales and distribution of automotive products and services in its local market. The Dealer has expressed its willingness to utilise its capacity and to engage in the supply of Volvo Products and Repairer Services to Final Customers in a way that supports Volvo's strategies in the Territory.
- (3) The Importer and the Dealer have agreed on the terms and conditions set out in this Agreement.

Article 1 - Appointment

- (1) The Importer appoints the Dealer as an Authorised Dealer.
- (2) The parties agree that the relationship between them is that of independent contractors. Neither party is appointed nor is authorised to act as the legal or commercial agent of the other and neither shall make any commitments or representations on behalf of the other. Neither party is the partner of the other and no legal partnership is created by this Agreement.

Article 2 - Volvo Dealer Standard

- (1) The Importer applies a selective distribution system, meaning that Authorised Dealers and Authorised Repairers, where the Importer decides to set up an Authorised Repairer network, are selected and authorised (amongst other things) on the basis of whether they meet the Volvo Dealer Standard, which are set to support Volvo's strategies. The Importer may (in its sole discretion) vary, replace or change the Volvo Dealer Standard from time to time. The Importer shall inform the Dealer of any intended changes to the Volvo Dealer Standard as soon as it reasonably can and (subject only to Article (2)) the Dealer shall implement such changes by such reasonable deadlines as the Importer may set.

- (2) If the Importer notifies the Dealer of a change to the Volvo Dealer Standard that requires significant expenditure from the Dealer and the Dealer does not wish or is unable to make such an investment, the Dealer may terminate this Agreement on twelve (12) months' notice, provided that such notice is given by the Dealer within thirty (30) days of the Importer notifying the Dealer of the relevant change to the Volvo Dealer Standard. If the Dealer does not give notice within such thirty (30) day period, it shall comply with the change to the Volvo Dealer Standard.
- (3) The Volvo Dealer Standard shall be made continuously available to the Dealer and the Importer shall inform the Dealer where and in what way they can be accessed.
- (4) Subject only to the exception in Article 2(9)
 - (a) the Dealer shall meet the Volvo Dealer Standard at all times at its own cost and shall sell Volvo Products and provide Repairer Services in accordance with the Volvo Dealer Standard; and
 - (b) a failure by the Dealer to comply with the Volvo Dealer Standard at any time shall be a breach of this Agreement.
- (5) The Importer or Volvo may audit compliance with the Volvo Dealer Standards in accordance with Article 15 and shall generally, continually monitor the Dealer's compliance with the Volvo Dealer Standard.
- (6) If the Dealer persistently fails to meet the Volvo Dealer Standard, the Importer shall notify the Dealer of its non compliance and the Importer and the Dealer shall meet within two (2) weeks of such notice to discuss how the Dealer shall achieve full compliance with the Volvo Dealer Standard.
- (7) Following such meeting, the Importer shall notify the Dealer of:
 - (a) the deadline by which the Dealer must comply with the Volvo Dealer Standard that it is not complying with (which shall be no less than ninety (90) days from the date of the Importer's initial notification under Article 2(6)); and
 - (b) any metrics, targets or actions that the Importer may choose to use or set to determine whether the Dealer has complied with the Volvo Dealer Standard.
- (8) Within thirty (30) days of the Importer's notification under Article 2(7), the Dealer shall issue a plan to the Importer setting out the actions the Dealer shall take (and by when) in order to achieve full compliance with the Volvo Dealer Standard by the deadline set by the Importer (such plan being the "**Standard Compliance Plan**"). Any failure by the Dealer to comply with the Standard Compliance Plan shall give the Importer the right to terminate this Agreement in accordance with Article 20(1)(a).

- (9) If at the date of this Agreement the Dealer is a newly appointed Authorised Dealer and at such date does not meet all the Volvo Dealer Standard, the Importer shall issue the Dealer with a development plan setting out what action the Dealer needs to take to meet the Volvo Dealer Standards and by when. If the Dealer does not (to the Importer's satisfaction) meet the Volvo Dealer Standards by the date set by the Importer, this Agreement shall terminate on such notice as the Importer decides to give. For the purposes of this Article 2(9), "newly appointed" shall mean that the Dealer was not an Authorised Dealer before the Commencement Date.
- (10) The Importer shall monitor, and use commercially reasonable efforts to maintain the integrity of, its selective distribution system.
- (11) The Dealer may sub-contract some of the services it agrees to provide under this Agreement, but only with the prior written consent of the Importer. Any sub-contracting of services shall not release the Dealer from any of its obligations under this Agreement. If the Importer consents to such sub-contracting of services, the Dealer shall ensure that the Importer has the right to audit the sub-contractor (at the Dealer's cost) to satisfy itself that the sub-contractor is meeting the relevant Volvo Dealer Standards. Any consent given by the Importer to the sub-contracting of services shall be conditional (amongst other things) on the sub-contractor agreeing in writing to be bound by the audit obligations in Article 15.

Article 3 - Customer satisfaction

- (1) The Importer shall set and follow up customer satisfaction targets in accordance with Article 7.
- (2) The Dealer shall:
 - (a) conduct the dealership's business so as vigorously to support Volvo to achieve its goal of being one of the world's leading automotive organisations in customer satisfaction;
 - (b) participate in any customer satisfaction performance programme in place from time to time and achieve the objectives of such programmes; and
 - (c) handle customer queries and complaints and report to the Importer any queries and complaints the Dealer, having used all commercially reasonable efforts, cannot resolve itself.

Article 4 - Sale of New Volvo Vehicles

- (1) The Dealer shall:
 - (a) vigorously promote the sale of New Volvo Vehicles to Final Customers;
 - (b) maintain and display the number, specification and mix of Demonstrator Vehicles and Showroom Vehicles specified by the Importer from time to time;

- (c) maintain the number, specification and mix of New Volvo Vehicle stock specified by the Importer from time to time;
 - (d) complement the Importer's national advertising and promotion with its own efforts and actively participate in regionally based dealer advertising and in line with Volvo's marketing requirements as detailed in the Volvo Dealer Standards; and
 - (e) at all times use the point of sale materials and sales communications systems made available by the Importer.
- (2) The Dealer is only authorised to sell New Volvo Vehicles to Final Customers and shall not sell New Volvo Vehicles to other persons or companies for Resale. If the Dealer registers or pre-registers a New Volvo Vehicle and then sells such vehicle to someone other than a Final Customer, the Dealer shall be in breach of this Article 4(2). Likewise, if a vehicle with less than one thousand (1,000) kilometres is sold by the Dealer to someone other than a Final Customer, the Dealer shall be in breach of this Article 4(2).
- (3) In addition to the Importer's right of termination in Article 20(1)(f), if the Dealer is in breach of Article 4(2), the Dealer shall pay compensation to the Importer in the form of liquidated damages or a contractual penalty at an amount equal to the Dealer's gross margin plus any bonuses or other support paid by the Importer in relation to the sale or, at the Importer's option, all reasonable costs involved in reversing that transaction where this is feasible, including any bonuses or other support paid by the Importer in relation to the sale. The importer's right to request from the dealer compensation in the form of contractual penalty, does not exclude the right to request the compensation for liquidated damages.
- (4) Volvo and the Importer may sell New Volvo Vehicles directly to Third Parties including Final Customers on terms determined by Volvo or the Importer and without liability to the Dealer.
- (5) The Importer shall, where at its sole discretion it deems appropriate:
- (a) support the sale of New Volvo Vehicles in the marketplace through a combination of advertising, marketing and sales promotion (but for the avoidance of doubt the Importer's performance or non performance under this Article 4(5)(a) shall not in any way affect or otherwise release the Dealer from any of its obligations under this Agreement); and
 - (b) make available point of sale materials, sales communication systems and other sales support or services (for which the Importer shall make a charge).

Article 5 - Sale of Used Volvo Vehicles

- (1) To complement and support its sales of New Volvo Vehicles and in order to strengthen Volvo's brand, the Dealer shall vigorously promote the sale of Used Volvo Vehicles by participating and complying with any used car program as introduced by the Importer in the Territory, unless agreed otherwise.

- (2) Volvo and the Importer may sell Used Volvo Vehicles directly to Third Parties including Final Customers on terms determined by Volvo or the Importer and without liability to the Dealer.

Article 6 - Repairer Services, Volvo Parts and Volvo Accessories

- (1) The Dealer shall:
- (a) provide Repairer Services on Volvo Vehicles which the customer has brought to the Dealer regardless of where they were first sold;
 - (b) carry out all Warranty Work, Recall Work, Free Servicing Work on Volvo Vehicles which the customer has brought to the Dealer regardless of where they were first sold and to perform pre-delivery inspection work on Volvo Vehicles;
 - (c) vigorously promote the sale of Volvo Parts and Volvo Accessories;
 - (d) source and use only Volvo Parts for Repairer Services, including Warranty Work, Recall Work and Free Servicing Work;
 - (e) sell Volvo Accessories to primarily Volvo customers;
 - (f) keep its stock of Volvo Parts and Volvo Accessories at such levels as the Importer may reasonably direct from time to time; and
 - (g) promptly advise the Importer of any safety related or serious quality concern encountered on Volvo Products.
- (2) The Dealer is only authorised to sell Volvo Parts and Volvo Accessories to Final Customers and shall not sell Volvo Parts and Volvo Accessories to other persons or companies for Resale. In addition to the Importer's right of termination in Article 20(1)(f), if the Dealer breaches this Article 6(2), it shall pay compensation to the Importer in the form of liquidated damages OR a contractual penalty at an amount of twenty five per cent (25%) of the Volvo Parts and Volvo Accessories price (as shown on the Dealer's invoice).
- (3) The Dealer shall observe the standards and procedures set out from time to time in the Warranty Manual. The Importer may at its sole discretion audit warranty claim payments, charge back warranty payments in the event of non-compliance with warranty terms and conditions or the Warranty Manual and suspend warranty claim authorisation in the event of non-compliance with the Warranty Manual.
- (4) The Dealer shall not use or sell parts or accessories which the Dealer knows or ought reasonably to know infringe any intellectual property right of Volvo, a Volvo Affiliated Company or VTH. Nor may the Dealer sell parts or accessories that the Dealer knows or ought reasonably to know have or might have an adverse effect on the quality, environmental or safety performance of a Volvo Vehicle.

- (6) The Dealer shall maintain an orderly system for storing Volvo Parts which allows them to be easily identifiable.
- (7) The Importer acknowledges that the ability of the Dealer to efficiently and reliably provide Volvo Parts, Volvo Accessories and Repairer Services to customers depends partly on the Importer maintaining an efficient and reliable supply chain and so the Importer shall:
 - (a) either itself or through an authorised Third Party supply Volvo Parts to the Dealer;
 - (b) provide technical information (service and repair instructions) assistance and advice relating to Volvo Products, for which it shall charge a fee;
 - (c) assist the Dealer in the resolution of reported technical and customer concerns, for which it shall charge a fee;
 - (d) in accordance with the Warranty Manual, strive to handle the Dealer's claims in a manner which reasonably considers the interests of the customer, the Dealer, the Importer and Volvo;
 - (e) use commercially reasonable efforts to ensure that Volvo Parts and Volvo Accessories are delivered in compliance with the Dealer's order; and
 - (f) pay the Dealer in accordance with Volvo's Warranty Manual in place from time to time for work done by the Dealer in rectifying production or design faults in Volvo Parts and Volvo Accessories.
- (8) Volvo and the Importer may sell Volvo Parts and Volvo Accessories direct to Final Customers and to any other customers on terms determined by Volvo or the Importer respectively and without liability to the Dealer.
- (9) Volvo may, from time to time, organise vehicle recalls and campaigns. Regardless of where a customer has purchased a Volvo Product, the Dealer shall promptly and efficiently assist the Importer in conducting such vehicle recalls and campaigns in accordance with the Importer's instructions. The Importer will reimburse the Dealer in respect of such work in accordance with the applied standard rates.

Article 7 - Targets and launch of new products

- (1) In the last Quarter of each calendar year, the Importer shall consult with the Dealer on its sales objectives for the following year. The Importer shall then before the end of that Quarter at its sole discretion determine and notify (in the written form, including by email) the Dealer as to the minimum number, type and specification of:
 - (a) Volvo Vehicles (including Demonstrators and Showroom Vehicles); and
 - (b) Volvo Parts and Volvo Accessories

which the Dealer must either order from the Importer or otherwise sell during periods of time determined by the Importer ("**Sales Targets**").

- (2) The Importer shall also from time to time determine and set (in the written form, including by email) the Dealer customer satisfaction targets to be achieved during a period of time to be determined by the Importer ("**Customer Satisfaction Targets**").
- (3) the Importer shall continually monitor the performance of the Dealer against:
 - (a) the Sales Targets and the Customer Satisfaction Targets; and
 - (b) any other sales, after sales or customer service performance metrics the Importer may set from time to time

such targets and other performance metrics together being "**Performance Targets**".

- (4) If the Dealer fails:
 - (a) for three (3) consecutive Quarters; or
 - (b) in any four (4) Quarters during any twenty four (24) month period

to meet any Performance Targets, the Importer may notify the Dealer that it has been identified as an under performing dealer and the Dealer shall meet with the Importer within seven (7) days to discuss its performance and ways to improve it.

- (5) Following such meeting, the Importer shall notify the Dealer of the:
 - (a) areas where the Dealer must improve its performance;
 - (b) metrics and targets that the Importer shall use to determine whether the Dealer's performance in such areas has improved to the Importer's satisfaction within the required time; and
 - (c) deadline by which such targets shall be met (which shall be no less than 6 months from the date of the Importer's initial notification under Article 7(4)).
- (6) Within thirty (30) days of the Importer's notification under Article 7(5), the Dealer shall issue a plan to the Importer setting out the actions the Dealer shall take (and by when) in order to meet the improvement targets by the deadline set by the Importer (such plan being the "**Improvement Plan**"). The Importer shall provide the Dealer with any comments or suggestions it has on the Improvement Plan. Any failure by the Dealer to comply with the Improvement Plan shall give the Importer the right to terminate this Agreement in accordance with Article 20(1)(b).
- (7) While recognising the Dealer is free to sell Volvo Products to Final Customers outside the Area of Responsibility but within the Territory, the Dealer shall compete

vigorously with other brands in its Area of Responsibility and ensure that any targets set by the Importer for such area are met at all times.

- (8) The Importer may from time to time introduce bonus programmes based on the Dealer's performance.
- (9) The Dealer shall fully comply with any plan or requirements issued by the Importer from time to time in preparation for the launch of new products or variants of products ("**Launch Plan**"). If the Dealer fails to meet the requirements set out in a Launch Plan, the Importer may withhold supply of the new product or variant to the Dealer until such time as the Dealer has, to the Importer's satisfaction, fully met such requirements.

Article 8 - Dealer organisation

- (1) The legal form and the present owners of the Dealer are listed in Attachment A.
- (2) The Dealer shall:
 - (a) develop and maintain a dealership culture that promotes quality, environmental concern, high ethics, customer orientation, inter-departmental communication and co-operation, and employee motivation and engagement;
 - (b) operate an organisational structure that facilitates operational efficiency, has clearly defined responsibilities and optimises information flow;
 - (c) ensure sufficient numbers of appropriately trained personnel to carry out fully the Dealer's responsibilities contained in this Agreement;
 - (d) employ in its Authorised Dealer business working capital, net worth and lines of credit necessary in order to fulfil its obligations under this Agreement or as specifically required from the Importer from time to time; and
 - (e) ensure that job specifications, organisational positions and remuneration motivate employees to deliver high levels of customer satisfaction and operational efficiency.
- (3) The Importer shall where at its sole discretion it deems appropriate:
 - (a) provide organisational guidelines, including descriptions of key staff roles and responsibilities; and
 - (b) make available training for dealership staff, for which the importer shall make a charge.

Article 9 - Activities outside the Territory

This Agreement does not give the Dealer any right whatsoever to engage in any activity outside the Territory such as, but not limited to, the sales of Volvo Products or the provision of Repairer Services.

All enquiries from persons residing outside the Territory shall be passed on to the Importer. In addition, the Dealer shall not sell Volvo Products to buyers which it knows or ought reasonably to know intend to in any way Resell the goods to a buyer outside the Territory.

The Importer may pass on enquiries about Volvo Products from persons residing in the Territory to any of its Authorised Dealers and Authorised Repairers as the case may be.

Article 10 - Business Development Plan

- (1) For the Dealer to achieve its Sales Targets and Customer Satisfaction Targets, its business planning must be comprehensive and consistent. To ensure this, the Dealer shall develop, and agree with the Importer by the end of each calendar year, a rolling business development plan for the following three calendar years in such a format as the Importer may advise from time to time ("**Business Development Plan**"). The Dealer shall conduct its business in accordance with the Business Development Plan.
- (2) If the Dealer fails to produce a draft Business Development Plan in accordance with Article 10(1), or if the Importer does not approve the draft Business Development Plan on objectively valid reason by the end of the year, the Dealer and the Importer shall seek to reach agreement by the 31 January. If the parties are still unable to agree a Business Development Plan by such time, the Importer shall have the right to terminate this Agreement in accordance with Article 21 (1)(d).

Article 11 - Systems, processes and information

- (1) The Dealer shall:
 - (a) operate communication systems that comply and interface with Volvo's systems to the Importer's satisfaction or are otherwise approved by the Importer in writing;
 - (b) submit business management information, including accounting and sales related data, in the manner prescribed by the Importer and on a timely basis, such balance sheets and profit and loss statements for the Dealer's Volvo Products business, and any other revenue stream that Dealer's business with Volvo generates, sufficiently detailed to give a true and fair view of the position and results of the operations of the Dealer, as well as relevant information pertaining to said reports; and
 - (c) collect and provide the Importer with Customer Data in accordance with Attachment C to enable Volvo and the Importer to use Customer Data for their own business purposes, including to market to customers and prospective customers.
- (2) In addition to the information submitted by the Dealer to the Importer under Article 11(1), the Dealer shall submit to the Importer information relating to Repairer Services to enable Volvo and the Importer to evaluate working and repairing methods, technical and customer concerns, identifying potential defect trends and to ensure that individual customer complaints are dealt with efficiently. Such

information may include work orders. The information shall be submitted in a manner prescribed by the Importer.

Article 12 - Location, Facilities and brand representation

- (1) Premises and facilities provided by the Dealer for the sale of Volvo Products and the provision of service, repair and maintenance of Volvo Vehicles ("**Repairer Services**") are detailed in Attachment B ("**the Facilities**").
- (2) The Dealer shall not deliver, sell or permanently display or demonstrate Volvo Products at a physical location other than the Facilities without the prior written consent of the Importer.
- (3) The Facilities shall not be altered without the prior written consent of the Importer.
- (4) Unless the Importer has given its prior written consent, the Facilities shall be used exclusively for:
 - (a) the sale of New Volvo Vehicles (so that new vehicles other than New Volvo Vehicles shall not be marketed, sold, resold, displayed or delivered from or at the Facilities);
 - (b) subject to Article 12(10), the sale of Used Volvo Vehicles;
 - (c) the sale of Volvo Parts and Volvo Accessories; and
 - (d) the provision of Repairer Services.

No other products may be sold or services provided from the Facilities without the Importer's consent, such consent not to be unreasonably withheld.

- (5) If the Importer does at any time give its prior written consent to the sale of new vehicles other than New Volvo Vehicles from the Facilities, or to service or repair other vehicle makes at the Facilities, the terms on which the Importer consents shall include conditions so that such sales, service or repair shall only be conducted under clear brand separation, including conditions for a dedicated Volvo organisation.
- (6) Without the prior written consent of the Importer, the Dealer, or a Dealer Group Company, shall not during the term of this Agreement either directly or indirectly, act as importer, dealer, commission merchant, commercial agent, nor otherwise deal in, sell or participate in the sale of any other passenger cars, parts, accessories or exchange units or contract for any of the said activities.
- (7) The Dealer undertakes as a liability on its own part to ensure that any Dealer Group Company complies with Article 12(6).
- (8) Neither the Dealer nor its directors or executive employees shall, as long as they are under control of the Dealer, directly or indirectly, participate, whether as an importer, a partner, shareholder, director, manager or otherwise, in any enterprise,

firm or company, which deals in the aforementioned products other than those stated in Article 12(6), and the Dealer shall obtain appropriate written undertakings from its directors and executive employees to such effect. However, this shall not prevent the holding or acquisition by the Dealer or its directors or executive employees of minor numbers of shares, stock, debentures, debenture stock or loan stock in a public company quoted on a recognized Stock Exchange.

- (9) For the purposes of this Article 12, "new vehicles" shall include any vehicle which has less than two hundred (200) kilometres.
- (10) The Dealer may sell used cars other than Used Volvo Vehicles from the Facilities provided that the sale of such used vehicles is in accordance with any relevant standards or requirements that the Importer may reasonably introduce from time to time.

Article 13 - Standard business terms and product changes

- (1) The Standard Business Terms shall apply to the sale of New Volvo Vehicles, Volvo Parts and Volvo Accessories by the Importer to the Dealer.
- (2) The Importer may change or discontinue any Volvo Product at any time and without liability to the Dealer.

Article 14 - Pricing

The Importer may issue recommended retail prices and impose a maximum resale price for Volvo Products, but otherwise the Dealer shall be free to determine its prices and discounts for Volvo Products.

Article 15 - Audit

- (1) The Importer or Volvo, or its authorised agent, may audit any and all aspects of the dealer's operations, including, but not limited to, the Dealer's books, records, stocks and insurance policies related to this Agreement to verify compliance with this Agreement. The Dealer shall retain all relevant books and records for at least four (4) years (or such longer period as required by law) from the date of final entry, and shall afford the Importer, Volvo or its authorised agent access to all relevant documentation, wherever and by whomever they are held, including the right to take photocopies or electronic copies, during normal business hours.
- (2) The Dealer shall allow the Importer or Volvo, or its authorised agent, to access the Facilities to audit them in order to verify compliance with the Volvo Dealer Standards, the Volvo Code of Conduct for Business Partners, this Agreement, and any other requirements of the Importer or Volvo. The Importer or Volvo shall charge the Dealer a cost-based fee for such audits.

Article 16 - Trademarks, trade names, signage and product changes

- (1) The Dealer's right to use the trademark "VOLVO" will be subject to the signing a

Trademark Sub-Licence And Licence Agreement with Volvo.

- (2) The Dealer shall not, unless required by law, change or add any chassis number or sign, other identification sign or other marking to any Volvo Products. Further, the Dealer shall not take any action which could affect patent, design, or trademark rights concerning Volvo Products.
- (3) The Dealer shall not tamper with any Volvo Product that carries a trade mark or trade name owned by Volvo, VTH or a Volvo Affiliated Company, and, except as authorised in writing by the Importer, shall not modify any such product or remove any such trade mark or trade name, unless such modification has been ordered by a Final Customer, concerns a vehicle purchased by that consumer and has been carried out after the Volvo Vehicle has been registered. In such circumstances the Dealer shall inform its customer before the modification that such modification could result in a partial or full loss of the warranty given by Volvo or the Importer as the case may be.
- (4) Irrespective of what is said above, the Dealer may never contribute to a product change, including unauthorised performance enhancement, which might have an adverse effect on the Volvo Product's, quality, environmental protection or safety properties.

Article 17 - Confidentiality

During this Agreement and a period of five (5) years after its termination both the Importer and the Dealer shall not disclose Confidential Information to any Third Parties save that the Importer may disclose such information to any Importer Affiliated Company. The termination of this Agreement or the giving of notice of termination (for whatever reason) shall not be Confidential Information and if there is such a termination or such a notice is given, either party may inform any Third Party of such termination or such notice.

Article 18 - Duration and termination

- (1) This Agreement begins with effect from the Commencement Date and shall continue (unless otherwise terminated in accordance with its terms) until termination upon notice by either party under Article 18(2).
- (2) Either party may terminate this Agreement without cause on at least twelve (12) months prior notice to the other party.
- (3) If the Importer terminates this Agreement under Article 18(2) it may do so without cause, namely such termination does not require the Dealer to be in breach of this Agreement.
- (4) This Agreement expires automatically if the Importer's agreement with Volvo irrespective of reason expires. The Importer undertakes, however, to inform the Dealer through registered mail and without delay in case it is clear that the agreement with Volvo will expire and at what date this will happen. The Importer and the Dealer will consult without delay if it stands clear that the Importer's agreement with Volvo will expire and at what date this will happen, in order to

minimise the possible damages that may arise if the Agreement because of this expires with shorter notice than the twelve (12) month's regular termination notice period. The Importer further undertakes to use its best efforts to contribute to the transfer of this Agreement to a new Volvo importer.

- (5) The Importer may terminate this Agreement on three (3) calendar months prior notice to the Dealer if it decides to terminate all outstanding agreements with Authorised Dealers as a result of any change of law which necessitates the termination of this Agreement or other substantial changes of the business environment which affect the parties' basic obligations under this Agreement. However, the Importer may only terminate this Agreement under this Article 18(4) if all affected Authorised Dealers are offered amended forms of dealer agreement that so far as possible do not materially disadvantage the Dealer.
- (6) For the avoidance of doubt, the Importer shall not be under any obligation whatsoever to pay the Dealer any compensation on the termination of this Agreement for whatever reason and under whatever Article.

Article 19 - Termination on three months notice where a breach has not been remedied

If either party fails to comply with any of the provisions of this Agreement other than those specified in Articles 20 and 21 below (such party being a **"Defaulting Party"**), the other party (**"Non-Defaulting Party"**) may notify the Defaulting Party of the breach and give the Defaulting Party a deadline of no less than three (3) calendar months as set by the Non-Defaulting Party by which the Defaulting Party shall have taken the specified corrective action. If the Defaulting Party has not taken the specific corrective action to the reasonable satisfaction of the Non-Defaulting Party before this deadline expires, the Non-Defaulting Party may terminate this Agreement with no less than three (3) calendar months prior notice without prejudice to any other rights.

Article 20 - The Importer's right to terminate on six months notice with no notice to remedy

- (1) The Importer may terminate this Agreement on no less than six (6) calendar months prior notice if the Dealer:
 - (a) fails to take any of the actions set out in the Standard Compliance Plan by the time stated for such action or fails to achieve full compliance with the Volvo Dealer Standard by the deadlines required;
 - (b) fails to take any of the actions set out in the Improvement Plan by the time stated for such action or fails to achieve any of the targets set by the Importer in accordance with Article 7.5 by the deadlines required;
 - (c) breaches any of the provisions of Attachment C, or repeatedly failing to use a Data Collection Notice Wording;
 - (c) follows up on less than ninety per cent (90%) of sales leads delivered to it by the Importer in any three (3) consecutive Quarters;

- (d) repeatedly fails to comply with the Importer's payment terms as set out in the Standard Business Terms;
 - (e) repeatedly fails to report business data in accordance with Article 11;
 - (f) breaches Article 4(2) or Article 6(2);
 - (g) breaches any agreement it may have with an Importer Affiliated Company and that Affiliated Company gives the Dealer notice of termination for the breach;
 - (h) breaches any other agreement it may have with the Importer or Volvo (including the Trademark Licence and Sub-licence Agreement) and the Importer or Volvo gives the Dealer notice of termination for the breach; or
 - (i) commits a breach of this Agreement that is in the opinion of the Importer incapable of remedy.
- (2) For the purpose of this Article 20 "**repeatedly**" shall mean more than once in any Quarter.
- (3) For the avoidance of any doubt, the Importer shall be entitled to terminate the Agreement under this Article 20, without having to first give the Dealer notice of the breach or serving the Dealer with a notice to remedy.

Article 21 - Termination with immediate effect

- (1) The Importer may terminate this Agreement with immediate effect (or such other notice that it might choose to give) on the occurrence of any of the events detailed below:
- (a) dissolution of the Dealer if the Dealer is a company or partnership;
 - (b) insolvency of the Dealer, filing by the Dealer of a voluntary petition in bankruptcy, adjudication of the Dealer as a bankrupt, appointment of a temporary or permanent receiver of all or a substantial portion of the Dealer's assets, or an assignment by the Dealer of a substantial portion of the Dealer's assets for the benefit of one or more creditors without equivalent new consideration (for the purpose of this Agreement, insolvency shall mean an excess of liabilities over assets as well as an inability to pay debts as they become due);
 - (c) assignment by the Dealer of any interest in this Agreement without the Importer's prior written consent;
 - (d) the Dealer breaches Articles 10, 12, 24 or 27 or that the Importer, in good faith, determines that any representations or warranties set forth in Article 24 has failed to be true and correct at any time;
 - (e) Volvo's, the Importer's or the Dealer's ability to fulfil its obligations under this Agreement is materially affected by the imposition of export control rules or economic sanctions;

- (f) if without the Importer's prior written consent there is any change in the person or persons that have full authority and responsibility for the management of the Dealer in the ordinary course of business;
 - (g) disagreement between the owners or managers of the Dealer that materially and adversely affects the operation, business reputation or performance of the Dealer or the interests of the Importer;
 - (h) conviction by any court of the Dealer, or an owner, director or manager of the Dealer, for any violation of law that materially affects the operation, business reputation or performance of the Dealer or the interests of the Importer;
 - (i) the Dealer or its owners or officers commit a criminal offence or any other offence which in the opinion of the Importer may affect the trading reputation of the Dealer or bring it into disrepute;
 - (j) submission by the Dealer to the Importer of a claim for payment or credit that the Dealer knew or ought reasonably to have known was false or fraudulent;
 - (k) making by the Dealer to the Importer of a representation as to the ownership, financing or management of the Dealer in connection with the Dealer's application for this Agreement that the Dealer knew or ought reasonably to have known was false or fraudulent; or
 - (l) the Trademark Licence and Sub-licence Agreement terminates.
- (2) In the event of death or physical or mental incapacity or disappearance of the Dealer, if the Dealer is an individual, or of the principal owner of the Dealer, if the Dealer is a company or partnership, the legal representatives of the Dealer or its principal owner as appropriate shall provide the Importer within four (4) calendar months of the relevant event a detailed succession or disposal plan. The Importer shall advise the Dealer's legal representative within six weeks whether or not the proposal is acceptable. If the plan is unacceptable to the Importer, it may terminate this Agreement with not less than three (3) calendar months prior notice.
- (3) The Importer has the right to terminate this Agreement under this Article 21 and without the need for a court intervention if all compulsory approvals and registrations hereof by/with the authorities and institutions are not finally granted or withdrawn unless the Dealer has permanently remedied such issue within thirty (30) days after written notice from the importer or Volvo in accordance with Article 31.

Article 22 - Consequences of termination

- (1) On termination of this Agreement, the Dealer shall cease to be an Authorised Dealer and shall immediately:
 - (a) assign to the Importer or to the Importer's nominee without compensation all unfulfilled customer orders placed with the Dealer and pay to the Importer or

to the Importer's nominee all sums paid by customers in connection with those orders;

- (b) refer all requests in relation to warranties, policies, service programs and recalls to the nearest Authorised Dealer or Authorised Repairer;
 - (c) at its own expense, remove all Volvo Signage and Volvo branded products from the Facilities;
 - (d) cease all use of trademarks and trade names owned by Volvo, a Volvo Affiliated Company or VTH in the Dealer's company name, trading title, domain name or otherwise in relation to the Dealer's business; and
 - (e) refrain from doing anything that would indicate that the Dealer is an Authorised Dealer or Authorised Repairer.
- (2) The Importer may (within one (1) calendar month of the date of termination) purchase from the Dealer one or more of the following items:
- (a) New Volvo Vehicles, Volvo Parts or Volvo Accessories at such prices as the Dealer and the Importer shall agree, but in the absence of such agreement at the price paid by the Dealer for the product at the time it was purchased, less appropriate depreciation and less all sums paid or allowed by the Importer or that have been claimed from the Importer with respect to the product; and
 - (b) its Volvo special tools, other repair equipment and furniture, displays and graphics for their book value.
- (3) The Dealer shall at its own expense prepare any products purchased by the Importer from the Dealer for transportation to a location designated by the Importer unless otherwise agreed by the Importer. Any reasonable costs of transportation shall be met by the Importer.
- (4) The Dealer shall (unless the Importer agrees otherwise), without any compensation except for reasonable transportation costs, deliver to the Importer all Volvo Signage.
- (5) The Dealer shall deliver to the Importer documents necessary to transfer to the Importer good title to any property including Volvo Vehicles to be acquired by the Importer, together with evidence satisfactory to the Importer that the Dealer has complied with all applicable laws for the protection of creditors and that such property is free and clear of all claims.
- (6) Business relations, if any, between the Importer and the Dealer after termination of this Agreement shall not constitute a waiver of the termination of this Agreement. All such relations shall be governed by terms as separately agreed in writing.
- (7) The Importer may inform the Dealer's existing customers and prospective customers of the arrangements made by the Importer as a result of the termination of this Agreement.

- (8) On termination of this Agreement the Dealer shall return immediately all property:
- (a) provided by the Importer under the terms of this Agreement or any ancillary agreement to the Dealer on free loan; and
 - (b) including computer systems or special diagnostic equipment, leased from the Importer or an Importer Affiliated Company under the terms of this Agreement or any ancillary agreement to the Dealer. The Importer or the Importer Affiliated Company as appropriate shall return to the Dealer a suitable apportionment of any advance payments made by the Dealer to the Importer for the lease of such equipment.
- (9) The Importer or its representatives shall have power to enter the Facilities to take possession of products and other items to ensure compliance with the obligations in this Article 22.

Article 23 - Volvo's and the Importer's right to take over suits or actions against the Dealer

Volvo or the Importer has a right to undertake the Dealer's defence (at Volvo's or the Importer's cost) of claims or cause of actions against the Dealer based solely (or partly but only to the extent of such part) on allegations that the Volvo Product or the part thereof giving rise to such claim or cause of action was negligently or defectively designed or manufactured by Volvo or a Volvo Affiliated Company and the Dealer will cooperate with Volvo or the Importer in this regard. In all cases, suits or actions where Volvo or the Importer is undertaking the Dealer's defence, Volvo or the Importer shall be entitled to appoint attorneys and counsels of its choice to undertake such defence. In such cases, Volvo or the Importer shall update the Dealer at the Dealer's request with respect to the case, its progression and its outcome.

Article 24 - Compliance with laws and Volvo's Code of Conduct for Business Partners

- (1) The Dealer hereby agrees, represents and warrants to the Importer that Dealer shall comply with all applicable laws, rules and regulations when running its dealership business and performing its obligations under the Agreement.

In particular, and without limiting the generality of the foregoing, Dealer shall, and shall cause its business partners to, at all times, comply with all laws, regulations and statutory requirements applicable to Volvo, in the same way as if they were applicable to the Dealer relating to (i) Human rights principles, (ii) competition, (iii) anti-bribery and corruption, and money-laundering, (iv) export control and trade sanctions, and (iv) the protection of personal data.

- (2) Compliance with Human Rights principles

Dealer hereby represents and warrants that Dealer, its directors, officers and employees have always and shall at all time comply with Human Rights principles, in particular regarding forced labour, children rights and physically abusive disciplinary

practices applicable to Volvo, in the same way as if they were applicable to the Dealer.

(3) Compliance with Competition laws

Dealer, its directors, officers and employees have always and shall at all time comply with Competition Laws and regulations (also referred to as Anti-trust laws) applicable to Volvo, in the same way as if they were applicable to the Dealer, and, in particular, refrain from entering into any understanding or agreement that would lead to hinder competition.

(4) Compliance with anti-bribery/corruption and anti-money-laundering laws and regulations

Dealer hereby represents and warrants that Dealer, its directors, officers and employees have always and shall at all time conduct their operations and transactions, in particular those related to this Agreement, in compliance with all laws and regulations relating to anti-bribery and anti-corruption, and anti-money laundering that are applicable to Volvo, as if those laws were applicable to the Dealer.

In particular Dealer represents and warrants that neither the Dealer, its directors, officers and employees nor its subcontractors have ever -and shall never- engage, in any act or omission that could possibly be construed as giving or taking a bribe or in any other kind of corruption, including giving any form of benefits to a third party, whether public or private, in order to obtain or retain business or to gain preferential treatment.

Dealer is encouraged to notify the Importer if any Volvo or Importer employee or representative requests from the Dealer a gift or any other kind of benefit in breach of the Code of Conduct for Business Partners (even though the request is denied).

(5) Compliance with Export Control and Trade Sanctions regulations

For the purposes of the Agreement, "Listed Person" shall mean any person, company, entity or organisation, listed in, or otherwise blocked or subject to economic sanctions imposed by the European Union, the United States or the United Nations, or any government authority relevant for the business activity of Volvo, as the case may be, or any person owned or controlled by or acting on behalf of such a Listed Person.

The Dealer hereby agrees, represents and warrants that (i) neither the Dealer, nor any of its sub-contractors, vendors or service providers (including banks) that it may retain to perform its obligations under the Agreement, nor any of the respective officers, directors and employees of the foregoing, is, has been or will be a Listed Person, and (ii) when performing any activity covered by the Agreement, the Dealer shall not, nor permit its sub-contractors, vendors or service providers, to (a) conduct any business activity, including banking services, directly or indirectly, with any Listed Person, (b) conduct any business activity prohibited or restricted under sanctions or export control laws applicable to Volvo, or (c) engage in any

transactions that evades, avoids or attempts to violate any economic sanctions imposed by the European Union or the United States (if applicable). Note that the warranty in (ii)(b) applies in addition to any restriction the Agreement imposes with respect to authorised sales in the EEA.

(6) Know Your Customer (“KYC”) Checks

The Dealer agrees to collect relevant information from end customers supportive of Volvo’s KYC efforts, including the end customer’s name, address, company registration number (for entities), and date of birth (for individuals), and a copy of the customer’s government-issued identification (for individuals) (together, “KYC Information”), and keep such information on file for five (5) years.

The Dealer also agrees to observe and document all red flags (in accordance with the “KYC Red Flag Guidance” attached as Attachment E indicating that the purchaser of a New Volvo Vehicle is acting on behalf of another Final Customer (individual or entity), unless such Final Customer is clearly identified to the Dealer and related KYC Information is provided to the Dealer.

The Dealer also agrees to include standard language in its sales agreements with Final Customers prohibiting the purchase of a vehicle on behalf of another individual or entity unless such individual or entity clearly is identified and relevant KYC Information is provided. The relevant standard language shall be as follows:

[name of customer] represents and warrants that it is not purchasing the vehicle on behalf of an Unidentified Third Party, and that to the extent it is purchasing the vehicle on behalf of a third party, such third party is an Identified Third Party. For purposes of this Agreement, an Unidentified Third Party is a third party for which certain identifying information (“KYC Information”) has not been provided to the Dealer, and an Identified Third Party is a third party for which KYC Information has been provided to the Dealer. KYC Information includes the third party’s name, address, company registration number (for entities), and date of birth (for individuals), and a copy of the customer’s government-issued identification (for individuals).

[name of customer] hereby acknowledges and understands that the sale of the vehicle will not be completed until all required KYC Information has been provided.

(7) Sanctions Screening for Fleet Sales Customers

The Dealer agrees to screen its fleet sales customers against the Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions, the Consolidated UN Security Council Sanctions List, the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Department of Treasury, Office of Foreign Assets Controls and other applicable local sanctions lists, and to maintain records of such screening for five (5) years

(8) Compliance with Data protection laws and regulations

Dealer hereby undertakes to conduct any processing of Personal Data in compliance with applicable laws and regulations relating to such Personal Data now or hereafter in effect.

(9) Licenses and permits

Dealer also hereby represents and warrants that it has, at its own expense, obtained and that it shall maintain all certifications, authorizations, licenses and permits necessary to conduct its business and perform its obligations under the Agreement. Volvo has also adopted a Code of Conduct for Business Partners (the "Code"), the most recent version of which is available at www.volvocars.com. Dealer - as a business partner of the Importer and Volvo - hereby agrees, represents and warrants that it shall comply with the Code, or similar principles as those set out in this Code, and Dealer shall ensure that those principles are communicated and respected by its employees and subcontractors.

Dealer undertakes to terminate any business relationship with any of its subcontractors that would not comply with the principles set forth in the Code if such non-compliance effects the trading reputation of the Dealer or brings it into disrepute.

- (10) The Importer or Volvo may verify and assess the Dealer's compliance with the requirements set out in this Article 24 by conducting audits in accordance with Section 15 in the Agreement or by requesting the Dealer to reasonably take part in an assessment program. The Dealer shall ensure that such right of the Importer or Volvo applies also in relation to any of the Dealer's subcontractors.
- (11) The Dealer shall indemnify and hold Volvo and the Importer, its officers, directors and employees harmless against any claims, losses, damages, liabilities and expenses (including reasonable attorney's fees) arising out of -or in connection with- any non-compliance with applicable laws, or any obligation, undertaking, representation or warranty under the Agreement .
- (12) Should the Importer unilaterally decide not to terminate the Agreement in accordance with Article 21(1)(d) above, the Importer may consult with the Dealer and seek alternative remedies based upon a breach of the Agreement, including the right to withhold a reasonable amount of any bonus or margin which the Dealer has qualified for prior to such date but which has not been paid by the Importer, provided that such remedies do not adversely affect the commercial viability of the Dealer.

Article 25 - Unavoidable breach

To the extent to which the fulfilment of any obligations under this Agreement is prevented, frustrated or impeded by any event of natural disaster, war, invasion, act of foreign power or enemy hostilities (whether war was declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, or any statute, rules, regulations, orders or requisitions issued by any government department, council or other

duly constituted authority, or from strikes, lockouts or breakdowns of plant, the parties shall be relieved of liability incurred under this Agreement.

Article 26 - No implied waiver

The rights of the Importer under this Agreement may be exercised as often as it considers appropriate and are in addition to its rights under general law. The Importer's rights shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing. In particular, any failure to exercise or any delay in exercising any of the Importer's or Volvo's rights shall not operate as a waiver or variation of that right or any other such right. Any defective or partial exercise of any of the Importer's rights shall not preclude any other or further exercise of that or any other such right. No act or course of conduct or negotiation on the part of the Importer shall in any way preclude the Importer from exercising any of its rights or constitute a suspension or any variation of any such right.

Article 27 - Change of ownership, control or assignment

- (1) The Dealer shall notify the Importer not less than sixty (60) days before any proposed change of control, transfer of ownership of the Dealer (or any of its direct or indirect holding companies) or assignment of this Agreement, and not implement such changes without the Importer's prior written consent. The Importer shall inform the Dealer in writing of its decision within a period of thirty (30) days after receipt of the Dealer's notification.
- (2) If the Dealer is a listed public limited company or is owned by a listed public limited company, Article 27 (1) shall only apply where there is a Substantial Change of Control. A "**Substantial Change of Control**" means a change in ownership of the Dealer as a result of (a) the sale or transfer of at least fifty per cent (50%) of the outstanding voting stock of the Dealer (or any of its direct or indirect holding companies) to a Third Party or (b) the sale or transfer of at least fifty per cent (50%) of the assets, business and undertakings of the Dealer to a Third Party.
- (3) The Importer may assign its rights and obligations under the Agreement to any Importer Affiliated Company or to Volvo or a Volvo Affiliated Company.
- (4) For the purposes of this Article 27, "**control**" means possession, directly or indirectly, of the power to direct or cause the direction of management or policies of the Dealer, whether through ownership of voting securities, by agreement, as trustee or otherwise.

Article 28- Variation

The parties may vary this Agreement only by prior agreement in writing.

Article 29 - Interpretation

- (1) To keep the Agreement shorter, some words and phrases with special meanings are used. These and other aids to interpretation are set out in Attachment F. The

headings of this Agreement are for reference only and shall not affect the interpretation of this Agreement. If there is a conflict between the terms of the main body of this Agreement and the Attachments, the terms of the main body of this Agreement shall prevail.

- (2) Words and phrases "other", "including" and "in particular" shall not limit the generality of any preceding words or be construed as being limited to the same class as any preceding words where a wider construction is possible.
- (3) Where under the terms of this Agreement the Importer's consent is required, the consent shall be at the Importer's sole and absolute discretion.
- (4) If the Dealer is in breach of this Agreement and the breach gives the Importer a remedy or right of action under more than one Article in this Agreement, the Importer may choose which Article it seeks remedy under or otherwise seek more than one remedy under more than one Article. Particularly any right that the Importer has to terminate this Agreement for breach, shall be without prejudice to its rights to claim damages of any other lawful remedy.

Article 30 - Applicable law and jurisdiction

This Agreement is subject to the laws of Georgia and all disputes or claims arising out, emanating from, or in connection with, including those connected to its fulfillment, breach or invalidity shall be solved in the General Courts of Georgia according to the Georgian Legislation.

Article 31 - Notices

- (1) Any notice, request, consent and other communication to be given by a party under this Agreement shall be deemed to be valid and effective if personally served on the other party or sent by registered prepaid mail or by e-mail or telefax, in the case of the Dealer to the address specified in Attachment A and in the case of the Importer to the address in the preamble to this Agreement;
 - (a) in the case of personal service: at the time of service;
 - (b) in the case of prepaid registered mail: at the latest seven (7) days after the date of mailing;
 - (c) in the case of e-mail: on the date a receipt-acknowledged e-mail is sent; and
 - (d) in the case of telefax: on the date the telefax is sent, provided receipt is confirmed by the other party.
- (2) Any notice of termination of this Agreement shall be made in writing and sent by prepaid registered mail or by courier or by personal delivery. Changes of address are to be notified as set out in this provision.

Article 32 - Supersession, entire agreement and severability

This Agreement including its Attachments, which form an integral part of this Agreement, supersede all other agreements between the Importer and the Dealer relating to its subject matter. If any provision of this Agreement is found to be unenforceable, without prejudice to the Importer's rights under Article 18(4) arising from the same circumstances, the parties shall, to the extent reasonably practicable, replace it with a similar enforceable provision and this Agreement shall remain intact in its entirety.

Signed by
duly authorised for and
on behalf of
Importer

)
)
)
)



A blue ink signature is written over a circular stamp. The stamp contains the text "CAUCASUS" at the top, "40538" in the center, and "CAUCASUS AUTOMOTIVE" at the bottom.

Signed by
duly authorised for and
on behalf of
Dealer

)
)
)
)



A blue ink signature is written over a circular stamp. The stamp contains the text "«ԱՎԱՆԳԱՐԴ»" at the top, "АВАНТГАРД" in the center, "AVANTGARDE" below it, and "01060547" at the bottom. The outer ring of the stamp contains text in Armenian and English, including "ARMENIA LIMITED LIABILITY COMPANY".

Attachment A

The Commencement Date and the Dealer

Commencement Date	18/10/2023
Name of Dealer	Avantgarde LLC
Trading address of Dealer (incl email-address)	Gai ave. 14/3, 0056 Yerevan, Armenia Info@avantgarde.am
Trading name or title (if different)	Volvo Car Armenia
Legal form	LLC
Registered office of Dealer	Gai ave. 14/3, 0056, Yerevan, Armenia
Company registration number (if applicable)	282.110.1345445
Name(s) and Address(es) of Directors, or partners if applicable	Sergei Avetisian Bayron str. 3 apt 27, 0009 Yerevan Armenia
Shareholders (if applicable)	Edvard Avetisyan - 100%

Attachment B

The Facilities

Contents:

Facility No.	Location (general)
1	Gai ave. 14/3, 0056, Yerevan, Armenia
2	
3	
4	
5	
6	
7	

FACILITY NO. 1

Location/address: Gai ave. 14/3, 0056, Yerevan, Armenia

Category:

- ☐ Main outlet ☐ Subsidiary
- ☐ Subcontracted or partnership: _____
(Name and reg. No of subcontractor /Partner)
- ☐ Type _____ (optional)
- ☐ No direct contact with customers
- ☒ Dealer owned facility ☐ Rented: _____
(Renter)

Operational Content:

- ☒ New Car Sales ☒ New Car Delivery
- ☒ Used Car Sales, Volvo Selekt ☒ Used Car Sales, general
- ☒ Repair & Maintenance Service ☒ Bodywork ☒ Paint

Attachment C

Customer Relationship Management

1. BACKGROUND

- 1.1 A central part of Volvo's strategy is to provide its customers with "connectivity" services, namely to give customers full and immediate control of their vehicle ownership through the use of state of the art information technology, such as the internet, smart phone apps and from the car itself.
- 1.2 When accepting these services, the customer shall be able to have two way direct access to relevant information regarding the car ownership, servicing, the soft offers chosen as well as to campaigns, opportunities, loyalty programs and ownership pages. Through the technology the customer will also have instant information and access to recalls, break down management and the possibility to file complaints and any other services developed over time.
- 1.3 Volvo, the Importer, its Authorised Dealers and Authorised Repairers will not be able to provide these key services and offers unless they have a successful customer relationship management strategy and to have such a successful strategy Volvo, the Importer, its Authorised Dealers and Authorised Repairers must hold and have access to high quality Customer Data. It is essential for Volvo, the Importer and the Dealer to both collect and submit to a central database all relevant data on the customer, update that data when necessary and to store and share such data between themselves, with other dealers to the extent necessary for the purpose and, when applicable, with Volvo Affiliated Companies and Importer affiliated companies and business partners such as finance companies, leasing companies and insurance companies.
- 1.4 For the avoidance of doubt, any such centrally stored data shall not comprise any financial data attributable to the customer's business relation with any and one of the parties of the Volvo brand network as generally described above.

2. COLLECTING DATA

When collecting Customer Data, the Dealer shall use an appropriate form of data collection notice ("**Data Collection Notice**") which:

- (a) complies with any data protection legislation applicable in Armenia.
- (b) enables the Dealer to comply with its obligations to the Importer under this Attachment C; and
- (c) is in a form that the Importer may (from time to time) reasonably require the Dealer to use.

3. DEALER COLLECTED DATA

The Dealer shall:

- (a) collect Customer Data for itself, Volvo and the Importer and other Third Parties (if any) referred to in a Data Collection Notice; and
- (b) provide the Importer with Customer Data in the form notified by the Importer from time to time.

4. VOLVO'S AND IMPORTER'S USE OF DEALER COLLECTED DATA

Volvo and the Importer shall (both during and after the term of this Agreement) use the Dealer Collected Data for their own commercial purposes including internal record keeping, dealing with requests and queries, product development, customer relationship management and the marketing of products and services.

5. THE IMPORTER'S SHARING DEALER COLLECTED DATA

5.1 The Importer may not share Dealer Collected Data with other Authorised Dealers or Authorised Repairers during the term of this Agreement unless it is:

- (a) necessary to give another Authorised Dealer or Authorised Repairer access to such data to enable them to provide a customer with Repairer Services; or
- (b) in the interests of Volvo customer retention management.

5.2 Volvo and the Importer may share any Dealer Collected Data with other Authorised Dealers or Authorised Repairers after the termination of this Agreement.

6. IMPORTER COLLECTED DATA

The Importer may from time to time make Importer Collected Data available to the Dealer. The Dealer shall only use such Importer Collected Data:

- (a) during the term of this Agreement;
- (b) in accordance with the Importer's instructions and the Volvo Dealer Standard; and
- (c) in accordance with this Attachment C.

7. CUSTOMERS AND PROSPECT CUSTOMERS RIGHTS

Any customer or prospect customer request to access or rectify their personal data or any request not to use (or any request to withdraw a previous consent to use) such personal data shall be shared promptly between the Dealer and the Importer. The Importer and the Dealer shall fulfil the request as far as they can.

8. PROCESSING OF CUSTOMER DATA BY THE DEALER

To the extent that the Dealer is processing Customer Data on behalf of Volvo, the Importer or any Third Party, the Dealer shall:

- (a) only process the Customer Data in accordance with the Importer's instructions;
- (b) keep the Customer Data confidential and provide appropriate technical and organisational measures against unauthorised or unlawful processing, accidental loss or destruction of or damage to the Customer Data and comply with the instructions issued by the Importer from time to time in relation to Customer Data confidentiality and security;
- (c) not process Customer Data outside of Armenia without the prior written consent of the Importer;
- (d) take all reasonable steps to ensure the reliability of any of its staff who have access to Customer Data processed in connection with this Agreement; and
- (e) perform its obligations under this Agreement in such a manner as not to cause Volvo or the Importer in any way to be in breach of the Data Protection Legislation.

9. COMPLIANCE WITH LAWS

The Dealer and the Importer shall collect, hold and process Customer Data in accordance with all relevant laws.

10. INTELLECTUAL PROPERTY RIGHTS

Any database with the meaning and purpose as described in Paragraph 1 of this Attachment C is to its systems solution, structure and contents solely created for the benefit of customer relationship management and for the Volvo business conducted under this Agreement. Consequently, neither the Importer nor the Dealer shall have any right to use it for any other purposes. Any database shall thus constitute Volvo's property and the Dealer shall have a non-exclusive, non-transferable and royalty free right to use the database to perform its obligations under this Agreement as long as the Agreement remains in force, after which time it shall cease. All Intellectual Property Rights in the database and Importer Collected Data shall remain vested in and the property of Volvo. The Dealer assigns (and agrees to procure that any such employees, agents or sub-contractors assign) all such Intellectual Property Rights to Volvo with full title guarantee and free from any Third Party rights.

Attachment D

Standard Business Terms

1. PRICE

- 1.1 Unless otherwise notified by the Importer, the price, terms of payment and charges to be paid by the Dealer for a New Volvo Product shall be the latest notified to the Dealer as at the date on which the Dealer's order is confirmed by the Importer or an Importer Affiliated Company.
- 1.2 Prices at which the Importer shall supply to the Dealer shall be inclusive of delivery costs and VAT at the rate applicable at the time of notification, but exclude any other expenses, costs, levies, duties, taxes or increase in VAT since notification, which shall be the responsibility of the Dealer.
- 1.3 The Importer shall apply the price as notified upon the confirmed order, save that the Importer may alter the price to be paid by the Dealer for a New Volvo Product for good reason if such New Volvo Product is ordered more than ninety (90) days before the date on which the Dealer requires the Volvo Product to be delivered.

2. ORDERS

- 2.1 Orders for New Volvo Products shall be placed in accordance with, and orders shall be confirmed by, the procedures specified by the Importer from time to time. Orders shall not be binding on The Importer until it notifies acceptance.
- 2.2 The Importer shall advise the Dealer without undue delay where orders are not accepted for any reason. The Importer shall determine the specification of a New Volvo Product ordered by a Dealer in the absence of timely submission of adequate detail by the Dealer.
- 2.3 Confirmed orders cannot be cancelled without the Importer's prior written acceptance.

3. INVOICING

The Importer shall invoice the Dealer for each New Volvo Product supplied to the Dealer at, or as soon as reasonably practicable after, Factory Complete Date for the full invoice price of such product (including all chargeable factory fit options (if any) as have been specified by the Dealer and fitted to the same, delivery charges, systems charges, value added tax and other applicable taxes (if any)).

4. DELIVERY AND EXAMINATION

- 4.1 Deliveries shall take place according to delivery conditions as communicated by the Importer from time to time. The Importer shall nevertheless arrange for the New Volvo Products to be transported to the Facilities and delivery shall be deemed to take place when the New Volvo Products are unloaded at the Facilities.
- 4.2 Delivery dates requested or agreed are estimates only and (while the Dealer shall keep customers informed about the progress of their orders) it shall not make any unreasonable commitments to customers as to the delivery date. The parties nevertheless agree on the importance of timely deliveries. Should a delay in delivery occur, the Importer shall inform the Dealer of this as soon as it reasonably can to assist the Dealer to take measures for managing the inconveniences of such delay. The Dealer may not cancel an order by reason only of any late or short delivery. The Importer may deliver early.
- 4.3 The Importer shall not be liable for any costs or losses incurred by the Dealer through any delivery delays.
- 4.4 Immediately on delivery, the Dealer shall examine the New Volvo Products with reasonable care and undertake any Dealer acceptance check specified by the Importer.
- 4.5 Any shortage or damage to New Volvo Products reasonably ascertainable on inspection pursuant to paragraph 4.4 above shall be notified (together, in the case of any damage to any New Volvo Vehicle, with a full estimate of costs of repair) promptly to the Importer and in any event within ten (10) days of delivery.
- 4.6 the Importer may choose to fulfil any order by supply to an Importer Affiliated Company for onward supply to the Dealer.

5. OWNERSHIP, RISK AND CARE OF PRODUCTS

- 5.1 Title to New Volvo Products shall, if allowed by applicable national law, be retained by the Importer, or an Importer Affiliated Company to whom payment is due, until full payment is received from or on behalf of the Dealer.
- 5.2 The Importer or its Importer Affiliated Company shall have the right to repossess without notice or other formality all New Volvo Products supplied under this Agreement, which have not been paid for in accordance with the applicable terms. The Dealer permits the Importer at all times to inspect the New Volvo Products. For the purposes of repossession the Importer or its representatives may enter the Facilities or other locations where it believes such New Volvo Products to be stored of which the Dealer is in occupation or to which the Dealer has access and the Dealer grants the Importer an irrevocable licence to enter such premises. At The Importer's request the Dealer shall forthwith return the New Volvo Products in accordance with the Importer's instructions. The Dealer shall at all times take all necessary steps to facilitate repossession of the New Volvo Products.
- 5.3 Unless and until the Dealer shall be otherwise advised in writing by the Importer the risk of loss or damage to the New Volvo Products supplied to the Dealer hereunder shall pass to the Dealer on the Factory Complete Date. The Importer

shall effect on behalf of the Dealer and continue in force a policy or policies of insurance in respect of all New Volvo Products supplied to the Dealer upon and with effect from the Factory Complete Date until delivery to the Dealer at the Facilities

- 5.4 After delivery and for as long as the Importer or an Importer Affiliated Company retains title to any New Volvo Product, the Dealer shall insure it against all insurable risks for its full replacement value, and the interest of the title owner or that of its assignee shall be noted on the policy, and a current copy of the policy shall be lodged with the Importer or a nominated Importer Affiliated Company of the Importer, as required. The Dealer shall, if so requested by the Importer or its assignee, assign to the Importer or its assignee the right to collect insurance monies payable in respect of claims under the policy. If such insurance is not in place, the Importer may obtain such insurance and charge the Dealer for the cost.
- 5.5 The Dealer shall otherwise in all respects properly and adequately care for New Volvo Products whilst in its custody and control and maintain them in good and serviceable condition and in this connection comply fully with reasonable written instructions issued by the Importer.

6. CUSTOMER WARRANTIES

Warranty terms for New Volvo Products shall be notified by the Importer from time to time in the Warranty Manual or by other communication. To the extent permitted by law, the Importer assumes no other liability except as stated in its warranty terms. All Importer's or Volvo's warranties as the case may be for New Volvo Products shall be passed on to the Dealer who in turn shall be required to pass on the benefit of the warranties to Final Customers (whether first purchasers of the product from the Dealer or subsequent purchasers of the product) in accordance with the Warranty Manual.

7. PAYMENT

- 7.1 All payments shall be made in accordance with the payment terms notified by the Importer.
- 7.2 the Importer may assign to any Importer Affiliated Company or any Third Party its right to receive payment from the Dealer for any New Volvo Product together with any or all of its right, title and interest in the order or the goods themselves or the proceeds of sale of any of them, together with the benefit of all guarantees, securities and insurances relating to them. The Importer shall notify the Dealer of any such assignment.
- 7.3 The Dealer agrees that the Importer or any Importer Affiliated Company may set-off any monies due or payable to them by the Dealer against any monies due or payable by them to the Dealer.
- 7.4 The Dealer also agrees that the Importer or any Importer Affiliated Company may set-off any monies due or payable by them to the Dealer against any monies that

are due or payable by the Dealer to any Third Party provider of vehicle stocking finance.

- 7.5 Any sums paid by the Dealer to the Importer or its assignee, or any money or security for money which may come into the Importer's hands or those of its assignee, may be applied in or towards the discharge of such of the Dealer's liabilities, and in such order as the Importer or its assignee may think fit.

8. MISCELLANEOUS

- 8.1 Prices, order procedures, delivery conditions and payment terms in place at the date of this Agreement shall remain in place until otherwise notified by the Importer.
- 8.2 The Importer may in particular change its pricing policy for New Volvo Products to its Dealers and by introducing a pricing system based on each Dealer's performance.

Attachment E

Red Flag Guidance

Certain information provides “red flags” that are important to consider in the “Know Your Customer” context. Pursuant to this Agreement, the Dealer is required to observe and document any red flags of which it becomes aware in accordance with this Guidance.

Specifically, the Importer would like to call to the Dealer’s attention certain red flags that may indicate that an individual or entity purchasing a vehicle in fact is purchasing on behalf of an unidentified third person individual or entity, which is inconsistent with Volvo policy. Such red flags include the following:

- one individual purchasing multiple vehicles
- customer’s address information indicates that he or she lives at a great distance from the point of sale, or lives outside the territory
- payments in cash
- apparent “mismatch” between the customer and the nature of the purchase (e.g., teenager / young person purchasing luxury SUV in cash)
- inability on the part of the customer to answer casual questions, such as why the customer is interested in the vehicle, how the customer intends to use the vehicle, why the customer chose the specifications that he or she did, etc.¹
- anything else that indicates that the purchase is on behalf of an unidentified third party, or that raises concern that the transaction is unusual or potentially connected to unlawful activity (e.g., money laundering, drug trafficking, terrorist financing, diversion to sanctioned countries or sanctioned persons).

To the extent that the Dealer observes red flags based on the above information, then the Dealer will be considered to be on notice that there is an “Unidentified Third Party” (i.e., a third party for which required “Know Your Customer” information (“KYC Information”) has not been obtained) involved in the transaction, and the Dealer will be required to obtain KYC Information before proceeding with the transaction.

Therefore, in addition to observing and documenting red flag information, the Dealer must refrain from engaging in any activity that would constitute a breach of this Agreement—including completing a sale without obtaining required KYC Information—and overall is encouraged to refrain from supporting any activity that would be unlawful.

¹ This is not to suggest that there is a requirement to ask these types of questions. Rather, the focus is on whether, in the course of ordinary interactions in the sales context, the customer is unable or unwilling to provide basic information or seems to be evasive.

Attachment F

Definitions

Area of Responsibility	The geographical area as notified by the Importer to the Dealer from time to time.
Authorised Dealer	A dealer authorised by Volvo, the Importer or a Volvo Affiliated Company to both sell Volvo Products and provide Repairer Services in the Territory.
Authorised Repairer	A repairer authorised by Volvo, the Importer or a Volvo Affiliated Company solely to provide Repairer Services and to sell Volvo Parts and Volvo Accessories in the Territory.
Business Development Plan	Has the meaning set out in Article 10.
Commencement Date	Is the date set out in Attachment A.
Confidential Information	Information in permanent form (including for the purposes of this definition electronic forms) labelled by the provider as confidential and information transmitted orally which is stated at the time it is provided to be confidential and then as soon as practicable afterwards, reduced to permanent form by the provider and sent to the other labelled confidential. Even though material supplied by one party to the other may be described as confidential, it shall not qualify as Confidential Information or shall cease to qualify as such if the material: (a) already is known to the party receiving it, unless prior knowledge was obtained subject to a similar and still subsisting duty of confidentiality; or (b) becomes known later to the party receiving it, unless the later knowledge is obtained either unlawfully or subject to a similar duty of confidentiality; or (c) is or finds its way into the public domain other than by breach of any agreement by the receiving party.
Customer Data	Any data, including Personal Data relating to customers and prospective customers including, name, address, telephone numbers, email addresses.