



DEALER PREPAREDNESS

Annexure 1 Dealership Agreement



FRIENDLY

DEALERSHIP / FRANCHISE AGREEMENT

This Dealership / Franchise Agreement ("Agreement") is made and effective this(Date)

BETWEEN: **E-Ashwa Automotive Private Limited** (the "Franchisor" or Manufacturer), a company organized and existing under the Company Act, 2013 and having its registered office at M-51, Ramakrishna Vihar, I.P. Extn. Patparganj, Delhi – 110092 and Plant address at Block M-5, Sector 23, Sanjay Nagar, Ghaziabad, Uttar Pradesh- 201002, India.

AND: _____ (the " Franchisee " or "Dealer"), an individual / Partnership Firm / Pvt. Ltd. Company with his main address located at **AAAAAAAAAAAAAA, AAAAAAAAAAAAA, AAAAAAAAAAAAAAAAAAAAAAAAAAAAA, AAAAAAAAA, AAAAAAAAA - 111111** organized and existing under the laws of India.

WHEREAS, Franchisor and certain of its Affiliates own, operate and provider dealership of electrical vehicle within its territory, which, among other things sell and market electrical vehicle its parts and services to the general public only through its Super-Distributor and Dealership network

and

WHEREAS, Dealer is willing to purchase a specified number of electrical vehicle its parts and services and

WHEREAS, Franchisor is willing to provide various marketing, advertising and promotional services and activities in support of Dealer;

NOW, THEREFORE, based on the above premises and in consideration of the covenants and agreements contained herein, and intending to be legally bound, the parties agree hereto as follows:

1. AGREEMENT TERM

The term of this Agreement shall be for the initial period of **5 years**, commencing as of the date of this Agreement. Each year of the Term, as measured from the date of this Agreement, is a "Contract Year." The initial term can be renewed for any further terms and as many times as the parties to the agreement mutually agrees.

2. TERRITORY

The territory for purposes of this Agreement with respect to (District) and within the range of 20 Kms of Rural Market & 4 KM of Urban Market of District, ("State").

3. REVENUE SHARING

This agreement is purely a Franchiser and Franchisee agreement wherein Franchiser is seller and Franchisee is buyer and there is no revenue sharing agreement between the two parties.

4. MANUFACTURER COMMITMENTS

Beginning as of the date of this Agreement for Dealership located in, manufacturer agrees as follows:

4.1 Purchasing

Within the timeline agreed between the two parties, manufacturer will supply the required number of quantities to the Dealer. Where there is minimum number of

ordering quantity is agreed, manufacturer has right and not the obligation to supply less than the agreed minimum quantity.:

4.2 Missing Products

For each electric vehicle its parts that is lost, stolen or otherwise not reasonably accounted for, for more than 2 calendar days during the period commencing upon delivery to Dealer's outlet, Dealer shall pay the full value as agreed for the vehicle type.

4.3 Payment

The parties acknowledge and agree that if Dealer fails to pay or accept the deliver for the order stated under Paragraph 4.1, Dealer shall pay 1.2 times of the order value to manufacturer, as liquidated damages. If Franchisor fails to deliver the number or units ordered by Dealer under Paragraph 4.1, Franchisor shall pay to Dealer, as liquidated damages, an amount equal to the amount of advance received from the dealer towards the quantities in subject.

4.4 Marketing

With respect to advertising of electrical vehicle its parts, Dealer agrees to consult with Franchisor and to keep Franchisor reasonably apprised of its marketing plans and activities and to comply with Franchisor's then-current customary marketing support policies and practices. Franchisor shall have the right to approve such plans, and Dealer shall provide a timely opportunity for said approval by Franchisor. Franchisor shall exercise its approval rights in a timely and reasonable manner.

4.5 Packing and Shipping

Franchisor will be solely responsible for making electric vehicle its parts ready for shipping from its distribution center to Dealer's Locations.

4.6 Returns / Exchanges

Franchisor will exchange defective or damaged products. Defective products shall mean those that are mechanically defective, mis-packaged, physically blemished or contain extraneous material. **Dealer shall report defective or damaged products to Franchisor promptly within next working day following delivery of such defected or damaged vehicles or parts.**

4.7 Terms and Conditions / Requirements for Dealer

Dealer will abide by the Terms and Conditions / Requirements as stated in Annexure A which is an integral part to this Agreement and will be mutually amended from time to time. Amendment to Annexure A will not impact the other clauses of this Agreement.

4.8 Terms and Conditions/Requirements for Franchisor

Franchisor will abide by the Terms and Conditions / Requirements as stated in Annexure A which is an integral part to this Agreement and will be mutually amended from time to time. Amendment to **Annexure A** will not impact the other clauses of this Agreement.

4.9 Cost of vehicle to Dealer

Cost of vehicle to Dealer will be as stated in **Annexure A** which is an integral part to this Agreement and will be mutually amended from time to time. Amendment to Annexure A will not impact the other clauses of this Agreement.

5. COMMITMENTS

5.1 Marketing Support

In lieu of specific marketing support programs such as advertisement, Marketing, rebate, co-op (when e-Ashwa Automotive / Franchisor offers to pay a portion of the cost for an advertising placement), Dealer has to submit Interest free Security Deposit amount as mentioned in **Annexure A**

6. ELECTRONIC REPORTING

At no cost or expense to Franchisor, Dealer will provide to Franchisor, electronically, daily access to all Dealer electric vehicle its information along with weekly summaries, in such form as may be reasonably specified by Franchisor from time to time.

7. REVIEW

Within 30 [Thirty] calendar days following the end of each Contract Year, the parties shall meet and in good faith review the terms of this Agreement. Should no agreement be reached between the parties with respect to adjusting or amending the terms of the Agreement, the then current terms of the Agreement shall remain in full force and effect.

8. TERMINATION

- A.** The following transactions or occurrences shall constitute material events of default (each an "Event of Default") by the applicable party (the "defaulting party") hereunder such that, in addition to and without prejudice to or limiting any other rights and remedies available to the non-defaulting party at law or in equity the non-defaulting party may elect to immediately and prospectively terminate this Agreement at the sole discretion of the non-defaulting party by giving written notice thereof to the other party at any time after the occurrence of an Event of Default setting forth sufficient facts to establish the existence of such Event of Default.
- B.** Either party may give 1 [One] months' notice to terminate the Agreement. If such notice is given by either party, from such notification forward, Dealer shall have no right or obligation to purchase additional Electric vehicles and its parts under this Agreement and Franchisor shall be relieved of any right or obligation to sell Electric vehicles and its parts to Dealer under this Agreement.

8.1 Material Breach

A material breach by a party of any material covenant, material warranty, or material representation contained herein, where such defaulting party fails to cure such breach within 15 [Fifteen] calendar days after receipt of written notice thereof, or within such specific cure period as is expressly provided for elsewhere in this Agreement; or

8.2 Insolvency and / or Bankruptcy

A party makes an attempt to make any arrangement for the benefit of creditors, or a voluntary or involuntary bankruptcy, insolvency or assignment for the benefit of creditors of a party or in the event any action or proceeding is instituted relating to any of the foregoing and the same is not dismissed within 15 [Fifteen] calendar days after such institution; or

8.3 Failure to Make Payment

A failure by either party to make payment of any monies payable pursuant to this Agreement, as or when payment is due for more than 5 Days without any written explanation from either side of the party will term as major default.

Except as otherwise provided herein, no termination of this Agreement for any reason shall relieve or discharge any party hereto from any duty, obligation or liability hereunder which was accrued as of the date of such termination.

9. PUBLIC DISCLOSURE AND CONFIDENTIALITY

9.1 Public Disclosure

Each party agrees that no press release or public announcement relating to the existence or terms of this Agreement (including within the context of a trade press or other interview or advertisement in any media) shall be issued without the express prior written approval of the other party hereto. This doesn't cover posting or publishing pictures of any joint program at the social media portal

9.2 Confidential Information

During the Term and for a period of 2 [Two] Years thereafter, Dealer and Franchisor shall hold, and shall cause each of their directors, officers, employees and agents to hold in confidence the terms of this Agreement (including the financial terms and provisions hereof and all information received pursuant to, or developed in accordance with, this Agreement) specifically including but not limited to the Franchisor. Dealer and Franchisor hereby acknowledge and agree that all information contained in, relating to or furnished pursuant to this Agreement, not otherwise known to the public, is confidential and proprietary and is not to be disclosed to third parties without the prior written consent of both Dealer and Franchisor. Neither Dealer nor Franchisor shall disclose such information to any third party (other than to officers, directors, employees, attorneys, accountants and agents of Dealer and Franchisor or the affiliates of either, who have a business reason to know or have access to such information, and only after each of whom agrees to being bound by this paragraph) except:

- a. To the extent necessary to comply with any Law or the valid order of a governmental agency or court of competent jurisdiction or as part of its normal reporting or review procedure to regulatory agencies or as required by the rules of any major stock exchange on which either party's stock may be listed; provided, however, that the party making such disclosure shall seek, and use reasonable efforts to obtain, confidential treatment of said information and shall promptly, notify the other party in advance of such disclosure;
- b. As part of the normal reporting or review procedure by its parent Dealer, its auditors and its attorneys;
- c. To the extent necessary to obtain appropriate insurance, to its insurance agent or carrier, that such agent or carrier agrees to the confidential treatment of such information; and
- d. To actual or potential successors in interest, provided, however, that such person or entity shall have first agreed in writing to the confidential treatment of such information.

10. NO RIGHT TO USE NAMES

Neither Super Distributor nor Dealer shall acquire any right to use, nor shall use any copyrights, trademarks, characters or designs owned or controlled by Franchisor or any of its Affiliates, including without limitation, the names [e-Ashwa], alone or in conjunction with other words or names, in any advertising, publicity or promotion, either express or implied, without Franchisor's prior consent in each case, and in no case shall any Dealer or Location advertising, publicity, or promotion, express or imply any endorsement of the same.

11. ASSIGNMENT

This Agreement and the rights and licenses granted hereunder are personal and neither party shall have the right to sell, assign, transfer, mortgage, pledge nor hypothecate (each an "Assignment") any such rights or licenses in whole or in part without the prior written consent of the non-assigning party, nor will any of said rights or licenses be assigned or transferred to any third party by operation of law, including, without limitation, by merger or consolidation or otherwise.

12. AUDIT RIGHTS

- a. During the Term and continuing until 3 [Three] months following the date of expiration or earlier termination of this Agreement **E-Ashwa Automotive Private limited**(Ultimate Parent Company) or any of the **E-Ashwa Automotive Private Limited** subsidiary company may, audit the financial books, information systems and records of Dealer as reasonably necessary to verify Dealer's compliance with its obligations under this Agreement; provided, however, that
 - i. Such audit shall be at the sole cost and expense of Franchisor (unless such audit reveals that payments due to Franchisor for any period were understated, in which case, in addition to all other rights which Franchisor may have, Dealer shall promptly reimburse Franchisor to the extent of its reasonable out-of-pocket costs of such audit;

- ii. Franchisor may not audit more than twice per year (and no such audit shall continue for more than 3 [Three] calendar days from the date the auditors are given access to the applicable records), and
 - iii. Any such audit shall be conducted only during regular business hours and in such a manner as not unreasonably to interfere with the normal business activities of Dealer.
- b. Dealer shall keep and maintain complete and accurate books of account and records in connection with its obligations under this Agreement at its principal place of business until the date 66 [Sixty Six] months following the date of rendering of the initial statement reflecting such records unless a legal action with regard thereto is commenced during such period.
 - c. During the Term and continuing until 6 [Six] months following the date of expiration or earlier termination of this Agreement, Franchisor may inspect and audit the books, records and store premises of Locations and Participating Franchises as reasonably necessary to verify compliance with this Agreement.

13. FRANCHISOR'S REPRESENTATIONS AND WARRANTIES

Franchisor represents and warrants that:

- a. It is a company organized and existing under the Companies Act 2013 and having its registered office at M-51, Ramakrishna Apartment, IP Extn., Patparganj, Delhi - 110092 and having Plant Address as **Block M-5, Sector 23, Sanjay Nagar, Ghaziabad, Uttar Pradesh- 201002, India;**
- b. The undersigned has the full right, power and authority to sign this Agreement on behalf of Franchisor;
- c. The execution, delivery and performance of this Agreement does not and will not, violate any provisions of and law, Statute or articles or certificates of incorporation and bylaws, or any contract or other Agreement to which Franchisor is a party;
- d. There is no broker, finder or intermediary involved in connection with negotiations and discussions incident to the execution of this Agreement, and no broker, finder,

intermediary who might be entitled to a fee, commission or any other payment upon the consummation of the transactions contemplated by this Agreement;

- e. This Agreement has been duly executed and delivered and constitutes a legal, valid and binding obligation, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereinafter in effect, affecting the enforcement of creditors' rights in general and by general principles of equity.

14. DEALER'S REPRESENTATIONS AND WARRANTIES

Dealer represents and warrants that:

- a. It is an entity organized and existing under the laws of India with its principal place of business at -
111111;
- b. The undersigned has the full right, power and authority to sign this Agreement on behalf of Dealer;
- f. There is no broker, finder or intermediary involved in connection with negotiations and discussions incident to the execution of this Agreement, and no broker, finder, intermediary who might be entitled to a fee, commission or any other payment upon the consummation of the transactions contemplated by this Agreement;
 - a. This Agreement has been duly executed and delivered and constitutes a legal, valid and binding obligation, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereinafter in effect, affecting the enforcement of creditors' rights in general and by general principles of equity. and
 - b. The execution, delivery and performance of this Agreement do not, and will not, violate any provisions of Dealer's articles or certificates of incorporation and bylaws, or any contract or other Agreement to which Dealer is a party.

15. FORCE MAJEURE

The duties and obligations of the parties hereunder may be suspended upon the occurrence and continuation of any "Event of Force Majeure" which inhibits or prevents performance hereunder, and for a reasonable start-up period thereafter. An "Event of Force Majeure" shall mean any act, cause, contingency or circumstance beyond the reasonable control of such party (whether or not reasonably foreseeable), including, without limitation, to the extent beyond the reasonable control of such party, any governmental action, nationalization, expropriation, confiscation, seizure, allocation, embargo, prohibition of import or export of goods or products, regulation, order or restriction (whether foreign, federal or state), war (whether or not declared), civil commotion, disobedience or unrest, insurrection, public strike, riot or revolution, lack or shortage of, or inability to obtain, any labor, machinery, materials, fuel, supplies or equipment from normal sources of supply, strike, work stoppage or slowdown, lockout or other labor dispute, fire, flood, earthquake, drought or other natural calamity, weather or damage or destruction to plants and/or equipment, commandeering of vessels or other carriers resulting from acts of God, or any other accident, condition, cause, contingency or circumstances including (without limitation, acts of God) within or without India. Neither party shall, in any manner whatsoever, be liable or otherwise responsible for any delay or default in, nor shall failure of, performance resulting from or arising out of or in connection with any Event of Force Majeure and no such delay, default in, or failure of, performance constitute a breach by either party hereunder. As soon as reasonably possible following the occurrence of an Event of Force Majeure, the affected party shall notify the other party, in writing, as to the date and nature of such Event of Force Majeure and the effects of same. If any Event of Force Majeure shall prevent the performance of a material obligation of either party hereunder, and if the same shall have continued for a period of longer than 30 [Thirty] days, then either party hereto shall have the right to terminate this Agreement by written notice to the other party hereto.

16. INDEMNIFICATION

Each party (the "Indemnifying Party") shall indemnify and hold the other party and its affiliates and their respective employees, officers, agents, attorneys, stockholders and directors, and their respective permitted successors, licensees and assigns (the "Indemnified Party(ies)") harmless from and against (and shall pay as incurred) any and all claims, proceedings, actions, damages, costs, expenses, other liabilities and losses (whether under a theory of strict liability, or otherwise) of whatsoever kind or nature ("Claim(s)") incurred by, or threatened, imposed or filed against, any Indemnified Party (including, without limitation,

(a) actual and reasonable costs of defense, which shall include without limitation court costs and reasonable attorney and other reasonable expert / third party fees; and

(b) to the extent permitted by Law, any fines, penalties and forfeitures) in connection with any proceedings against an Indemnified Party caused by any breach (or, with respect to third party claims only, alleged breach) by the Indemnifying Party of any representation, term, warranty or agreement hereunder.

Neither party shall settle, compromise or consent to the entry of any judgment in or otherwise seek to terminate any pending or threatened Claim in respect of which the Indemnified Party is entitled to indemnification hereunder (whether or not the Indemnified Party is a party thereto), without the prior written consent of the other party.

17. REMEDIES

No remedy conferred by any of the specific provisions of this Agreement is intended to be exclusive of any other remedy which is otherwise available at law, in equity, by statute or otherwise, and except as otherwise expressly provided for herein, each and every other remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity, by statute or otherwise and no provision hereof shall be construed so as to limit any party's available remedies in the event of a breach by the other party hereto. The election of any one or more of such remedies by any of the parties hereto shall not constitute a waiver by such party of the right to pursue any other available remedies.

18. DEFINITIONS

- A. "Affiliate" shall mean an entity in which either party has a controlling interest.
- B. "Franchise" shall mean Dealer or Super Distributor.
- C. "Laws" shall mean all international, federal, national, state, provincial, municipal or other laws, ordinances, orders, statutes, rules or regulations.
- D. "Location" shall mean any Location in India or Outside India, which, at any time during the Term of this Agreement, is wholly owned and/or operated by Dealer, whether or not such Location is operated under the "Dealer" trademarks.

19. MISCELLANEOUS

- A. This Agreement shall not constitute any partnership, joint venture or agency relationship between the parties hereto. The parties shall be considered independent contractors.
- B. This Agreement, together with the attached [Annexures and Exhibits], embodies the entire understanding of the parties with respect to the subject matter hereof and may not be altered, amended or otherwise modified except by an instrument in writing executed by both parties.
- C. The headings in this Agreement are for convenience of reference only and shall not have any substantive effect.
- D. All rights & remedies granted to parties hereunder are cumulative & are in addition to any other rights or remedies that the parties may have at law or in equity.
- E. Should any non-material provision of this Agreement be held to be void, invalid or inoperative, as a matter of law the remaining provisions hereof shall not be affected and shall continue in effect as though such unenforceable provision(s) have been deleted here from?
- F. Unless otherwise indicated, all amounts referenced herein are in Indian Rupees.
- G. No waiver of any right under or breach of this Agreement shall be effective unless it is in writing and signed by the party to be charged.
- H. This Agreement shall be governed by and construed in accordance with the Indian Contract Act 1872.



- I. None of the provisions of this Agreement is intended for the benefit of or shall be enforceable by any third parties.
- J. This Agreement may be executed in separate counterparts each of which shall be an original and all of which taken together shall constitute one and the same.
- K. All notices shall be in writing and either personally delivered, Speed Post, Normal post (postage prepaid), sent by reputable overnight courier service (charges prepaid), or sent by transmittal by any electronic means including, but not limited to, email, facsimile, telex, or laser transmissions to the parties at the addresses stated in this agreement.
- L. **Use of the Intellectual Property including Trademarks, Patents, Manuals.** This agreement defines what is licensed to the Dealer, how the Dealer can use the IP.
- M. **Insurance Requirements.** Franchise agreements will define the minimum insurance a Dealer is required to have during the terms of the agreement.
- N. All the law like Income Tax Act, GST Act, Labour Laws, and IP Laws etc. will become applicable as per the provisions of the respective Act.

GOVERNING LAW

This Agreement shall be governed by, and construed under, the laws of India.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

FRANCHISOR

DEALER

Authorized Signature

Authorized Signature

Print Name and Title

Print Name and Title