

Representations of Circumstances

These Representations of Circumstances (hereinafter referred to as the “Representation”) are an integral part of all and every Contracts entered into between GAZ and the COMPANY, irrespective of the date of execution and the applicable law.

1. Warranties, representations, obligations.

- 1.1.** The COMPANY hereby represents as follows:
 - 1.1.1.** The COMPANY is fully aware of the Sanctions-related prohibitions imposed by the Russian Federation, the United Nations, the USA, the European Union, and any other states of the global community, fully understands the meaning of the Sanctions regime, Export Restrictions and additional prohibitions as well as any possible adverse effects associated with violation of such restrictions and prohibitions.
 - 1.1.2.** The COMPANY has provided complete and accurate information about itself to enable GAZ to perform the standard Know Your Counterparty procedure.
 - 1.1.3.** The COMPANY and/or its shareholders (participants), members of its Board of Directors (Supervisory Board) or any other collegial management body, members of a collegial executive body, person(s) exercising the powers of its sole executive body and other Affiliates, Beneficial Owners, Controlling and Controlled persons, officers and other employees and/or beneficiaries, representatives, contractors, agents, advisors and/or any other persons related to the Contract, including the manufacturer of the goods supplied under the Contract (hereinafter referred to as the “Supplied Goods”) (if the manufacturer is different from the Supplier), as well as component manufacturers including software (hereinafter referred to as the “Software”) for the Supplied Goods (i) are not Sanctioned Persons, (ii) have not violated and/or are not violating any applicable Sanctions.
 - 1.1.4.** The COMPANY’s representative, who signed agreements with GAZ, any amendments and/or addendums thereto, is not a Sanctioned Person.
- 1.2.** Any COMPANY purchasing vehicles, spare parts, components, accessories for vehicles (hereinafter referred to as the “Purchased Goods”) from GAZ, as well as rendering services on search and contracting of customers or performing transfer of the Purchased Goods (separately or as part of rendering services/fulfillment of works) hereby warrants and undertakes as follows:
 - 1.2.1.** The Purchased Goods will be used exclusively for civilian purposes;
 - 1.2.2.** The Purchased Goods will not be used for the maintenance, repair, refurbishing, development and/or production of weapons of mass destruction, means of delivering thereof and other types of munitions and military vehicles or for the preparation and/or commitment of terrorist acts;
 - 1.2.3.** To provide information regarding the intention to copy, modify, re-export, or transfer the Purchased Goods to third parties upon the request of such information from GAZ;
 - 1.2.4.** Not to ship (export, re-export, transfer, distribute) the Purchased Goods to countries which are subject to Sanctions, Export Restrictions and other restrictive measures, as well as to terrorist groups and persons associated with terrorist organizations, regardless of their country of citizenship, as well as to legal entities of any type and individuals who (i) are Sanctioned Persons, (ii) have violated and/or are violating any applicable Sanctions;
 - 1.2.5.** The Purchased Goods will not be transferred to any party without having obtained similar warranties and having fulfilled other obligations set forth in paragraph 1.2 of this Representation.
- 1.3.** Any COMPANY supplying goods (such as spare parts, components, accessories for vehicles and others) or rendering services (such as services such as carriage, consulting, development and design, agency services, and others) to GAZ hereby warrants and undertakes as follows:
 - 1.3.1.** To prevent a breach by the COMPANY of any Export Restrictions and/or prohibitions;
 - 1.3.2.** Immediately notify GAZ in writing (as soon as it becomes aware of such information) that the Export Restrictions have been imposed on the Goods and an export license is required.
- 1.4.** The representations set forth in paragraph 1.1 of this Representation shall be made and construed in accordance with the following provisions:

1.4.1. The Party which, at the time or before or after signing the contract, has given false representations to the other Party concerning circumstances relevant to conclusion, performance or termination of the contract (including those relating to the subject of the contract, the authority to sign the contract, the compliance of the contract with applicable law, the possession of necessary licenses and permits, its financial situation or relating to a third party) shall upon request compensate the other Party for the damages caused by the false representations or pay the contractual penalty stipulated in the contract;

The rescission or invalidation of the contract shall not in itself affect the consequences specified in the paragraph 1.4.1 hereof;

The liability under this clause shall arise in the event that the Party who has given misleading representations has assumed or had reasonable grounds for assuming that the other Party will rely on them;

1.4.2. The Party that relied on the counterparty's misleading representations, which have a material effect on the party, shall also be entitled to withdraw from the contract, unless the Parties have agreed otherwise, in addition to the claim for damages or contractual penalty;

1.4.3. The Party that signs the contract under the influence of deception or material misrepresentation caused by misleading representations provided by the other party is entitled, instead of withdrawing from the contract, to demand invalidation of the contract;

1.4.4. The consequences specified in paragraphs 1.4.1 and 1.4.2 hereof shall apply to a misleading Party in the performance of business activities, as well as in connection with a corporate agreement or an agreement to transfer shares or interests in the share capital of a company, regardless of whether the party was aware of such misleading representations, unless otherwise agreed by the Parties.

1.5. The COMPANY hereby warrants and undertakes as follows:

1.5.1. To maintain the validity of the representations set forth in paragraph 1.1 of this Representation until the Parties fulfill their obligations under the Contract in full. The COMPANY's obligation to maintain the validity of the warranties set forth in paragraphs 1.2 and 1.3 of this Representation survives the termination of the Contract;

1.5.2. Upon written request of GAZ, to provide with all relevant and reliable information enabling GAZ to carry out a standard Know Your Counterparty procedure;

1.5.3. From the date of the Contract and prior to its expiration to regularly monitor to ensure that the COMPANY and/or its shareholders, members of its Board of Directors (Supervisory Board) or any other collegial management body, members of a collegial executive body, person(s) exercising the powers of its sole executive body, and other Affiliates, Beneficial Owners, Controlling and Controlled persons, officers and other employees and/or beneficiaries, representatives, contractors, agents, advisors and/or any other persons related to this Contract, including the manufacturer of the Supplied Goods (if the manufacturer is different from the Supplier), as well as the Software for the Supplied Goods (i) are not Sanctioned Persons, (ii) have not violated and/or are not violating any applicable Sanctions;

1.5.4. To make sure that no Sanctioned Persons acting in the capacity of its representatives are involved in signing any instruments pursuant to the Contract with GAZ prior to its expiration;

1.5.5. To immediately notify GAZ in writing (as soon as it becomes aware of such information) of the following:

– The COMPANY and/or any person listed in paragraph 1.1.3 of this Representation (i) being acknowledged as Sanctioned Persons, (ii) have violated any applicable Sanctions;

– Other facts (information) related to the COMPANY's business and/or financial standing that may have a negative impact on GAZ's business reputation or the COMPANY's opportunity to execute the Contract with GAZ;

– Any other matter, event, ground and/or circumstance (including omission) that may arise or of which the COMPANY may become aware from the date of the Contract and prior to its expiration, and that constitute a violation of any of the COMPANY's representations, warranties or obligations.

2. Breach consequences

2.1. Notwithstanding the provisions of the applicable law, the Parties have agreed as follows:

Any violation of the COMPANY's representations as well as warranties and obligations set forth in this Representation shall constitute a material breach of the Contract and a sufficient ground for

GAZ to unilaterally and extrajudicially withdraw from the Contract (in whole or in part) or terminate the Contract by giving a notification to the COMPANY on cancellation or termination of the Contract, indicating the reasons for such cancellation or termination (hereinafter referred to as the “Notification”). GAZ may exercise this right at any time from the date when it has become aware of the circumstance being the ground for such cancellation or termination of the Contract. The Contract shall be deemed to be cancelled or terminated, as the case may be, from the date of the Notification by GAZ to the COMPANY. Further execution of the Contract and/or any other contracts between the Parties during the period before the Notification has been given does not constitute a waiver by GAZ of its right to cancel or terminate the Contract and/or confirmation of its intent to maintain the validity of the Contract.

Regardless of whether or not GAZ gives a Notification of cancellation or termination of the Contract, the Parties have agreed that the payment for the Goods ordered shall become due within 7 days from the date the invoice sent by GAZ. GAZ shall be entitled to suspend fulfillment of a previously accepted order at any stage prior to its payment in full. Further orders may be placed exclusively against a 100% prepayment within 10 days from order confirmation by GAZ, unless the Parties agree otherwise. By placing an order, the COMPANY shall be deemed to have agreed to amend the terms of payment.

- 2.2. The COMPANY fully understands and agrees that exercising the right by GAZ set forth in paragraph 2.1 of this Representation does not constitute a breach of any of the obligations under the Contract. The COMPANY hereby waives any claims to GAZ for any losses, costs or expenses, including, but not limited to any loss of profit as well as income, loss of clients/contractors/partners/ withdrawal of co-owners from an existing business, loss of or damage to the reputation and/or similar damages, loss of expected savings or increased/ reduced expenses, or any indirect losses, or merely economic losses, expenses, damage or costs, which the COMPANY may incur due to cancellation or termination of the Contract by GAZ.
- 2.3. In the event of a breach by the COMPANY of its representations as well as warranties and obligations set forth in this Representation, the COMPANY shall bear sole and complete liability (administrative, criminal, civil, etc.) that may be imposed on the COMPANY and shall bear all expenses and costs that GAZ, manufacturers of the Supplied Goods, consigners of the Supplied Goods, carriers of the Supplied Goods may suffer due to misrepresentations as well as the failure to perform warranties and obligations.

3. Terms and definitions

For the purpose of this Representation, the Parties have agreed that the terms and definitions used herein have the following meanings:

Sanctions shall mean economic measures of prohibitive and restrictive nature, which are imposed by one participant of international trade (state, state associations and/or unions and/or state (interstate) institutions or state associations and/or unions) on another party (target of sanctions) and may target both the country as a whole, individuals and/or legal entities organized and existing under the laws of that state or goods manufactured in the territory of such state, for specific purposes related to security issues or foreign policy.

For the purposes of subitems (i) and (ii) of items 1.1.3 and 1.5.3 hereof the term “Sanctions” includes only those restrictive and prohibitive measures that directly or indirectly establish a ban on doing business (selling or purchasing goods, providing technical documentation, performing payments, etc.) with a Counterparty, including by creating the risk of applying similar or other Sanctions to GAZ and/or manufacturers of Goods.

Export restrictions– any laws, regulations, decrees or decisions in force at the place of activity of the Parties, including foreign trade regulation measures controlled and applied by the United States, the EU, EU Member States or any other applicable laws, regulations, decrees or decisions aimed at implementing trade regulation. This regulatory framework includes, among other things, European Council Regulations No. 208/2014, 269/2014, 692/2014 and 833/2014 (as amended), the US Export Control Act, the US

International Emergency Economic Powers Act, the US Arms Export Control Act, the US Export Administration Regulation, the U.S. Defense-Related Products and Dual-Use Items and Technologies Export Control Regulation export control measures and economic sanctions applied by the US Treasury Department, The U.S. Department of Energy or the U.S. Nuclear Regulatory Commission, as well as any laws, regulations, orders, directives or decisions taken in connection with the above.

Affiliates shall mean any individuals and legal entities that can influence the activities of legal entities and/or individuals engaged in entrepreneurial activities.

The following persons shall be deemed to be affiliates of a legal entity:

- a member of its Board of Directors (Supervisory Board) or any other collegial management body, a member of its collegial executive body, as well as a person exercising the powers of its sole executive body;
- persons belonging to the same group of persons to which a legal entity belongs;
- persons entitled to dispose of more than 20 percent of the total number of votes attributable to voting shares (contributions, stakes) constituting the authorized or share capital of this legal entity;
- a legal entity in which this legal entity is entitled to dispose of more than 20 percent of the total number of votes attributable to voting shares (contributions, stakes) constituting the authorized or share capital of this legal entity;
- if a legal entity is member of a financial and industrial group, its affiliates shall also include members of its Board of Directors (Supervisory Boards) and other collegial management bodies, collegial executive bodies of members of a financial and industrial group, as well as persons exercising the powers of sole executive bodies of members of a financial and industrial group.

Beneficial Owner shall mean an individual, who ultimately directly or indirectly (through third parties) owns (has a majority interest of more than 25 percent in the capital) of a legal entity or has the ability to control the activities of a legal entity.

Such person shall be deemed to be the beneficial owner of an individual unless there is a reason to believe that the beneficial owner is another individual.

Controlling Person shall mean a person who is entitled to directly or indirectly (through its controlled persons) dispose of more than 50 percent of votes in the supreme body of a controlled organization or is entitled to appoint (elect) the sole executive body and/or more than 50 percent of the members of a collegial management body of a controlled organization through holding shares / participatory interests in a controlled organization, and/or under a trust management agreement, and/or a special partnership agreement, and/or an agency agreement, and/or a shareholder agreement, and/or any other agreement the subject matter of which is exercising the powers certified by shares (participatory interests) of such controlled organization.

Controlled Person (Controlled Organization) shall mean a legal entity that is directly or indirectly controlled by a controlling person.

Sanctioned Person shall mean any individual or legal entity that (a) is listed on any Sanctions Lists; (b) is organized in a country or territory (resident in a country or territory, acts in a country or territory) that is the target of comprehensive country or territory-wide Sanctions, or related (has any kind of relationship with) to the government of a country or territory (with governmental authorities or organizations controlled by the government), that is the target of any Sanctions; (c) acts for, on behalf of and upon instruction of the persons referred to in para. (a) and (b) above; (d) belongs to the group of persons in respect of which Sectoral Sanctions are applied; (e) is related to a Sanctioned Person, i.e. directly or indirectly owned, controlled, managed by or otherwise related to a Sanctioned Person, and for this reason it is subject to all or some of the Sanctions imposed on the persons specified in para. (a), (b) and (d) above; (e) is subject to Sanctions for other reasons.

Sanctions Lists shall mean lists of individuals and legal entities that are subject to Sanctions publicly announced and formed (maintained) by government or regulatory bodies (institutions, agencies) that administer applicable economic, industry, financial or trade sanctions of various states, state associations and/or unions and/or state (interstate) institutions or state associations and/or unions, including, but not limited to:

- A list of persons determined by the President of the Russian Federation, the Government of the Russian Federation or other authorized body in accordance with the legislation of the Russian Federation;
- The United Nations Security Council Consolidated List;
- Specially Designated Nationals and Blocked Persons List (“SDN”) and the List of current Sanctions Programs maintained by the Office of Foreign Assets Control of the United States Department of the Treasury (OFAC);
- Consolidated list of persons subject to financial sanctions maintained by the European Commission.

Contract shall mean Contracts (agreements, master agreements, contracts, etc.), governing relations between the Parties, between the GAZ Companies and the COMPANY, including but not limited to: supply contracts, distribution agreements, manufacturing agreements, license agreements, contracts on warranty and technical maintenance of products, Non-disclosure agreements, agency agreements, commission agreements, cooperation agreements, other contracts and agreements on test operation and testing of vehicles, sales support and extension, demonstrations and participation in trade shows, certification, consulting and other services provision, works performance, storage, transportation, assignment of claims and others.

GAZ shall mean any and all companies from GAZ Group and directly or indirectly affiliated with GAZ, PJSC.

COMPANY shall mean any and all counterparties, partners, dealers, suppliers, customers, banks and etc. which have a valid Contract with GAZ.