



The Good Practices of car manufacturers/distributors

1. Authorisation of sales and full-size dealerships

The decision whether, where and when to appoint a sales or a full-size (sales and service) dealer should lie with the car manufacturers / distributors (each for itself). The car manufacturers / distributors should establish transparent, grounded and collegiate processes for the selection of candidates to sales (if any) and/or full-size dealerships. Apart from other criteria, such candidates should meet respective compliance and reputational requirements of the respective car manufacturer / distributor.

Although Letters of intent and Memorandums of understanding signed with candidates to dealerships are not binding (not preliminary) agreements under Russian law, the car manufacturers / distributors should stick to their terms and conditions and should not groundlessly terminate them or refuse signing dealer agreements in case the candidate duly and timely fulfils all agreed terms and conditions as well as meets respective requirements (including compliance and reputational ones applied by the respective car manufacturers / distributors) by the time of the dealer agreement signing.

The above provisions can be implemented by one or more (not limited) of the below means:

- Development of internal policy (another similar document) for authorisation of dealers and/or full-sized dealers, including, in particular, the criteria, terms of consideration, determination of responsible persons, decision-making procedures
- Authorisation of sales dealers and/or full-size dealers under this internal policy
- A mandatory provision of the basic principles and decision-making timeframes of the internal policy to the candidates at a request of the latter, although posting internal policy on a website is not mandatory
- Non-inclusion in the letter of intent (similar documents) the terms of unilateral refusal of their fulfilment by the car manufacturer / distributor with no breach on the part of the candidate/dealer.

2. Authorisation of service dealers

The car manufacturers / distributors should envisage a possibility to authorize official service dealers (without sales). This is required in those regions where there is a need for service but no sufficient demand for a (additional) sales point. Those car manufacturers / distributors, which do not have qualitative selection systems for official service dealers, should publish plans of their official service dealers network expansion based on a realistic evaluation (whether made by the car manufacturer / distributor itself or by an independent agency) of the market potential (if there is any potential) for official service dealers in the regions and establish competitive selection processes for candidates



willing to apply for service dealerships in such regions according to the mentioned plans.

The above provisions can be implemented by one or more (not limited) of the below means:

- Development of internal policy (another similar document) for authorising service dealers, including, in particular, the criteria, period of consideration, determination of responsible persons, decision-making procedures;
- Authorisation of service dealers under this internal policy;
- Mandatory provision of the basic principles and decision-making timeframes of the internal policy to the candidates at a request of the latter, although posting internal policy on a website is not mandatory.

3. Requirements to facilities of official dealers

The requirements to facilities of official dealers (in particular, sizes of land plots, show-rooms and service stations) should have an economic basis and be based on the evaluation of the market potential. The car manufacturers / distributors shall have the right to demand dealer facility adherence to the corporate style and brand standards.

The car manufacturers / distributors should not require additional investments into facilities within 5 years of their commissioning, if such investments are not objectively required due to changes in models of vehicles to be sold and/or technologies to be used by official dealers and/or standards of the distributor and/or the original vehicle manufacturer.

The car manufacturers / distributors should, if possible, recommend to the official dealers several manufacturers of recommended corporate identity elements, furniture and finishing materials. If there are alternative suppliers of corporate identity elements, furniture and finishing materials, the quality of which corresponds to the "like, kind, quality" requirements of the respective original vehicle manufacturer and/or distributor and has been approved by the vehicle manufacturer and/or car manufacturers / distributors, the Members should not hinder official dealers in purchasing the said goods from such alternative manufacturers. The car manufacturers / distributors shall inform official dealers of such approval procedure.

The above provisions can be implemented by one or more (not limited) of the below means:

- Development of standardised requirements for buildings;
- Development of a standardised methodology for calculating facilities' sizes;
- Informing candidates/dealers (at their request) about recommended manufacturers of corporate identity elements, furniture and finishing materials if possible and upon their availability;
- If there is only one recommended manufacturer of corporate identity elements and/or furniture and/or finishing materials, development of assessment procedure (or another similar document) for alternative manufacturers and informing relevant candidates/dealers about its terms by request of the latter.

4. Dealer appointment policy

The car manufacturers / distributors (each for itself) should develop a document governing



relationship with candidates to official dealers, including requirements to candidates to official dealers, general terms of co-operation, a procedure for documents submission, as well as procedures and timeframes for making decisions on the conclusion of, or refusal to, conclude dealer agreements. The car manufacturers / distributors should provide such information to candidates to official dealers

The above provisions can be implemented by one or more (not limited) of the below means:

- Approval of internal policy (another similar document) on the authorisation of sales dealers and / or full-size dealers and internal policy (other similar document) for authorisation of service dealers (Provisions 1 and 2 of the Good Practices for car manufacturers / distributors) by senior management;
- Informing decision-makers (responsible persons) within the car manufacturing / distribution company of these internal policies (or other similar documents).

5. Duration of agreements with official dealers

Dealer agreements should be concluded for not less than 5 years or for an unlimited term (hereinafter jointly referred to as "long term dealer agreement"). The dealer agreement could be concluded for a shorter period (less than 5 years) if there are grounded reasons defined by the car manufacturers / distributors and established in the car manufacturers / distributors 's dealer appointment policy or in a corresponding agreement (hereinafter referred to as "short term dealer agreements"). Short term dealer agreement can be concluded, specifically, in case an official dealer does not possess respective facilities (e.g. rents them) or has not made investments into development of the dealer business according to an agreed business plan. The car manufacturers / distributors should inform any candidate, which is applying for the dealership, before signing the dealer agreement about conditions, according to which the term of the dealer agreement will be less than 5 years

The above provisions can be implemented by one or more (not limited) of the below means:

- Fixing the terms of the Dealer agreement given in the Good Practices for car manufacturers / distributors in the internal policies or other similar documents (provisions 1, 2 and 4 of the Good Practices for car manufacturers / distributors);
- Fixing these terms in the Dealer agreements.

6. No discrimination of official dealers

The car manufacturers / distributors should not establish discriminatory conditions for official dealers within a dealer network (specifically, conditions of vehicles and spare parts distribution and delivery, provision of discounts). In certain cases such conditions may vary depending on economic, technological and other factors, such as the location of official dealers, their purchase volumes, investments made and other objective criteria.

The above provisions can be implemented by one or more (not limited) of the below means:

- Discounts/bonus/award systems, etc. should be transparent and should not contain terms which allow dealers to be provided with economically unjustifiable different terms;
- Discounts/bonus/award systems, etc. may be included in the Dealer agreements, or brought to



their attention by other means beforehand;

- In case of a unilateral increase in the sales plan by the car manufacturer / distributor, the agreement should not be terminated if the official dealer does not fulfil the increased plan.

7. Re-selling price and price of labour hours

The car manufacturers / distributors should not establish any fixed retail prices of automotive products as well as prices for labour hours for non-warranty repairs for official dealers, with exception being made for the establishment of maximum prices.

The above provisions can be implemented by one or more (not limited) of the below means:

- Exclusion of terms on a fixed price for resold goods and on a fixed price for a labour hour from agreements with dealers;
- Exclusion of terms on a fixed price for resold goods and on a fixed price for a labour hour from the policies/ guidelines (other similar documents), brought to the attention of dealers;
- Car manufacturers / distributors have the right to set the maximum price of resold goods and the maximum price of a labour hour.

8. Sale of special equipment and special tools to official dealerships

If there are several suppliers of recommended special equipment and special tools for service stations required for preliminary treatment, maintenance and repairs of the vehicles of the given brand or there are alternative suppliers of these goods, the quality of which corresponds to the "like, kind, quality" requirements of the vehicle manufacturer and has been approved by the respective car manufacturer and/or the respective distributor, the car manufacturers / distributors shall provide official dealers the possibility to choose between those suppliers themselves. If possible, official dealers may import the mentioned goods themselves unless it violates IP rights of the original vehicle manufacturer and/or the distributor and/or the customs legislation of the Russian Federation. The car manufacturers / distributors has the right to establish a list of special tools and equipment which directly or indirectly allow interference in anti-theft, active and passive security systems of a vehicle, specifically, alarm and tracking systems, immobilisers, locking and entry systems, electronic control units, airbags, safety belts and similar (hereinafter jointly referred to as "vehicle security systems"), which can be purchased only from the car manufacturers / distributors or suppliers approved by the Member and/or the original vehicle manufacturer. The car manufacturers / distributors, which sell special equipment and special tools directly to official dealers themselves, should refrain from setting forth unmotivated high prices for such special equipment and special tools.

The above provisions can be implemented by one or more (not limited) of the below means:

- If there are several suppliers of recommended special equipment and/or special tools, informing the candidates/dealers at their request about such recommended suppliers;
- If there is only one recommended supplier of special equipment and/or special tools, the development of assessment procedure (other similar document) of alternative suppliers and informing relevant candidates/dealers about its terms by request of the latter;



- A broad interpretation of a definition of the "car safety systems" is unacceptable;
- Establishing a list of "car safety systems", if it is used when limiting sales to candidates/dealers.

9. "Original spare part", "identical spare part" and "spare part of matching quality"

"Original spare parts" – spare parts produced by the original vehicle manufacturer or for the original vehicle manufacturer under its instruction/order by an original spare parts manufacturer, as well as those distributed by the car manufacturers / distributors or any other official distributors of the original vehicle manufacturer and marked with the trademark of the original vehicle manufacturer.

"Identical spare parts" – parts produced by the original vehicle manufacturer or for the original vehicle manufacturer under its instruction/order by an original spare parts manufacturer, fully equivalent to the original spare parts, but not marked with the trademark of the original vehicle manufacturer, as well as those distributed by the car manufacturers / distributors or any other official distributors of the original vehicle manufacturer.

"Spare parts of matching quality" – spare parts which are of the same quality as original spare parts but not distributed by the car manufacturers / distributors or any other official distributors of the original vehicle manufacturer, not marked with its trademark and produced either by the manufacturer of original spare parts or by any other manufacturer according to the standards of the original vehicle manufacturer, as well as those for which documents confirming their approval for use by the respective original vehicle manufacturer are available. The obligation to prove the matching quality of such spare parts should lie with the respective spare parts supplier or the dealer.

The above provisions can be implemented by one or more (not limited) of the below means:

- Inclusion of respective terms in the Dealer agreements or other documents associated with such agreements brought to the attention of dealers;
- If the original vehicle manufacturers/auto-distributor has no category of spare parts that fall under the definition of "identical parts" in the Good Practices for car manufacturers / distributors, only use of the "original spare parts" and "spare parts of matching quality" categories is possible.

10. Warranty repairs

Warranty repairs and other repairs paid by the auto-distributors and/or original vehicle manufacturers should be conducted only by official dealers.

The car manufacturers / distributors may require using only original and/or identical spare parts for warranty repairs and other repairs paid by the auto-distributor and/or original vehicle manufacturers

The above provisions can be implemented (not limited) by the below mean:

- Inclusion of respective terms in the Dealer agreements and/or inclusion of respective terms in the policies/ guidelines (other similar documents), brought to the attention of dealers.



11. Spare parts of matching quality for maintenance and non-warranty repairs

The car manufacturers / distributors should not forbid the official dealers to use spare parts of matching quality for maintenance and non-warranty repairs after the expiration of the warranty period.

The car manufacturers / distributors shall have the right to demand that official dealers use only original and/or identical spare parts for maintenance and non-warranty repairs during the warranty period, if prices for such original and/or identical spare parts are at the market level (compared with prices for spare parts of matching quality supplied by official distributors of manufacturers of such spare parts of respective quality in Russia and officially imported by those distributors into Russia).

The car manufacturers / distributors shall have the right to demand that official dealers do not use any other (than original spare parts, identical spare parts or spare parts of matching quality) spare parts for maintenance and non-warranty repairs.

In case official dealers wish to offer spare parts of matching quality for maintenance and repairs as well as sell them to the customers, the car manufacturers / distributors may require from official dealers

- to provide sufficient proofs that such spare parts are of matching quality;
- to provide proofs that such spare parts have been officially imported into Russia and customs cleared in accordance with the legislation;
- to offer such spare parts only as alternatives to original and/or identical spare parts.

The car manufacturers / distributors shall have the right to demand that official dealers inform customers (specifically, by including such information into price lists or in any other way provided for by law) in writing before handing over spare parts of matching quality and before using them for maintenance and repair purposes that the auto-distributors and/or original vehicle manufacturers do not bear any liability for the quality of these spare parts and for possible consequences arising from their installation in the vehicle.

In any case, the car manufacturers / distributors may require a clear physical separation of zones, where spare parts of matching quality are kept for storage and sold from those, where original and/or identical spare parts and other original products are stored and sold. Each Member may require from official dealers not to display spare parts of matching quality in showrooms of the respective brand. The conditions of this paragraph are necessary to preclude any confusion (in particular, in respect of the trademarks) and to prevent the transfer of the original vehicle manufacturer's goodwill (clients, reputation, image etc.) to other brands, and preclude any other unjustified commercial exploitation of the original vehicle manufacturer's brand.

The above provisions can be implemented (not limited) by the below mean:

- Inclusion of respective terms in the Dealer agreements and/or inclusion of these terms in the policy/ guidelines (or other similar documents), brought to the attention of dealers.

12. Non-warranty repairs and maintenance of vehicles of other brands by official dealers

The car manufacturers / distributors should not prohibit official dealers from carrying out maintenance and making non-warranty repairs of cars of other brands provided that the dealers meet certain conditions and standards set forth by the car manufacturers / distributors. In particular, in such cases official dealers should clearly physically separate respective clients' receptions, direct dialogue bays and other specific zones where interaction with clients of the brand represented by the official dealer take place in order to preclude any confusion with other brands (in particular, their trademarks) and their clients, prevent the transfer of original vehicle manufacturer's goodwill (clients, reputation, image



etc.) to other brands. In any case, clients of the brand represented by the official dealer should have priority. The car manufacturers / distributors (each for itself) have the right to stipulate additional requirements to official dealers which want to carry out maintenance and non-warranty repairs of cars of other brands.

The above provisions can be implemented (not limited) by the below mean:

- Inclusion of respective terms in the Dealer agreements and/or inclusion of these terms in the policies/ guidelines (or other similar documents), brought to the attention of dealers.

13. Termination of dealer agreements

In case of termination of a dealer agreement based on its breach, the car manufacturers / distributors should detail reasons for such termination in writing.

The car manufacturers / distributors should have the right to immediately terminate the dealer agreement in case of its material breach, provided that the grounds for such immediate termination are clearly envisaged in the agreement and known to the official dealer. In case of a non-material breach of the dealer agreement, the car manufacturers / distributors should give the official dealer a reasonable time period to eliminate such a breach before terminating the agreement.

The above provisions can be implemented by one or more (not limited) of the below means:

- Inclusion of terms of termination in the Dealer agreements and / or in other documents associated with such agreements brought to the attention of dealers;
- Inclusion of a list of important breaches, allowing for immediate termination of the agreement by the manufacturer / distributor with dealers, into the Dealer agreements;
- Inclusion of clauses in the Dealer agreement that, in the case of a non-essential breach of the agreement, the dealer should be given the opportunity to within a reasonable timeframe.

14. Sale of corporate identity elements, special equipment and special tools to independent service repairers

Corporate identity elements, especially those which bear trademarks of the original vehicle manufacturer, should be sold/leased to official dealers only.

Independent repairers should have a possibility of purchasing/leasing special equipment and special tools, provided that they meet respective compliance and reputational requirements of the car manufacturers / distributors. The car manufacturers / distributors may refuse selling/leasing special equipment and special tools to independent repairers if there are other similar solutions available for the latter on the market (for instance, if other suppliers of such goods or analogous goods are available on the market), of which the car manufacturers / distributors should notify independent repairers when contacted on this matter.

The car manufacturers / distributors may refuse selling/leasing (may prohibit their agents and partners, which are engaged in supply of their special equipment and special tools to sell/lease) to independent repairers those special equipment and special tools which directly or indirectly allow interference in vehicle security systems.



The above provisions can be implemented by one or more (not limited) of the below means:

- Development of internal procedures (other similar document) or the introduction of respective amendments in the dealer agreement (depending on the type of the work with independent service stations) on the procedure for the sale/lease of special equipment and special tools to independent repairers;
- Bringing the basic principles of this procedure to the attention of independent repairers (when selling or leasing) at a request of the latter;
- A broad interpretation of the notion of "car safety system" is unacceptable;
- Establishment of a list of "car safety systems", if used when limiting sales/leasing to independent repairers;
- In the absence of direct sales and sales through dealers of special equipment and special tools, as well as in the absence of their direct leasing or leasing through the dealers and given the availability of alternative solutions, to bring the information about alternative suppliers to the attention of independent repairers at a request of the latter.

15. Sale of original and identical spare parts to independent repairers

The car manufacturers / distributors should not prohibit their official dealers from selling original and/or identical spare parts to independent repairers for their maintenance and repair purposes.

The car manufacturers / distributors should decide themselves whether to sell original and/or identical spare parts directly or to establish small-batch sales programs for independent repairers through the existing official dealers or to create other programmes to secure sale of original and/or identical spare parts to independent repairers on non-discriminatory conditions. Those car manufacturers / distributors and official dealers, which sell original and/or identical spare parts to independent repairers, could establish conditions for independent repairers wishing to participate in such wholesale and small-batch sales programs, such as the necessity to conclude an agreement, requiring certain purchase volumes, usage of special IT soft and hardware, provision of certain documents, meeting reputational and compliance requirements etc. In any case official dealers of the car manufacturers / distributors should have a priority.

The car manufacturers / distributors may prohibit selling original and/or identical spare parts, which are linked to the vehicle security systems, to independent repairers. The car manufacturers / distributors should (each for itself) approve internal documents defining such spare parts.

The above provisions can be implemented by one or more (not limited) of the below means:

- Development of an internal procedure (other similar document) or the introduction of amendments in the Dealer agreement (depending on the type of the work with independent repairers) on the procedure for the sale/lease of special equipment and special tools to independent repairers;
- Bringing the basic principles of this procedure to the attention of independent repairers (when selling directly) by a request of the latter;
- A broad interpretation of the notion of the "car safety systems" is unacceptable;



- Establishment of the list of "car safety systems", if used when limiting sales to independent repairers.

16. Access of independent repairers to databases with spare parts catalogues and repair technologies

Independent repairers may receive access to databases with spare parts catalogues and repair technologies, however not automatically upon application (by default) but subject to the fulfilment of conditions defined by the car manufacturers / distributors (each for itself). Such conditions could include obligations (non-discriminatory towards official dealers) to conclude respective agreements (including licence agreements), to pay fees and royalties, to use special IT soft and hardware, to provide certain documents etc. Also, the car manufacturers / distributors could require submission of adequate proofs confirming that the independent repairer meets respective compliance and reputational requirements of the car manufacturers / distributors.

The car manufacturers / distributors may refuse granting the mentioned access to independent repairers if there are other similar solutions available for the latter on the market (for instance, if other providers rendering similar services on similar conditions are available on the market) and/or if there is no permission of respective right holders (in case the car manufacturers / distributors use these tools on the bases of licence agreements), of which the car manufacturers / distributors should notify independent repairers when contacted on this matter. The car manufacturers / distributors may limit the said access only to information that contains no data on vehicle security systems.

Providing access to databases with spare parts catalogues and repair technologies should not imply automatic provision of services on spare parts selection or implementation of repair technologies. In case the car manufacturers / distributors decide to render such services to independent repairers, it can provide them for a fee.

The above provisions can be implemented by one or more (not limited to) of the below means:

- Development of an internal procedure (other similar document) of provision independent repairers with access to databases containing spare parts catalogues and repair technologies;
- In case of non-provision of the access to the said databases due to the availability of alternative solutions, to bring the information about such alternative solutions to the attention of independent repairers if requested of the latter;
- A broad interpretation of the notion of the "car safety system" is unacceptable;
- Establishment of a list of "car safety systems", if used when limiting sales to independent service stations.

17. Trainings

Each car manufacturers / distributors should make independent decisions on providing trainings (especially, technical trainings) either to official dealers only or for other parties as well (specifically, for independent repairers).

The above provisions can be implemented (not limited) by the below mean:

- Development of internal procedure (other similar document) if the training sessions are conducted not only for official dealers.