

DEALERSHIP COOPERATION AGREEMENT

PREAMBLE

- A. The Dealer is engaged in the business of selling mobile phones.
- B. Home Credit is a financing company primarily engaged in extending consumer financing by means of Home Credit's Technology.
- C. Home Credit and the Dealer have an existing Dealership Cooperation Agreement where Home Credit has representatives in the Dealer's Premises to offer and sell Home Credit Products ("DCA").
- D. Home Credit and the Dealer wish to cooperate on Alternative Distribution Mode (ALDI Mode) where Home Credit will no longer have representatives within the Dealer's Premises but will provide the Dealer limited access to Home Credit's Technology for the purpose of assisting Home Credit in extending consumer financing to Customers of the Dealer as a payment option.

1. DEFINITIONS - In this Agreement, except where the context otherwise requires, the following words and expressions mean the following:

- 1.1. The term "**Agreement**" means this Dealer Cooperation Agreement entered into by and between the Parties and shall include any recitals, sections, schedules, annexures or exhibits that may be annexed to this Agreement and any amendment or addendum made to this Agreement from time to time;
- 1.2. The term "**Application Form**" means the application form for the consumer financing or a Consumer Financing Agreement as prescribed by Home Credit, from time to time, and filled in by the Customer to avail the financing;
- 1.3. The term "**Balance Amount on the Goods**" means the amount arrived at after deducting the Total Cash Payment from the Total Price of the Goods;
- 1.4. The term "**Competent Authority**" means any central government, provincial regional government, municipality regional government, other local authorities, the courts of law, or any other judicial/administrative authority having the jurisdiction over all or any of the matter arising from or involving this Agreement;
- 1.5. The term "**Collection POS**" means the POS as informed by Home Credit, where Financing Documents will be collected by Home Credit's courier for delivery to Home Credit;
- 1.6. The term "**Consumer Financing Agreement**" shall mean the contract entered between a Customer and Home Credit executed once Home Credit approves provision of consumer financing to the Customer;
- 1.7. The term "**Contract Package Sheet**" means a document that contains details of contracts processed and for delivery to Home Credit. In addition, it has a section for delivery receipt where it contains the date when the document is received in the Collection POS, name and signature of both, Dealer's Representative handing over the financing document and HC personnel in Collection POS receiving.

- 1.8. The term **“Customer”** means any individual who approaches the Dealer and expresses his/her intention to purchase the Goods from the Dealer on the financing facility provided by Home Credit or a person who is defined as the **Debtor** in the Consumer Financing Agreement, as applicable;
- 1.9. The term **“Dealer’s Premises”** means the place(s) where the Dealer’s business is carried on, including its branches as approved by Home Credit and from where Home Credit has agreed to provide the financing facility to the Customer for the purchase of the Goods. Branches are as further described in Schedule 2 of this Agreement;
- 1.10. The term **“Dealer’s Representatives”** or **“Representatives of the Dealer”** means the employees, agents, officers or any other representatives of the Dealer deployed in the Dealer’s Premises on whom Dealer exercises control and authority;
- 1.11. The term **“Delivery Advice”** means the written confirmation from Home Credit to the Dealer instructing delivery of the Goods to the Customer and acknowledged by the Customer;
- 1.12. The term **“Downpayment”** shall mean a part of the Total Price of the Goods which shall be paid by the Customer to Dealer together with other Total Cash Payment;
- 1.13. The term **“Financing Amount”** means the amount of financing facility which Home Credit has provided to the Customer for the purchase of the Goods from the Dealer;
- 1.14. The term **“Financing Documents”** means the documentary requirements of Home Credit from the Customer and a set of documents executed, upon approval of the financing facility by Home Credit, by and between Home Credit and the Customer, which are the Consumer Financing Agreement; the General Terms and Conditions; the Payment Schedule; Disclosure Statement; and the Applicant Consent Form;
- 1.15. The term **“Goods”** means items, such as but not limited to appliances, computers, cellular phones, gadgets, etc. available for sale at the Dealer’s Premises for which Home Credit has agreed to provide the financing facility;
- 1.16. The term **“Home Credit’s Product”** or **“Product of Home Credit”** means financing of the Customer’s purchase of Goods from the Dealer;
- 1.17. The term **“Home Credit’s Technology”** means and includes the software programs, code, systems, processes, procedures, data, concepts, proofs of concepts, ideas, designs, scripts, graphics, art work, information and databases and all other materials of any kind conceived by, produced by, purchased by, licensed to, or assigned to Home Credit, alone or with others, resulting from or relating to Home Credit’s business including its Customers, and the customization, improvements and inventions made thereon including, without limitation, all copyrightable or patentable materials, all trade secret materials and all other proprietary materials;
- 1.18. The term **“Identification Documents”** shall refer to all documents presented by the Customer to the Dealer’s Representatives, for use in processing POS Transactions;
- 1.19. The term **“Investigating Officer”** means the competent person(s) appointed by Home Credit, at its sole discretion, to investigate any corporate/ business frauds committed in the finance sector;
- 1.20. The term **“Marketing Fee”** means the fees paid by Home Credit to Dealer to support the use of Home Credit’s Product;

- 1.21. The term “**Point of Sale**” or “**POS**” means the Dealer’s Premises where the Financing Documents are signed by the Customer and the Downpayment is paid in exchange for the Goods given to the Customer, and a retail transaction is completed;
- 1.22. The term “**POS Transaction**” shall refer to the entire procedure of processing Home Credit’s Product at the Dealer’s Premises, whether or not it results to the grant or denial of Home Credit’s Product to the Customers;
- 1.23. The term “**Processing Fees**” or “**Administrative Fees**” means the fees charged, by Home Credit, to the Customer for providing the financing facility. Such fee/s shall be part of the Total Cash Payment as herein defined;
- 1.24. The term “**Suspected Activity**” means any act committed by a person:
- 1.24.1. that raises suspicion that such an act intends to commit fraud, forgery, cheating, criminal breach of trust or any other offence against any other person;
 - 1.24.2. that raises suspicion that such an act intends to violate any of the applicable laws and regulations or any of the terms and conditions of this Agreement; or
 - 1.24.3. that raises suspicion that it intends to adversely affect the interest of Home Credit.
- 1.25. The term “**Undertaking**” shall refer to the undertaking to be provided by Dealer to Home Credit in relation to or in furtherance of the sale of Home Credit Products to the Customers at the Dealer’s Premises;
- 1.26. The term “**Total Cash Payment**” means the total money deposited by the Customer with the Dealer on or before the purchase of the Goods on financing provided by Home Credit and may include one or more of the following:
- 1.26.1. Downpayment;
 - 1.26.2. Processing Fees; and
 - 1.26.3. Any other charges.
- 1.27. The term “**Total Price of the Goods**” means the full and final price of the Goods charged by the Dealer to the Customer for the sale of the Goods and corresponds to the price of the Invoice and official receipt.

2. UNDERSTANDING BETWEEN THE PARTIES, The Parties to this Agreement have executed this Agreement with the understanding as follows:

- 2.1. Home Credit will provide, at its discretion, financing for the Customer to purchase Goods from the Dealer and the Dealer commits to assist Home Credit in processing Home Credit’s Products.
- 2.2. For the purpose stated in the clause above, each Party intends to promote its business by sharing the equipment, technology, experience and other facilities provided or agreed to be provided by a Party to the opposite Party under the terms and conditions of this Agreement to the extent that such promotion is in line with the business activities of the Parties.

- 2.3. The relationship between the Parties is purely a business relationship based upon principal-to-principal arrangements and shall, unless expressly provided otherwise, never be construed as partnership, or joint venture, or employer-employee, principal-agent arrangement between the parties for any purpose whatsoever. The employees of each Party, including their representatives and Representatives of the Dealer shall remain to be the employees or representatives of the respective Party, and shall at all times, remain within the exclusive control and authority of the respective Party, all throughout this Agreement.
- 2.4. Home Credit neither guarantees any minimum sale or business to the Dealer nor undertakes to provide any kind of particular undertaking or facility for consideration to the Dealer and the Dealer shall be solely responsible for all its own business and undertakes to bear all losses or profits arising out of its own business.
- 2.5. Unless directed and/or consented by Home Credit or agreed under this Agreement, the Dealer shall not represent to the Customer in any manner whatsoever that the Dealer/ Dealer's Representatives are an agent of Home Credit or that the Dealer has the authority to approve the financing on the Goods. Furthermore, the Dealer shall not promise or guarantee any approval of Financing Amount to the Customer
- 2.6. The Total Price of the Goods shall be always based on the lowest price that the Customer may get from the Dealer without any additional mark-ups such as charges for credit card or deferred purchases. The amount of the Total Price of the Goods without any mark-ups shall also be the basis for the Balance Amount of the Goods. In no instance shall the Dealer adjust its pricing based on whether or not the Customer wants to avail Home Credit's Products.

3. REPRESENTATIONS BY THE PARTIES – The Dealer and Home Credit hereby represent and warrant to each other that:

- 3.1. The Parties are legally competent and its signatories hereunder are fully empowered to execute this Agreement and to perform its obligations arising under this Agreement;
- 3.2. The Parties have obtained all the necessary license, registrations, approvals and permissions (the "Required Permits") from the Competent Authorities under the relevant laws required to carry on its business and are compliant with all the applicable law, rules and regulations covering such Party;
- 3.3. The Dealer has the right to carry on its retail business in the Dealer's Premises and the Dealer has full and exclusive control over its business with absolute power to make all decisions in respect of such business; and
- 3.4. There is no dispute existing with any third party or any suit, action, litigation or claim is in process or pending against or relating to each Party's business, the Goods or Dealer's Premises before any Competent Authority which would materially and adversely affect each Party's business.

4. Responsibilities of HOME CREDIT:

- 4.1. Allow the Dealer and Dealer Representatives to a limited use of Home Credit's Technology to the extent necessary for the accomplishment of the purpose of this Agreement and ensure the installation of certain Home Credit Technology as per Home Credit requirements.

- 4.2. Provide training to Dealer Representatives on the use of Home Credit's Technology. Training will be conducted within Home Credit premises, or as further specified by Home Credit.
- 4.3. Home Credit shall provide the Dealer any of the equipment listed in Home Credit's List of Equipment Per Branch which will be used for processing POS Transactions.
- 4.4. Home Credit will pay to the Dealer the Balance Amount of the Goods within one (1) working day after the signing of the Application Form. Terms and conditions of payment is provided in Schedule 4.
- 4.5. Home Credit shall pay the Marketing Fee to the Dealer in accordance with Schedule 3.
- 4.6. Home Credit shall, in the exercise of its reasonable discretion, have the option to request a change in the Dealer's Representatives assigned to process the POS Transaction, provided that such request is made by Home Credit in writing and the Dealer shall immediately prevent said Dealer's Representative from performing any POS Transactions.

5. Responsibilities of the DEALER:

- 5.1. The Dealer will provide free of charge an area within each of the Dealer's Premises where the POS would be located.
- 5.2. The Dealer will select and send Dealer's Representatives who will undergo training on how to process POS Transactions on each POS. The Dealer shall send to Home Credit the names and other details of the Dealer's Representatives prior to training for Dealer's Representatives verification.
- 5.3. Dealer will process POS Transactions for Home Credit's Product. The Dealer shall designate Dealer's Representatives who will process the POS Transaction. The designated Dealer Representatives must have successfully undergone training by Home Credit to process POS Transactions.
- 5.4. In accordance with Home Credit procedures and processes adequately explained to the Dealer's Representatives during training programs conducted by Home Credit, the Dealer has the responsibility to: (i) take utmost care in collecting the Identification Documents of the Customer required by Home Credit; (ii) verify the authenticity of the Identification Documents submitted by the Customer; and conduct the customer due diligence procedure of Home Credit, which Home Credit represents and warrants to be in compliance with the requirements of the Anti-Money Laundering Act and its amendments.
- 5.5. It shall be the responsibility of the Dealer to collect from the Customer the Total Cash Payment.
- 5.6. The Dealer shall be solely responsible for discharging all the obligations of an employer, as applicable, under the provisions of labor laws with respect to the Dealer's Representative, if applicable.
- 5.7. The Dealer shall ensure that Dealer's Representatives have sufficient equipment for processing POS Transactions (e.g. paper, pen, etc.).

- 5.8. The Dealer shall support POS Transaction in terms of providing quality assurance and control mechanism in order to provide best customer experience.
- 5.9. The Dealer shall ensure that Dealer Representatives shall follow the etiquettes of hospitality, industry with the POS Transaction process and shall provide complete assistance and cooperation to the Customers and shall ensure that the eligibility requirements are checked and met by the Customer.
- 5.10. The Dealer shall promptly replace a Dealer Representative assigned to process POS Transactions upon request made by Home Credit.
- 5.11. Dealer shall send all information acquired in relation to the POS Transactions through Home Credit's Technology for evaluation of Home Credit. The Dealer will inform the Customer whether the application for financing is approved or denied.
- 5.12. The Dealer shall be accountable for the equipment provided by Home Credit under Home Credit's List of Equipment Per Branch.
- 5.13. The Dealer shall immediately notify Home Credit, all RA separations/resignations from employment with the Dealer, within 24 hours from knowledge, so that Home Credit may deactivate the RA's account within a reasonable time. Dealer shall hold Home Credit free and harmless, and shall indemnify Home Credit, from any damage/s or liability resulting from failure to perform its obligations under this section.
- 5.14. The Dealer shall comply with the undertakings provided during the training. Dealer and Dealer's Representatives shall be obligated to comply with rules, regulations and procedures of Home Credit properly disseminated and explained during training. All changes and amendments thereto would be communicated by Home Credit to the Dealer in-copy to Dealer's Representatives via email from time-to-time.
- 5.15. The Dealer shall comply with the Retail Trade Liberalization Act, as amended, the Anti-Dummy Law, and other related laws and regulations. Any violation of the aforementioned laws and regulations by the Dealer/Provider shall give rise to an obligation of the Dealer/Provider to pay damages to Home Credit arising from such violation.

Contract Management.

- 5.16. The Dealer must ensure all Financing Documents will be delivered to Home Credit's back office address stated in Schedule 4 ("Home Credit's Back Office") within fourteen (14) calendar days from signing of the Consumer Financing Agreement. Failure of the Dealer to deliver the Financing Documents within the specified period will allow Home Credit to cancel the Consumer Financing Agreement and deduct the total Balance Amount of the Goods pertaining to the undelivered Consumer Financing Agreements. If the Balance Amount has already been paid, Home Credit shall have the right to deduct the amount paid from the succeeding payments to the Dealer
- 5.16.1. The Dealer can send the Financing Documents through their own courier or deliver the Financing Documents to Home Credit's nearest Collection POS. Regardless of the delivery method used by the Dealer, all Financing Documents must be delivered to Home Credit's Back Office within fourteen (14) calendar days from the date the Consumer Financing Agreement is signed.
- 5.16.2. Prior to the cancellation of a Consumer Financing Agreement, Home Credit shall send an email to the Dealer to request for the Financing Documents at email address provided in Section 15. If Home Credit will not receive the Consumer Financing Agreement or any proof of its delivery after three (3) working days from the date the email was sent, Home Credit can proceed to cancel the Consumer Financing Agreement.

- 5.17. The Dealer shall ensure that all the Financing Documents to be transmitted are complete in form and substance without errors specified in Schedule 3.
- 5.18. All costs associated with the delivery of the Financing Documents to Home Credit's Back Office or to the Collection POS shall be for the account of the Dealer.
- 5.19. Once Financing Documents have been delivered to a Collection POS, the Dealer's Representative will get a signed delivery receipt in form of the Contract Package Sheet, from Home Credit personnel assigned in the Collection POS. The delivery receipt would serve as proof that the documents listed in the Contract Package Sheet have been delivered as sealed in the Collection POS, on the date signed.
- 5.20. The Dealer shall consolidate all Financing Documents from its Customers and shall exercise reasonable care to safe keep the same for transmittal to Home Credit. The Dealer shall ensure that the Financing Documents are kept in a secure and dry place. The Dealer shall prevent any unauthorized access to the Financing Documents and shall ensure that all documents are tamper free. The Dealer shall not be liable for any loss or damage to the Financing Documents if such loss or damage is caused by force majeure or if such is not caused by the fault or negligence of its employees or agents.
- 5.21. Home Credit shall check and review the Financing Documents to check the completeness (in form and substance) of the documents submitted by the Dealer. Any deficiency and/or mistake in the Financing Documents shall be conveyed to the Dealer, who shall coordinate with the Customer for compliance.
- 5.22. The Dealer's option to deliver the Financing Documents to Home Credit's nearest Collection POS for Home Credit's courier to pick-up, would only be available for contracts of which were signed on the day itself or at the maximum five (5) calendar days prior the actual delivery date in Collection POS. Meaning should the dealer chose to keep the contract on their side for a longer period, they would need to send it themselves to Home Credit's Back Office.

Marketing Materials

- 5.23. The Dealer shall allow Home Credit to place any of its marketing materials at the Dealer's Premises, preferably at such places noticeable to Customers.
- 5.24. The Dealer shall not hold any of its own marketing or promotional campaigns or actions, or use its own promotional materials, in presenting and promoting the product of Home Credit without the prior written approval of Home Credit. In this regard, the Dealer shall not use the logo, trademark and/or the name of Home Credit for any purpose whatsoever, other than for the purpose of this Agreement, and to the extent as approved by Home Credit in writing.

Facilities

- 5.25. The Dealer shall ensure that it has a stable and reliable internet connection at the Dealer's Premises to ensure the processing of the Consumer Financing Agreement and such other transactions necessary, incidental or related to the performance of Dealer's obligations as provided herein.

Change in Management

- 5.26. The Dealer shall inform Home Credit, in writing, about any reconstitution, change of control and/or management, legal status, name, address, bank account and/or nature of the business of the Dealer within 15 (fifteen) days from effectivity of such change. Furthermore, the Dealer shall inform Home Credit of any pending or threatened action or proceeding filed against it, which could have material adverse effect on its business, within five (5) days from notice of such action or proceeding.

Assistance

- 5.27. The Dealer shall exert its best effort to provide assistance to Home Credit in connection with any action against the defaults committed by any Customer.
- 5.28. The Dealer shall maintain its invoice books, inventory registers and other accounts and records in respect of all financing facilities provided by Home Credit to the relevant Customers for the purchase of the Goods, which shall constitute the proof of sales and shall make them accessible to Home Credit at its request.
- 5.29. The Dealer warrants the following with regards to the Goods: That –
- 5.29.1. they are brand new products existing and being available at the Dealer's Premises to be supplied to the Customer upon payment of the Total Price of the Goods;
- 5.29.2. the Total Price of the Goods represents a fair market price for the Goods and does not include any registration fees, compulsory insurance premiums or any other fees relating to the purchase of those Goods;
- 5.29.3. the Goods are of merchantable quality, sufficient for the purpose for which they should be used, except as to defects drawn to the attention of the Customer and defects which the Customer ought to be aware having examined the Goods prior to the time the Goods are sold to the Customer; and
- 5.29.4. the Dealer has not made any representation or warranty or given any statement about the Goods which is untrue or is misleading or deceptive in any way.
- 5.30. The Dealer will authorize one of its Dealer's Representatives to receive the Total Cash Payment and to sign the Delivery Advice.
- 5.31. The Total Cash Payment shall be received by the Dealer through its authorized Dealer's Representatives, after the Customer signs the Consumer Financing Agreement and the Delivery Advice to acknowledge that goods are received in good condition from the Dealer.
- 5.32. The Dealer is obliged to deliver the Goods to the Customer as soon as possible and upon the conditions based on the Dealer and the Customer's agreement if applicable. Violation by the Dealer/Provider of the agreement with the Customer on the delivery the Goods and/or Services shall give Home Credit the right to withhold payment of the Balance Amount of the Goods and/or Services or offset such amount from any amount that the Dealer/Provider is entitled to receive from Home Credit.
- 5.33. The Dealer shall immediately inform Home Credit in case the Customer requests for replacement/ repair/ exchange of the Goods.
- 5.34. The Dealer shall not charge any mark-up or hidden cost from the Customers buying the Goods on financing provided by Home Credit.
- 5.35. The Dealer shall be solely responsible for all the grievances of the Customer relating to any defect, delivery or functioning of the Goods. In case the Dealer shall refund the Total Price of the Goods to the Customer which Goods were purchased through Home Credit's financing, the Dealer shall immediately (not later than the next business day) inform Home

Credit in writing. Otherwise, the Dealer will be responsible for any losses that Home Credit suffers from the said Customer.

- 5.36. The Dealer shall exert best efforts to immediately inform Home Credit if the Dealer or the Dealer's Representatives acquire information which may have a negative impact on the decision of Home Credit to provide financing to the Customer, including informing Home Credit on any doubts the Dealer may have on the payment abilities of the Customer or his/her legal capacity. Provided, however, that Dealer shall not at any time be liable or responsible for any Customer default. Neither shall this provision be understood to impose upon Dealer the obligation to participate in the credit evaluation process.
- 5.37. The Dealer shall not perform acts which would constitute a Suspected Activity as stated under Clause 9.2 and as defined under Clause 1.24 of this Agreement and shall procure the same is not performed by the Dealer's Representatives.
- 5.38. In accordance with Schedule 4 (II) of this Agreement, where any relevant information and/ or document is required by Home Credit either for the purpose of providing financing to the Customer or for the settlement of accounts in terms of this Agreement, the Dealer undertakes to immediately provide true, complete and updated information/ documents as required by Home Credit. Also in accordance with Schedule 4(II) of this Agreement, Home Credit reserves the right to suspend the payment of the Balance Amount on the Goods until Home Credit receives complete, correct and proper documents to be furnished by the Dealer.
- 5.39. The Dealer shall not deliver the Goods to the Customer once Home Credit gives its instruction not to deliver because of default by the Customer or cancellation of the Consumer Financing Agreement. The Dealer hereby acknowledges and agrees that Home Credit shall have in such cases the right to cancel the payment of the Balance Amount on the Goods payable by Home Credit or request its return should the Balance Amount on the Goods was already provided to the Dealer.
- 5.40. The Dealer is obliged to inform all Dealer's Representatives about all obligations and instructions that the Dealer is obliged to follow under the Agreement and the Dealer shall ensure that the applicable obligations are abided to by the Dealer's Representatives.
- 5.41. The Dealer is obliged to inform Home Credit of any requirement, document, license or authority that may be required by any other person, other than the Competent Authority, which may include, but not limited to the lessor of the Dealer and Building Administrator i.e. permits for bringing in equipment/ to the POS. The Dealer is equally obliged to assist Home Credit, as the circumstances may require, in the procurement of the foregoing, for such other similar requirements that may have come into the knowledge of Home Credit, or for any additional requirement that Home Credit may be compelled to obtain thereafter.

6. Appointment of Branches

- 6.1. Official List of Branches that is part of Dealer's Premises at the execution of the agreement prescribed in Schedule 2.
- 6.2. Parties may agree during the term of the Agreement on changes in the Dealer's Premises as originally stated in Schedule 2, by extending/removing branches. For this purpose, the Dealer shall fill in the form found in Schedule 5 to request for such changes.
- 6.3. Home Credit shall ensure that all ALDI POSes of the Dealer will be near a Collection POS

7. HOME CREDIT'S TECHNOLOGY – Where Home Credit's Technology is used in the Dealer's Premises, the Dealer undertakes and confirms that:

- 7.1. Home Credit shall be in charge of installing and implementing Home Credit's Technology at the Dealer's Premises and providing reasonable technical assistance to the Dealer in respect of the implementation of this Agreement.
- 7.2. The Dealer shall cooperate with Home Credit in providing utmost safety and taking reasonable precautions to protect Home Credit's Technology from unauthorised access, thefts, misuse, database corruption/ deletion and other possible threats and dangers that may occur or be caused to Home Credit's Technology in the Dealer's Premises.
- 7.3. Home Credit's Technology shall remain the property of Home Credit and the Dealer shall have no right of any nature whatsoever on Home Credit's Technology.
- 7.4. Home Credit reserves the right to deactivate RA credentials, at its sole discretion, for any reason whatsoever, without incurring any liability and at the Dealer's expense.

8. OFFENCE DETECTION AND PREVENTION MEASURES - Each Party undertakes to provide complete support and assistance to the other Party in detecting, investigating and preventing any offence that may be committed, or has been committed, by any person against Home Credit and/or the Dealer.

- 8.1. The following acts shall be considered as Suspected Activity and the Dealer and its Representatives are restricted from these acts:
 - 8.1.1. The Dealer and the Dealer's Representatives accepts or agrees to accept any commission, gift, share of profit or any other favour, whether in cash or in kind, from the Customer or any person in consideration of the financing provided by Home Credit;
 - 8.1.2. The Dealer and the Dealer's Representatives colludes with the Customer for the purpose of inducing the approval of Home Credit on the Customer's application or in any manner, inducing Home Credit to provide the financing to the Customers, in a manner against the credit/lending policies of Home Credit;
 - 8.1.3. The Dealer sells the same Goods to two or more Customers.
 - 8.1.4. The Dealer is found to be infringing trademark or counterfeit laws or any activity against the law in process;
 - 8.1.5. Any other acts which would constitute as Suspected Activity as defined under Clause 1.24.
- 8.2. Where Home Credit suspects involvement of the Dealer and/or its representatives in the Suspected Activity:
 - 8.2.1. Home Credit may investigate the matter by appointing an Investigating Officer and entrusting him with necessary powers;
 - 8.2.2. To the extent provided by law, the Investigating Officer may enter the Dealer's Premises and investigate the records of the Dealer relating to transactions of the Customers of Home Credit and require any information or clarification from the Dealer or its Representatives;

- 8.2.3. Home Credit shall have the right to require and/ or ask for help of any government or outside agency in investigating frauds;
- 8.2.4. Home Credit may suspend all or any of its activities at the Dealer's Premises, including but not limited to, granting financing to Customers, payment of Balance Amount on the Goods or the Marketing Fee, until the matter under investigation is resolved to the satisfaction of Home Credit. In order to avoid any doubt the Parties agrees that all payments due to the Dealer shall be suspended until the matter under investigation is resolved.
- 8.3. The Dealer, upon request by Home Credit or the Investigating Officer, shall provide all information, documents and other materials to Home Credit or to the Investigating Officer pertaining to any Suspected Activity relating to transactions of the Customers of Home Credit without undue delay;
- 8.4. Where the Investigating Officer proves that the Dealer and/ or its representatives are involved in any offense committed against Home Credit, Home Credit shall have the right to take all or any of the following actions against the Dealer notwithstanding anything contained in this Agreement:
 - 8.4.1. To cancel the payment of the Balance Amount on the Goods and the Marketing Fee that become payable by Home Credit to the Dealer;
 - 8.4.2. To demand the refund of the Total Cash Payment deposited with the Dealer or to set off such Total Cash Payment with any monies payable by Home Credit to the Dealer as per the terms of this Agreement. In addition to the above, Home Credit also reserves the specific right to set off, in the event of - (a) requirement of the Dealer, to refund the Total Cash Payment, (b) the Goods to be delivered to the Customer has not been delivered, (c) the Consumer Financing Agreement entered into between Home Credit and the Customer stands cancelled;
 - 8.4.3. To claim and recover the entire amount of loss, damages, legal costs and expenses incurred by Home Credit because of such offence or involvement of the Dealer and/ or its Representatives in such offence;
 - 8.4.4. To terminate this Agreement with the Dealer without forthwith any notice as an exception to Clause 8 of this Agreement; and
 - 8.4.5. To take legal action against the Dealer, including criminal proceedings, as provided under Revised Penal Code and other applicable laws and regulations.

9. TERMINATION OF THE AGREEMENT

- 9.1. This Agreement shall be valid as of the date of the signing, by the Parties, of this Agreement and shall continue to be valid until it is terminated by either Party. Either Party may terminate this Agreement by issuing a notice to the opposite Party of its intention to terminate this Agreement. Such notice must be given in writing and at least 15 days prior to the date of effecting the termination.
- 9.2. Home Credit shall be entitled to terminate this Agreement immediately through a written notice to the Dealer if any of the following events arises:
 - 9.2.1. Where any of the representation made or information provided by the Dealer turns out to be false, wrong or misleading;

- 9.2.2. Where the Dealer commits the breach of any of its obligations referred to in this Agreement;
 - 9.2.3. Where the Dealer becomes insolvent or bankrupt or otherwise incapable of performing its obligations under this Agreement for any reason whatsoever;
 - 9.2.4. Where the Dealer ceases to carry on the retail business at the Dealer's Premises or has changed the nature of the business;
 - 9.2.5. Where the Dealer and/or its Representatives have committed any fraud against Home Credit or has been a party to any fraudulent act committed against Home Credit;
 - 9.2.6. Where the Dealer does, or omits to do, an act which results in incompleteness or delay or failure in the execution of any of the provisions under this Agreement.
 - 9.2.7. Breach or violation of the provisions of this Agreement or any of its Schedules.
- 9.3. In addition to the termination of this Agreement, Home Credit shall also be entitled to forfeit the Marketing Fee due to the Dealer if the event of default contemplated under sections 9.2.5. or 9.2.7. above arises.
 - 9.4. Home Credit may, at its sole discretion and considering the nature of circumstances, provide an opportunity to the Dealer to correct the defects mentioned in Clause 9.2 above within such period as Home Credit considers appropriate provided that the Dealer shall be liable for any claims that may have been imputed to both Parties because of any of the acts under Clause 9.2 above.
 - 9.5. Where Home Credit fails to comply with any of its obligations for the reasons other than any delay, negligence, mistake or wilful act on part of the Dealer or its Representatives, the Dealer shall first give Home Credit an opportunity to rectify such failure within a period not less than 30 (thirty) days from the date of delivery of written notice by the Dealer to Home Credit informing such failure. If Home Credit fails to rectify such failure within the specified period, the Dealer shall have the right to terminate the Agreement by giving written notice to Home Credit.
 - 9.6. Where the Parties have mutually agreed to terminate this Agreement, no Party shall be entitled to claim any compensation from the opposite Party where any loss is caused or damages are suffered by the Party due to the termination of this Agreement, except as provided under Section 11 of this Agreement.
 - 9.7. In case of termination of this Agreement for any reason, Home Credit shall pay the Balance Amount on the Goods only for those POS Transactions with Financing Documents received by Home Credit on the last day of the term of this Agreement. Home Credit will pay such Balance Amount on the Goods within the ten (10) working days as stated in Clause 4.4 above.
 - 9.8. Termination of this Agreement shall not in any way, affect the validity of the existing DCA between Home Credit and the Dealer.
 - 9.9. Sections 10 (Indemnity), 11 (Confidentiality), 14 (Service of Notice), 17 (Law) and 18 (Dispute resolution) of this Agreement shall survive the termination of the Agreement.

10. INDEMNITY

10.1. To the extent permitted by law, the Dealer agrees to indemnify and reimburse Home Credit on demand in respect to all losses, claims, costs, demands, liabilities or expenses (including its legal costs and expenses) suffered or incurred by Home Credit as a result of:

10.1.1. a breach made by the Dealer of its obligations under this Agreement, violation agreed procedures by Dealer, including a breach of any representation or warranty made by Dealer;

10.1.2. failure of the Dealer to deliver the Goods to the Customer;

10.1.3. any fraudulent conduct on the part of the Dealer or Dealer's Representative; and/or

10.1.4. any action or mistake of the Dealer or Dealer's Representative.

Dealer's obligations under this clause shall survive the termination or expiry of this Agreement.

10.2. To the extent permitted by law, Home Credit agrees to indemnify and reimburse Dealer on demand in respect to all losses, claims, costs, demands, liabilities or expenses (including its legal costs and expenses) suffered or incurred by the Dealer as a result of:

10.2.1. a breach of this Agreement by Home Credit, including a breach of any representation or warranty made by Home Credit;

10.2.2. breach of its agreement with Customer;

10.2.3. any fraudulent conduct on the part of Home Credit; and/or

10.2.4. any action or mistake of Home Credit or its employees and agents.

Home Credit's obligations under this clause shall survive the termination or expiry of this Agreement.

10.3. Home Credit's aggregate liability under this Agreement shall in no event exceed the Balance Amount due and payable to the Dealer for the Goods after all adjustments as Home Credit may consider appropriate, pursuant to this Agreement up to the date of termination of this Agreement. Likewise, the Dealer's aggregate liability under this Agreement shall in no event exceed the Balance Amount due and payable to the Dealer for the Goods after all adjustments as the Dealer may consider appropriate, pursuant to this Agreement up to the date of termination of this Agreement.

11. RIGHT OF SET OFF

Either party shall have the right to set-off any amount which is due to the other party for any obligation arising from this Agreement. Provided that, set-off shall be made only upon prior written notice to the other party.

12. CONFIDENTIALITY

12.1. Home Credit and the Dealer must use their best efforts to protect and treat the following information as confidential and shall not share it with any third party:

- 12.1.1. any trade secrets, knowledge, data or other information of a party relating to Goods, services, research and development activities, inventions, discoveries, processes, software, titles, concepts, knowhow, designs, formulas, algorithms, test data, technologies, customer lists, business plans, marketing plans and strategies, and pricing strategies or other subject matter pertaining to the business or research of the other Party, or which such Party knows or has reason to know is considered confidential;
 - 12.1.2. the provisions of this Agreement and all information provided to the Party by the other Party under this Agreement, including without limitation, technical, operational, marketing, billing, pricing and commercial information; and
 - 12.1.3. The documents and information collected from all Customers for the purpose of providing financing to such Customers.
- 12.2. The Parties shall keep this Agreement and all information relating to this Agreement confidential at all times and may not disclose or discuss this Agreement or any information relating to this Agreement with any third party without the prior written consent of the other Party, unless such Party is required to disclose such information by any relevant authority or by law.
- 12.3. The obligations under this Clause 11 shall survive the termination or expiry of this Agreement.

The Parties shall ensure that their employees, agents and representatives comply with the provisions of this Clause 11.

- 13. SUCCESSORS AND ASSIGNS** - The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by, Home Credit's successors and assignees. The rights and obligations of the Dealer under this Agreement may only be assigned with the prior written consent of Home Credit, which may be withheld in its sole discretion. Nothing contained herein shall prevent the use by or the assignment or transfer of this Agreement by Home Credit to any of its divisions, its parent body, its subsidiary or associate and the Dealer shall be bound to the transferee/assignee in like manner and on like terms as it is bound to Home Credit under this Agreement.
- 14. ENTIRE AGREEMENT** - This Agreement including its schedules constitute the entire and only agreement of the Parties and effectively supersedes and cancels all of their previous, contemporaneous and existing agreements. No amendment or modification of any of the provisions hereof shall be binding upon the Parties unless made in writing and signed by their duly authorized representatives.
- 15. SERVICE OF NOTICE** - Any communication to be made under or in connection with this Agreement or any notice or demand hereunder shall be delivered by either Party through any of its authorized representatives and may be made by leaving the same or sending it through email, the registered mail, or by courier, or by hand addressed to the other Party at the address specified below or the address last known to the other Party; and a notice or demand so given or made shall be deemed to be given or made on the day it was sent, or so left if notice was sent through email or by hand.

All notices must be addressed to the following:

HOME CREDIT:

Name: Petr Korinek

Position: Head of Sales

Address: 15th Floor Ore Central 9th Avenue Corner 31st Street, Bonifacio Global City, Taguig City 1634

Contact Number: 753 5700 loc 3300

Email Address: Petr.Korinek@homecredit.ph

DEALER'S INFORMATION:

Name: «AUTHORIZED_REPRESENTATIVE»

Position: «DESIGNATION»

Address: «AUTHORIZED_REPRESENTATIVE_ADDRESS»

Contact Number: «AUTHORIZED_REPRESENTATIVE_CONTACT_NO»

Email Address: «AUTHORIZED_REPRESENTATIVE_EMAIL_ADDRESS»

- 16. SEVERABILITY** - If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part by law or any regulation, such invalidity or unenforceability shall attach only to such provision or part of such provision and the remaining part of such provision and all other provisions of this Agreement shall continue to remain in full force and effect.
- 17. TAX.** Any and all taxes to be paid in relation to the purchase of the Goods shall be borne by the Dealer. The Parties shall pay their respective tax obligations, if any, arising from the execution of this Agreement. Any and all taxes arising from the execution and performance of the Financing Documents/the extension of credit to the Customer shall be for the exclusive account of Home Credit.
- 18. LAW.** This Agreement shall be governed by the laws of the Republic of the Philippines.
- 19. DISPUTE RESOLUTION.** All disputes, controversies or differences which may arise between the Parties out of or in relation to or in connection with this Agreement, or for the construction, termination or breach thereof, shall be decided amicably by the Parties. If such dispute, controversy or difference cannot be so settled within thirty (30) days after written notice by any Party to the other (the "**Arbitration Notice**"), the matter shall be submitted to and resolved by arbitration to be conducted in Metro Manila and shall be conducted in accordance with the rules of the Philippine Dispute Resolution Center, Inc. ("**PDRCI**"), and the award of the arbitrators shall be final and binding upon the Parties and, therefore, there will be no appeal to any court or other body from the decision (or any interim decision) of the arbitrators and no Party will dispute or question the decision before any judicial authority in the Philippines or elsewhere. Any cost which occurred due to this Arbitration proceedings and settlement will be borne by the losing Party.

HOME CREDIT'S LIST OF EQUIPMENT PER BRANCH

Items	Description
1. Marketing Materials	
2. Finger Print Scanner	
3. UV Lamp	
4. Web Camera	
5. Laptop	
6. Tablet	

Home Credit and the Dealer may, with mutual consent, add any other equipment or change the specification or quantity of any equipment in the future.

DEALER'S ACCOUNTABILITY

The Dealer, through the undersigned authorized representative, acknowledge and undertake that:

1. The Dealer is accountable for the items herein listed.
2. Home Credit entrusted to the Dealer the use and safekeeping of the units, and the Dealer has no right to alienate the items by any mode of transfer whatsoever;
3. At all times, the Dealer shall exercise due diligence over the security, safety and proper maintenance of the subject items;
4. The custody of the replacement unit for damage/lost unit/s under the Dealer's accountability shall be transferred to Home Credit where the asset/s shall be kept and managed henceforth;
5. The units shall be made available anytime for inspection by the Internal and/or External Auditors of Home Credit;
6. The Dealer understands that it will pay for the items and the amounts represented therein in case of loss or damage due to the Dealer's or the Dealer's Representative's fault or negligence.
7. The Dealer understands that it is its responsibility to face any investigation, charge and liability, conducted by the Home Credit or otherwise, arising from the loss or damage of any or all of the listed items.

BALANCE AMOUNT

I. HOME CREDIT'S BACK OFFICE ADDRESS

This document is **Confidential**. Do not distribute outside of the organization without manager approval.

The Dealer must ensure all Financing Documents of the Customers will be delivered to Home Credit to the following address (Back Office), fourteen (14) calendar days from the date Consumer Financing Agreement is signed.

Address:

11th Floor Vertis North Corporate Center Tower 1 North Ave. Bagong Pag-asa 1, Quezon City

II. FINANCING DOCUMENTS - MINIMUM REQUIREMENTS

Home Credit will withhold payment of the **Balance Amount on the Goods** to the Dealer, for each contract where it has the following instances of mistakes in the Consumer Financing Agreement (CFA)

- Missing Document (CFA)
- Missing client's signature
- Different Customer name / surname

Payment will be processed once mistake is resolved within 14 calendar days from date contract is Signed; Otherwise, cancellation process will apply and Dealer will not be paid the Balance Amount of the Goods.

III. SETTLEMENT OF BALANCE AMOUNT AND MARKETING FEE

HC Consumer Finance Philippines, Inc. can settle the Balance Amount on the Goods and/or Services (as defined in the Clause 1.3 of the Dealership Cooperation Agreement) to Dealer/Provider in one of the following ways:

- **Intra-bank online transfer** through selected financial institutions
- **Manager's cheques** (cashier's cheques) issued by Bank of the Philippine Islands (BPI)

1. **Intra-bank online transfer** is our preferred mode of payment. It is the fastest, the most secure and the most convenient way of receiving the Balance Amount on the Goods and/or Services. We are currently able to offer the online transfer services to account holders of the following banks:

- BDO
- Metro Bank
- BPI
- Robinson's Bank

2. **Manager's cheques** are offered for pick-up through Bank of the Philippine Islands (BPI) at the Releasing Center. The cheques are available to anyone regardless of your own banking institution.

Payment notification and reconciliation

Once the payment is generated and processed in accordance with the provisions of the Dealer/Providership Cooperation Agreement, the Dealer/Provider will get notified either through an SMS or email. Both methods will include a complete breakdown of each particular payment – contract numbers, amounts, and the grand total. Email version will include two attachments, one in the PDF format and the second in MS Excel format.

For New Partners opting to have payments through intra-bank online transfer, HCPH Finance will have to enroll the assigned Bank account before HCPH may proceed with payment to Partner. Please allow an average of 5 to 10 banking days, from receipt of notice for the payment (depending on the bank's process for enrollment) to reflect on the Dealer/Provider's account. For succeeding payments, the amount will be reflected in the account of the Partner on the next business day from receipt of notice for payment. For New Partners opting to have payments through non-core banks (aside from 4 banks mentioned above), payment will be credited every week days. For manager's cheques, allow the Releasing Centers at least 48 hours from receipt of notice to prepare the cheque/s.

The monthly reconciliation will also be available in the above mentioned formats. The complete last month breakdown will be sent by the 10th day of the following month.

The sample reconciliation file:

Contract No.	Bank account	Payment Order ID	PaymentDate	Bank Account Holder	Selling Date	Amount	Goods Price	Paid by Client	Shop Id	Shop Name
3300320276	1010000999787	97988036	18.09.2013	PT Global Teleshop Tbk	16.09.2013	1,924.0	2,699.0	775.0	280024	Global Teleshop Gandaria City
3300320584	1010000999787	97988036	18.09.2013	PT Global Teleshop Tbk	15.09.2013	2,935.0	4,050.0	1,115.0	280006	Global Teleshop Sunter Mall
3300321629	1010000999787	97988036	18.09.2013	PT Global Teleshop Tbk	16.09.2013	3,199.0	4,399.0	1,200.0	280006	Global Teleshop Sunter Mall
3300316690	1010000999787	97988036	18.09.2013	PT Global Teleshop Tbk	15.09.2013	3,499.0	4,799.0	1,300.0	280012	Global Teleshop Mall Taman Angrek
3300295383	1010000999787	97988036	18.09.2013	PT Global Teleshop Tbk	04.09.2013	3,049.0	4,499.0	1,450.0	280056	Global Teleshop Cibubur Junction -Lt Dsr
3300320881	1010000999787	97988036	18.09.2013	PT Global Teleshop Tbk	15.09.2013	3,249.0	4,499.0	1,250.0	280062	Global Teleshop Summarecon Mall Bekasi
3300321376	1010000999787	97988036	18.09.2013	PT Global Teleshop Tbk	15.09.2013	3,249.0	4,499.0	1,250.0	280053	Global Teleshop Androidland SMR Bekasi
3300319627	1010000999787	97988036	18.09.2013	PT Global Teleshop Tbk	15.09.2013	3,649.0	4,999.0	1,350.0	280017	Global Teleshop Plaza pondok Gede
3300318934	1010000999787	97988036	18.09.2013	PT Global Teleshop Tbk	15.09.2013	1,849.0	2,599.0	750.0	280062	Global Teleshop Summarecon Mall Bekasi
3300320375	1010000999787	97988036	18.09.2013	PT Global Teleshop Tbk	15.09.2013	2,450.0	3,400.0	950.0	280041	Global Teleshop Lotte Mart Fatmawati
3300317405	1010000999787	97988036	18.09.2013	PT Global Teleshop Tbk	14.09.2013	4,799.0	6,999.0	2,200.0	150007	GLOBAL SHOP CITRALAND
3300318703	1010000999787	97988036	18.09.2013	PT Global Teleshop Tbk	16.09.2013	2,934.0	4,049.0	1,115.0	150007	GLOBAL SHOP CITRALAND
3300320232	1010000999787	97988036	18.09.2013	PT Global Teleshop Tbk	15.09.2013	5,150.0	7,500.0	2,350.0	280057	Global Teleshop Plaza Jambu Dua
Total						41,985.0	50,990.0	17,065.0		

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Index of Errors

Document	Mistake Code/Description	Level
Loan Agreement	CFA: Missing Document	critical
Loan Agreement	CFA: Different client name/surname	critical
Loan Agreement	ID: Missing Copy	critical
Loan Agreement	CFA: Different address	non-critical
Loan Agreement	CFA: Different ID Number	critical
Loan Agreement	CFA: Wrong date of birth	critical
Loan Agreement	CFA: Missing client's signature	critical
Loan Agreement	CFA: Missing SA signature	for evidence
Payment Schedule	Payment Schedule: Missing document Payment Schedule: Missing client's signature	non-critical
General Terms and Conditions	GTC: Missing Document GTC: Missing Signature	non-critical
Applicant Consent Form (CISA + NTC)	CONSENT: Missing document CONSENT: Missing client's signature	critical
Delivery Advice	Delivery advice: Missing document Delivery advice: Missing client's signature Delivery advice: Missing dealer's signature	critical
Delivery Advice	Delivery address : Missing document	for evidence
Copy of Primary documents	ID: Missing copy	critical
Copy of Primary documents	ID: Expired	critical
Copy of Primary documents Application form	ID: Unclear/missing photo	for evidence
Copy of PRIMARY documents	ID: Missing signature	for evidence
Copy of GENERIC/ PRIMARY documents	ID: Issuance Date Other document: Issuance Date	critical
Copy of Generic documents	Other document: Missing document	critical

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Copy of GENERIC/ PRIMARY documents	ID: Not matching requirement(<i>for Primary ID</i>) Other document: Not matching requirements (<i>for Generic ID</i>)	non-critical
Reverse Copy of PRIMARY ID	ID: No reverse copy	non-critical
Photocopies of PRIMARY/ GENERIC IDS	ID: Missing OSV on copy of document (<i>for Primary ID</i>) Other document: Missing OSV on copy of document (<i>for Generic ID</i>)	for evidence
Acknowledgement Receipt (Insurance)	INSURANCE: Missing Document INSURANCE: Missing Signature	non-critical
HOSEL input	IMEI_MISSING IMEI_UNKNOWN IMEI_DUPLICATE SN_MISSING SN_UNKNOWN SN_DUPLICATE	critical
ADA Enrollment Form	ADA: Missing Bank's Copy ADA: Missing Home Credit's Copy ADA: Missing Signature	for evidence

- End -