# DEALER DIRECT SALES POLICY

## 1. PURPOSE.

The purpose of this Dealer Direct Sales Policy (this "**Policy**") is to clearly set forth the rights and responsibilities of each party when defects, conditions, or discrepancies exist in the used vehicles (the "**Vehicle(s)**") sold by **Merchants Automotive Group, LLC** ("**Merchants Fleet**") directly to motor vehicle dealerships (individually the "**Buyer**", and collectively the "**Buyers**") through Merchants Fleet's website or online portal (the "**Digital Wholesale Platform**") that were not disclosed at the time of sale. The intent behind outlining these guidelines is to (i) promote a fair and ethical sales process, and (ii) efficiently resolve any disputes that may arise.

## 2. DEALER DIRECT SALES PROCESS.

2.1. Access. Merchants Fleet, in its sole discretion, may grant the Buyer access to its Digital Wholesale Platform for purposes of reviewing available inventory, submitting offers to purchase Vehicles, and processing Vehicle sales. The Digital Wholesale Platform shall not be used by the Buyer for any other purpose. Without limiting the foregoing, Buyer shall not at any time, and shall not permit others to: (i) copy, modify, or create derivative works of the Digital Wholesale Platform, in whole or in part; (ii) rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer, or otherwise make available the Digital Wholesale Platform; (iii) reverse engineer, disassemble, decompile, decode, adapt, or otherwise attempt to derive or gain access to any software component of the Digital Wholesale Platform, in whole or in part; (iv) use the Digital Wholesale Platform in any manner or for any purpose that violates any applicable law, or knowingly use the Digital Wholesale Platform to store or transmit infringing, libelous, or tortious material, or materials that violate third-party rights; or (v) combine or integrate the Digital Wholesale Platform with any software, technology, services, or materials not authorized by Merchants Fleet. The owner, or licensor, of the Digital Wholesale Platform reserves all rights not expressly granted to the Buyer hereunder. Except for the limited access rights expressly granted hereunder, nothing in this Policy grants the Buyer, or any third party, by implication, waiver, estoppel, or otherwise, any intellectual property rights or other right, title, or interest in or to the Digital Wholesale Platform.

2.2. Vehicle Information. Basic information about the Vehicle, including year, make, model, trim level, mileage, geographic location, electronic condition report, and list price, will be available on the Digital Wholesale Platform for interested Buyers to review. This data is provided by internal and external sources, and is subject to errors and omissions that may impact Vehicle availability and/or pricing. In the event an accepted offer contains an error or omission, the presence thereof shall act as a rejection of the original offer and Merchants Fleet will counter with a revised offer that corrects the error or omission. The Buyer shall be given an opportunity to review and accept the revised offer. If Buyer rejects the counteroffer or fails to respond within three (3) business days following receipt thereof, the Vehicle will be returned to Merchants Fleet's available inventory and any amounts paid in advance for the cancelled transaction will be refunded to the Buyer.

2.3. Offers. Offers to purchase any Vehicle listed on the Digital Wholesale Platform shall be submitted by the Buyer to Merchants Fleet for review and acceptance. Buyers are expected to review all pertinent information available online, including, without limitation, disclosures, condition reports, pictures, and online listings, prior to submitting an offer. Once an offer is

submitted, the subject Vehicle(s) will be held for three (3) business days, whereby the held Vehicle(s) will no longer be listed as available inventory on the Digital Wholesale Platform for other bidders to bid-on. If the parties fail to reach an agreement during said three (3) business day period, the subject Vehicle(s) will be returned to inventory and made available to other bidders on the Digital Wholesale Platform. Upon acceptance of an offer, Buyer shall have an additional three (3) business days to execute a bill of sale ("**BOS**") and issue full payment for the Vehicle(s) to Merchants Fleet. In the event the Buyer fails to complete both of the foregoing within said time period, Merchants Fleet reserves the right, in its sole and absolute discretion, to revoke its acceptance, cancel the transaction, and return the Vehicle(s) to available inventory.

2.4. Vehicle Pickup. Following execution of the BOS and Merchants Fleet's receipt of payment in full (collectively considered the "**Date of Sale**"), Buyer, or its designated transporter, shall pickup the sold Vehicle(s) within ten (10) calendar days. In the event Merchants Fleet retains possession of the sold Vehicle(s), for any reason, beyond said ten (10) day period, the Buyer shall be liable to pay Merchants Fleet storage fees in the amount of twenty five dollars ($25.00) per day until the date of pickup. During this time and while in the possession, care, custody, and control of Merchants Fleet, the Buyer retains all risk of loss in the sold Vehicle(s) and shall be solely responsible and liable for all damage, loss, deterioration, and destruction, however caused, to the sold Vehicle(s) in excess of those provided on the applicable condition assessment report available at time of sale. The parties agree that the storage fees payable hereunder are not a penalty, but rather a genuine and fair pre-estimate of the storage costs incurred by Merchants Fleet as a result of the Buyer's failure to pickup Vehicle(s) promptly.

2.5. Post Sale Inspection. The Buyer, or its agent, shall (i) complete a visual inspection of the Vehicle at time of pickup; (ii) record any patent defects or damage in the Vehicle(s) on the bill of lading ("**BOL**"); (iii) verify all manuals, keys, and necessary accessories are present in the Vehicle and/or were provided to the transporter; and (iv) sign the BOL to confirm the pickup. Merchants Fleet disclaims responsibility for, and the Buyer shall lose the right to dispute hereunder, any patent defects or damage in the Vehicle(s) not recorded on the BOL at time of pickup. Immediately upon arrival at the Buyer's dealership or other delivery location, the Buyer, or its agent, will inspect the Vehicle(s) and verify Vehicle condition and odometer mileage.

2.6. Dispute Resolution. To be eligible for this dispute resolution process, the Buyer must notify Merchants Fleet of any defects in the condition or disclosure of a Vehicle within fourteen (14) calendar days of the Date of Sale. All disputes submitted thereafter shall be rejected by Merchants Fleet. Each dispute submitted by the Buyer shall (i) be sent to an authorized representative of Merchants Fleet; (ii) contain a summary of the claimed defect supported by photographs which evidence the defect; and (iii) include details of the remedy requested, along with an estimated valuation for the alleged defect that the Buyer reasonably believes would account for the loss. Upon receiving a dispute eligible for resolution hereunder, Merchants Fleet will, within five (5) business days, open an internal investigation to review the claim and all information provided, validate existence of the alleged defect, and determine, in its sole discretion, whether the Buyer is entitled to receive full, partial, or no compensation for the alleged defect. Determinations made by Merchants Fleet at the end of its investigation shall be final and binding upon the Buyer, and Buyer hereby irrevocably and unconditionally waives any objection that it may now or hereafter have to this dispute resolution process or any decisions made by Merchants Fleet in connection therewith. For purposes of this Policy, "*full compensation*" shall mean refunding the total purchase price, plus applicable documentation fees, paid by Buyer for the Vehicle, and "*partial compensation*" shall mean issuing a lesser amount that reasonably

accounts for the damages incurred by Buyer as a result of the undisclosed defect. Any full or partial compensation that Merchants Fleet determines is due and payable to the Buyer, shall be disbursed within seven (7) calendar days of Merchants Fleet issuing a final decision on the matter, provided the Buyer has fully complied with all obligations under this Policy. Upon receipt of partial compensation, the Vehicle shall become property of the Buyer "AS-IS", and no other mechanical, electrical, or cosmetic defects then existing in the Vehicle shall be eligible for resolution under this process. Prior to receiving any refund for full compensation awards, the Buyer shall, within seven (7) calendar days, return the Vehicle, along with its properly endorsed title, to the location designated by Merchants Fleet. Any Vehicles returned must be in the same or better condition as when sold. Failure to deliver the foregoing items within said seven (7) day period shall automatically void the resale transaction and any right or entitlement of the Buyer to receive compensation hereunder for undisclosed defects in the Vehicle.

2.7. Exclusions. Notwithstanding anything to the contrary contained herein, the following are not eligible for dispute under this Policy: (i) defects disclosed on the applicable Vehicle condition report that the Buyer had actual or constructive knowledge of at time of purchase; (ii) undisclosed mechanical or cosmetic repair(s) that cost less than eight hundred dollars ($800.00) total; (iii) normal wear and tear items, including, without limitation, unbalanced tires, uneven tire wear, tire dry rot, brake pulsations, filters, wipers, brake pads, rotors, belts, hoses, lubricants/fluids, bulbs, etc.; and (iv) Vehicle(s) that the Buyer has retitled after the Date of Sale.