

PROSPECTUS SUPPLEMENT NO. 3
(to the Prospectus dated April 25, 2023)

Polestar Automotive Holding UK PLC

**UP TO 2,203,977,609 CLASS A ADSs,
UP TO 24,999,965 CLASS A ADSs ISSUABLE UPON
CONVERSION OF CLASS C ADSs AND
UP TO 9,000,000 CLASS C-2 ADSs**

This prospectus supplement (this “Supplement No. 3”) is part of the prospectus of Polestar Automotive Holding UK PLC (the “Company”), dated April 25, 2023 (the “Prospectus”), which forms a part of the Company’s registration statement on Form F-1 (Registration No. 333-266101), related to the offer and sale from time to time by the selling securityholders named in the Prospectus of up to (a) 2,228,977,574 Class A ADSs and (b) 9,000,000 Class C-2 ADSs. This Supplement No. 3 supplements, modifies or supersedes certain information contained in our Report on Form 6-K submitted to the U.S. Securities and Exchange Commission (the “SEC”) on June 20, 2023.

Capitalized terms used but not defined herein have the meanings ascribed to them in the Prospectus.

This prospectus supplement is not complete without, and may not be utilized except in connection with, the Prospectus, including any supplements and amendments thereto.

We may further amend or supplement the Prospectus and this prospectus supplement from time to time by filing amendments or supplements as required. You should read the entire Prospectus, this prospectus supplement and any amendments or supplements carefully before you make your investment decision.

Our Class A ADSs and Class C-1 ADSs are listed on the Nasdaq Stock Market LLC (“Nasdaq”), under the trading symbols “PSNY” and “PSNYW,” respectively. On June 16, 2023, the closing price for our Class A ADSs on Nasdaq was \$4.03. On June 16, 2023, the closing price for our Class C-1 ADSs on Nasdaq was \$0.73.

Investing in our securities involves a high degree of risk. You should carefully review the risks and uncertainties described under the heading “Risk Factors” beginning on page 10 of the Prospectus, as well as the other parts of the Prospectus and any prospectus supplement or amendment thereto carefully, before you make an investment in our securities.

Neither the SEC nor any state or foreign securities commission has approved or disapproved of the securities to which the Prospectus or any supplement thereto relate, or determined if this Supplement No. 3 or the Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus supplement is dated June 20, 2023

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of June 2023

Commission File Number: 001-41431

Polestar Automotive Holding UK PLC

**Assar Gabrielssons Väg 9
405 31 Göteborg, Sweden
(Address of principal executive office)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

INFORMATION CONTAINED IN THIS REPORT ON FORM 6-K

On June 19, 2023, Polestar Automotive Holding UK PLC (“Polestar”) issued a press release, which is attached as Exhibit 99.1 to this Report on Form 6-K (this “Report”), announcing one or more indirect wholly owned subsidiaries of Polestar entered into a Shareholders Agreement and a Business Cooperation Agreement (together, the “JV Agreements”) with Hubei Xingji Meizu Group Co., Ltd. (“Xingji Meizu”), a limited liability company incorporated in the People’s Republic of China (“PRC”), that govern the establishment and operation of a joint venture company under the laws of the PRC (the “Joint Venture”).

The purpose of the Joint Venture is to develop Xingji Meizu’s existing technology platform, “Flyme Auto”, into a seamless operating system for Polestar vehicles sold in the mainland of the PRC, including in-car apps, streaming services, and intelligent vehicle software. This is expected to be complemented by mobile and augmented reality devices and customer apps, creating a seamless digital ecosystem. Polestar and Xingji Meizu have agreed that the Joint Venture shall be the sole authorized sales and service entity for Polestar vehicles in the PRC. Polestar expects to transfer certain commercial assets and approximately 130 of its PRC-based staff to the Joint Venture.

Polestar will own a 49% interest in the Joint Venture, with the remaining 51% to be owned by Xingji Meizu. The ultimate beneficial owner of Xingji Meizu is Eric (Shufu) Li, who is also, through his direct and indirect holdings in PSD Investment Limited, Zhejiang Geely Holding Group Company Limited and Volvo Car AB (publ), the ultimate beneficial owner of Polestar. Prior to approving entry into JV Agreements, the board of directors of Polestar received independent financial advice from Houlihan Lokey.

Pursuant to the terms of the Shareholders Agreement, Polestar has agreed to contribute \$98 million of initial capital to the Joint Venture, with Xingji Meizu agreeing to contribute \$102 million to the Joint Venture and also to be responsible for arranging further financing as required by the Joint Venture. The Shareholders Agreement also states that the board of directors of the Joint Venture shall be composed of five directors, three of which shall be appointed by Xingji Meizu and two directors by Polestar. A copy of the Shareholders Agreement is attached to this Report as Exhibit 99.2, and the foregoing description of the Shareholders Agreement is qualified in its entirety by reference thereto.

Pursuant to the terms of the Business Cooperation Agreement, Polestar is responsible for the development and industrial design of its vehicles with the Joint Venture responsible for the management and sale of Polestar vehicles in the mainland of the PRC. Under the Business Cooperation Agreement, Xingji Meizu is responsible for the definition and development of smart phone products, “augmented reality” glasses and other technology products which may be sold by the Joint Venture, with Polestar being responsible for the industrial design of such products when they carry the Polestar brand. The Joint Venture will be responsible for installing Polestar’s operating system into the Polestar vehicles that it sells. Polestar and Xingji Meizu have agreed through the Business Cooperation Agreement that the Joint Venture will be subject to certain minimum purchase requirements with regards to Polestar’s vehicles.

The Business Cooperation Agreement contemplates Polestar and Xingji Meizu signing certain additional agreements in the future, which are to include: asset purchase agreements that govern the purchase of certain commercial assets by the Joint Venture from each of Polestar and Xingji Meizu; a license agreement whereby Polestar grants to the Joint Venture a license to use certain trademarks and other intellectual property in exchange for fees paid by the Joint Venture to Polestar; and a license agreement between the Joint Venture and Xingji Meizu whereby the Joint Venture will receive a license to use the “Flyme Auto” operating system for the development of an in-car operating system for Polestar vehicles in exchange for a fee payable to Xingji Meizu. A copy of the Business Cooperation Agreement is attached to this Report as Exhibit 99.3, and the foregoing description of the Business Cooperation Agreement is qualified in its entirety by reference thereto.

Exhibits 99.1, 99.2 and 99.3 to this Report shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act.

Forward-Looking Statements

Certain statements in this Report may be considered “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally relate to future events or the future financial or operating performance of Polestar. For example, the signing of additional agreements or the consummation of other transactions in connection with the Joint Venture, expected benefits from the Joint Venture, including sales growth in China and the development, design and manufacturing of new devices, products, apps or operating systems, projections of revenue, volumes and other financial or operating metrics are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may”, “should”, “expect”, “intend”, “will”, “estimate”, “anticipate”, “believe”, “predict”, “potential”, “forecast”, “plan”, “seek”, “future”, “propose” or “continue”, or the negatives of these terms or variations of them or similar terminology. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward looking statements.

These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by Polestar and its management, as the case may be, are inherently uncertain. Factors that may cause actual results to differ materially from current expectations include, but are not limited to: (1) Polestar’s ability to maintain agreements or partnerships with its strategic partners, such as Volvo Cars, Geely or Xingji Meizu Group, and to develop new agreements or partnerships; (2) Polestar’s ability to maintain relationships with its existing suppliers, and source new suppliers for its critical components, and to complete building out its supply chain, while effectively managing the risks due to such relationships; (3) Polestar’s reliance on its partnerships with vehicle charging networks to provide charging solutions for its vehicles and its reliance on strategic partners for servicing its vehicles and their integrated software; (4) Polestar’s reliance on its partners, some of which may have limited experience with electric vehicles, to manufacture vehicles at a high volume or develop devices, products, apps or operating systems for Polestar, and on the allocation of sufficient production capacity or resources to Polestar by its partners in order for Polestar to be able to increase its vehicle production capacities and product offerings; (5) competition, the ability of Polestar to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees; (6) Polestar’s estimates of expenses and profitability; (7) increases in costs, disruption of supply or shortage of materials, in particular for lithium-ion cells or semiconductors; (8) the possibility that Polestar may be adversely affected by other economic, business, and/or competitive factors; (9) the effects of competition and the high barriers to entry in the automotive industry, and the pace and depth of electric vehicle adoption generally on Polestar’s future business; (10) changes in regulatory requirements, governmental incentives and fuel and energy prices; (11) the outcome of any legal proceedings that may be instituted against Polestar or others; (12) the ability to meet stock exchange listing standards; (13) risks associated with changes in applicable laws or regulations and with Polestar’s international operations; (14) Polestar’s ability to establish its brand and capture additional market share, and the risks associated with negative press or reputational harm, including from lithium-ion battery cells catching fire or venting smoke; (15) delays in the design, development, manufacture, launch and financing of Polestar’s vehicles and other product offerings, and Polestar’s reliance on a limited number of vehicle models to generate revenues; (16) Polestar’s ability to continuously and rapidly innovate, develop and market new products; (17) risks related to future market adoption of Polestar’s offerings; (18) risks related to Polestar’s distribution model; (19) the impact of the global COVID-19 pandemic, inflation, interest rate changes, the ongoing conflict between Ukraine and Russia, supply chain disruptions and logistical constraints on Polestar, Polestar’s projected results of operations, financial performance or other financial and operational metrics, or on any of the foregoing risks; and (20) other risks and uncertainties set forth in the sections entitled “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in Polestar’s Form 20-F, and other documents filed, or to be filed, with the SEC by Polestar. There may be additional risks that Polestar presently does not know or that Polestar currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements.

Nothing in this Report should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Polestar assumes no obligation to update these forward-looking statements, even if new information becomes available in the future.

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	Press Release of Polestar Automotive Holding UK PLC, dated June 19, 2023, titled “Polestar enters into strategic joint venture to accelerate growth in China”
99.2†	Shareholders Agreement, dated June 19, 2023, among Polestar Automotive (Singapore) Distribution Pte. Ltd., Polestar Automotive (Singapore) Pte. Ltd. and Hubei Xingji Meizu Group Co., Ltd.
99.3†	Business Cooperation Agreement, dated, June 19, 2023, between Polestar Automotive (Singapore) Distribution Pte. Ltd and Hubei Xingji Meizu Group Co., Ltd.

† Certain confidential information (indicated by brackets and asterisks) has been omitted from this exhibit because it is both (i) not material and (ii) the type of information that the registrant treats as private or confidential.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: June 20, 2023

POLESTAR AUTOMOTIVE HOLDING UK PLC

By: /s/ Thomas Ingenlath

Name: Thomas Ingenlath

Title: Chief Executive Officer

By: /s/ Johan Malmqvist

Name: Johan Malmqvist

Title: Chief Financial Officer

Polestar

Polestar enters into strategic joint venture to accelerate growth in China

GOTHENBURG, SWEDEN – 19 June 2023. A subsidiary of Polestar Automotive Holding UK PLC (“Polestar” or the “Company,” Nasdaq: PSNY), is entering into a strategic joint venture for the China market with the technology company Xingji Meizu Group (“Xingji Meizu”).

The joint venture is expected to strengthen Polestar’s offer in the Chinese EV market by bringing together Polestar’s capabilities within design and performance with the software and consumer electronics hardware development expertise of Xingji Meizu.

Thomas Ingenlath, Polestar CEO, says: “China is one of the fastest growing EV markets in the world. It’s also a market with very specific consumer trends, including increasing levels of integration between consumer electronics devices and vehicles. By partnering with a company that has a strong complementary competence to our own, we will be able to offer the locally tailored user experience that both drivers and passengers expect.”

The joint venture will develop Xingji Meizu’s existing technology platform, Flyme Auto, into a seamless operating system for Polestar cars sold in China, including in-car apps, streaming services, and intelligent vehicle software. This will be complemented by mobile and augmented reality devices and customer apps, creating a seamless digital ecosystem. Polestar expects to transfer around 130 commercial staff in China to the new company, which will be the sole authorised Polestar sales and service entity in China.

Polestar will own 49% of the joint venture company equity, with the remaining 51% to be owned by Xingji Meizu, who will be taking responsibility for arranging the joint venture’s future financing beyond the initial capital provided by Polestar and Xingji Meizu.

Ziyu Shen, Xingji Meizu Chairman, says: “The future of our industry will be enabled by integrated devices and platforms that deliver an immersive experience for end users. With the support of the progressive technology of Xingji Meizu, Polestar will take the lead in the field of smart mobility. By working closely together, we will create even better products and offer users a seamless experience across a multitude of devices.”

Xingji Meizu is a premium technology company committed to developing products that focus on user experience and leading technologies. The company has around 2,600 employees focused on developing a portfolio of mobile devices, and wearable smart devices that utilise extended reality technologies. Their Flyme Auto operating system will be in use in several electric vehicles, including the Lynk & Co 08. Xingji Meizu’s founder is Eric (Shufu) Li, the chairman of Geely Holding Group, one of China’s largest automakers, and the ultimate beneficial owner of Polestar.

Polestar

Polestar continues to embrace its close collaboration with Google. Polestar cars in the rest of the world will still feature infotainment systems powered by Android Automotive OS.

Ends.

Contacts

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About Polestar

Polestar (Nasdaq: PSNY) is the Swedish electric performance car brand determined to improve society by using design and technology to accelerate the shift to sustainable mobility. Headquartered in Gothenburg, Sweden, its cars are available online in 27 markets globally across North America, Europe and Asia Pacific.

Polestar plans to have a line-up of five performance EVs by 2026. Polestar 2, the electric performance fastback, launched in 2019. Polestar 3, the SUV for the electric age, launched in late 2022. Polestar 4, the SUV coupé transformed, is launching in phases through 2023 and into 2024. Polestar 5, an electric four-door GT and Polestar 6, an electric roadster, are coming soon.

The Polestar 0 project is the company's ambitious goal of creating a truly climate-neutral production car by 2030. The research initiative also aims to create a sense of urgency to act on the climate crisis, by challenging employees, suppliers and the wider automotive industry, to drive towards zero.

Forward-Looking Statements

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These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by Polestar and its management, as the case may be, are inherently uncertain. Factors that may cause actual results to differ materially from current expectations include, but are not limited to: (1) Polestar's ability to maintain agreements or partnerships with its strategic partners, such as Volvo Cars, Geely or Xingji Meizu Group, and to develop new agreements or partnerships; (2) Polestar's ability to maintain relationships with its existing suppliers, and source new suppliers for its critical components, and to complete building out its supply chain, while effectively managing the risks due to such relationships; (3) Polestar's reliance on its partnerships with vehicle charging networks to provide charging solutions for its vehicles and its reliance on strategic partners for servicing its vehicles and their integrated software; (4) Polestar's reliance on its partners, some of which may have limited experience with electric vehicles, to manufacture vehicles at a high volume or develop devices, products, apps or operating systems for Polestar, and on the allocation of sufficient production capacity or resources to Polestar by its partners in order for Polestar to be able to increase its vehicle production capacities and product offerings; (5) competition, the ability of Polestar to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees; (6) Polestar's estimates of expenses and profitability; (7) increases in costs, disruption of supply or shortage of materials, in particular for lithium-ion cells or semiconductors; (8) the possibility that Polestar may be adversely affected by other economic, business, and/or competitive factors; (9) the effects of competition and

Polestar

the high barriers to entry in the automotive industry, and the pace and depth of electric vehicle adoption generally on Polestar's future business; (10) changes in regulatory requirements, governmental incentives and fuel and energy prices; (11) the outcome of any legal proceedings that may be instituted against Polestar or others; (12) the ability to meet stock exchange listing standards; (13) risks associated with changes in applicable laws or regulations and with Polestar's international operations; (14) Polestar's ability to establish its brand and capture additional market share, and the risks associated with negative press or reputational harm, including from lithium-ion battery cells catching fire or venting smoke; (15) delays in the design, development, manufacture, launch and financing of Polestar's vehicles and other product offerings, and Polestar's reliance on a limited number of vehicle models to generate revenues; (16) Polestar's ability to continuously and rapidly innovate, develop and market new products; (17) risks related to future market adoption of Polestar's offerings; (18) risks related to Polestar's distribution model; (19) the impact of the global COVID-19 pandemic, inflation, interest rate changes, the ongoing conflict between Ukraine and Russia, supply chain disruptions and logistical constraints on Polestar, Polestar's projected results of operations, financial performance or other financial and operational metrics, or on any of the foregoing risks; and (20) other risks and uncertainties set forth in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in Polestar's Form 20-F, and other documents filed, or to be filed, with the SEC by Polestar. There may be additional risks that Polestar presently does not know or that Polestar currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements.

Nothing in this Press Release should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Polestar assumes no obligation to update these forward-looking statements, even if new information becomes available in the future.

Certain identified information marked with “[***]” has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

Shareholders Agreement

Among

Hubei Xingji Meizu Group Co., Ltd.

Polestar Automotive (Singapore) Pte. Ltd.

And

Polestar Automotive (Singapore) Distribution Pte. Ltd.

Polestar Automotive (Singapore) Pte. Ltd.

Polestar Automotive (Singapore) Distribution Pte. Ltd.

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This Shareholders Agreement (this “**Agreement**”) is made and entered into on June 19, 2023 by and among:

(“ ”) 2023 ____

- (a) **Hubei Xingji Meizu Group Co., Ltd.** (previously known as Hubei Yuan Times Technology Co., Ltd.), a limited liability company registered in the PRC (unified social credit code: 91420100MA7GYPTU8A), incorporated and existing under the laws of the PRC, having its registered office at No.B1345, Chuanggu Start-up Zone, Taizi Lake Culture and Digital Creative Industry Park, No.18 Shenlong Avenue, Wuhan Economic and Technological Development Zone, Wuhan, Hubei Province, China (“**Xingji Meizu**”);
(“ ”) — —
91420100MA7GYPTU8A 18 B1345
- (b) **Polestar Automotive (Singapore) Pte. Ltd.**, a limited liability company registered in Singapore (unique entity number: 202015415N), incorporated and existing under the laws of Singapore, having its registered address at 9 Straits View, #06-07, Marina One West Tower, Singapore 018937 (“**Polestar Singapore**”); and
Polestar Automotive (Singapore) Pte. Ltd. (“ ”) — — 202015415N
9 Straits View,#06-07, Marina One West Tower, Singapore 018937
- (c) **Polestar Automotive (Singapore) Distribution Pte. Ltd.**, a limited liability company registered in Singapore (unique entity number: 202118658Z), incorporated and existing under the laws of Singapore, having its registered address at 9 Straits View, #06-07, Marina One West Tower, Singapore 018937 (together with Polestar Singapore, “**Polestar**”).
Polestar Automotive (Singapore) Distribution Pte. Ltd. (“ ”) — —
202118658Z 9 Straits View,#06-07, Marina One West Tower, Singapore 018937 °

Xingji Meizu and Polestar are collectively referred to as the “**Parties**”, and individually as a “**Party**”.

“ ” “ ”。

WHEREAS:

After friendly consultations conducted in accordance with the principles of equality and mutual benefit, the Parties have agreed to establish a joint venture company (“**Company**”) in accordance with applicable laws and the provisions of this Agreement.

(“ ”)°

NOW THEREFORE, in consideration of the mutual promises set forth herein, the Parties hereby agree as follows:

1. Interpretation

1.1 Definition

In this Agreement, the following terms (whenever used in capitalized initials) shall, unless otherwise defined in this Agreement, have the meanings ascribed to them below:

“**Acceptance Period**” has the meaning set forth in Section 11.4(d);

“ ” 11.4(d)

“**Accounting Firm**” means an internationally recognized independent certified public accounting firm as agreed by the Parties and appointed by the Board;

“ ”

“**Affiliate**” or “**Affiliates**” means, in relation to a Person, any Person who directly or indirectly through one or more intermediaries, Controls or is Controlled by such Person or is under direct or indirect common Control with such Person;

“ ”

“**Ancillary Agreements**” has the meaning set forth in Section 4.4;

“ ” 4.4

“**Approval**” means the approval, consent, permit, registration, examination, notice, record-filing and other administrative order from the relevant Government Authorities;

“ ”

“**AOA**” means the articles of association of the Company executed by the Parties and any amendment thereto from time to time;
“ ”

“**Asset Purchase Agreement**” has the meaning set forth in Section 4.4(b);
“ ” 4.4(b)

“**Board**” means the board of directors of the Company established pursuant to this Agreement and the AOA;
“ ”

“**Business**” means the business undertaken by the Company from time to time pursuant to the Business Plan;
“ ”

“**Business Cooperation Agreement**” has the meaning set forth in Section 4.4(d);
“ ” 4.4(d)

“**Business Day**” means a day on which banks are open for business in the PRC (excluding Saturdays, Sundays, bank holidays and public holidays);
“ ” ()

“**Business License**” means the business license of the Company issued by the SAMR;
“ ”

“**Business Plan**” means the business plan for the Company as approved by the Board from time to time pursuant to Section 8.3;
“ ” 8.3

“**Call Notice**” means a notice sent by one Party exercising its call option to purchase all of the other Party’s Equity Interests pursuant to Section 20.5;
“ ” 20.5

“**CEO**” and “**CFO**” has the meaning respectively set forth in Section 10.1(a);

“**CEO**” “**CFO**” 10.1(a)

“**Chairman**” means the chairman of the Board;
“ ”

“**Change of Control**” with respect to Polestar, means the direct or indirect Control of Polestar becomes vested in individuals or entities other than [***]; with respect to Xingji Meizu, means the direct or indirect Control of Xingji Meizu becomes vested in entities or individuals other than [***];

“ ” [***] [***]

“**Change of Law**” has the meaning set forth in Section 16;

“ ” 16

“**Chinese Market Products**” means any Polestar Brands vehicles initiated by the Company towards the PRC customers with the proposal of development and ID Design determined by the Company jointly with Polestar and/or other members of Polestar Group;

“ ” / ID

“**Company Law**” means Company Law of the People’s Republic of China;

“ ”

“**Completion of First Contribution Conditions**” has the meaning set forth in Section 5.4(a);

“ ” 5.4(a)

“**Confidential Information**” has the meaning set forth in Section 18.1;

“ ” 18.1

“**Control**”, when used with respect to any Person, means the power to direct or cause the direction of the management and policies of that Person through (i) the ownership of over fifty (50%) of the voting stock, registered capital or equity interests of that Person, directly or indirectly, (ii) the power to appoint a majority of directors or similar governing body of that Person, or (iii) by contract or otherwise, and

“**Controls**” and “**Controlled**” shall be construed accordingly;

“ ” (i) (50%)
(ii) (iii) “ ” “ ”

“**Deadlock**” has the meaning set forth in Section 8.5;

“ ” 8.5

“**Delegation of Authorities**” means the corporate instrument of the Company that sets out the decision-making responsibilities, authority levels and segregation of duties;

“ ”

“**Defaulting Party**” has the meaning set forth in Section 20.3;

“ ” 20.3

“**Defaulting Shareholder**” has the meaning set forth in Section 5.7(a);

“ ” 5.7(a)

“**Disclosing Party**” has the meaning set forth in Section 18.1;

“ ” 18.1

“**DreamSmart Group**” means [***];

“**DreamSmart** ” [***];

“**Electric Vehicle of the Premium Segment**” means pure battery electric vehicles of high quality, which clearly distinguished from middle and low segment in appearance, interior, driving experience, safety and service, targeted at high consumers and (i) with a starting sale price of more than US\$ [***]; or (ii) under vehicles brands publicly recognized as premium brands, such as BMW, Mercedes-Benz, Audi, etc.;

“ ” (i) [***] (ii)

(-)

“**Encumbrance**” means any mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or any other type of preferential arrangement (including a title transfer or retention arrangement) having similar effect;

“ ” ()

“**Equity Interests**” means in relation to either Party, the percentage interest in the registered capital of the Company held by that Party from time to time;

“ ”

“**Establishment Date**” means the date on which the first Business License is issued by the SAMR;

“ ”

“**Execution Date**” means the date on which this Agreement is signed by both Parties;

“ ”

“**Fair Market Value**” has the meaning set forth in Section 20.5(a);

“ ” 20.5(a)

“**Financial Year**” has the meaning set forth in Section 13.1(d);

“ ” 13.1(d)

“**Flyme Auto Core**” means [***];

“**Flyme Auto Core**” [***]

“**Force Majeure Event**” means any objective circumstances which are unforeseen, unavoidable, insurmountable or otherwise beyond the control of the Party, including lightning, typhoon, storm, flood, fire, earthquake or other acts of nature, epidemic, war, strike and civil disobedience;

“ ”

“**Government Authority**” or “**Government Authorities**” means all the governmental agencies or other regulatory bodies of the PRC or other applicable jurisdictions;

“ ”

“**Group Members**” means entities Controlled by the Company through holding equities or contractual arrangements, and branches of such entities, and each, a “Group Member”;

“ ”

“ ”

“**Independent Appraiser**” has the meaning set forth in Section 20.5(a);

“ ” 20.5(a)

“**ID Design**” means the industrial design of a product, including the design of its appearance, dimensions, materials, texture, color.

“**ID** ”

“**Intellectual Property Rights**” includes, to the extent recognized by applicable laws, patents, patent applications, utility models, trademarks, service marks, registered designs, unregistered design rights, copyrights, moral rights, technical

drawings, business names, database rights, internet domain names, brand names, computer software programs and systems, know-how, inventions, confidential information and other industrial or commercial intellectual property rights whatsoever and wheresoever and whether registered or capable of registration or not and all applications for registration or protection of the foregoing;

“**IPO**” means an initial public offering of the shares issued by the Company;

“**Liquidation Committee**” has the meaning set forth in Section 21.1;

“**Losses**” means all losses, liabilities, costs (including interest amounts and legal costs), charges, expenses, judgments, awards, penalties and fines;

“**Material Adverse Impact**” means any event, occurrence, fact, condition, change or development that has had, has, or could reasonably be expected to have, individually or together with other events, occurrences, facts, conditions, changes or developments, a material adverse impact on the business, results of operations, condition (financial, trading or otherwise), prospects taken as a whole and will result in Losses of such Person of more than [***] of total assets as reflected in the audited report as of the preceding fiscal year;

“**Non-defaulting Party**” has the meaning set forth in Section 20.3;

“**Offer**” has the meaning set forth in Section 11.4(a);

“**Overdue Capital Amount**” has the meaning set forth in Section 5.7(a);

“**Person**” means any individual, corporation, partnership, company, enterprise, association, joint stock company, limited liability company, trust or unincorporated organization;

“**Polestar**” has the meaning set forth in the Preamble;

“**Polestar Brands**” means the “Polestar” trademarks and logos, including those registered and pending registration with the trademark offices as set forth in the Polestar Brands License Agreement, as well as those which are not registered but with corresponding rights similar to registered trademarks because they are well-known or used, and “Polestar Branded” shall be construed accordingly;

“**Polestar Brands License Agreement**” has the meaning set forth in Section 4.4(a);

“**Polestar Competitor**” means any of the Persons whose business competes against the business of Polestar or other members of Polestar Group, and any of the Persons whose interest are otherwise held by such Person, directly or indirectly;

“**Polestar Directors**” has the meaning set forth in Section 8.1(a);

“**Polestar OS**” means the operating system for Polestar Brands vehicles developed by the Company base on the Flyme Auto Software;

“**Polestar OS**” Flyme Auto

“**Pre-JV Restructuring**” has the meaning and steps as set forth in Appendix A;

“**Pre-JV Restructuring**” A

“**PSNY**” means Polestar Automotive Holding UK PLC;

“**PSNY**” Polestar Automotive Holding UK PLC

“**PSNY Products**” means any Polestar Brands vehicles initiated by Polestar and/or other members of Polestar Group (for the avoidance of doubt, excluding the Company) towards global customers with subsequent development and ID Design completed by Polestar and/or other members of Polestar Group, excluding China Market Products ;
“ ” / () / ID

“**Polestar Group**” means PSNY and its subsidiaries, branches and other Persons that are directly or indirectly Controlled by PSNY;
“ ” PSNY PSNY

“**PRC**” means the People’s Republic of China (for the purpose of this Agreement only, excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan);
“ ” ()

“**PRC Laws**” means any laws, regulations, rules, directives, treaties, judicial interpretations, decrees or orders of any Government Authority in the PRC (at either central or local level), and any amendment thereto, modification or interpretation thereof at any time;
“ ” ()

“**Principal Business**” has the meaning set forth in Section 4.1;
“ ” 4.1

“**Put Notice**” means a notice sent by one Party exercising its put option to sell all of its Equity Interests to the other Party pursuant to Section 20.5;
“ ” 20.5

“**RMB**” means the lawful currency of the PRC;
“ ”

“**Receiving Party**” has the meaning set forth in Section 18.1;
“ ” 18.1

“**Relevant Situation**” has the meaning set forth in Section 24.6;
“ ” 24.6

“**Remedial Actions**” has the meaning set forth in Section 24.7;

“ ” 24.7

“**SAMR**” means the State Administration of Market Regulation of the PRC, its competent local counterparts and their successors;

“ ”

“**Senior Executives**” has the meaning set forth in Section 10.1(a);

“ ” 10.1(a)

“**Shareholder(s)**” has the meaning set forth in Section 2.1;

“ ” 2.1

“**Tag-along Offer**” has the meaning set forth in Section 11.5;

“ ” 11.5

“**Tax**” means any national, provincial, municipal or local tax, duty, fee (including without limitation any income tax, franchise tax, sales or use tax, value added tax, property tax, stamp duty, excise tax, customs duty) and any interest and penalties thereon and surcharges therefor;

“ ” ()

“**Term**” means the term as set forth in Section 19.1, including any renewal of such term pursuant to Section 19.2;

“ ” 19.1 19.2

“**Third Party Purchaser**” has the meaning set forth in Section 11.4(a);

“ ” 11.4(a)

“**Transfer**” means to transfer, sell, assign, pledge, hypothecate, create a security interest in or lien on, place in trust (voting or otherwise), transfer by operation of law, or in any other way subject to any Encumbrance or dispose of, whether or not voluntarily;

“ ” () ()

“**Transfer Notice**” has the meaning set forth in Section 11.4(b);

“ ” 11.4(b)

“**US\$**” means the lawful currency of the United States of America;

“ ”

“**Xingji Meizu**” has the meaning set forth in the Preamble;

“ ”

“**Xingji Meizu Competitor**” means any of the Persons whose business competes against the business of Xingji Meizu or other member of DreamSmart Group and any of the Persons whose interest are otherwise held by such Person, directly or indirectly; and

“ ” DreamSmart

“**Xingji Meizu Directors**” has the meaning set forth in Section 8.1(a).

“ ” 8.1(a)

1.2 Headings

Headings of any Section herein are inserted for convenience only and shall not affect the construction of this Agreement.

1.3 Singular and Plural

In the English version of this Agreement, the singular shall include the plural and vice versa.

1.4 Sections, Schedules etc.

A Section or Appendix, unless the context otherwise requires, is a reference to a Section of, or appendix to this Agreement.

1.5 Day and Time

- (a) Unless the context otherwise requires, if any rights or obligations under this Agreement fall on a date which happens not to be a Business Day, such rights or obligations shall instead fall on the next succeeding Business Day after such stated date.
- (b) References to time are to the local time in Beijing in the PRC.

1.6 Gender

In this Agreement, pronouns of either gender shall include, as appropriate, the other pronoun forms.
()

1.7 Include

The word “include”, “includes” and “including” when used in this Agreement shall be deemed to be followed by the phrase “without limitation”.
“ ”_ “ ”。

2. Shareholders

2.1 The shareholders of the Company (each a “Shareholder” and collectively the “Shareholders”) are as follows:
(“ ” “ ”)

- (a) **Hubei Xingji Meizu Group Co., Ltd.** (previously known as Hubei Yuan Times Technology Co., Ltd.), a limited liability company registered in the PRC (unified social credit code: 91420100MA7GYPTU8A), incorporated and existing under the laws of the PRC, having its registered office at No.B1345, Chuanggu Start-up Zone, Taizi Lake Culture and Digital Creative Industry Park, No.18 Shenlong Avenue, Wuhan Economic and Technological Development Zone, Wuhan, Hubei Province, PRC.
() — —
91420100MA7GYPTU8A 18 B1345

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- (b) **Polestar Automotive (Singapore) Distribution Pte. Ltd.**, a limited liability company registered in Singapore (unique entity number: 202118658Z), incorporated and existing under the laws of Singapore, having its registered address at 9 Straits View, #06-07, Marina One West Tower, Singapore 018937 Polestar Automotive (Singapore) Distribution Pte. Ltd. —
— 202118658Z 9 Straits View,#06-07, Marina One West Tower, Singapore 018937 ◦

2.2 Representations and Warranties

Each Party represents and warrants to the other Party that:

- (a) it is an entity duly organized and validly existing under the laws of the jurisdiction of its incorporation;
- (b) it has all corporate power and authority necessary to enable it to own, lease or otherwise hold its assets and to carry on its business as presently conducted;
- (c) it has the full power and authority to enter into this Agreement and to perform its obligations hereunder;
- (d) neither the execution, delivery of nor the performance of this Agreement will result in (i) any violation or conflict with any law or regulation it is subject to, (ii) any breach of its articles of association or any of its legal or contractual obligations in material aspect or (iii) any material claim by any third party against the other Party or the Company; and
(i) (ii) (iii)
- (e) no steps have been taken and no legal proceedings have been commenced or threatened against it for its winding up or for it to be declared bankruptcy or insolvency or for a liquidation committee to be appointed in respect of its assets or business.

3. Establishment

3.1 Name of the Company

The name of the Company shall be mutually agreed by the Parties subject to the name pre-verification by the SAMR.

3.2 Limited Liability

The Company shall be a limited liability company with enterprise legal person status under the PRC Laws. The liability of each Party shall be limited to the amount it has agreed to contribute to the registered capital of the Company pursuant to this Agreement. The Parties shall have no liability for any Losses, debts, liabilities or other obligations of the Company beyond the amount of their respective contribution to the registered capital of the Company.

4. Business of the Company

4.1 Purpose

The Company shall be established for the following businesses (“**Principal Business**”), subject to, where applicable, the relevant internal approvals and authorizations, and specific agreements and arrangements entered into by the Company as one of the parties:

(“ ”)

(a) Automotive business:

- decision-making, operation and sales of Chinese Market Products;

- sales of PSNY Products in the PRC;
- developing Polestar OS and utilizing Polestar OS for any PSNY Products and Chinese Market Product; and Polestar OS
- performing aftersales services and warranties for vehicles sold by the Company in the PRC.

(b) Smartphone and AR glasses business
AR

- Sales of Polestar Brands products defined, developed and manufactured by DreamSmart Group with ID Design performed by Polestar and/or other member of Polestar Group including but not limited to, smartphone, AR glasses and other intelligent terminals products.
DreamSmart / ID AR

4.2 Business Scope

- (a) The Company shall engage in the sale of new energy vehicles; distribution of used vehicles; retail of auto parts; wholesale of auto parts; sale of auto decorations; research and development of auto parts; technical services, technology development, technology consulting, technology exchange, technology transfer and technology promotion; repair and maintenance of motor vehicles; sale of charging piles; sale of off-highway recreational vehicles and spare parts; sale of smart vehicle-mounted equipment; car rental; sale of electronic products; sale of daily necessities; development of software; sales of software; sale of toys, animation and entertainment products; sales of mobile terminal devices; import and export of goods; Class-II value-added telecommunications services (items subject to approval according to law shall not be carried out before such approval is granted by the competent authorities, and specific business items are subject to the approval results) (“**Business Scope**”).

) (“ ”) (

-
- (b) In case of any inconsistency between the Business Scope under this Section 4.2 and that registered in the Business License, the Business License shall prevail.
4.2

4.3 Related-Party Transactions

The Company may enter into long-term and recurring related-party transaction agreements with DreamSmart Group, Polestar Group, Geely Group, or their Affiliates, pursuant to which the Company will pay royalty/OEM fees of relevant products/brands to such Affiliates. The Company may provide OS software or other services (if applicable) to and charge license fees from such Affiliates (if any). Such related-party transactions shall be conducted under arm's length principle and be priced based on fair market value.

DreamSmart
OS ()

4.4 Ancillary Agreements

Both Parties agree and acknowledge that the following contracts (the “**Ancillary Agreements**”) are essential for the Company to carry on the Business. As soon as possible after the Establishment Date and in any event before either Party is required to make any capital contribution pursuant to Section 5, these following Ancillary Agreements shall be signed by and among, the relevant Party or its applicable Affiliate and the Company :

(“ ”) 5

- (a) the Polestar Brands License Agreement between the Company and PSNY or its relevant Affiliates under the terms to be agreed by the Parties for an irrevocable license of the Polestar Brands and the Intellectual Property Rights

associated therewith by the Polestar legal entity that owns or controls such Polestar Brands to the Company (the “**Polestar Brands License Agreement**”);

PSNY
 (“ ”)

- (b) the Asset Purchase Agreements between the Company and PSNY or its relevant Affiliates under the terms to be agreed by the Parties for the purchase of selected assets by the Company from each of the Parties respectively (collectively, the “**Asset Purchase Agreement**”);
PSNY PSNY (“ ”)
- (c) the Flyme Auto License Agreement between the Company and DreamSmart Group member under the terms to be agreed by the Parties for the non-exclusive license of certain Flyme Auto code to the Company for the development of Polestar OS (the “**Flyme Auto License Agreement**”);
DreamSmart Flyme Auto Polestar OS Flyme Auto (“**Flyme Auto** ”)
- (d) the Business Cooperation Agreement between Xingji Meizu or its relevant Affiliates on one hand, and Polestar or its relevant Affiliates on the other hand in the form attached hereto as Exhibit A for the purpose of governing certain operational matters regarding the Company and Group Members (“**Business Cooperation Agreement**”);
 ”) A (“
- (e) Transition Service Agreement;
- (f) other agreements as agreed by the Parties.

5. Total Investment Amount and Registered Capital

5.1 Total Investment Amount

The total investment amount of the Company shall be US\$ 600 million.

6

5.2 Registered Capital

- (a) The registered capital of the Company (“**Registered Capital**”) shall be US\$ 200 million.
 (“ ”) 2
- (b) Xingji Meizu shall contribute US\$ 102 million (or its equivalent in RMB based on an exchange rate published by the People’s Bank of China on the date of contribution) in the form pursuant to Section 5.3, which represents 51% of the registered capital of the Company.
 5.3 1.02 () 51% °
- (c) Polestar shall contribute US\$ 98 million (or its equivalent in RMB based on an exchange rate published by the People’s Bank of China) in the form pursuant to Section 5.3, which represents 49% of the registered capital of the Company.
 5.3 9,800 () 49% °

5.3 Form of Contribution

Subject to Section 5.4 below, both Parties shall make their respective capital contributions to the registered capital of the Company in cash.
 5.4

5.4 Conditions Precedent to First Contribution

- (a) The obligation of each Party to make its capital contribution under Section 5.2 shall be subject to the fulfilment or waiver of the following conditions (“**Completion of First Contribution Conditions**”):
 5.2 (“ ”)
- (i) execution and delivery of this Agreement and the AOA;
- (ii) completion of internal restructuring by Polestar to establish a holding structure as illustrated in Appendix A attached hereto and establishment of bank accounts necessary for making capital contributions by Polestar to the Company;
 A

- (iii) obtaining the internal approval of the Ancillary Agreements pursuant to Section 4.4;
4.4
 - (iv) receipt of all necessary approvals, consents and authorizations from Government Authorities related to the establishment of the Company;
 - (v) the representations and warranties made by the Parties under Section 2.2 being true, accurate, complete and not misleading in all aspects at the Execution Date and each date when either Party makes the capital contribution pursuant to Section 5.5; and
2.2 5.5
- (b) Xingji Meizu shall take the lead and use its best efforts to cause the Company to obtain the new Business License and other necessary approvals described in Section 5.4(a)(iv) above as soon as practicable after the Execution Date and no later than three (3) months after the Execution Date or an extended time period as agreed by the Parties, and perform other related obligations including without limitation:
(3) 5.4(a)(iv)
- (i) submission and filing of all relevant applications in a form mutually acceptable to the Parties;
 - (ii) notification to Polestar of any communication (whether written or oral) regarding any substantial development from any Government Authority related to the establishment of the Company;
()
 - (iii) reasonable notification to Polestar of material meetings and telephone calls regarding any substantial development with any Government Authority related to the establishment of the Company and giving Polestar a reasonable opportunity to participate in them; and

(iv) provision to Polestar of all draft written communication intended to be sent to any Government Authority related to the establishment of the Company and giving Polestar a reasonable opportunity to comment thereon; provision of the final copies of all such communication to any Government Authority related to the establishment of the Company with Polestar's prior written consent.

(c) The Parties shall cooperate with each other in providing such assistance as is reasonably necessary in order to procure the Completion of First Contribution Conditions and provide all the Government Authorities with such information as is reasonably necessary.

5.5 Timing of Capital Contribution

(a) Within [***] of the Completion of First Contribution Conditions, Xingji Meizu shall make its first capital contribution in the amount of US\$ [***] (or its equivalent in RMB) in cash to the Company.

[***] [***] ()°

(b) Within [***] of the Completion of First Contribution Conditions, Polestar shall make its first capital contribution in the amount of US\$ [***] (or its equivalent in RMB) in cash to the Company.

[***] [***] ()°

(c) Following the completion of first capital contributions described above by both Parties ("**Completion of First Contributions**"), the Parties shall cause the Company to purchase certain assets from the Parties or their Affiliates respectively pursuant to this Agreement and the Ancillary Agreements and, [***]. Notwithstanding anything provided to the contrary herein, each party shall fulfil all of its capital contribution obligation within [***] after the Completion of First Contributions or other time period mutually agreed by the Parties.

(“ ”) [***]

[***]

5.6 Decrease or Increase of the Registered Capital

- (a) Subject to the Approval by the Government Authorities (if applicable), the Company shall not reduce the amount of its registered capital without the prior resolution of the Shareholders' meeting pursuant to Section 7.5.
() 7.5
- (b) Any increase in the registered capital of the Company shall require the prior resolution of the Shareholders' meeting pursuant to Section 7.5 and shall be submitted to the Government Authorities for Approval (if applicable).
7.5 ()°

5.7 Failure to Contribute Capital

- (a) If either Party fails to make any installment of its capital contribution (the "**Overdue Capital Amount**") pursuant to this Agreement (the "**Defaulting Shareholder**"), the Company shall send a written notice with a cure period, which shall be at least sixty (60) days from the date of such written notice or other longer periods agreed by the other Party, to the Defaulting Shareholder. The other Party shall have the right to exercise the following remedies by notice to the Defaulting Shareholder and the Company after the expiration of cure period:
(60) (" " " ")
- (i) to require the Defaulting Shareholder to transfer its equity corresponding to the Overdue Capital Amount to the other Party or reduce the register capital subscribed by the Defaulting Shareholder corresponding to the Overdue Capital Amount;

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- (ii) to require the Company to withhold any distributions to the Defaulting Shareholder or other amounts payable by the Company to the Defaulting Shareholder up to the Overdue Capital Amount;
 - (iii) to require the Defaulting Shareholder to contribute the Overdue Capital Amount to the Company and to pay to the other Party [***] of the Overdue Capital Amount for each day of delay; or [***]
 - (iv) to terminate this Agreement pursuant to Section 20.3(a).
20.3(a)

For the avoidance of doubt, the above remedies are cumulative, may be exercised singly or concurrently at the sole discretion of the exercising Party, and shall not affect other remedies available to the exercising Party under this Agreement and the PRC Laws.

- (b) Upon the exercise by the relevant Party's right pursuant to Section 5.7(a)(i), each Party shall:
 - 5.7(a)(i)
 - (i) procure that each director appointed by it will vote in favor of the change in the respective Equity Interests of the Parties;
 - (ii) enter into certain equity transfer agreement and amend this Agreement and the AOA to reflect the change in the respective Equity Interests of the Parties;
 - (iii) co-operate in the obtaining of all necessary Approvals from the relevant Government Authorities of the change in the respective Equity Interests of the Parties; and

(iv) provide all other assistance reasonably necessary for the change in the respective Equity Interests of the Parties.

- (c) Upon the exercise by the relevant Party's right pursuant to Section 5.7(a)(ii), each Party shall procure that each director appointed by it will vote in favor of the withholding of any distributions or other amounts payable by the Company to the Party failing to make its capital contribution up to the Overdue Capital Amount.
5.7(a)(ii)

6. Financing

6.1 The Company shall finance and operate its business as a stand-alone entity independently from the Parties and assume associated liabilities and risks regarding its business operation on its own (including without limitation foreign exchange risks).

()°

6.2 Xingji Meizu shall [***] have the obligation to assist the Company to obtain a funding of at least [***] by the end of [***]; and (ii) have the obligation to assist the Company in obtaining at least [***] of investment to be injected to the Company by the end of [***]. If it is determined by the Board that the Company needs additional funding beyond the RMB [***] described above, Xingji Meizu shall provide such additional financial support to the Company within the period of time as determined by the Board.

(i) [***] [***] [***] (ii) [***] [***]
[***]

6.3 Unless otherwise agreed in this Agreement, any financial support such as guarantee, mortgage provided by the Parties for the benefit of the Company shall be approved by both Parties and be borne by the Parties in proportion to their respective equity interests in the Company (regardless of the joint and several nature or other terms and conditions imposed by a third-party lender on such financing). The interest rate of any shareholder's loan shall be determined with regard to comparable commercial bank loans.

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6.4 The Company may conduct restructuring to accommodate for its future funding, in which case the Parties shall conduct such restructuring in accordance to the structure as illustrated in Appendix A.

A

6.5 Notwithstanding anything provided to the contrary herein, any item set out below shall be subject to the unanimous approval from both Parties, provided that the approval of these items shall not be unreasonably withheld or delayed by either Party:

- (a) the venue, valuation and offering price of IPO of the Company;
- (b) the total amount of financing, type and valuation for a private equity financing of the Company; and
- (c) total amount of bond issuance and the term and interest/coupon rate of any bonds issued by the Company.

7. Shareholders' Meeting

7.1 Composition of the Shareholders' meeting

- (a) The Shareholders' meeting shall be composed of both Shareholders (the "**Shareholders' meeting**").
(" ")°
- (b) The Shareholders' meeting shall be the highest authority of the Company and have those powers and authority provided under the Company Law and other applicable laws.

7.2 Frequency of Shareholders' Meetings

The Company shall in each Financial Year hold a general meeting of the Shareholders as its annual general meeting provided that the period of time from one annual general meeting to the next shall not exceed 15 months. Subject to applicable law, extraordinary general meetings of the Shareholders shall be held whenever requested and convened by the Board or otherwise in accordance with applicable law.

15

7.3 Notice of Shareholders' Meetings

Each Shareholder shall be entitled to receive written notice of any Shareholders' meeting of the Company, setting out the time, date, place and agenda in reasonable detail, given to it at its address noted in the Company's register of members at least fifteen (15) days prior to the date such extraordinary general meeting is to be held (and at least twenty-one (21) days prior to the date of any annual general meeting to be held) (or subject to applicable law, where the particular circumstances require a shorter period, such shorter period as the circumstances reasonably require and as unanimously agreed to by the Shareholders).

(21))(

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(15) (

7.4 Written Resolutions

A written resolution of the Shareholders will be validly passed if the text of the resolution has been signed and approved by all of the Shareholders.

7.5 Matters Subject To Shareholders' Meeting Decision

The Shareholders' meeting is the highest authority of the Company and shall determine important matters pertaining to the Company, including:

- (a) approval of the business principle and investment plan (general plan) of the Company;
()
- (b) electing and removing directors or supervisors that are not representatives of the employees;
- (c) approval of the reports of the board of directors;
- (d) approval of the reports of the supervisor;
- (e) approval of the annual financial budget and final accounting plan of the Company;
- (f) approval of issuance of bonds by the Company;
- (g) approval of the profits distribution plan and losses recovery plan;
- (h) approval of the remuneration of directors and supervisor in their capacity as directors and supervisor;
()
- (i) any increase or decrease of the registered capital of the Company;
- (j) any merger, division, dissolution, liquidation, winding up or change of corporate structure of the Company;
- (k) any amendment to the AOA of the Company;
- (l) approval of shareholder loans to be jointly provided to the Company or a Group Member or any guarantee or other security to be jointly provided by the Shareholders to any third party for loans borrowed by the Company (or a Group Member);
()

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- (m) any material change from any suspension or termination of all or substantially all of the Principal Business of the Company or the sale, transfer or disposition of all or substantially all of the assets of the Company;
 - (n) any license, sublicense, transfer or disposal of any of the Polestar Brands or any other material Intellectual Property Rights of the Company outside the ordinary course of business; and
 - (o) any other matters as stipulated in the AOA.

The voting rights of Shareholders at the Shareholders' meeting shall be based on their respective proportion of registered capital between the Parties in the Company. Resolutions of Shareholders' meeting shall be approved by Shareholders holding no less than 50% of the voting rights, and resolutions in relation to items [***]through [***] above shall be approved by both Parties unanimously. With respect to matters that have been duly approved by the Shareholders' meeting, the Parties shall cooperate with each other, take necessary actions and execute necessary documents in a timely manner so as to cause the relevant matters to be effectively implemented and achieved.

50%

[***] [***]

7.6 Minutes

The Shareholders' meeting shall be conducted in both English and Chinese, and the minutes shall be produced and maintained in both English and Chinese. The English and Chinese versions of the minutes shall be of equal effect. The Shareholders' meeting shall cause complete and accurate minutes to be prepared. Minutes of any Shareholders' meeting shall be signed by the participating Shareholders or their proxies and be distributed to both Shareholders promptly after the meeting but no later than twenty (20) Business Days after the Shareholders' meeting. The minutes

book shall be kept at the Company's head office and shall be available for inspection during business hours by any Shareholder and/or representatives of either Party. For the avoidance of doubt, the relevant resolutions and meeting minutes only for submission to Government Authorities shall be produced in Chinese only.

(20)

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8. Board

8.1 Composition of the Board

- (a) The Board shall consist of five (5) directors, among whom three (3) shall be appointed by Xingji Meizu ("**Xingji Meizu Directors**") and two (2) by Polestar ("**Polestar Directors**").
(5) (3) (" ") (2) (" ")
- (b) Each Party shall appoint directors by notice to the other Party and the Company. Each Party shall vote in favor of directors appointed by the other Party in a duly convened Shareholders' meeting.
- (c) The term of each director shall be three (3) years and can be renewable upon reappointment.
(3)
- (d) Either Party may, at any time, remove and replace any director appointed by it by notice to the other Party and the Company. The Party removing the director appointed by it shall be solely responsible for paying any compensation for loss of office or all other claims made by such director in relation to his removal from office.

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- (e) If a seat on the Board is vacated by the retirement, resignation, illness, disability or death of a director or by the removal of such director by the appointing Party, the appointing Party shall appoint a successor within thirty (30) Business Days upon occurrence of any of such aforesaid event to serve out such director's term and shall give notice of such change to the other Party and the Company. If a quorum is not possible due to the removal or resignation of such director(s), then such removal or resignation shall not become effective until a replacing director is or replacing directors are appointed.

(30)

- (f) The directors shall carry out their duties with due care and diligence.
- (g) The directors shall serve without remuneration or reimbursement by the Company in their capacity as directors, except that all reasonable expenses incurred for performance of their duties as directors, including accommodation and transportation costs incurred from attending Board meetings, shall be borne by the Company.
- (h) The Company shall indemnify each director against all claims and liabilities incurred in the performance of his duties as a director of the Company, provided that any act or omission of a director which gives rise to such claims and liabilities do not constitute intentional misconduct, gross negligence or violations of criminal laws.
- (i) At each Board meeting, each director present in person or by proxy shall be entitled to one vote. The Chairman shall not have a second or casting vote.

8.2 Chairman

- (a) The Board shall have one (1) Chairman, who shall be appointed by Xingji Meizu. Polestar Directors shall vote in favor of the appointment of the Chairman appointed by Xingji Meizu in a duly convened Board meeting.
(1)
- (b) The Chairman shall be the legal representative of the Company.

8.3 Matters Subject to Board Decision

The Board shall be responsible for material daily operational decisions of the Company, including:

- (a) convening Shareholders' meetings and reporting to the Shareholders;
- (b) implementing resolutions of the Shareholders' meeting;
- (c) approval of Business Plans, investment plans (detailed plans) of the Company;
()
- (d) formulating annual financial budget and final accounting plan of the Company;
- (e) formulating the profits distribution plan and losses recovery plan;
- (f) formulating plans for increase or decrease of the registered capital of the Company and the issuance of bonds;
- (g) formulating plans for merger, division, dissolution or change of corporate structure of the Company;
- (h) approval of establishment of internal management structure of the Company;
- (i) approval of appointment or dismissal of Chief Executive Officer (CEO), Chief Financial Officer (CFO) and other senior management of the Company;
(CEO) (CFO)

-
- (j) adopting the basic management rules of the Company;
 - (k) to the extent not included in the annual Business Plan, investment plan and financial budget approved in the Shareholders' meeting, approval of any capital expenditure by the Company in an individual amount exceeding RMB [***];
[***] ()
 - (l) to the extent not included in the annual Business Plan, investment plan and financial budget approved in the Shareholders' meeting, execution of, substantial amendment to or termination of the sales contracts and any other commercial contract binding on the Company with an individual contractual price exceeding RMB [***];
[***] ()
 - (m) approval of remuneration of CEO, CFO and other senior management;
CEO ∙ CFO
 - (n) appointing or dismissing the auditor, approving material changes of audit policies of the Company and the Group Members;
 - (o) to the extent not included in the Business Plan and financial budget approved in the Shareholders' meeting: approval of any loans provided by the Company (or any of the Group Members) to any third party who is not a Group Member, offer of guarantee or other security by the Company (or a Group Member) to any third party who is not a Group Member (except for those required by laws to be adopted by the Shareholders' meeting), or offer of any loans to any third party who is not a Group Member (including the officers or employees of the Company and the Group Members), provided that the amount of such loan, guarantee, security exceeds US\$ [***];

[***]

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- (p) approval of the initiation or settlement of any litigation, arbitration or other legal proceedings or claim in an amount exceeding the higher of RMB [***] and [***] of the audited net assets of the Company for the previous fiscal year;
[***] [***] ()
 - (q) adoption of related-party transaction management rules of the Company and the Group Members (which shall require the arm's-length principle being adopted for all related-party transactions engaged by the Company or the Group Members), reviewing and approving related-party transactions that need to be approved by the Board pursuant to such rules;
()
 - (r) approval of acquisitions outside the ordinary course of business by the Company and the Group Members;
 - (s) approval of establishment or dissolution of subsidiaries outside the ordinary course of sales and retail business; approval of the subsidiaries' articles of association, the disposal of all or part of their equity interest, increase or decrease in their registered capital, merger, division, dissolution or change of corporate structure of the such subsidiaries;
 - (t) approval of any transfer, lease or other similar disposition of the assets of the Company in an individual amount exceeding RMB [***];
[***]
 - (u) formulating amendments to the AOA;
 - (v) approval of audited financial statement of the Company;
 - (w) approval of private equity financing, IPO and other listing plan of the Company;

(x) approval of any amendment to any share/equity incentive plan; and

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(y) any other matters as stipulated in the PRC Laws, the AOA, this Agreement or authorized by the Shareholders' meeting.

Each director shall have one vote in the deliberation of resolutions of the Board. Subject to abstaining from voting, resolutions made by the Board shall be approved by no less than 50% of all the directors and resolutions in relation to items [***] through [***] above shall be approved by at least one (1) affirmative vote from Polestar Director. With respect to the matters that have been duly approved by the Board, the Parties shall cooperate with each other, and to procure the directors nominated by each of the Parties to cooperate in taking necessary actions and executing necessary documents in a timely manner so as to cause the relevant matters to be effectively implemented and achieved.

[***] [***]

8.4 Board Meeting

(a) Convening Meetings

(i) The Chairman may call a Board meeting by giving not less than ten (10) Business Days' notice to all the directors. The meeting of the Board shall be held at least four (4) times every year.

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(ii) Two (2) directors or more may call a Board meeting by giving notice to the Chairman who shall, giving not less than ten (10) Business Days' notice to all other directors, convene a Board meeting.

(2) (2)

(10)

(iii) The first Board meeting shall be convened within forty-five (45) Business Days of the Establishment Date or any other day upon mutual consent of both Parties, and the Board shall approve resolutions regarding:

(45)

(A) the organizational structure of the Company as agreed by the Parties, as well as the appointment of the Senior Executives in accordance with Section 10.2;

10.2

(B) the execution of all of the Ancillary Agreements;

(C) the first Business Plan ; and

(D) the Delegation of Authority of the Company.

(b) Notice

(i) The ten (10) Business Days' notice period referred to in Section 8.4(a)(i) may be waived by the written consent of all directors or may be deemed as waived if all directors (including proxies) are present at the Board meeting.

8.4(a)(i)

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(ii) A notice convening a Board meeting must be accompanied by a written agenda specifying in reasonable detail the items to be raised and discussed at the Board meeting as well as the supporting documents (if any). Subject to Section 8.4(b)(iii) below and unless otherwise agreed by all directors, no items shall be discussed or approved at the meeting other than the items specified in the notice.

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8.4(b)(iii)

(iii) Each director may by at least five (5) Business Days' notice to all other directors before the date scheduled for the Board meeting require additional proposals to be discussed at the scheduled meeting by specifying such additional items in reasonable detail and providing supporting documents (if any).

(5)

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(iv) All notices, meeting agenda and supporting documents (if any) given under this Section 8.4 shall be given in both Chinese and English.

8.4

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(c) Proxy

(i) Any director may appoint other director as his proxy for the purpose of voting at a Board meeting provided that the appointment is made in writing and produced at or before the Board meeting to the chairman of the meeting. The director acting as a proxy has the right to count towards the quorum and to exercise the vote of his appointer in addition to the voting rights of the proxy as a director.

(ii) Each proxy of an absent director shall have full power and authority to represent and bind his appointer in all items decided by the Board within the scope of the functions of the appointer.

(d) Location and Telephone Meetings

Any Board meeting shall be held at the principal place of business of the Company or such other venue as may be agreed by all directors. A meeting may be held by telephone, video-conferencing or other electronic means, provided that all participants can hear and be heard and are present from the commencement to the close of the meeting.

(e) Written Resolutions

In lieu of a Board meeting, resolutions may be adopted by the Board in writing if the resolution is signed by all the directors.

(f) Minutes

The Board meeting shall be conducted in both English and Chinese, and the minutes shall be produced and maintained in both English and Chinese. The English and Chinese versions of the minutes shall be of equal effect. The Board shall cause complete and accurate minutes to be prepared. Minutes of any Board meeting shall be signed by all the directors or their proxies and be distributed to all the directors promptly after the meeting but no later than twenty (20) Business Days after the Board meeting. The minutes book shall be kept at the Company's head office and shall be available for inspection during business hours by any director and/or representatives of either Party.

((20)) /

8.5 Deadlock

- (a) A deadlock shall be deemed to have occurred in relation to a matter (the "**Deadlock**") if the Board fails to adopt a resolution in respect of any reserved matter set out in paragraphs (n) through (s) of Section 8.3 and fail to adopt a resolution in respect of any such matter at a second Board meeting to be held within fifteen (15) Business Days after the date of the first Board meeting at which the matter is first raised for discussion and the Board meeting is unable to adopt a resolution.

8.3 (n) (s) (15)

(" ")°

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- (b) If a Deadlock occurs, the Board shall immediately refer it to the respective chief executive officer or executives of similar level of each Party for their discussion and resolution. The Parties shall procure the chief executive officers of DreamSmart Group and PSNY to endeavor to agree on a resolution of the Deadlock within fifteen (15) Business Days after the Deadlock is referred to them. If an agreement is reached by such chief executive officers within fifteen (15) Business Days upon referral, each Party shall procure the directors appointed by it to vote in favor of resolution in relation to the Deadlock at the following Board meeting.
- DreamSmart PSNY (15)
- (15)
- (c) If an agreement cannot be reached between the chief executive officers within fifteen (15) Business Days pursuant to Section 8.5(b) above, the relevant proposal shall be deemed as not approved by the Board.
- 8.5(b) (15)

9. Supervisor

- 9.1 The Company shall have one (1) supervisor, which shall be appointed by Xingji Meizu. Polestar shall vote in favor of supervisor appointed by Xingji Meizu in a duly convened Shareholders' meeting.
- (1)
- 9.2 Xingji Meizu shall notify Polestar and the Company when appointing supervisor of the Company.
- 9.3 The term of each supervisor shall be three (3) years and can be renewable upon reappointment by Xingji Meizu.
- (3)
- 9.4 The supervisor shall have the powers and functions as provided under the PRC Laws, including without limitation:
- (a) inspecting the financial accounts and books of the Company;

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- (b) supervising the performance of duties by directors and senior management and proposing to remove directors or senior management who violate the provision of laws, administrative regulations, the AOA or the resolutions of the Shareholders' meeting;
 - (c) requiring directors or senior management who act against the interests of the Company to make corrections;
 - (d) proposing to convene ad hoc Shareholders' meeting, convening and presiding the Shareholders' meeting when the Board fails to convene and preside the Shareholders' meeting;
 - (e) making proposals at the Shareholders' meetings;
 - (f) filing lawsuits against directors or senior management; and
 - (g) any other powers and functions as stipulated in the AOA.

9.5 The supervisor shall have the right to attend the Board meetings as a non-voting member and raise inquiries or suggestions on resolutions to be adopted by the Board. The supervisor may carry out investigations upon discovering abnormalities in the operation of the Company and, if necessary, engage an accounting firm to provide assistance at the expense of the Company.

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- 9.6 The supervisor shall serve without remuneration or reimbursement by the Company in his capacity as supervisor, except that all reasonable expenses incurred for the performance of his duties as supervisor, shall be borne by the Company.
- 9.7 The Company shall indemnify the supervisor against all claims and liabilities incurred pursuant to the performance of his duties as a supervisor of the Company, provided that any acts or omissions of a supervisor which give rise to such claims and liabilities do not constitute intentional misconduct, gross negligence or violations of criminal laws.

10. Management

10.1 Management Team

- (a) The Company's management comprises the following positions (the "Senior Executives"):
- (" ")
- (i) One (1) Chief Executive Officer ("CEO") (the general manager of the Company) to be nominated by Xingji Meizu, who shall be responsible for the day-to-day management of the Company other than those which require approval of the Shareholders' meeting and the Board;
- (1) CEO ("CEO") ()
- (ii) One (1) Chief Financial Officer ("CFO") to be nominated by Xingji Meizu, who shall be responsible for the financial, accounting, internal control and taxes of the Company;
- (1) ("CFO")
- (b) Unless otherwise specified in the PRC Company Law or the AOA, powers and functions not granted to the Shareholders' meeting or the Board shall be determined and exercised by the CEO, including without limitation:
- CEO
- (i) presiding over the production and management of the Company, organizing and implementing resolutions of the Shareholders' meeting and the Board;

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- (ii) organizing and implementing the annual Business Plans and investment plans of the Company;
 - (iii) formulating plans for the establishment of the internal management structure of the Company;
 - (iv) formulating the basic management rules of the Company;
 - (v) formulating specific rules of the Company;
 - (vi) approval of the engagement or dismissal of any management staff other than those who are required to be appointed or dismissed by the Board;
 - (vii) approval of any purchase, acquisition, sale, transfer, lease or disposition of the assets of the Company, except for those required to be adopted by the Shareholders' meeting or the Board pursuant to this Agreement;
 - (viii) approval of any capital expenditure by the Company, except for those required to be adopted by the Shareholders' meeting or the Board pursuant to this Agreement;
 - (ix) execution, substantial modification to or termination of the sales contracts and any other commercial contract binding on the Company, except for those required to be adopted by the Shareholders' meeting or the Board pursuant to this Agreement;

- (x) approval of the initiation or settlement of any litigation, arbitration or other legal proceedings or claim, except for those required to be adopted by the Shareholders' meeting or the Board pursuant to this Agreement;
 - (xi) approval of establishment or dissolution of subsidiaries relating to the ordinary course of sales and retail business; approval of the subsidiaries' articles of association, disposal of all or part of their equity interest, increase or decrease in their registered capital, merger, division, dissolution or change of corporate structure of such subsidiaries;
 - (xii) approval of establishment or dissolution of, branches or other types of branch offices of the Company and the Group Members; and
 - (xiii) any other matters stipulated in the AOA or this Agreement or authorized by the Shareholders' meeting or the Board.
- (c) The CEO may delegate his powers and functions to other senior management or personnel in charge of relevant business departments according to the Delegation of Authorities.
CEO
 - (d) Each Senior Executive may attend the Board meeting as a non-voting observer.

10.2 Appointment of Senior Executives

- (a) Xingji Meizu shall be entitled to, by notice to the Board, nominate qualified candidates for appointment by the Board as the CEO, provided that (i) Mr. Dan Feng shall serve as the CEO of the Company upon its establishment; [***].
CEO (i) CEO [***]°
- (b) Xingji Meizu shall be entitled to, by notice to the Board, nominate qualified candidates for appointment by the Board as the CFO.
CFO°

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- (c) All of the Senior Executives shall be appointed subject to the approval by the Board pursuant to Sections 8.3 and 8.4.
8.3 8.4

10.3 Term of Office

- (a) The term of office for each of the Senior Executives shall be three (3) years and may be renewable upon reappointment by the Board.
(3)
- (b) If an office of the Senior Executive is vacated by the retirement, resignation, illness, disability or death of any Senior Executive or by the removal of such Senior Executive by the Board, the Party which originally nominated such Senior Executive shall be entitled to nominate a successor within thirty (30) Business Days upon occurrence of any of such aforesaid event to serve out the remaining period of such Senior Executive's term.

(30)

10.4 Annual Business Plan

The CFO shall prepare and then, subject to the approval of the CEO a draft annual Business Plan for the following Financial Year, and the CEO and CFO shall jointly submit to the Board for approval before the end of each Financial Year. The Board shall decide on the draft annual Business Plan within twenty (20) Business Days or any other day upon the consent of the Board of its receipt with any amendments as approved by it.

CFO CEO CEO CFO

(20)

11. Transfer of Equity Interests

11.1 Restrictions

- (a) Except as expressly permitted under this Agreement or as otherwise agreed by the Parties upon consultation, neither Party may Transfer any of its Equity Interests.
- (b) Neither Party may enter into an agreement with any Person in relation to its right to appoint any director under this Agreement or the exercise of the right of any director appointed by it without the prior written consent of the other Party.
- (c) Xingji Meizu shall not Transfer any Equity Interests to a Polestar Competitor unless otherwise agreed in writing by Polestar in advance. Polestar shall not Transfer any Equity Interests to a Xingji Meizu Competitor unless otherwise agreed in writing by Xingji Meizu in advance.

11.2 Lock-up

Subject to Section 11.3 and 20, neither Party may Transfer any of its Equity Interests to any Person during the Term of the Company unless otherwise agreed by the Parties in writing.

11.3 20

11.3 Permitted Transfer

- (a) Notwithstanding anything to the contrary contained herein but subject to compliance with the other provisions of this Section 11.3, either Party may Transfer all or parts of its Equity Interests, to an Affiliate of that Party by giving at least ten (10) Business Days' prior notice to the other Party, which shall specify the name, jurisdiction of incorporation and registered address of the transferee Affiliate and the name of the legal representative or the authorized representative (as the case may be) of the transferee Affiliate, provided that (i) the transferee Affiliate shall pass compliance check customarily conducted by the other Party in accordance with its group policy and comply with applicable

anti-trust laws; (ii) the transferee Affiliate have entered into relevant equity transfer agreement and other necessary documents; and (iii) the transferring Party shall continue to guarantee the due fulfillment of its obligations under this Agreement by the transferee Affiliate.

11.3 (10)
(ii) (iii) (i)

(b) If a Party Transfers all or parts of its Equity Interests to its Affiliate pursuant to this Section 11.3, the other Party shall be deemed to have consented to that Transfer and to have waived its pre-emptive rights in respect of such Transfer and shall cooperate to execute all necessary documents and take all necessary actions to complete such Transfer.

11.3

(c) If a Party Transfers parts of its Equity Interests to its Affiliate, such Affiliate and the transferring Party shall be deemed collectively as one Party under this Agreement.

(d) If the transferee Affiliate would cease to be an Affiliate of the transferring Party, the transferee Affiliate (and/or any subsequent transferee in a series of transfers to transferee Affiliate) must immediately Transfer all of its Equity Interests back to the original transferring Party or another Affiliate of the original transferring Party. In this case, the original transferring Party or its relevant Affiliate (as the case may be) shall immediately deliver to the non-transferring Party and to the Company a duly executed and valid undertaking pursuant to Section 11.7. Failure to Transfer back such Equity Interests pursuant to this Section 11.3(d) within sixty (60) days of the date when the transferee Affiliate ceases to be an Affiliate shall constitute a material breach hereof, and the non-transferring Party shall be deemed as the Non-defaulting Party as defined under Section 20.3 and shall accordingly have the right to terminate this Agreement and exercise the call option or put option at its election pursuant to Section 20.4.

11.3(d) (/) 11.7 (60)
20.3 20.4

11.4 Right of First Refusal

- (a) Subject to compliance with the provisions of Sections 11.1, 11.2 and 11.3, either Party may Transfer all or parts of its Equity Interests (the “**Sale Equity Interests**”) to a third party (a “**Third Party Purchaser**”) only if it receives an offer (the “**Offer**”), which contains the material terms and conditions of an offer to purchase such Equity Interests (including the price and the intended completion date of the Offer).
- 11.1 11.2 11.3 (“ ”) (“ ”) (“ ”)
- ()°
- (b) In the event that the transferring Party receives an Offer which it wishes to accept, it must immediately give a written notice (the “**Transfer Notice**”) to the non-transferring Party offering to sell the relevant Equity Interests to the non-transferring Party or its nominee at the same cash price as set forth in the Offer, and on terms which are no less favorable than those contained in the Offer.
- (“ ”)
- (c) The Transfer Notice must state:
- (i) the transferring Party’s intent to sell the relevant Equity Interests;
 - (ii) the proposed amount of the relevant Equity Interests to be Transferred;

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- (iii) the price and principal terms and conditions of the proposed Transfer;
 - (iv) the identity of the Third Party Purchaser and, where acting as trustee, the ultimate beneficial owner of the trust; and
 - (v) any other details of all other terms and conditions of the Offer that may be reasonably required by the non-transferring Party.
- (d) The non-transferring Party shall, within forty (40) Business Days from the receipt of the Transfer Notice (the “**Acceptance Period**”), notify the transferring Party whether it desires to purchase or designate a nominee to purchase the relevant Equity Interests. If the non-transferring Party chooses to exercise its pre-emptive right, then it shall purchase, and the transferring Party must sell, the relevant Equity Interests in accordance with the terms and conditions set forth in the Transfer Notice.
- (40) (“ ”)
- (e) If the non-transferring Party fails to notify the transferring Party of its intention to purchase the relevant Equity Interests within the Acceptance Period, then the non-transferring Party shall be deemed to have consented to the proposed Transfer to the Third Party Purchaser identified in the Transfer Notice. The transferring Party may thereafter Transfer the relevant Equity Interests to the Third Party Purchaser in accordance with the terms and conditions set forth in the Transfer Notice.

11.5 Tag-along Right

Notwithstanding anything to the contrary contained herein, each Party shall have a tag-along right in respect of the Equity Interests owned by the other Party, pursuant to which in the event that the other Party intends to Transfer all or parts of its Equity

Interests to a bona fide Third Party Purchaser, to the extent that the non-transferring Party does not exercise its right of first refusal provided under Section 11.4, the transferring Party shall procure that the Third Party Purchaser makes an offer (the “**Tag-along Offer**”) to the non-transferring Party to purchase part or all of its Equity Interests on the terms and conditions no less favorable than those offered by the Third Party Purchaser to the transferring Party simultaneously. The number of Equity Interests the non-transferring Party sells to the Third Party Purchase shall be no more than the Sale Equity Interests multiplied by a fraction, the numerator of which shall be the number of Equity Interests held by the non-transferring Party on the date of Tag-along Offer and the denominator of which shall be the total number of Equity Interests held by both Parties on the date of Tag-along Offer. If the Third Party Purchaser fails to make the Tag-along Offer to non- transferring Party in accordance with this Section 11.5, the Third Party Purchaser shall not be entitled to complete the Transfer and the Parties shall procure that the Company shall not register the change in the Equity Interests in connection with such Transfer. If the Tag- along Offer is accepted by the non-Transferring Party, the completion of the Transfer of the transferring Party shall be conditional on completion of the purchase of the Equity Interests held by the non-Transferring Party.

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11.6 Completion of Transfer

The Parties shall execute such legal documentation and take such other steps as are required to apply for and obtain all necessary Approvals in connection with a Transfer of Equity Interests pursuant to this Section 11 as soon as reasonably practicable and no later than one (1) month after the giving of the relevant notice or the Transfer Notice, as the case may be.

(1) () 11

11.7 Assumption of Obligations

Notwithstanding anything to the contrary contained herein, no Equity Interests may be Transferred pursuant to this Section 11 unless each transferee has delivered to the non-transferring Party a valid and effective undertaking to perform the obligations of the transferring Party under this Agreement and agrees to be bound by this Agreement and the AOA in respect of the Equity Interests so Transferred as if the transferee had been an original Party to this Agreement.

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12. Labor Management

12.1 General Provisions

- (a) All human resources management principles and policies of the Company, including without limitation the recruitment, employment, discipline, dismissal, resignation, wages, labor protection, welfare benefits, labor discipline, retirement insurance, bonuses and other matters of the staff of the Company, shall be dealt with in accordance with applicable laws.
- (b) Compensation, welfare, insurance and other benefits of the management, staff and workers of the Company shall be determined in accordance with applicable laws and competitive market practice and shall be commensurate with the position requirement and individual employee's expertise and experience.

12.2 Recruitment

- (a) Except as expressly agreed in this Agreement, the Company will select its employees based on their professional qualifications and work experience in accordance the principle of "best person for each position" from the open market, internally or other available sources. Each staff member recruited by the Company must satisfy the qualification criteria as approved by the CEO.

CEO

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- (e) Notwithstanding the provisions of this Section 12.2, the Company shall not, however, be obliged to employ any staff from either Party or any of its Affiliates and shall endeavor to recruit staff with the mixture of experience and expertise best suited to ensuring the commercial success of the Company.

12.2

12.3 Trade Union in the PRC

Employees of the Company shall have the right to establish a labor union in accordance with applicable laws. The Company shall support such Company labor union in accordance with applicable laws.

12.4 Incentive Plan

With the unanimous consent of both Parties, the registered capital of the Company shall be increased or transferred and reserved for incentives to future employees, by no more than [***] of the original amount of the Registered Capital of the Company upon its incorporation. The Parties will cause the Company to establish an employee stock ownership platform to hold the aforesaid equities.

[***]

13. Accounting and Finance Management

13.1 Accounting Requirements and Financial Documents

- (a) The Company shall maintain complete, fair and accurate books and records satisfactory to the Board and the Parties in accordance with all applicable laws and regulations. For the avoidance of doubt, these books and records shall include the single financial statements of the Company as well as consolidated financial statements of the Company if necessary.

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- (b) Reasonably advanced and suitable information technology shall be employed to record the Company's course of business, including an IT connection to the Parties, if necessary. RMB shall be used as the unit of account and functional currency by the Company in its day-to-day financial accounting.
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 - (c) Financial statements and reports of the Company shall be made and kept in Chinese and English, including without limitation the major accounting sentries, and accounting related guidelines.
 - (d) The Company shall adopt the calendar year as its fiscal year ("**Financial Year**") except that the first Financial Year shall be from the date when the first Business License is issued and end on December 31 of the same year.
(" ") 12 31

13.2 Financial Information and Budget

- (a) The CFO shall prepare and submit to the Board and the Parties the following information as soon as reasonably practicable and no later than the dates set forth below:
CFO
 - (i) monthly unaudited management accounts, including (A) a detailed profit and loss account, balance sheet, cash flow statement, and (B) an analysis of the results against the budget after the end of each month;
(A) (B)
 - (ii) if approved by the Board or required by the consolidation requirements applicable to Xingji Meizu, the (single and/or consolidated) profit and loss statements, the balance sheets, cash flow statements, equity

statements and management accounts, including a breakdown by division and by brands, if applicable, and all of them generated on a monthly basis, each in Chinese and English language shall be provided by the CFO to the Parties at their request and in accordance with their respective financial closing schedules, as agreed and amended from time to time;

(/) CFO ()

- (iii) if approved by the Board or required by the consolidation requirements applicable to Xingji Meizu, the Parties shall cause the Company to set up an additional profit and loss statement, balance sheet, cash flow statement, equity statement and management accounts, on a single and/or consolidated basis, in accordance with the generally accepted accounting principles adopted by the Parties including their specific accounting interpretations and regulations (guidelines), provided that each Party shall instruct the CFO and further employees of the Company with respect to the applicable accounting principles;

() / CFO

- (iv) a draft financial budget for the Company for the following Financial Year months before the end of each Financial Year, such draft financial budget being broken down on a monthly basis and containing a cash flow forecast and a balance sheet showing the projected position of the Company as at the end of the following Financial Year;

- (v) the unaudited financial statements of the Company (single and/or consolidated) for each applicable Financial Year within thirty (30) Business Days after the end of the Financial Year; and

(30) (/)

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- (vi) the audited financial statements (single and/or consolidated) for each Financial Year as well as the reviewed/audited reporting packages to the Parties within three (3) months or any other day upon the consent of CEO after the end of the Financial Year; and such further information relating to the business or financial condition of the Company as either Party may reasonably require or for tax purposes of the Party within and outside the PRC.

(3)

CEO

(/) /

- (b) The Company shall provide to each Party necessary information and data required to meet the regulatory requirements of the relevant Government Authorities or any supervisory authority of either Party.

13.3 Audit

The Board shall retain an Accounting Firm to perform the annual examination and audit of the financial statements of the Company, produce the relevant certificates and reports in both the English and Chinese and assist in the production and counter-signing of the annual financial statements and other documents, certificates or statements required by the PRC Laws to be examined and certified by an accountant registered in the PRC. In addition, the Accounting Firm shall audit the annual reporting packages provided to the Parties to the extent necessary to fulfill their reporting requirements. The cost of retaining the Accounting Firm shall be borne by the Company.

13.4 Independent Audit

- (a) Each Party shall have the right to appoint accountants registered within the PRC to undertake a financial audit and examination of the Company's financial statements (including the related party transactions) upon reasonable notice once a year, and the Company and the non-appointing Party shall co-operate with such accountants. Full access to the Company's personnel and financial

records shall be given to such auditor, provided, however, that such audit shall be carried out without undue disturbance to the business operation of the Company and such auditor shall keep confidential all documents examined while conducting the audit. All expenses of such financial audit and examination shall be borne by the appointing Party.
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(b) Either Party may at its own cost and expense appoint one or more of its internal auditors (who shall not be an employee of the Company) to conduct an audit (including a financial and operational audit) no more than once per year of the Company from time to time. Full access to the Company's personnel and financial records shall be given to such auditor, provided, however, that such audit shall be carried out without undue disturbance to the business operation of the Company and such auditor shall keep confidential all documents examined and all information, including but not limited to personal information obtained while conducting the audit.
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14. Profit Distribution

14.1 Statutory Reserve Fund

The Company shall allocate ten percent (10%) of the profits as the Company's statutory reserve fund pursuant to applicable law. The Company may cease to allocate the profits to such statutory fund if the aggregate balance of the statutory reserve fund has already accounted for over fifty percent (50%) of the Company's registered capital.
(10%) (50%)

14.2 Restrictions on Dividends Distribution

Dividends shall not be declared or distributed for any Financial Year, if any losses of previous years have not been made up.

14.3 Dividend Distribution Rules

(a) Subject to Section 14.2, the Company shall distribute to the Parties in proportion to such Party's contributed registered capital such amount of the Company's profits lawfully available for distribution in each Financial Year after making reasonable provision as may be determined and approved by the Shareholders' meeting.

14.2

(b) In addition to the statutory reserve fund to be allocated pursuant to Section 14.1, the dividend declaration and distribution plan for each fiscal year shall be determined subject to the following matters:

14.1

- (i) the funding needs of the Company in carrying on the Business Plan;
- (ii) the projected cash flow set forth in the Business Plan and financial budget; and
- (iii) the need to maintain the sound financial standing of the Company in accordance with prudent financial management principles.

[***]

15. Taxation and Foreign Exchanges

15.1 Taxation

(a) The Company shall conduct proper filings and pay Taxes and import charges (including without limitation withholdings, custom duties and import value added tax) in accordance with applicable laws. Subject to the approval by the Board, the Company may engage one reputable tax and accounting firm with an international standing to review all Tax returns and related filings of the Company and its subsidiaries (if any) at the expenses of the Company or its subsidiaries (as applicable), provided that such review shall be conducted without undue disturbance to the business operation of the Company or its subsidiaries (as applicable). If any Party requests such Tax review, it shall be conducted at the expenses of the requesting Party.

() () / ()

(b) The Company shall keep the filing records (including tax returns, tax payment certificate and other related documents) properly in accordance with the tax regulations. The Parties shall have the access to such filing records.

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(c) The Company shall take steps as necessary to obtain the tax preferences in compliance with applicable laws and regulations or government policies, if any.

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15.2 Foreign Exchange

(a) The Company shall have RMB bank accounts and foreign exchange bank accounts within the PRC in currencies used by the Company. The Company's foreign exchange transactions shall be handled in accordance with the PRC Laws relating to foreign exchange administration.

(b) The Company shall establish and maintain an appropriate foreign exchange risk management policy to the extent permitted under the PRC Laws.

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- (c) Subject to applicable laws and resolution of Board or Shareholders (if applicable) for any cross border remittances, the Company and the Parties should agree to use best efforts to successfully repatriate such funds overseas.

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16. Change of Law

In the event that any promulgation of any new law, or any amendment or interpretation of any existing laws (“**Change of Law**”) after the Execution Date has any Material Adverse Impact upon the economic benefits of either Party in relation to the proposed establishment and operation of the Company or its rights and interests hereunder, the Parties shall discuss in good faith as soon as practically possible and use their reasonable best efforts to make such adjustments as are necessary to this Agreement, the Ancillary Agreements as well as other agreements and documents contemplated under this Agreement (if applicable) to maintain each Party’s economic benefits derived from this Agreement and corporate governance right to the maximum extent possible on a basis that is no less favorable than the economic benefits and corporate governance right that each Party would have derived or enjoyed without such Change of Law and to realize the original intent of the Parties in their execution of this Agreement to the maximum extent possible, except that the post transaction economic benefits and the corporate governance rights of the Parties shall be adjusted accordingly if the Equity Interests of the Parties are changed. If the Change of Law continues to have Material Adverse Impact upon the economic benefits or corporate governance right of a Party for more than one hundred and eighty (180) days and the Parties cannot agree upon the adjustments to this Agreement after good faith discussions, then the Parties may discuss potential options to resolve this issue, including without limitation termination of this Agreement upon mutual consent.

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17. Restrictive Covenants

17.1 Non-compete Covenant

- (a) Within three(3) years after the establishment of the Company, Xingji Meizu shall ensure that DreamSmart Group members shall not [***]. In addition, unless otherwise mutually agreed by the Parties, as long as Xingji Meizu holds any Equity Interests of the Company any Equity Interests of the Company, Xingji Meizu shall ensure that none of the DreamSmart Group members will [***].
- (3) DreamSmart [***] DreamSmart [***] .
- (b) During the Term of the Company, if DreamSmart or any entity within the DreamSmart Group intends to collaborate with a third party to develop, manufacture or distribute any electric vehicle or other automotive vehicle products outside the PRC (either through an investment in such third party or a joint venture with such third party), Polestar (or its Affiliates) shall have a right of first refusal to enter into such a collaboration with Xingji Meizu for such foreign market under the same terms and conditions. During the Term of the Company, if Polestar or any entity within the Polestar Group intends to collaborate with a third party to develop or manufacture any AR glasses and smartphones or engage other business in competition with the DreamSmart Group outside the PRC (either through an investment in such third party or a joint venture with such third party), DreamSmart Group shall have a right of first refusal to enter into such a collaboration with Polestar for such foreign market under the same terms and conditions.

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- (c) During the Term of the Company, unless otherwise mutually agreed by the Parties, the Polestar Group members shall not [***]. In addition, as long as Polestar Group Member holds any Equity Interests of the Company, Polestar shall ensure that none of the Polestar Group Member will [***].

[***]

[***].

17.2 Non-solicitation Covenant

Unless otherwise mutually agreed by the Parties or as specified under Assignment of Labor Contract, as long as either Party holds any Equity Interests in the Company and three (3) years thereafter, such Party shall not, and shall cause its Affiliates not to, directly or indirectly, solicit, induce or otherwise offer employment to, or engage in discussions regarding employment with,

(3)

- (a) any employee of any other Party or any of its Affiliates; or
- (b) any management or technical employee of the Company who was not employed by the soliciting Party or any of its Affiliates immediately prior to the date on which such employee became an employee of the Company,

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unless, in each of the cases described in (a) and (b) above, (i) such employee has been separated from his or her employment with the other Party, the other Party's Affiliates and the Company for a period of six (6) consecutive months, or (ii) such employee has responded to a general public recruitment advertisement launched by either Party or its Affiliates.

(a) (b)

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18. Confidentiality

18.1 Confidential Information

For the purpose of this Agreement, “**Confidential Information**” means all information not in the public domain disclosed (whether in writing, orally or by any other means and whether directly or indirectly) by one Party or the Company (the “**Disclosing Party**”) to the other Party (the “**Receiving Party**”) whether before or after the Execution Date including any information relating to the Disclosing Party’s technology, products, operations, processes, formulas, customer list, data, various commercial and management models, software, plans or intentions, pricing, product information, know-how, designs, trade secrets, market opportunities and business affairs.

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18.2 Confidentiality Duty

Subject to Section 18.4 below, during the Term and for a period of five (5) years from the date of termination or expiration of this Agreement for any reason whatsoever, the Receiving Party of any Confidential Information shall:

18.4 (5)

- (a) keep the Confidential Information confidential;
- (b) not disclose the Confidential Information to any third party without the prior written consent of the Disclosing Party; and
- (c) not use the Confidential Information for any purpose other than the performance of its obligations under this Agreement.

18.3 Permitted Recipient

During the Term, the Receiving Party may disclose the Confidential Information to any of its Affiliates, directors, employees, contractors or professional advisors to the extent that such disclosure is reasonably necessary to perform this Agreement and/or the relevant Ancillary Agreements, provided that (i) the Receiving Party shall procure that each recipient is made aware of and complies with all the Receiving Party's obligations of confidentiality under this Agreement as if the recipient were a party to this Agreement; and (ii) if the Receiving Party is Xingji Meizu, Xingji Meizu may disclose the Confidential Information only to its Affiliates within the DreamSmart Group and directors, employees or professional advisors of those companies within the DreamSmart Group pursuant to this Section 18.3.

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	(ii)	18.3	(i) Dreamsmart
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18.4 Exceptions

The obligations contained in Sections 18.1 to 18.3 shall not apply to any Confidential Information which:

- 18.1 18.3
- (a) enters into the public domain other than through breach of this Agreement and/or the relevant Ancillary Agreements by the Receiving Party or any recipient;
 - (b) can be shown by the Receiving Party to the reasonable satisfaction of the Disclosing Party to have been known by the Receiving Party before disclosure by the Disclosing Party to the Receiving Party;
 - (c) comes lawfully into the possession of the Receiving Party from a third party; or

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- (d) is required to be disclosed by the Receiving Party by any applicable laws, the regulations of a recognized stock exchange, a court order or any Government Authority provided that, the Receiving Party shall inform the Disclosing Party prior to any disclosure of information or documents, disclose such information to the minimum extent required under such laws or regulations and shall promptly provide copies of all documents requesting and disclosing such information to the Disclosing Party.

18.5 Announcement

No announcement or circular in connection with the existence or the subject matter of this Agreement shall be made or issued by or on behalf of either Party (or its Affiliate) without the prior written approval of the other Party. This shall not affect any announcement or circular required by law or by any securities exchange (including any disclosure required under applicable laws and/or by any Government Authority pursuant to rules to which the Parties (or their respective Affiliates) are subject), but the Party (or its Affiliate) with an obligation to make an announcement or issue a circular shall consult with the other Parties before complying with such an obligation.

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18.6 Survival

This Section 18 shall continue to bind the Parties notwithstanding termination or expiry of this Agreement or Transfer of any Party's Equity Interests.

19. Term

19.1 Term

The term of the Company shall be twenty (20) years after the Establishment Date and may be renewable upon pursuant to Section 19.2.
(20) 19.2

19.2 Renewal

Each Party shall cause the directors appointed by it to vote in favor of, and the Board shall unanimously approve, the extension of the Term of the Company and the Company shall thereafter apply to the Government Authorities for Approval of such extension (to the extent required) in no event less than six (6) months prior to the expiration of the Term.

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20. Termination

20.1 Termination

This Agreement shall be terminated when any, whichever is first, of the following events occurs:
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- (a) the Term expires unless renewed pursuant to Section 19.2;
19.2
- (b) this Agreement is to be terminated by written mutual agreement of the Parties; or
- (c) either Party terminates this Agreement pursuant to this Sections 20.2 or 20.3.
20.2 20.3

Subject to negotiation between the Parties as set out in Section 20.4(a), this Agreement may be unilaterally terminated by either Party by delivering a written notice to the other Party to terminate this Agreement within thirty (30) days after it becomes aware of the event giving rise to the right to terminate below:

20.4 (a) (30)

(a) the Company has been in serious losses for [***] consecutive years and the Parties cannot reach an agreement to improve the Company's economic situation to the extent reasonably satisfactory to both Parties. For the avoidance of doubt, the Company shall be considered in serious losses in a Financial Year if both of the following criteria are met (each indicator on a cumulative basis): (i) the return on sales (ROS), defined as a ratio of the earnings before interest and tax (EBIT) divided by net revenue, is below [***]; and (ii) the cash flow generated from operations of the Company is negative.

[***] (i) () [***] (ii) ()

(b) any step is taken by any Person or Government Authorities with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or a substantial part of the assets of the Company, or the assets used by the Company in connection with the carrying on of the Business;

(c) the Company cannot continue its operations because of a Force Majeure Event which continues for a period of six (6) months or such other period as the Parties may agree in writing, after the Parties have made their respective best efforts to mitigate the impact of the Force Majeure Event upon the Company or entered into negotiation to explore potential options pursuant to Section 23;

(6) 23

(d) the Company cannot continue its operations due to termination of any Ancillary Agreements (other than because of material breach of either Party or their respective Affiliates) for a period of [***] months or such other period as the Parties may agree in writing, after the Parties have made their respective best efforts to mitigate the impact of such termination;

() [***]

- (e) any Government Authority requires any provisions of this Agreement or the AOA to be revised in such a way as to cause Material Adverse Impact upon the Company or either Party;
- (f) the Completion of First Contribution Conditions does not occur by [***] months after the Execution Date or such other time period as the Parties may agree in writing; or
[***]
- (g) the Company becomes bankrupt, or is the subject of proceedings for liquidation or dissolution, or ceases to carry on its business, or becomes unable to pay its debts as they become due.

20.3 Unilateral Termination by a Non-defaulting Party

Subject to negotiation between the Parties as set out in Section 20.4(b), this Agreement may unilaterally be terminated by a Non-defaulting Party by delivering a written notice to the Defaulting Party stating its intention to terminate this Agreement under any one of the following circumstances:

20.4(b)

- (a) either Party commits (i) a material breach of this Agreement or (ii) a material breach of any of the Ancillary Agreements, either of which will frustrate the purpose of setting up the Company or result in Material Adverse Impact on the Company, and each of such material breach under item (i) or (ii) (as applicable) is not remedied within sixty (60) days after receipt of a notice from the other Party, the Company, or the relevant party requiring remedy;
 - (i) (ii) ()
- (b) either Party is in material breach of the obligations under Section 24;

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- (c) either Party becomes subject to a Change of Control (for clarity, in the event of a Change of Control, the Party whose Control has changed shall use commercially reasonable efforts to notify the other Party in writing at least fifteen (15) Business Days prior to such Change of Control and in any event not later than three (3) Business Days after such Change of Control has occurred); or
 (3) () (15) ()
- (d) either Party is declared bankrupt or has a liquidation committee appointed in relation to its assets or business, ceases to carry on its business, or is unable to pay its debts as and when they fall due.

Other than as expressly provided above, either Party referred to under Section 20.3(a) to (d) is deemed as the “**Defaulting Party**”, and the other Party is deemed as the “**Non-defaulting Party**”.

20.3 (a) (d) “ ” “ ”.

20.4 Negotiations to Solve Problems

- (a) In the event that an applicable Party gives a notice pursuant to Section 20.2 of its desire to terminate this Agreement, the Parties shall immediately conduct negotiations and endeavor to resolve the issue which results in the giving of such notice. If no resolution of the dispute is reached to the satisfaction of the Parties within three (3) months after issuance of such notice, the Company shall enter into liquidation according to Section 21.
 20.2 (3)
 21
- (b) Call and Put Options. In the event that a Non-defaulting Party gives notice pursuant to Section 20.3 of its desire to terminate this Agreement, the Parties shall immediately conduct negotiations and endeavor to resolve the issue which results in the giving of such notice. If no resolution of the dispute is reached to

the satisfaction of the Non-defaulting Party within three (3) months after issuance of such notice, the Non-defaulting Party shall have the right to (i) either cause the Company to enter into liquidation according to Section 21, or (ii) exercise, to the extent permitted by applicable laws:

20.3 (i) 21 (ii) (3)

(i) a call option in relation to the Equity Interests of the Defaulting Party and shall be entitled to serve a Call Notice, and the Defaulting Party shall sell its Equity Interests to the Non-defaulting Party at a [***] discount of the Fair Market Value (defined below); or

() [***]

(ii) a put option in relation to the Equity Interests held by the Non-defaulting Party and shall be entitled to serve a Put Notice to the Defaulting Party, and the Defaulting Party shall purchase from the Non-defaulting Party the Equity Interests of the Non-defaulting Party at a [***] premium of the Fair Market Value (defined below);

() [***]

each exercisable in accordance with the provisions of Section 20.5.

20.5

(c) The Parties further agree that in the event that [***] and fails to cure such failure within sixty (60) days, Polestar shall have the right to (i) either cause the Company to enter into liquidation according to Section 21, or (ii) exercise the call or put options described in Section 20.4(b) above under applicable laws, unless such failure is caused by Polestar's unreasonable withholding or delay of granting its approval of such financing. For the avoidance of doubt, if the price per registered capital of such financing is not less than [***] and the investor is not a Polestar Competitor, Polestar shall not unreasonably withhold or delay to grant its approval of such financing.

[***] (60) 20.4(b) (i) 21 (ii)

20.4(b)

[***]

- (a) The price for Transfer of the Equity Interests upon issuance of Call Notice or Put Notice pursuant to Section 20.4 shall be[***]. The Fair Market Value shall be determined as follows:
- 20.4 [***]
- (i) agreed between the Parties no later than twenty (20) Business Days after the date of service of a Call Notice or Put Notice; or
(20)
- (ii) if the Parties fail to agree upon the Fair Market Value within twenty (20) Business Days after the date of service of a Call Notice or Put Notice, to be determined by an internationally reputable and independent appraisal firm jointly selected by the Non-defaulting Party and the Defaulting Party (the “**Independent Appraiser**”).
(20)
- (“ ”)

In case that the Parties cannot agree on the Independent Appraiser to be engaged, they agree that the Company’s independent auditor shall decide an Independent Appraiser within thirty (30) Business Days after such matter is referred to the independent auditor. The so selected Independent Appraiser shall be engaged by the Company to determine the Fair Market Value of the Company. The Independent Appraiser shall be appointed by the Company, at the cost of the Company, to conduct the appraisal of the Fair Market Value.
(30)

- (b) The Independent Appraiser shall conduct the appraisal based on a combination of asset-based, discounted cash flow and market comparable methodologies.

When determining the basis of such analysis, the Independent Appraiser should make reference to the latest historical financials, business and operating budget and planning, and any business and operating plans that are approved by the Board. The market comparable companies and valuation metrics for such analysis shall be agreed by the Parties in advance.

- (c) After determination of the Fair Market Value, the Parties shall use their respective reasonable best efforts to cooperate and assist in the consummation of the Transfer of Equity Interests as promptly as practical, including without limitation:
- (i) execution of a share transfer agreement and any other documents as required by the PRC Laws no later than one (1) month after determination of the Fair Market Value;
(1)
 - (ii) causing the directors respectively appointed by them to unanimously adopt a resolution to approve the Transfer of Equity Interests;
and
 - (iii) obtaining the Approval from the relevant Government Authorities for the Transfer of the Equity Interests (if so required).
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- (d) The Transfer of the Equity Interests under Section 20.5(c) above shall be completed within three (3) months after determination of the Fair Market Value.
20.5(c) (3)
- (e) Until such time as the sale of the Equity Interests under Section 20.5(c) above is completed, the Company shall, to the fullest extent possible, maintain the conduct of its business in the ordinary course and neither Party shall hinder the Company from the conduct of its business.
20.5(c)

21. Liquidation

- 21.1 Upon expiration of the Term or termination pursuant to Section 20.1, unless any Party has initiated the procedure stipulated under Sections 20.4 and 20.5, the Parties shall agree to and procure directors appointed by them to approve the liquidation of the Company, and shall establish a liquidation committee (the "**Liquidation Committee**") within fifteen (15) days, which shall have the power to represent the Company in all legal matters. Liquidation of the Company shall be handled in accordance with the PRC Laws and the provisions in this Section 21 so far as they do not conflict with such PRC Law.
- (“ ”) 20.1 20.4 20.5 21 (15)
- 21.2 The Liquidation Committee shall be made up of three (3) members, of which two (2) members shall be appointed by Xingji Meizu and one (1) by Polestar. Members of the Liquidation Committee may, but need not be, directors of the Company.
- (3) (2) (1) ()
- 21.3 The Liquidation Committee shall value and liquidate the Company's assets in accordance with the PRC Laws, and for such purpose, the Liquidation Committee shall conduct a thorough examination of the Company's assets and liabilities, on the basis of which it shall develop a liquidation plan which, if approved by the Board, shall be executed under the Liquidation Committee's supervision.
- 21.4 In developing and executing the liquidation plan, the Liquidation Committee shall use every effort to obtain the highest possible price for the Company's assets.
- 21.5 The liquidation expenses, including such remuneration to members of the Liquidation Committee as has previously been agreed upon by the Board, shall be paid out of Company's assets in priority to the claims of other creditors.

21.6 After the liquidation of the Company's assets and the settlement of all of its outstanding debts, the balance of its assets and/or proceeds from the sale of such assets shall be paid over to the Parties in proportion to their respective Equity Interests.

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22. Liability for Breach of Contract

22.1 Breach and Damages

After the Establishment Date, if either Party is in breach of any provision of this Agreement or the AOA, the other Party shall be entitled to request the breaching Party to compensate the Losses suffered by such Party under applicable laws. For the avoidance, Polestar Singapore and Polestar Automotive (Singapore) Distribution Pte. shall be liable for all obligations under this Agreement on a jointly and severally basis.

Polestar Automotive

(Singapore) Distribution Pte.

22.2 Survival of Rights and Liabilities

Termination of this Agreement or dissolution of the Company for any cause shall not release either Party from any liability (whether for breach of contract or otherwise) which at the time of termination or dissolution has already accrued to the other Party.

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22.3 Limitation

The aggregate liability of a Party towards the Losses under transaction documents shall be limited to the Equity Interests held by such Party in the Company.

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23. Force Majeure

Upon the occurrence of a Force Majeure Event, either Party shall immediately notify in writing the other Party of such event. Depending on the impact of the Force Majeure Event on the operations of the Company, the Parties shall make their respective best efforts to mitigate the impact of the Force Majeure Event on the Company (if any), and negotiate whether to partly exempt the affected Party from, or allow an extension for, the performance of this Agreement or the applicable Ancillary Contract. If the Company cannot continue its operations because of a Force Majeure Event for a period of six (6) months or such other period as agreed between the Parties where the Parties have made their respective best efforts to mitigate the impact of the Force Majeure Event on the Company or entered into negotiation to explore potential options pursuant to this Section 23, this Agreement may be terminated by either Party pursuant to Section 20.2(c). Neither Party shall claim for damages caused by the Force Majeure Event. The Parties shall immediately take measures to perform this Agreement upon termination of the Force Majeure Event.

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23) 20.2(c) (6) ()

24. Compliance with Laws

24.1 The Parties shall and shall procure that the Company and their respective directors, supervisors, senior management personnel, and employees shall:

- (a) strictly comply with all applicable laws which are applicable to such entity, regardless of past practice;
- (b) not take any action that would result, or would likely result, in any Party or any of its Affiliates or any director, supervisor, managerial personnel or employee of any Party or any of its Affiliates or the Company being liable for any actual or proposed breach of applicable laws; and

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- (c) take whatever action as may be reasonably requested by Xingji Meizu or Polestar in order to avoid or remedy such actual or proposed breach described in paragraph (b) above.

(b)

24.2 The Parties shall procure that the Company implement appropriate ethical and compliance standards which shall be referred to Polestar Group's code of conducts and that their respective directors, supervisors, senior management personnel and employees shall comply with their respective ethical and compliance standards. If at any time either Party, any potential third party transferee or any of its respective Affiliates together acquire, or are reasonably expected to acquire, control over the Company, the Parties and any potential third party transferee shall co-operate to ensure that the controlling party's ethical and compliance standards are implemented by the Company and that the Company and its respective directors, supervisors, senior management personnel and employees shall comply with all applicable laws applicable to the controlling party and with the controlling party's ethical and compliance standards. Both Parties shall procure that the Company shall:

- (a) appoint a person of senior management to be responsible for compliance matters, it being understood that such person is independent of financial and sales functions;
- (b) maintain an on-going compliance risk assessment and monitoring for purposes of evaluating the effectiveness of the compliance program and the compliance activities;
- (c) create and enforces a code of conduct and other appropriate policies and procedures which will be communicated to all of its employees;

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- (d) train and educate its employees and business partners with respect to the code of conduct and other compliance policies and procedures;
 - (e) conduct an appropriate due diligence process of business partners;
 - (f) install an appropriate screening process of its key executives;
 - (g) maintain a principal contact function for its employees and third parties to report, either openly or anonymously, integrity concerns; and
 - (h) ensure oversight of compliance and risk issues by its Board and any other appropriate corporate body.
- 24.3 Nothing in this Agreement must be interpreted, or applied, as aimed at, or resulting in, limitation of competition in any relevant market under laws of respective jurisdiction. All provisions of this Agreement apply only to the extent they do not violate such laws.
- 24.4 Neither Party, nor the Company, nor any shareholder, director, supervisor, managerial personnel, employee, agent or representative of any of them, nor any person associated with or acting for, or on behalf of, any of them shall, directly or indirectly, with respect to any matter or activity relating to the Company:
- (a) make any unlawful payment to foreign or domestic Government Officials or foreign or domestic political parties or campaigns, or violate any applicable laws;

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- (b) use any funds for unlawful contributions and other unlawful expenses such as gifts, entertainment relating to political activity;
 - (c) make any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment to any person, private or public, regardless of form whether in money, property, or services;
 - (d) establish or maintain any fund or asset that has not been properly recorded in the books or records of the Company; or
 - (e) authorize or tolerate any of the above.

24.5 In case either Party has the right or the obligation to nominate, appoint or dispatch an individual to any of the corporate bodies, committees or management functions of the Company such Party undertakes, and shall cause the Company, to only nominate, appoint or dispatch an individual which it can prove to fulfil the Qualification Requirements. Such Party shall conduct a pre-employment screening of any of its candidates. Upon request of either Party, the other Party or the Company shall make available all documentation relating to such pre-employment screening. Each of the Parties agrees to take all actions necessary and/or desirable to cause any individual nominated or dispatched to or revoked from any office to be so appointed or to be so revoked, as the case may be, including exercising its voting rights to effect such appointment or revocation. If either Party informs the other Party that it has reasons to believe that any individual nominated, appointed or dispatched by the other Party to the Company does not fulfil the Qualification Requirements or otherwise loses its trust in such individual, the Parties will jointly evaluate the relevant circumstances. If such circumstances cannot be resolved within a period of four (4) weeks following such notice, each of the Parties agrees, and to cause the Company to take all actions necessary and/or desirable to cause such individual not to be appointed or dispatched or to be revoked from the relevant office, including exercising its voting rights to hinder such appointment or to effect such revocation. The Parties agree and acknowledge that failure to comply with the obligations assumed in the preceding sentence may cause substantial harm to the relevant other Party so that immediate legal action may be taken.

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- 24.6 If any Party becomes aware that the Company is in breach of any applicable laws, which may lead to a detrimental situation for any Party and or any of its Affiliates (being a “**Relevant Situation**”), such Party shall provide written notice of such Relevant Situation to the other Party and the Company.
- / (“ ”)
- 24.7 Upon receipt of such notice, the Company and each Party shall procure that the Company investigate the Relevant Situation and provide a written report on the cause of the Relevant Situation and take actions necessary to remedy any breach of applicable laws (including the dismissal of any employee whose actions or inactions were the cause of such breach) (the “**Remedial Actions**”) or, if requested by any Party to do so, engage an accounting or law firm of international repute to do so as soon as possible.
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-)(“ ”)
- 24.8 Each Party shall procure that the Company and its respective directors, supervisors, senior management personnel and employees comply with the Remedial Actions.
- 24.9 All costs or profit loss associated with the investigation and remediation of any breach of applicable laws shall be borne by the Company.

24.10 For the purpose of this Section 24,
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- (a) “**Government Officials**” means any officeholder, employee or other official (including any immediate family member thereof) of a Government Entity, any person acting in an official capacity for a Government Entity or any candidate for political office.
“ ” ()
- (b) “**Government Entity**” means a government or any department, agency or instrumentality thereof (including any company or other entity controlled by a government), a political party or a public international organization;
“ ” ()
- (c) “**Qualification Requirements**” means both professional expertise and high standards in respect of personal integrity of any such individual concerned, including a high attention to risk and compliance related issues, as well as the absence of a history of corruption-related violations and of any conflict of interests. In any way, the Qualification Requirements shall be deemed non-fulfilled if any individual concerned shows a lack of education and training with respect to corporate governance or risk and compliance issues.
“ ”

24.11 The Parties shall procure that the Company and its subsidiaries (if any) implement appropriate data protection policy, including but not limited to how the Company and its subsidiaries (if any) collect, use and disclose personal information of potential and existing customers, and what security measures and procedures the Company and its subsidiaries (if any) take to ensure data security, and that the shareholders, directors, supervisors, senior management personnel and employees of the Company and its subsidiaries (if any) comply with their respective data protection policies.

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24.12 The Company shall designate one or more individuals to be responsible for ensuring that the Company comply with applicable data protection and cyber security laws and regulations.

25. Governing Law and Dispute Resolution

25.1 This Agreement shall be governed by and construed in accordance with the PRC Laws.

25.2 Settlement of Disputes

(a) Consultation

The Parties shall use their reasonable endeavors to settle any dispute, controversy or claim in connection with this Agreement through friendly consultations.

(b) Choice of Arbitration

(i) Subject to Section 25.2(a), in case no settlement can be reached through consultations within sixty (60) days after the date of notification of the existence of the dispute, any dispute in connection with the binding provisions of this Agreement shall be submitted to and finally resolved by the China International Economic and Trade Arbitration Commission in accordance with the arbitration procedures and rules in force when the notice of arbitration is submitted. The seat of arbitration shall be Beijing. The arbitration proceedings shall be conducted in both English and Chinese. The award of the arbitral tribunal shall be final and binding upon the Parties.

25.2(a)

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- (ii) The number of arbitrators shall be three (3), of whom, one (1) arbitrator shall be designated by the claimant(s), one (1) arbitrator shall be designated by the respondent(s), and the third arbitrator shall be selected by the first two arbitrators through discussion or the commission.
 (3) (1) (1) (1) (2)
- (iii) The arbitral award shall be final and binding upon the Parties and shall be enforceable pursuant to its terms. Both Parties agree to waive their right to appeal to any court with jurisdiction in relation to relevant issues. Any arbitration expense (excluding attorney fees) shall be paid by the losing Party or as fixed by the arbitral tribunal. ()
- (iv) The arbitral award may be enforced by filing as judgment in any court having jurisdiction, or application may be made to such court for assistance in enforcing the award, as the case may be. If it becomes necessary for either Party to enforce an arbitral award by legal action of any kind, the Defaulting Party shall pay all reasonable costs and expenses and attorney's fees, including any cost of additional litigation or arbitration that shall be incurred by the Party seeking to enforce the award.

25.3 Continuing Performance

During the period when a dispute is being resolved, the Parties shall in all respects other than the issue(s) in dispute continue their performance of this Agreement.

25.4 Nothing contained in this Section 25 shall preclude either Party from seeking specific performance, injunctive relief or other equitable remedies in any court with competent jurisdiction.

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26. Miscellaneous

26.1 Effectiveness

This Agreement shall come into effect on the Establishment Date, subject to obtaining of necessary approvals, consents and authorizations from Governmental Authorities under Section 5.4(a)(iv).

5.4 (a)(iv)

26.2 Notices

- (a) All notices and communications between the Parties shall be in writing and shall be written in Chinese and English and may be delivered by hand, courier or fax to the following addresses:

Xingji Meizu:

Address: [***]

Attention: [***]

E-mail: [***]

Polestar:

Address: [***]

Attention: [***]

E-mail: [***]

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- (b) Notices shall be deemed to have been delivered at the following times:
- (i) if by hand, on reaching the designated address subject to proof of delivery;
 - (ii) if by courier, the third Business Day after the date of dispatch;
 - (iii) if by fax, upon generation of a confirmation of successful transmission report by the sender's fax machine indicating completed uninterrupted transmission; and
 - (iv) if sent by e-mail, at the time and on the date indicated on a response confirming such successful email transmission.
- (c) For the avoidance of doubt, any notice or communication delivered to a Party's copy address only shall not be deemed to have been delivered to such Party.

26.3 During the Term, each Party may change its particulars for receipt of notices at any time by notice given to the other Party pursuant to this Section 26.

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26.4 No Agent

Nothing in this Agreement shall be deemed to constitute either Party a partner or an agent of the other Party for any purpose. In particular, unless otherwise agreed in writing by the Parties, neither Party shall hold itself out as the agent of the other Party for any purposes or represent that it has authority to bind the other Party in any way. Each Party acknowledges that the other Party shall have no liability to any third party in respect of the operation of that Party and that Party agrees to indemnify such other Party against any Losses which such other Party may incur in respect thereof as a result of the breach by that Party of the provisions of this Section 26.4.

26.4

26.5 Entire Agreement

- (a) This Agreement, including its appendixes and the Ancillary Agreements constitutes the complete contract between the Parties for the establishment and operation of the Company, and supersedes any and all prior oral or written letters of intent, memorandums of understanding or contracts between the Parties.
- (b) The Parties acknowledge that they have not been induced to enter into this Agreement by any representation, warranty or undertaking not expressly incorporated into this Agreement.

26.6 Assignment

Unless otherwise provided in this Agreement, neither Party may assign its rights or obligations under this Agreement to a third party without the prior written consent of the other Party.

26.7 Severability

If any provision in this Agreement shall be held to be illegal, invalid or legally unenforceable, in whole or in part, under any applicable enactment or rule of law, such provision or part shall to that extent be deemed not to form part of this Agreement but the legality, validity and enforceability of the remainder of this Agreement shall not be affected. The Parties shall consult with each other so as to replace the provisions that are deemed to have been deleted with a new one that shall be legal, effective, acceptable and closest possible to the Parties' original purpose in this Agreement.

26.8 Waiver

Any Party's failure to exercise or delay in exercising any right, power or privilege under this Agreement shall not operate as a waiver thereof, and any single or partial exercise of any right, power or privilege shall not preclude the exercise of any other right, power or privilege.

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26.9 Further Assurance

At any time after the Execution Date, the Parties shall, and shall use their reasonable endeavors to procure that any necessary third party shall, to the extent reasonable and at the cost of the relevant Party, execute such documents and do such acts and things as that Party may reasonably require for the purpose of giving to that Party the full benefit of all the provisions of this Agreement. The Parties shall use their best efforts to procure its Affiliates to take necessary actions and execute necessary documents so as to cause the relevant matters under this Agreement to be effectively implemented and achieved.

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26.10 Costs

Unless otherwise provided in this Agreement, each Party shall bear its own legal and other costs in relation to the preparation, negotiation and entry into of this Agreement, the AOA and any other documents contemplated under this Agreement.

-
- (a) Unless otherwise provided in this Agreement or otherwise separately agreed by the Parties, any expenses in connection with the establishment of the Company that are pre-approved by the Parties, including without limitation costs and expenses incurred by either Party that are pre-approved by the Parties for the development and promotion of products of the Company before its establishment and other Approval related costs, shall be borne by and charged to the Company after its establishment.

 - (b) Subject to the prior written consent of [***] and terms and conditions under the Transition Service Agreement, the Company will compensate Polestar via Transition Service Agreement for its expenses regarding the Company's operation in the PRC during the time period from the date of press release announcement of the establishment of the Company by both Parties to the date of independent operation of the Company.
[***]

26.11 The AOA

In case of any inconsistency between the AOA and this Agreement, this Agreement shall prevail.

26.12 Language and Copies

- (a) This Agreement shall be written in both English and Chinese. The Chinese version and the English version shall have the same legal effect.

- (b) This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any Party may enter into this Agreement by executing any such counterpart.

26.13 Amendments

No amendment of any provision of this Agreement shall be valid or binding on either Party unless made in writing and duly executed by both Parties and, where required under the PRC Laws, subject to Approval by the Government Authorities.

26.14 Cooperation

The purpose of the Parties in entering into this Agreement is to develop the business of the Company and to achieve mutual benefit of both Parties. The parties will timely take necessary cooperative actions and execute necessary documents to achieve the aforementioned purpose, including but not limited to, the execution of documents to interpret, implement and novate this Agreement based on mutual consensus and on the aforesaid principle.

(Intentionally left blank)

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IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to sign this Agreement as of the date first set forth above.

Hubei Xingji Meizu Group Co., Ltd.

By:

/s/ Ziyu Shen

Name: Ziyu Shen

Title: Director

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to sign this Agreement as of the date first set forth above.

Polestar Automotive (Singapore) Pte. Ltd.

By:

/s/ Yaru Li

Name: Yaru Li

Title: Director

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to sign this Agreement as of the date first set forth above.

Polestar Automotive (Singapore) Distribution Pte. Ltd.

By:

/s/ Yaru Li

Name: Yaru Li

Title: Director

Exhibit A Business Cooperation Agreement

A

Certain identified information marked with “[***]” has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

BUSINESS COOPERATION AGREEMENT

Between

HUBEI XINGJI MEIZU GROUP CO., LTD.

And

POLESTAR AUTOMOTIVE (SINGAPORE) DISTRIBUTION PTE. LTD.

POLESTAR AUTOMOTIVE (SINGAPORE) DISTRIBUTION PTE. LTD.

This Business Cooperation Agreement (the “**Agreement**”) is entered into on June 19, 2023 (“**Execution Date**”) by and between,
 (“ ”) — — — (“ ”)

(1) **Hubei Xingji Meizu Group Co., Ltd.** (previously known as Hubei Yuan Times Technology Co., Ltd.), a limited liability company registered in the PRC (unified social credit code: 91420100MA7GYPTU8A), incorporated and existing under the laws of the PRC, having its registered office at No.B1345, Chuanggu Start-up Zone, Prince Lake Culture and Digital Creative Industry Park, No.18 Shenlong Avenue, Wuhan Economic and Technological Development Zone (“**Xingji Meizu**”); and

(“ ”) — (“ ”) 91420100MA7GYPTU8A
18 B1345 (“ ”)

(2) **Polestar Automotive (Singapore) Distribution Pte. Ltd.**, a limited liability company registered in Singapore (unique entity number: 202118658Z), incorporated and existing under the laws of Singapore, having its registered address at 9 Straits View # 06-07, Marina One West Tower, Singapore 018937 (“**Polestar**”).

Polestar Automotive (Singapore) Distribution Pte. Ltd. — (“ ”) 202118658Z 9
Straits View#06-07, Marina One West Tower, Singapore 018937 (“ ”)°

Xingji Meizu and Polestar are hereinafter referred to individually as a “**Party**”, collectively as the “**Parties**”.

“_ ” “ ”。

WHEREAS

A. Xingji Meizu, Polestar and Polestar Automotive (Singapore) Pte. Ltd. (a limited liability company registered in Singapore (unique entity number: 202015415N), entered into a Shareholders Agreement on [*] 2023 (the “**Shareholders Agreement**”), pursuant to which Xingji Meizu and Polestar agreed to establish a joint venture (the “**Company**”); and.

Polestar Automotive (Singapore) Pte. Ltd.(— “ ”) 202015415N) 2023
- (“ ”) (“ ”)

-
- B. The Parties agreed to enter into this Agreement to govern certain matters related to the business cooperation between the Parties with respect to the Company.

NOW THEREFORE, in consideration of the mutual promises set forth herein, the Parties hereby agree as follows:

Section 1. Definition

1.1 In this Agreement, the following terms (whenever used in capitalized initials) shall, unless otherwise defined in this Agreement, have the meanings ascribed to them below:

- (a) **“Agreement”** has the meaning set forth in the Preamble;
“ ”
- (b) **“Asset Purchase Agreement”** has the meaning set forth in Section 6.1;
“ ” 6.1
- (c) **“Base Volume Targets”** has the meaning set forth in Section 4.1.1(d);
“ ” 4.1.1(d)
- (d) **“Breaching Party”** has the meaning set forth in Section 13.1;
“ ” 13.1
- (e) **“China Market Shares”** has the meaning set forth in Section 4.1.1(c);
“ ” 4.1.1(c)
- (f) **“Wholesale Agreement”** has the meaning set forth in the Section 4.1.1(a);
“ ” 4.1.1(a)

-
- (g) **“Distribution Agreement”** has the meaning set forth in Section 4.1.1(b);
“ ” 4.1.1(b)
- (h) **“Execution Date”** has the meaning set forth in the Preamble;
“ ”
- (i) **“Existing Products”** means [***] sold to customers by the Company;
“ ” [***]
- (j) **“Flyme Auto Software”** has the meaning set forth in Section 8.2;
“Flyme Auto ” 8.2
- (k) **“Global Volume Commitments”** has the meaning set forth in Section 4.1.1(c);
“ ” 4.1.1(c)
- (l) **“High Volume Targets”** has the meaning set forth in Section 4.1.1(d);
“ ” 4.1.1(d)
- (m) **“ID Design”** means the industrial design of a product, including the design of exterior looks, size, material, texture, colors etc. of a product;
“ID ”
- (n) **“Mainland China”** has the meaning set forth in Section 4.1.3;
“ ” 4.1.3
- (o) **“Minimum Purchase Requirements”** has the meaning set forth in Section 4.1.1(c);
“ ” 4.1.1(c)

-
- (p) **“New Generation”** [***];
“ ” [***]
- (q) **“New Products”** means any [***] and other new generation Polestar Brands vehicles initiated by Polestar and/or other members of Polestar Group (for the avoidance of doubt, excluding the Company) towards global customers with subsequent development and ID Design completed by Polestar and/or other members of Polestar Group, proposed for sale by the Company after its establishment;
“ ” [***] / () / ID
- (r) **“New 2025 Base Volume Target”** has the meaning set forth in Section 4.1.1(d);
“2025 ” 4.1.1(d)
- (s) **“Non-breaching Party”** has the meaning set forth in Section 13.1;
“ ” 13.1
- (t) **“PACD”** means Polestar Automotive China Distribution Co., Ltd.;
“PACD”
- (u) **“Polestar Brands”** has the meaning set forth in Section 8.1;
“ ” 8.1
- (v) **“Polestar Investment Costs”** has the meaning set forth in Section 4.1.1(d);
“ ” 4.1.1(d)
- (w) **“Profit Portion”** has the meaning set forth in Section 4.1.1(f);
“ ” 4.1.1(f)

- (x) **“PSNY Products”** means any Polestar Brands vehicles initiated by Polestar and/or other members of Polestar Group (for the avoidance of doubt, excluding the Company) towards global customers with subsequent development and ID Design completed by Polestar and/or other members of Polestar Group, including Existing Products and New Products, excluding China Market Products;
“PSNY ” / () / ID
- (y) **“Reduced Unit Investment Fee”** has the meaning set forth in Section 4.1.1(d);
“ ” 4.1.1(d)
- (z) **“Sales Agreement”** has the meaning set forth in Section 4.2;
“ ” 4.2
- (aa) **“Shareholders Agreement”** has the meaning set forth in the Preamble;
“ ”
- (bb) **“Third Party Claims”** has the meaning set forth in Section 13.3;
“ ” 13.3
- (cc) **“Transition Services”** has the meaning set forth in Section 9.1;
“ ” 9.1
- (dd) **“Unit Investment Fee”** has the meaning set forth in Section 4.1.1(d); and
“ ” 4.1.1(d)
- (ee) **“Upgrade” [***]**.
“ ” [*].**

1.2 Unless the context otherwise requires, capitalized terms used but not otherwise defined in this Agreement shall have the meanings given to them in the Shareholders Agreement.

Section 2. Principal Business of the Company

2.1 Principal Business

Terms and conditions regarding Principal Business stipulated in Section 4.1 of the Shareholders Agreement shall apply to this Agreement.
4.1

2.2 Transaction Flow

Starting from the Execution Date, subject to the Shareholders Agreement and applicable laws and regulations, the Parties shall cooperate in good faith and shall take all necessary actions to ensure that the Company will be operated in accordance with terms and conditions of this Agreement (including without limitation the transaction flow illustrated in **Appendix I (Transaction Flow)** attached hereof).

(_____) (_____) (_____)

Section 3. Definition and Development of Company's Products

3.1 Chinese Market Products

Chinese Market Products for sale to Chinese customers shall be first initiated by the Board of the by submitting its proposal to PSNY. PSNY will lead the definition, development and ID Design of such Chinese Market Products. Such Chinese Market Products shall be subject to the Board of the Company and the Board of PSNY having duly approved. [***], during his term of serving as the CEO or a director of the Company, shall have the right to participate in the management of the production supply chains. The plan of definition, design, development and cost (including the cost of OEM arrangements) of the Chinese Market Products shall be subject to [***] and the CEO prior approval before it is duly approved and implemented by PSNY.

[***] CEO PSNY ID PSNY
[***] CEO (OEM) PSNY

**3.2 PSNY Products
PSNY**

Polestar and/or other members of Polestar Group shall be responsible for the development and ID Design of PSNY Products. The Company shall be responsible for the management and sales of PSNY Products in China and obtain the relevant authorization of such products. The CEO of the Company shall be entitled to participate in the meetings regarding the above global product matters at Polestar and/or other member of Polestar Group and Polestar and/or other member of Polestar Group shall ensure that a notice of such meeting are sent to the CEO before the meeting[***].

/ PSNY ID PSNY CEO /
PSNY / CEO[***].

3.3 **Smartphones and AR Glasses**

AR

DreamSmart Group and and/or other members of DreamSmart Group shall be responsible for the definition and development of smartphones, AR glasses and other intelligent terminals products of the Company. Subject to DreamSmart Group’s definition and development plan of smartphones, AR glasses and other intelligent terminals products of the Company, Polestar and/or other members of Polestar Group shall be responsible for ID Design of Polestar Brands smartphone, AR glasses and other intelligent terminals products of the Company and brand image. Pursuant to related-party transaction principles set forth in the Shareholders Agreement, the Company shall pay Polestar and/or other members of the Polestar Group for such ID Design performed and the Company shall pay DreamSmart Group for such definition and development of smartphones, AR glasses and other intelligent terminals products of the Company.

DreamSmart	AR			DreamSmart	AR	
/		AR		ID		ID
/			AR		DreamSmart	

Section 4. Sales and Marketing

4.1 **Auto Business**

4.1.1 **PSNY Products**

PSNY

- (a) Existing Products. PACD shall sell Existing Products to the Company through a wholesale arrangement. PACD and the Company shall negotiate in good faith and enter into a wholesale agreement, pursuant to which the Company will purchase Existing Products from PACD and then resell such

Existing Products to end customers in China (the “**Wholesale Agreement**”). The Parties shall negotiate in good faith regarding the pricing and other terms of the Wholesale Agreement. With respect to the marketing and sales of Existing Products, the Company shall at least (i) display or request its business partner to display the Existing Product in their sales spaces during the lifecycle of the Existing Products; (ii) provide sufficient trainings on the Existing Products to personnel of marketing and sales to better promote the Existing Products; and (iii) prepare a business plan for the Existing Products and use its best effort to fulfill such business plan. Notwithstanding to the foregoing, the principle of the wholesale arrangement is that the Company shall not bear operating losses arising from the sale of the Existing Products, including without limitation, the difference between the wholesale price and the actual sale price of each Existing Product shall at least cover the relevant costs of the Company selling such Existing Products and the Company may act in compliance with the foregoing principle by methods including purchasing the corresponding quantity of the Existing Product(s) from PACD after receiving the purchase order(s) from the customer(s). The foregoing principle shall be reflected in the Wholesale Agreement.

_____ PACD (“ ”) PACD PACD (i)
(ii) (iii)
PACD

- (b) **New Products – In General.** With respect to New Products, if feasible from technical and homologation perspective, the Company will install Polestar OS on such New Products and the Company shall be responsible for the subsequent management and sales of such products integrated with the Polestar OS. For clarity, PACD and the Company will negotiate in good faith and enter into a separate distribution agreement, pursuant to which the Company will purchase New Products from PACD and resell such New Products to end customers in China (“**Distribution Agreement**”).

PACD	Polestar OS PACD	Polestar OS (“ ”)。
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- (c) **New Products – Minimum Purchase Requirements.** Subject to terms and conditions of Distribution Agreement, the Company will be obligated to purchase from Polestar and/or other members of Polestar Group New Products to be distributed in the China market. The Distribution Agreement shall include a separate minimum purchase requirement for each car model (“**Minimum Purchase Requirements**”). The Minimum Purchase Requirement for each car model shall equal the annual *global* volume of that car model as committed by the Polestar and/or other members of Polestar Group to the relevant OEM manufacturers and third-party suppliers (“**Global Volume Commitments**”), multiplied by the relevant China market share of that car model as agreed by the Parties (“**China Market Shares**”). The Global Volume Commitments shall be based on the actual amounts of global volume commitments to be agreed by the Polestar and/or other members of Polestar Group with the relevant OEM manufacturers and third-party suppliers from time to time and Polestar shall provide reasonable evidence proving these Global Volume Commitment numbers before the Company indemnify Polestar (and/or other members of Polestar Group) for failure to meet the Global Volume Commitments. The China Market Shares, unless otherwise mutually agreed by the Parties, shall mean those Chinese market shares of global Polestar BPL volumes for each car model as listed in Appendix II (1.1 - Table 1) attached hereto. Either Party shall have the right to propose to update t Appendix II (1.1 Table 1) at the beginning of each year or at such other time agreed by the Parties in writing, provided that such update of Appendix II (1.1 Table 1) shall be mutually approved by the Parties in writing. If the Company fails to meet a

Minimum Purchase Requirement with respect to a car model and if the Polestar and/or other members of Polestar Group is held liable for penalties or is required to raise the purchase price for subsequent product purchases or liable for other forms of compensation for not meeting the Global Volume Commitments, the Company shall compensate Polestar and/or other members of Polestar Group accordingly, and such compensation shall be calculated as follows:

$$\frac{\text{(" ")}}{\text{")}} \quad / \quad \text{" " / OEM (" / OEM (" /)} \\ \text{II (1.1 Table 1)} \quad \text{II (1.1 Table 1)} \quad \text{BPL} \\ \text{(/)} \quad \text{(/)}$$

- (i) if such compensation is imposed because of reasons solely attributable to the Company's failure to meet its Minimum Purchase Requirement due to reasons attributable to the Company, and if Polestar and/or other members of Polestar Group

have successfully met their respective shares of the Global Volume Commitments, then the Company shall be solely responsible for all of the compensation triggered for that car model in that calendar year for not meeting the Global Volume Commitments, provided that Polestar shall provide the Company with true and reasonable evidence to prove that compensation already paid to OEM manufactures because of the failure to meet the Global Volume Commitments is reasonable and true; or

OEM

- (ii) if such compensation is imposed because both the Company (due to reasons solely attributable to the Company) and Polestar and/or other members of Polestar Group fail to meet their respective shares of the Global Volume Commitments, the Company's share of the compensation shall equal to the number of cars that the Company fails to be purchase under the Minimum Purchase Requirement, divided by the total number of cars failed to be purchased by both the Company and other members of the Polestar Group under the Global Volume Commitments for that car model in that calendar year, provided that Polestar shall provide the Company with true and reasonable evidence to prove that compensation already paid to OEM manufactures because of the failure to meet the Global Volume Commitments and Polestar (and/or other members of Polestar Group)'s share of the unfulfilled Global Volume Commitments is reasonable and true.

(/)

- (iii) For the avoidance of doubt, “solely attributable to the Company” means failure to meet the Minimum Purchase Requirements is solely caused by the Company. If the failure to meet the Minimum Purchase Requirements is caused, solely or jointly, by reasons other than reasons solely attributable to the Company (such as failure by Polestar and/or other members of Polestar Group, OEM manufactures to deliver the relevant New Products in a timely manner, quality or infringement problems in the delivered New Products, etc.), the Company shall not be obligated to pay the related compensation. If the Company has incurred any Loss which is relevant to the New Products supplied to the Company under the Distribution Agreement (for example, Loss arising from failure by Polestar and/or other members of Polestar Groups to deliver the relevant New Products in a timely manner, or quality problems in the delivered New Products, etc.), and for which Polestar is entitled, according to relevant laws and regulations or relevant agreement, to recourse towards OEM manufactures or third-party suppliers, Polestar shall take reasonable efforts to exercise its right to recourse towards OEM manufactures or third-party suppliers under such relevant laws and regulations or relevant agreement, and Polestar shall forward any compensation related to the New Products obtained from such recourse from OEM manufactures or third-party suppliers to the Company.

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For clarity, since [***] is currently expected to be exclusively distributed in the China market in 2023, the Parties hereby agree that the amount of Minimum Purchase Requirement for [***] in 2023 shall be [***]. The details (including but not limited to the stock cover arrangement) of which shall be further provided in separate Distribution Agreement as mutually agreed by the Parties.

[***] 2023 ([***] 2023 [***])

(d) New Products – Markup and Transfer Pricing Principles

When the Company purchases New Products from PACD, the sales price to be paid by the Company for each entire vehicle shall include the following two components and comply with the following markup (if applicable) and transfer pricing principles, provided that PACD shall provide the Company with true and reasonable evidence to prove the amount of the relevant expenses, and such other matters as reasonably requested by the Company:

PACD () PACD

- (i) Manufacturing Fee: the actual manufacturing costs charged by the OEM manufacturer to PACD for manufacturing of the relevant vehicle as allocated to each New Product sold in China, without any markup;

OEM PACD

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- (ii) Unit Investment Fee: the China portion of Polestar Group’s entire internal investment cost for developing the relevant car model as allocated to each New Product sold in China (“**Unit Investment Fee**”), which shall be calculated pursuant to the following principles:

(“ ”)

- (A) The term “**Polestar Investment Costs**” means the entire amount of costs and expenses incurred by the Polestar Group developing each car model, including without limitation costs and expenses related to purchasing, ME, logistics, tooling etc. as separately disclosed by Polestar to Xingji Meizu. Pursuant to these principles, such Polestar Investment Costs may fluctuate due to market changes and other objective changes, but in any event shall be based on the amount of such costs and expenses actually incurred and disclosed by Polestar, provided that Polestar shall provide the Company with true and reasonable evidence to substantiate the amount of the Polestar Investment Costs.
- “ ”

ME

- (B) The term “**Unit Investment Fee**” means the amount of Polestar Investment Costs to be allocated to each vehicle of each car model to be sold by the Company in China to compensate the Polestar Group for the China portion of the entire Polestar Investment Costs. The specific amount of such Polestar Unit Investment Fee or reduced Unit Investment Fee (“**Reduced Unit Investment Fee**”) to be paid for each vehicle of each car model are set forth in Appendix II (4.1 Table 4) attached hereto. The Unit Investment Fee (but not the Reduced Unit Investment Fee) should include a mark-up of [***] on the Polestar Investment Cost. For the avoidance of doubt, in the event of any changes to the Polestar Investment Costs described above, such Unit Investment Fee and Reduced Unit Fee shall be adjusted accordingly.

“ ” (“ ”) “ II(4.1 Table 4) ()
[***] “ ” “ ” ”

- (C) Tiered markup. To reasonably set the Unit Investment Fee, the Parties agreed to certain aggregate “**Base Volume Targets**” and “**High Volume Targets**” (the specific unit numbers of which are set forth in Appendix II (2-3 Table 2 and Table 3)

attached hereto) and an adjustment mechanism as follows: in any given calendar year: (A) with respect to the Company's actual sales of vehicles of a car model within the Base Volume Target, the sales price to be paid by the Company for each vehicle shall include the Unit Investment Fee applicable to that car model; (B) with respect to sales of any additional vehicles in that year beyond the Base Volume Target but less than the High Volume Target, the sales price to be paid by the Company for each additional vehicle shall include only the Reduced Unit Investment Fee applicable to that car model; and (C) with respect to sales of any vehicles in that year equal or beyond the High Volume Target, the sales price to be paid by the Company for such additional vehicles shall not include any Unit Investment Fee.

Table 2 Table 3) : (A) " " "(II(2-3,
(B) (C)

(D) Further Adjustment.

- (1) At the beginning of each calendar year, since factors including Polestar Investment Costs and the aggregate sales volumes remain uncertain, the Polestar Group may reasonably estimate the Unit Investment Fee, and reflect such Unit Investment Fee in the sales price to be paid by

the Company for each entire vehicle during such calendar year. The Parties shall pay corresponding compensation as quickly as possible after the end of each calendar year (or at such other time to be mutually agreed by both Parties) based on the actual Polestar Investment Costs and the aggregate sales volumes pursuant to the terms and conditions described in this Agreement.

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(2) For each of the calendar years of 2023 and 2024,

(a) if the actual aggregate sales volume of the Company is lower than [***], the Company shall pay a lump sum compensation to the Polestar Group as soon as possible at the beginning of 2026 calculated based on the actual gap between (i) the Company's actual sales of that year and (ii) [***] units, times the Unit Investment Fee according to Appendix II (4.1 Table 4) attached hereto. The remaining Base Volume Target for such years (i.e. [***]) shall be rolled over to 2025 and be added to the Base Volume Target for 2025; or

(b) if the actual aggregate sales volume of the Company are above [***] but below the corresponding Base Volume Target for such years (i.e. [***]), the actual gap between (i) the Company's actual sales volume of such years and (ii) the Base Volume Target for such years (i.e. [***]) shall be rolled over to 2025 and be added to the Base Volume Target for 2025;

2023 2024

- (a) [***] 2026 (i)
(ii) [***] (4.1 4) ([***])
2025 2025
- (b) [***] ([***]) (i) (ii)
([***]) 2025 2025

provided that, if, at the end of 2025, the actual sales of the Company of 2025 fall below the Base Volume Target of 2025 after adding the rolled over Base Volume Targets from 2023 and 2024 (the “**New 2025 Base Volume Target**”), the Company shall pay a lump sum compensation to the Polestar Group as soon as possible at the beginning of 2026 calculated based on the actual gap between (i) the Company’s actual cumulative sales of 2025, and (ii) the New 2025 Base Volume Target, times the Unit Investment Fee according to Appendix II (4.1 Table 4) attached hereto.

2025 2025 2025 2023 2024
(“2025 ”) 2026 (i) 2025
(ii) 2025 (4.1 4)

-
- (3) In addition, starting from the year of 2025, if the Company failed to meet the Base Volume Targets for reasons solely attributable to the Company in any calendar year, the Company shall pay a lump sum compensation to the Polestar Group as soon as possible at the beginning of the next year (or at such other time to be mutually agreed by both Parties) based on the actual gap between (i) the Company's actual sales of the previous year and (ii) the Base Volume Target for the previous year; provided that, if the Company's actual sales in any of the following years exceeds the applicable Base Volume Target of such year, the Polestar Group shall return a portion of the compensation already paid by the Company for the previous year back to the Company, and the amount to be returned to the Company shall be calculated based on the *accumulated* actual sales volume in the previous years compared against the *accumulated* Base Volume Targets for the same time period. For the avoidance of doubt, the portion of compensation that have been returned to the Company in previous years need not be returned again. For the avoidance of doubt, if the failure to meet the Base Volume Targets is caused, solely or jointly, by reasons other than reasons solely attributable to the Company (such as failure by Polestar and/or other members of Polestar Group, OEM manufactures to deliver the relevant New Products in a timely manner, etc., the Company shall not be obligated to pay the related compensation.

2025

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(e) New Products – Maximum Purchase Requirements

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The Parties acknowledge that, when the aggregate actual purchase volume of the Company and Polestar Group surpasses certain level, the OEM manufacturer will need to incur additional costs and expenses (e.g., expenses in purchasing additional equipment, molding). As such, the Parties agree that, in the event any OEM manufacturer requires Polestar Group to pay additional compensation resulting from the aggregate actual purchase volume of the Company and Polestar Group surpasses certain level, the Company will be required to pay the China Portion of such extra compensation to cover corresponding additional costs and expenses; provided that (A) the Company shall also be subject to the volume reservation process agreed with different OEM manufacturers ; and that (B) the Polestar Group shall provide to the Company true and reasonable evidence proving that the aggregate actual purchase volume of the Company and Polestar Group surpasses certain level, the amount of

applicable additional compensation, any volume reservation process or requirements and such other matters as reasonably requested by the Company. The details will be included in the Distribution Agreement.

(A) OEM (B) OEM ()

(f) New Products – Spare Parts Royalty

With respect to any sales of spare parts of the New Products, and subject to approvals by Volvo, the Company will be entitled to receive certain portion of the [***] (“**Profit Portion**”) for such spare parts sales from Volvo, but shall also be required to pay to PPAB a spare parts royalty fees, which shall equal to the China Market Share of PPAB’s reasonable investments and expenses associated with such spare parts (including information system service fees, engineering investments, personnel labor costs, etc.), provided that PPAB shall provide the Company with true and reasonable evidence to prove the amount and details of such spare parts royalty fees. Unless otherwise agreed by the Parties in writing, the Distribution Agreement shall set forth in further detail of such Profit Portion and spare parts royalty fee in accordance with this Agreement.

PPAB

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PPAB
PPAB

4.1.2 Chinese Market Products

The Parties shall negotiate in good faith and make best efforts to reach consensus on terms and conditions regarding sales and marketing of the Chinese Market Products within reasonable time before the design and development of such Chinese Market Products.

4.1.3 Territory of the Auto Business

For clarity, the Parties agree that the Company’s distribution and sales of the Existing Products and New Products shall be limited to customers in the mainland of the People’s Republic of China, excluding Hong Kong, Macau and Taiwan (“**Mainland China**”). The Company shall not, directly or indirectly, sell any Existing Product or New Product to any customers or other third parties outside Mainland China.

(“ ”)°

4.2 **Smartphones and AR Glasses Business**
AR

The Company shall be responsible for the sales of Polestar Brands products. DreamSmart Group member shall enter into separate sales agreement with the Company, under which the Company shall purchase such smartphones, AR glasses and other intelligent terminals products from DreamSmart Group member and resell such products to end customers (“**Sales Agreement**”). For clarity, such Sales Agreements will provide that, among other terms, DreamSmart Group member shall be solely responsible for providing warranty services to the end customers.

DreamSmart
 (“ ”)

DreamSmart
DreamSmart

Section 5. Manufacturing

5.1 Management and Product Design. Polestar and/or other members of Polestar Group shall be responsible for the ID Design for both Existing Products and New Products. These products will be branded with Polestar Brands. Both brands and ID Design of Chinese Market Products and global products are subject to Polestar’s and/or other member of Polestar Group’s management.

_____ /

ID

ID

/

5.2 Manufacturing of New Products. The Company will install Polestar OS into New Products and shall be responsible for the subsequent management and sales of such products integrated with the Polestar OS. Polestar and/or other member of Polestar Group shall be responsible, through the OEM agreements entered with the OEM manufactures, for the production, OEM arrangements, quality control and quality assurance of the New Products. [***], during his term of serving as the CEO or a director of the Company, shall have the right to participate in the management of the production supply chains and shall be entitled to participate in the meetings regarding the above global product matters at Polestar and/or other member of Polestar Group. Polestar and/or other member of Polestar Group shall ensure that a notice of such meeting is sent to the CEO before the meeting [***]. For the purpose of cost optimization of the Company, the Parties shall amicably negotiate about the production, the quality control and the quality assurance of the New Products after the Company obtains the qualification of manufacturing new energy vehicles.

_____ Polestar OS Polestar OS / OEM OEM
 OEM [***] CEO [***]
 / CEO [***]

5.3 Manufacturing of Chinese Market Products. The Parties shall negotiate in good faith and make best efforts to reach consensus on terms and conditions regarding manufacturing of the Chinese Market Products within reasonable time before the design and development of such Chinese Market Products.

5.4 Manufacturing of Smartphones and AR Glasses. Subject to Section 4.2 above, DreamSmart Group shall be responsible for the design, manufacturing of Polestar Brands smartphone, glasses products and other intelligent terminals products (ODM model).

4.2 DreamSmart

(ODM)°

Section 6. Procurement

6.1 Asset Acquisitions upon Establishment of the Company

As soon as possible after the Establishment Date, the Company on one hand, and Polestar and/or other member of Polestar Group, or Xingji Meizu or its relevant Affiliates on the other hand, will enter into an Asset Purchase Agreements in the form attached hereto as Exhibit A for the purchase of selected assets by the Company from each of the Parties respectively (collectively, the “**Asset Purchase Agreements**”). Only selected high-quality assets in the PRC will be acquired by the Company from Polestar and/or other members of Polestar Group (including core asset packages such as appraised local stores) and/or from DreamSmart Group member (as applicable), the scope of which shall be confirmed upon mutual consent of the Parties and subject to the respective Asset Purchase Agreement(s).

“ ”) / () / DreamSmart () ()

6.2 Procurement from the Parties during Company Operation

After the Company is established, to the extent it is necessary for the Company to purchase any additional asset or services (e.g., IT service, accounting service or legal service) from either Party (or their Affiliate), such procurement shall be subject to separate agreements to be approved and signed by the Parties and the Company as related-party transactions pursuant to the Shareholders Agreement. For clarify, both Parties agree that (a) the Company shall pay certain service fees to PACD when purchasing New Products from PACD under Distribution Agreements, and such service fees shall equal to PACD’s supporting function expenses for such New Products, plus a markup of [***], which service fees and markup shall be subject to adjustments in accordance with the principles of related party transaction set forth in the Shareholders’ Agreement; and (b) the Company shall pay certain fees plus a markup of [***] to Xingji Meizu when purchasing certain products or services from Xingji Meizu, and such fees and markup shall be priced in accordance with the principles of related party transaction set forth in the Shareholders’ Agreement..

() ()
(a) PACD PACD (b) PACD
[***] [***]
[***]

Section 7. After-sales Services

7.1 With respect to any [***] sold to customers by PACD, PACD shall have the legal obligation to provide warranty and other after-sales services to its end customers of such Existing Products, regardless of whether such Existing Products are sold before or after the Establishment Date. If the Company assists PACD in providing warranty and other after-sales services upon the request of PACD, PACD shall pay to the Company reasonable expenses accepted by the Company, provided that the Company shall provide PACD with true and reasonable evidence to prove the amount of the relevant costs and such related-party transactions shall be conducted under arm's length principle and be priced based on fair market value.

PACD [***] PACD
PACD PACD PACD PACD

7.2 With respect to any Existing Products sold by the Company to end customers in China under the Wholesale Agreement and any New Products sold by the Company to end customers in China under the Distribution Agreement, the Company shall have the legal obligation to provide warranty and other after-sales services to its end customers, either through the Company in compliance with the guidelines and requirements from the Polestar Group or through dealers authorized by Volvo. If PACD assists the Company in providing warranty and other after-sales services upon the request of the Company, the Company shall pay to PACD reasonable expenses accepted by PACD, provided that the PACD shall provide the Company with true and reasonable evidence to prove the amount of the relevant costs and such related-party transactions shall be conducted under arm's length principle and be priced based on fair market value.

PACD PACD Volvo PACD PACD

7.3 With respect to Polestar Brands smartphone, AR glasses products and other intelligent terminals sold by a the DreamSmart Group member to the Company, the DreamSmart Group member shall provide a warranty service to the Company, and the Company shall reimburse such DreamSmart Group member for such warranty services pursuant to the Sales Agreement.

DreamSmart
DreamSmart

DreamSmart

Section 8. License of IP

8.1 Polestar Brands License. Polestar (or other member of Polestar Group) will grant a license of certain Polestar trademarks and brands (such as “ ” and “**Polestar**”) and other Intellectual Property Rights associated therewith (“**Polestar Brands**”) to the Company for the Company’s use of such Polestar Brands in its business operations, the Company shall pay license fees for its use of the Polestar Brands. Such license fees shall equal to [***]. Details of such license (including license fee payments) shall be subject to the Polestar Brands License Agreement to be entered by the Company and Polestar and/or other member of Polestar Group.

_____ () (“ ” “**Polestar**”) (“ ”)
[***] () /

8.2 Flyme Auto Software License. A DreamSmart Group member will grant Polestar and/or other member of Polestar Group a non-exclusive license to Flyme Auto software [***] (“**Flyme Auto Software**”) for the development and distribution of Chinese Market Products and PSNY Products. Details of such license shall be subject to the Flyme Auto

License Agreement to be entered by Polestar and/or other member of Polestar Group and a DreamSmart Group member. For the avoidance of doubt, under the Flyme Auto License Agreement, Polestar and/or other member of Polestar Group may grant sublicense to the Company for the development and distribution of Chinese Market Products.

Flyme Auto / DreamSmart / Flyme Auto [***] (“Flyme Auto ”)
PSNY / DreamSmart Flyme Auto Flyme
Auto /
[***]

- 8.3 Polestar OS License. The Company may provide Polestar OS software to Polestar and/or other members of Polestar Group and charge license fees where the relevant products use the Polestar OS software offered by the Company. Subject to Section 8.3 and to the extent such a license is needed by a Polestar Group member, the Parties shall discuss in good faith and cause the relevant Polestar Group member and the Company to enter into a separate license agreement pursuant to the Shareholders Agreement.

Polestar OS / Polestar OS / Polestar OS 8.3

Section 9. Transition Service Arrangement

- 9.1 The Company shall pay to Polestar (or a Polestar Group member) reasonable compensation for certain services performed by Polestar (or another member of the Polestar Group) for the benefit of the Company during the transition period from the date of press release announcement of the establishment of the Company by both Parties to the date of independent operation of the Company (“**Transition Services**”). Details of

such transitional service shall be subject to the Transition Service Agreement to be entered by the Company and Polestar and/or other member of Polestar Group. For the avoidance of doubt, the Parties agree that such Transition Services shall include the following:

- (“ () / () ”)
- (a) Transition support services mutually agreed by the Parties, including but not limited to digital, commercial manpower, IT and procurement services etc.; and
 - (b) other operation services and performed by Polestar (or a Polestar Group member) relating to the Company’s operation mutually agreed by the Parties during such transition period.

Section 10. Confidentiality

10.1 The terms and conditions regarding the confidentiality stipulated in Section 18 of the Shareholders Agreement shall apply to this Agreement.

Section 11. Term

11.1 Term

The term of this Agreement shall be the same as the Term of the Shareholders Agreement as stipulated in Section 19 of the Shareholders Agreement.

19

Section 12. Termination

12.1 This Agreement shall be terminated when any, whichever is first, of the following events occurs:
()

12.1.1 the Shareholders Agreement is terminated or expired in accordance with the terms and conditions of the Shareholders Agreement;

12.1.2 this Agreement is to be terminated by written mutual agreement of the Parties; or

12.1.3 the other Party commits a material breach of the terms of this Agreement, which has not been remedied within sixty (60) days from written notice from the other Party.

(60)

12.1.4 If the other Party should become insolvent or enter into negotiation with its creditors or a petition in bankruptcy should be filed by it or it should make an assignment for the benefits of its creditors.

32

Section 14. Force Majeure

14.1 Terms and conditions regarding Force Majeure stipulated in Section 24 of the Shareholders Agreement shall apply to this Agreement.
24

Section 15. Governing Law and Dispute Resolution

15.1 Terms and conditions regarding the governing law and dispute resolution stipulated in Section 26 of the Shareholders Agreement shall apply to this Agreement.
26

Section 16. Miscellaneous

16.1 Effectiveness

This Agreement shall come into effect on the Establishment Date, subject to obtaining of necessary approvals, consents and authorizations from governmental and other regulatory authorities under Section 5.4(a)(iv) of Shareholders Agreement.
5.4(a)(iv)

16.2 Notices

16.2.1 All notices and communications between the Parties shall be in writing and shall be written in Chinese and English and may be delivered by hand, courier or fax to the contact information set forth in Article 26.2(a) of the Shareholders' Agreement.
26.2(a)

16.2.2 Notices shall be deemed to have been delivered at the following times:

- (a) if by hand, on reaching the designated address subject to proof of delivery;
- (b) if by courier, the third Business Day after the date of dispatch;
- (c) if by fax, upon generation of a confirmation of successful transmission report by the sender's fax machine indicating completed uninterrupted transmission; and
- (d) if sent by e-mail, at the time and on the date indicated on a response confirming such successful email transmission.

16.2.3 For the avoidance of doubt, any notice or communication delivered to a Party's copy address only shall not be deemed to have been delivered to such Party.

16.3 Assignment

Neither party may, wholly or partly, assign, pledge or otherwise dispose of its rights and/or obligations under this Agreement without the other party's prior written consent.

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16.4 Compliance with Laws

Each Party shall and shall procure that its directors, supervisors, senior management personnel, and employees shall comply with all applicable laws, in respect of the conduct of its businesses and the performance of this Agreement. Xingji Meizu shall comply with the Polestar Code of Conduct for Business Partners (See **Appendix III (Polestar Code of Conduct for Business Partners)** attached hereof).

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16.5 Waiver

Neither Party shall be deprived of any right under this Agreement because of its failure to exercise any right under this Agreement or failure to notify the infringing party of a breach in connection with the Agreement. Notwithstanding the foregoing, rules on complaints and limitation periods shall apply.

16.6 Severability

In the event any provision of this Agreement is wholly or partly invalid, the validity of the Agreement as a whole shall not be affected and the remaining provisions of the Agreement shall remain valid. To the extent that such invalidity materially affects a Party's benefit from, or performance under, the Agreement, it shall be reasonably amended.

16.7 Entire Agreement

All arrangements, commitments and undertakings in connection with the subject matter of this Agreement (whether written or oral) made before the date of this Agreement are superseded by this Agreement.

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16.8 Further Assurance

At any time after the Execution Date, the Parties shall, and shall use their reasonable endeavors to procure that any necessary third party shall, to the extent reasonable and at the cost of the relevant Party, execute such documents and do such acts and things as that Party may reasonably require for the purpose of giving to that Party the full benefit of all the provisions of this Agreement. The Parties shall use their best efforts to procure its Affiliates to take necessary actions and execute necessary documents so as to cause the relevant matters under this Agreement to be effectively implemented and achieved.

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IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to sign this Agreement as of the date first set forth above.

Hubei Xingji Meizu Group Co., Ltd.

Signature : _____ /s/ Ziyu Shen
Name : Ziyu Shen
:
Title : Director
:

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to sign this Agreement as of the date first set forth above.

**Polestar Automotive (Singapore)
Distribution Pte. Ltd.**

Signature : _____ /s/ Yaru Li
Name : Yaru Li
Title : Director

APPENDIX I: TRANSACTION FLOW

[***]

APPENDIX II: BUSINESS COOPERATION AGREEMENT

Section 1. CHINA MARKET SHARE PER CAR MODEL

1.1 For the purpose of this Business Cooperation Agreement the China Market Shares for each car model, unless otherwise mutually agreed by the Parties, mean those percentage shares listed in table 1 below:

1

Table 1 1

[***]

Section 2. BASE VOLUME TARGETS PER CAR MODEL

2.1 For the purpose of this Business Cooperation Agreement, the Base Volume Targets for each car model mean those unit numbers listed in table 2 below. For the avoidance of doubt, when calculating whether the actual sales volume has reached the Base Volume Targets, the actual sales of model year changes for each car model shall be included in the actual sales volume of that car model.

Table 2 2

[***]

Section 3. HIGH VOLUME TARGETS PER CAR MODEL

3.1 For the purpose of this Business Cooperation Agreement, the High Volume Targets for each car model mean those unit numbers listed in table 3 below. For the avoidance of doubt, when calculating whether the actual sales volume has reached the High Volume Targets, the actual sales of model year changes for each car model shall be included in the actual sales volume of that car model.

Table 3 3

[***]

Section 4. UNIT INVESTMENT FEE AND REDUCED UNIT INVESTMENT FEE PER CAR MODEL

4.1 For the purpose of this Business Cooperation Agreement, the Unit Investment Fee and the Reduced Unit Investment Fee for each car model mean those amounts listed in table 4 below.

Table 4 4

[***]

APPENDIX III: POLESTAR CODE OF CONDUCT FOR BUSINESS PARTNERS

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