

# EBlock Terms of Service

Our goal is to connect buyers and sellers through our online Auction Platforms in a fair and ethical manner. EBlock is a Dealer-to-Dealer auction tools, which require all users to hold a valid Dealer/Salesperson license in their respective province or state.

These Terms and Conditions govern your access to, and use of, the EBlock Auction Platform related products and services and applies to every transaction between buyer and seller facilitated by these Auction Platforms. By using or accessing the EBlock's systems, products or services, you, your business and your representative expressly agree to be legally bound by the Terms & Conditions set out in this document and as updated or amended from time to time. EBlock reserves the right to amend these Terms and Conditions at any time by posting the revised Terms and Conditions on the Auction Platform at [www.eblock.ca](http://www.eblock.ca).

## GENERAL TERMS & DEFINITIONS

1. EBlock provides online Auction Platforms for wholesale automobile buyers and sellers. In addition to online presence, EBlock provides other services such as post sale administration and settlement, vehicle transportation, vehicle inspection services and field sales and support.

### 2. *Definitions:*

- *“Arbitration”* - means the dispute resolution process as described in the Arbitration section of these Terms and Conditions.
- *“Arbitrator”* – means an individual or individuals appointed by the Auction to facilitate the resolution of Arbitration claims between Buyer and Seller.
- *“Arrived”* – means a Live Appraisal, sold on the Auction Platform, has been grounded and is available to the Buyer at the designated pick-up location.
- *“Auction”* – means the business entities known as EBlock and their associated facilities and personnel.
- *“Auction Platform”* – means the EBlock online Auction Platform including all associated products and services.
- *“Sales Resolution Agent”* – an individual appointed to assume the role of Arbitrator in the dispute resolution process and work towards a final and binding resolution.

- *“Assurance Program”* – Vehicles sold with the gold Assurance badge are covered under the Assurance Program which protects both Buyer and Seller from unforeseen non-wear mechanical issues.
- *“Buyer”* - means a Customer who offers to bid, offers to purchase or purchases a Vehicle or other asset through the Auction Platforms.
- *“Condition Report”* - means a report provided by the Seller documenting the condition of a Vehicle whereas any specific required disclosures are made available to prospective Buyers. The Condition Report must follow the Arbitration policies and disclosure requirements of these Terms and Conditions and must give the Buyer a reasonable understanding as to the true Condition of the Vehicle offered for sale.
- *“Customer”* - means any person or business using or accessing the Auction Platforms. All users must hold a valid Dealer/Salesman license, be authorized to represent their dealership and have an assigned user name and password.
- *“Disclosure”* – means the provision of details regarding material facts, defects or damages of a specific Vehicle as documented in a Vehicle Condition Report. Required Disclosures are set forth in the Arbitration Policy.
- *“Expected Delivery Date”* – means the date on which a Live Appraisal is expected to be grounded by the Seller and made available to the Buyer at the designated pick up location.
- *“Material Fact”* – means any fact about a Vehicle that, if disclosed, could reasonably be expected to influence the decision of a reasonable purchaser and/or would significantly affect the value of a Vehicle.
- *“OBDII”* – is an acronym for On-Board Diagnostic II, the second generation of on-board self-diagnostic equipment for light and medium-duty Vehicles which monitors important systems and control devices.
- *“Fees”* - means charges applied to Customer accounts for use of, and access to, the Auction Platforms and for services rendered in relation to the buying and selling of Vehicles. You agree that the Auction may deduct fees and any other amounts owing from any amounts payable to you, including sale proceeds.
- *“Reserve Price”* - means the price established by the Seller at which a Vehicle will be sold if bidding is completed and the Reserve Price is met or exceeded. If the Reserve Price is not met at the completion of the bidding, the high bidder automatically goes into an "IF BID" status where the Seller can either accept or reject the high bid or enter into negotiations with the Buyer.
- *“Sale Price”* – means the top bid amount from a Buyer where the Reserve Price has been met or exceeded or where the Seller has accepted the top bid and has approved the sale of the vehicle. Sale Price does not include additional fees or applicable taxes.
- *“Live Appraisal”* – means a Vehicle that is offered for sale or sold using an instant Live Appraisal auction tool as opposed to the scheduled live auctions.
- *“Seller”* - means a Customer who offers a Vehicle for sale or who sells a Vehicle on the Auction Platforms.

- “*Services*” - means the tools and Services provided to facilitate the sale of Vehicles on the Auction Platforms, including any associated products and services provided to Customers.
- “*Terms of Use*” - means these Terms and Conditions, Arbitration Policies, the Privacy Policy, the Cookie Policy, all other policies posted on the Auction Platform websites or mobile applications and any and all changes and additions as required from time to time.
- “*Vehicle*” - means any automobile, truck or sport utility Vehicle listed on the Auction Platforms. Vehicle may also include, but is not limited to, recreational Vehicles, motorcycles, trailers, boats and off road sport Vehicles.

3. *Vehicle History Reports (VHR)*. The Auction provides a CARFAX Canada Report integration for Sellers. With or without this integration, Sellers are bound to properly disclose all Material Facts about a Vehicle they are offering for sale. The Condition Report asks Sellers the question: "CARFAX claim on vehicle?". If yes, the claim amount or estimate amount must be disclosed. If insurance or Police accident damage records appear on the report with no dollar amount then “CARFAX Claim on Vehicle” must be selected and a Claim Amount of \$1.00 must be entered in the CARFAX claim dollar amount box. Sellers are responsible to ensure all material facts are disclosed in the Condition Report even if they do not appear on a VHR. The Auction is not responsible for inaccurate information provided by CARFAX Canada reports or any Vehicle History provider. Buyers will be charged a Vehicle History Report Recovery Fee (VHRRF) as a separate line item on the Bill of Sale for all Vehicles purchased. The Auction reserves the right to charge any Seller a VHRRF for Vehicles captured by the Seller where a Vehicle History Report is generated and the Vehicle is not sold on the Auction Platform.

4. *Compliance*. Every dealer and salesperson must comply with all national, provincial and local laws with respect to their buying and selling activities on the Auction Platforms.

5. *Auction Platform*: The Auction provides an Auction Platform to facilitate wholesale automobile transactions. The responsibility for completion of such transactions rest solely on the Buyer and Seller. The Auction reserves the right to suspend and remove any delinquent Buyers or Sellers from the Auction Platforms.

6. *Username and Password*. Every Customer can choose their own password and it is the user’s sole responsibility to protect his/her login credentials. Sharing or lending your credentials is prohibited and in violation of these Terms of Service. Customers are responsible and liable for all activities conducted under the use of their username and password. Unauthorized use of your

username or password must be reported immediately to the Auction. The Auction reserves the right to deny or withdraw access to a Customer without notice or explanation. After termination of a Customer's access to the Auction Platforms, the Customer will nevertheless remain bound by any agreement, bid or vehicle listing made on the Auction Platforms prior to the termination of access.

7. *Registered Motor Vehicle Dealer/Salesperson.* Every Customer using the Auction Platforms must be a registered Dealer/Salesperson. In the event that a Customer's license has expired or changed, it is the sole responsibility of the Customer to inform the Auction of such changes.

8. *Liability and Risk.* The Auction does not provide insurance coverage for any Vehicles purchased or sold on the Auction Platforms. Every Customer is responsible to ensure it holds a valid garage insurance policy in accordance with the laws of Canada.

9. *Limitation of Liability.* Customer agrees that the Auction will not be liable for loss of profits or for any claim against the Buyer or Seller or any third party. It is the Sellers responsibility to ensure proper payment has been secured and the Vehicle Release Form has been provided before releasing a Vehicle. The Auction will not take responsibility for any claims arising from the purchase or sale of Vehicles on the Auction Platforms. The Customer agrees to indemnify and hold the Auction harmless from, and against, any and all liabilities, damages, losses, expenses, demands, claims or suits. The Auction is a software service provider and is not a party to transactions conducted on the Auction Platforms between Buyers and Sellers. The Auction does not own or take title to Vehicles listed or sold on the Auction Platforms.

10. *Warranties.* The Auction will not be liable to either the Buyer or Seller for any defects of any Vehicle and do not make any guarantees or warranties with respect to any Vehicle offered for sale on the Auction Platforms. The Auction cannot be held responsible for information provided by the Seller about the Vehicle, the Seller's delivery of or failure to deliver the Vehicle, the identity of the Vehicle owner or the existence or rights, security interests or rights of retention or liens on the Vehicle.

11. *Investigations.* By doing business on the Auction Platforms, you authorize the Auction to comply with authorities requests for information and/or documents concerning you and your business if, and when, reasonable requests from such authorities arise.

12. *Listing a Vehicle on the Platform.* A Seller will provide all required Disclosures and any and all other required information to list a Vehicle for sale on the Auction Platforms. Sellers are responsible

for the accuracy of their vehicle listings and will be required to assist in arbitrations arising from listing errors, particularly if the error results in an apparent financial gain to the seller.

13. *Bidding on the Platforms.* A Buyer may bid on a Vehicle that is listed for sale by entering the dollar amount he/she wishes to bid. Once a bid is submitted, it cannot be withdrawn. When two (2) or more bidders place bids for the same amount on the Auction Platform, preference will be given to the bid received first. All bids are final and binding. Moreover, all bids will be recorded by the Auction and archived indefinitely or for as long as deemed necessary for record keeping purposes.

14. *Electronic Signature.* With regard to the completion and execution of Vehicle transfer of ownership registration documents and sales agreements between Buyer and Seller, Customer appoints the Auction as its agent. Customer authorizes the Auction to execute all documents and receipts acting as Customer's agent relating to the purchase and/or sale of Vehicles on the Auction Platforms. The Auction, at its sole discretion, will use Customer's electronic signature in accordance with Ontario's Electronic Commerce Act, 2000, S.O. 2000, and similar provincial and federal laws. Customer authorizes the Auction to capture, store and apply Customer's digital or electronic signature to sales agreements and ownership transfer documents and all other incidental or related documents and instruments.

15. *Electronic Communications.* Through your application and registration to use the Auction Platforms and by providing your business and/or personal email address, you give the Auction implied consent to send electronic communications in the form of SMS, email and in-application notifications. The Auction sends out regular email communications to advise of upcoming sale events. You can remove yourself from these email lists by clicking the "unsubscribe from this list" link at the bottom of the email. The Auction Platforms provides automated notifications to Sellers and Buyers to assist with the sale and purchase of Vehicles. These notifications are configurable at the user level in "Notifications Preferences" under the "My Account" area of the mobile application. By subscribing to receive notifications, you agree to receive recurring automated promotional and non-promotional messages from the Auction. Message and data rates may apply.

The types of Electronic Communications you may receive from the Auction include, but are not limited to, the following:

- Automated auction alerts related to the sale of Vehicles on the Auction Platforms.
- In application communications.
- Information regarding upcoming auction sale events.
- Notification of special promotions.

- Direct email or SMS communications from Auction staff.

Please note, when you use the “unsubscribe from this list” link you are removed from Auction’s marketing email group only and are not removed from any other electronic communications channels associated with the Auction. To manage other communications, go to “Notification Preferences” under “My Account” in the mobile application or contact your Territory Sales Manager directly.

16. *Fees.* Fees charged by the Auction for Services including, but not limited to, buying, selling, arbitration, transportation, vehicle history reports and Vehicle inspection fees will be billed once the service has been provided and are payable upon receipt. You agree that the Auction may deduct fees and any other amounts owing from any amounts payable to you, including sale proceeds. Overdue accounts will be subject to interest charges, which will be added to weekly billings. Accounts overdue past 60 days may be subject to loss of access to the Auction Platforms and collection by a third party. The Auction, at its sole discretion, reserves the right to apply penalty charges for late payments, late titles and transport costs arising from late Vehicle collection.

17. *Vehicle Payment Terms.* Customers shall pay to the Auction the total purchase amount within two (2) business days from the date the Vehicle is available (the “Available Date”), being the later of either the purchase date or the date of arrival in the case of a Live Appraisal (the “Payment Due Date”). Payment is to be made by wire transfer, electronic funds transfer or pre-authorized debit in Canadian dollars or such other payment method approved by the respective Auction Platform who reserves the right to specify the type of payment instrument it will accept from Customer. If Customer fails to pay Fees or other amounts owing when due, the Auction will be entitled to immediately set off the amount owed by Customer from any funds owing by the Auction to Customer. In addition, if Customer fails to pay the total purchase amount within five (5) business days from the Available Date, the Auction may: (a) withdraw all arbitration rights on the Vehicle; (b) retain possession of any Vehicles owned or controlled by Customer; (c) withhold title documents until all amounts owed have been paid; (d) cancel the sale transaction; (e) charge a late payment fee of \$250 per Vehicle, and/or charge interest on any past due amounts at the rate of one and one half (1.5%) percent per month or the maximum rate allowed by law, whichever is less; and/or (f) pursue any other remedy or relief permitted by law. Any payment instrument withdrawn, rejected or returned for non-sufficient funds

("NSF") must be settled and replaced immediately by certified cheque or bank draft. NSF transactions will be subject to a \$100 service charge and shall be immediately due and payable. In addition to the \$100 service charge, Customer agrees to pay all costs including, without limitation, legal fees and disbursements, court costs and other expenses reasonably incurred by the Auction to collect any monies owed by Customer. If Customer fails to pay the total purchase amount within ten (10) calendar days from the Available Date, the Auction will: (a) lock Customer account prohibiting further purchase and/or sale of Vehicles; and (b) relist and sell the Vehicle in the Auction where Customer is fully responsible for any loss on resale as well as the aforementioned \$250 late payment fee. The Auction, at its sole discretion, may require Customer to enroll in the Pre-Authorized Debit Program, whereby Vehicle total purchase amounts will be automatically deducted from Customer bank account within two (2) days of the Available Date. To secure payment by the payment due date, the Customer hereby grants to the Auction, a continuing general security agreement in and to all of the Customer's right, title, and interest in and to the following (the "Collateral"):

- 1) All present and after-acquired property, assets and undertaking of the Debtor of every kind and nature whatsoever, including all Accounts, Goods (including Inventory, Equipment and Motor Vehicles, but excluding Consumer Goods), Intangibles, Chattel Paper, Documents of Title, Instruments, Securities and all other Investment Property, Money, and any other contract rights or rights to the payment of money.
- 2) All Proceeds and products of each of the foregoing, including any and all Proceeds of any insurance, indemnity, compensation for loss or damage, warranty or guarantee payable to the Debtor from time to time with respect to any of the foregoing.
- 3) All books and records relating to the foregoing, including in any form or medium.
- 4) The last day of the term of any lease, verbal or written, or any agreement to lease, now held or hereafter acquired by the Debtor is hereby excepted out of the security interests hereby created, but should the Security Party need to enforce against the Collateral, the Debtor shall hold the last date in trust for the Secured Party and shall assign it to any person acquiring the term or that part of the term that is charged in the course of any enforcement or realization of the Collateral.

This general security agreement attaches, immediately following a default by the Customer to make payment to the Auction by the payment due date. The Customer agrees that this general security agreement shall attach to all existing and after-acquired Collateral. The Auction shall have all



remedies granted to them under the laws of the Province or State in which the vehicle in question is located following the sale of the said vehicle.

18. *Liens on Vehicles.* Sellers are responsible to ensure all vehicles sold on the Auction Platforms are free of all liens and encumbrances. This guarantee is transferred to the benefit of the Buyer and will be reduced by a 2% per month deduction from the sale price. This guarantee applies solely to the original Buyer and is not transferable. At no time, and under no circumstances, will the auction liability exceed the sale price of the Vehicle. If a lien has been paid out but is still listed on the lien registration system, the Seller must provide proof of lien release in the form of a letter from the secured party. Sellers have a maximum of 7 calendar days to provide proof of lien release. For Live Appraisals, this 7-day period cannot start prior to a Vehicle being available for pick-up from the Seller's lot, also referred to as the arrival date. If a Seller cannot provide proof of lien release within 7 calendar days, the buyer may file an Arbitration claim with the respective Auction Platform at which time a 2 business day grace period will be applied. Any decision to cancel the sale or to extend the 7-day deadline or 2 day grace period will be at the sole discretion of the Auction. In the event a sale is cancelled as the result of an open and unreleased lien; the Seller will remain responsible for the sell, processing, capture and CarFax fees and will be charged a \$250 cancellation fee payable to the buyer and will be held responsible for all reasonable expenses incurred by the Buyer. The Arbitrator will determine what reasonable expenses are eligible for reimbursement from the Seller. Retail or wholesale profit loss will not be considered a reimbursable expense.

19. *Seller Content.* The Seller is solely responsible for all content it posts on the Auction Platform and Auction shall not be responsible or liability to any Customer or third party for damages or costs resulting from such content. The Auction reserves the right to modify, refuse or remove any and all Seller content at its sole discretion. The Seller represents that all Seller content is accurate and truthful and in compliance with applicable Canadian law.

20. *Vehicles Listed for Sale.* When a Vehicle is listed for Sale on the Auction Platform, it is the Sellers responsibility to ensure the Vehicle is available for sale and has not been sold elsewhere. If a double sale has occurred which results in a sale cancellation, the Seller will be charged a \$500 cancellation fee.

21. *Sales Taxes.* All Vehicles sold on the Auction Platform are subject to provincial, federal and/or harmonized taxes as governed by the Province from which a vehicle is being sold. These taxes are



based on location of supply and not on the location of the Buyer. The Buyer is solely responsible for these taxes as documented on the bill of sale from the Seller.

22. *Sale Cancellation.* The Auction may, at its sole discretion, cancel any sale transacted on the Auction Platforms. Reasons for cancellation include, but are not limited to, errors or omissions in vehicle descriptions or disclosures, pricing errors, title problems or any other matter deemed to be relevant by the Auction.

23. *Auction Right to Resell.* Under certain circumstances, the Auction may need to resell a Vehicle. Such circumstances include, but are not limited to, cancelled sales where the Seller has not returned the proceeds of sale to the Auction, Vehicle sales not paid by the Buyer within required timelines or Arbitration resolutions that require Auction to cancel a sale and take responsibility for a Vehicle. Auction reserves the right to resell any Vehicle under the name of the original Seller or under the name of any subsequent Buyer. Seller or Buyer agrees to cooperate fully with such resales and to provide clear transferable title in their name. Auction may resell Vehicles in the Seller's or Buyer's name outside of the Auction Platform. Pursuant to Vehicle resales, Auction, at its sole discretion, can hold the Buyer or Seller fully responsible for any losses incurred. The Auction is the sole beneficiary of any financial gains realized from a resale transaction.

24. *Governing Law and Jurisdiction.* All disputes, claims, actions or suits arising from any Customers use of the Auction Platforms or concerning the validity, interpretation or performance of these Terms of Service and any of its terms and provisions, or any rights or obligations of the parties hereto, shall be governed by and resolved in accordance with the laws of Ontario. All parties hereby irrevocably consent to the jurisdiction and venue of courts of competent jurisdiction located in Ontario and agree that all such suits or proceedings shall be brought only in such courts.

#### SELLER OBLIGATIONS

25. *Required Disclosure.* Every Seller shall disclose all material facts relating to the history and condition of each Vehicle listed for sale on the Auction Platforms. It is the Sellers sole responsibility to ensure accuracy for all Vehicles listed. The Arbitration Policy, included herein, specifically lists Seller Disclosure requirements and is compliant with OMVDA disclosure requirements and the NAAA Arbitration Policy.

26. *Independent Dealers.* Independent non-franchised dealers are not authorized to post appraisal Vehicles on the Auction Platform or to self-post non-Verified Vehicles on the Auction Platform without prior approval from the Auction on a per vehicle basis.

27. *Vehicle Identification Number.* All vehicles offered for sale on the Auction Platforms must have a visible, intact and properly affixed public VIN plate or a replacement VIN plate in accordance with Provincial and Federal regulatory requirements. If a VIN has been replaced the Seller must provide a Disclosure to that effect.

28. *Vehicle Eligibility for Sale.* It is a Seller's sole responsibility to ensure all Vehicles it offers for sale on the Auction Platform are eligible to be sold through a wholesale auction with respect to the jurisdiction of supply and the applicable government and manufacturer legislations, regulations, programs, restrictions and conditions. The Auction is not a party to the consignment or sale of any Vehicle on the Auction Platform and defers responsibility of ensuring Vehicle eligibility to the Seller.

29. *Reserve Price.* The Seller sets the Reserve Price, i.e. the minimum price for the Vehicle. If the Auction, by any means whatsoever, finds a Buyer ready to pay the Reserve Price or more for the listed Vehicle in the condition described, the Seller is obligated to sell the Vehicle. The same applies if the Seller accepts a lower bid for the Vehicle.

30. *Registrations/Titles.* When selling a Vehicle, the Seller guarantees, represents and warrants to the Auction and to the Buyer that it is authorized to sell the Vehicle, has good title to the Vehicle and that the Vehicle is free of all liens, charges, hypothecs, and encumbrances of any nature or kind whatsoever. Seller has a maximum of 7 calendar days to provide the registration/title document to the Auction and will not receive proceeds of sale until a clear title, free of liens and encumbrances, has been received. For Live Appraisals, this 7-day period starts when a Vehicle is available for pick-up from the Seller's lot, also referred to as the arrival date. If the Buyer has not received the registration/title within that time frame, the Buyer must contact the Auction Arbitrator at which time a 48-hour (2 business day) grace period will be applied. If the Seller cannot produce the registration/title within the 48-hour grace period, the Buyer has a right to arbitrate the Vehicle. Any decision to cancel the sale or extend the grace period will be at the sole discretion of the Auction. If a sale is cancelled under these circumstances, the Seller will remain responsible for the sell, processing, capture and Carfax fees and will be charged a \$250 cancellation fee payable to the buyer and will be responsible for reasonable expenses incurred by the Buyer as approved by the Auction. Retail or wholesale profit loss will not be considered a reimbursable expense.

31. *Holding and Release of Sold Vehicles.* Sellers must not release any vehicle to a Buyer or Buyer's agent unless presented with a valid Auction Release Form for the Vehicle to be released. Sellers will be held responsible for all losses due to the improper release of a Vehicle. Risk of

damage or loss of a Vehicle remains with the Seller until the Vehicle is removed from the Seller's lot by the Buyer or Buyer's agent, at which time, the risk of damage or loss becomes that of the Buyer.

#### BUYER OBLIGATIONS

32. *Review of Vehicle Disclosures.* Before bidding on any vehicle, it is the Buyers' responsibility to review all Vehicle information that is made available through the Auction Platforms including Seller Disclosures, Vehicle history reports and Condition Reports. Any Vehicle damage apparent in the photos submitted by the Seller is not subject to Arbitration. It is the Buyers' responsibility to verify the condition of the Vehicle within the time period for Arbitration as set out in the Arbitration Policies. Failure to file an Arbitration claim within the required time frame may result in the loss of Buyer Arbitration rights.

33. *Collecting Vehicle.* Vehicles sold on the Auction Platforms must be collected from the pick up location indicated on the bill of sale at the sole expense of the Buyer within 5 business days from date of the bill of sale or, where a PSI has been requested, within 5 business days of delivery of PSI results to the Buyer. Vehicles not collected from the pick-up location within the required time frame may be moved to the buyers' lot or to the nearest Auction compound at the sole expense of the Buyer and a \$50 per day storage fee will apply. Vehicles left at the pick-up location more than 15 days past the later of the bill of sale date, PSI delivery date or Arrived date, remain so at the sold risk of the Buyer with respect to loss or damage. If a Vehicle is being transported from the Seller to the Buyer, the Buyer is solely responsible for this expense. If the Vehicle is damaged or lost in transit, it is the sole responsibility of the Buyer and the transport company, even if transportation was arranged through the Auction Transportation Department. The Auction will not be held liable in any way for any damage to or loss of a Vehicle incurred while being transported.

34. *Exports.* Arbitration is not available on claims that Vehicles do not meet applicable export or Import requirements. Any Vehicle that has left Canada will not be eligible for Arbitration.

35. *Out of Province/Country Purchases.* Buyers must confirm registration documentation requirements with their local vehicle licensing office before bidding on Vehicles from other provinces or other countries to ensure they can register the Vehicle within their own jurisdiction and meet all necessary Vehicle safety requirements. If you are intending to register an Alberta or Saskatchewan Vehicle in another province, please confirm the documentation requirements with the applicable provincial licensing office before bidding to ensure that you will be able to satisfy them. For Vehicles purchased from Alberta or Saskatchewan, the bill of sale acts as the Vehicle registration document.

For Alberta Vehicles, a Letter of Registration Confirmation from the applicable Alberta Ministry may be provided on request (fee applies). Sales taxes payable by the buyer are based on the jurisdiction from which a Vehicle is sold.

36. *Subscription Based Vehicle Options & Services.* Certain Vehicle options and services are owner subscription based. This may include, but is not limited to, satellite radio, active driving assistance, heated seats, OnStar, GPS navigation with traffic and remote start functionality. It is the Buyers' responsibility to know which options and services on which Vehicle years and models are subscription based. Arbitration is not available for options or services listed on the Vehicle Condition Report where the Vehicle is equipped with those options, and the options are only available through paid subscription.

#### ARBITRATION POLICIES

The Auction disclosure requirements and Arbitration Policy are compliant with the Ontario Motor Vehicle Dealers Act (OMVDA) and the Canadian Seller Disclosure Standard of the National Auto Auction Association (NAAA).

37. *Verified Vehicle.* Verified Vehicles are captured by trained Data Capture Representatives. The Data Capture Representative will ensure that Vehicle year, make, model and equipment are accurately recorded and all visual cosmetic damages are properly disclosed. Any undercarriage damage, structural damage or major mechanical problem disclosures are the sole responsibility of the Seller. Data Capture Representatives do their best to ensure all visible damages are disclosed. It is the Buyer's responsibility to view all photographs provided in the Vehicle listing prior to bidding. Sellers are responsible to review their listings to ensure all damages, required disclosures and mechanical issues are properly described. No one has the opportunity to know more about a vehicle than the Seller.

38. *OBDII Codes.* Verified Vehicles are scanned for OBDII codes. Any codes found will be disclosed in the Vehicle Condition Report. Buyers should expect repair or replacement of any systems or controls related to disclosed OBDII codes and should bid accordingly. Standard or "Generic" codes generally cover the engine and emissions equipment and will report issues such as misfires, evaporator leaks, failing O2 sensors, etc as follows:

- Pending Codes – a pending code will not turn on the check engine light but indicates that a system is providing abnormal readings that are below the threshold of requiring immediate attention.
- Confirmed Codes – indicates that a Vehicle system has an issue requiring attention.
- Permanent Codes – have the same urgency as a confirmed codes but cannot be cleared using a scan tool. Permanent codes will clear themselves once the issue has been resolved and the Vehicle has been driven.

Enhanced or Manufacturer codes cover all non-engine related systems such as ABS, SRS, transmission, body control modules, HVAC, stereo, transfer case, etc. All OBDII codes fall into four main categories. P Codes are powertrain related, C Codes involve chassis systems such as ABS and suspension, B Codes are body codes such as HVAC, SRS, stereo and BCM and U Codes are generally electrical network related such as modules not responding.

39. *Expected Delivery Dates – Appraisal Vehicles.* Vehicles offered as Live Appraisals on the Auction Platform will display an Expected Delivery Date. Live Appraisals sold on the Auction Platform must be marked Arrived and the Vehicle made available to the Buyer no later than ten (10) calendar days after the Expected Delivery Date, otherwise, the transaction may be subject to cancellation. If a Live Appraisal is not marked Arrived within these timeline parameters, the buyer may file an Arbitration claim with the Auction by sending an email to [arbitration@eblock.ca](mailto:arbitration@eblock.ca). Once the Arbitration claim is received by an Auction Sales Resolution Agent, a two (2) business day grace period will be added to the 10 calendar day allowance. If the arbitration claim is received after the 10 calendar day allowance, the 2 business day grace period will only begin once the claim has been received and acknowledged by the Auction. No Live Appraisal sale can be cancelled unless the Buyer has filed an Arbitration claim and the grace period has expired. Any decision to cancel the sale or to extend the 2-day grace period will be at the sole discretion of the Auction.

40. *Arbitration Claim Submission.* In the event a Buyer feels there are inaccuracies or misrepresentations in a Vehicle Condition Report, the Buyer can file an Arbitration claim. The claim must be submitted within the Arbitration deadlines and after the Vehicle has been paid for and is in the Buyers possession. Buyer Arbitration rights are forfeited on Vehicles subsequently sold in the wholesale or retail marketplace. The Arbitrator will determine if the claim is on time and valid. Arbitration claims must be submitted on EBlock via the Arbitration Request Form available on the respective Auction Platform. The Buyer wishing to initiate an arbitration claim must fill out the

Arbitration Request Form on the Auction Platform from which the Vehicle was purchased and submit the completed form online within 2 business days after receipt of the vehicle. If a Buyer is unsure whether a claim is valid they should submit the claim regardless, or they can contact the Arbitrator directly for verification before submitting. Arbitration submissions and inquiries must be made within the vehicle pick-up, delivery and Arbitration deadlines. The Buyer must assume full responsibility for any work done on a Vehicle before or during arbitration without prior approval of the appointed Arbitrator or Sales Resolution Agent. The Buyer must not sell or transfer ownership of the Vehicle before, or during, the Arbitration process.

41. *Normal Arbitration Deadlines.* The Normal Arbitration claims deadline is 2 business days following receipt of the vehicle. Day 1 of the Arbitration time frame is the day of delivery and receipt of the Vehicle. In some circumstances, where the Vehicle is delivered via transport and delivered on a weekend, day 1 for Arbitration will commence on the Monday of that week. The Buyer may be required to submit the transport bill of lading for proof of delivery date. Refer to the Vehicle Disclosure Requirement Chart for more details.

42. *Extended Arbitration Deadlines.* The Extended Arbitration claims deadline is 7 calendar days following receipt of the vehicle. The extended deadline is offered for issues that are more difficult to determine and/or more serious in nature. Refer to the Vehicle Disclosure Requirement Chart for more details.

43. *Odometer Readings.* Once a Vehicle is in Arbitration, the Buyer must not drive or test drive the vehicle until a resolution has been determined. If the Vehicle has been transported via carrier, no more than 50 additional kilometres can be recorded on the odometer. If the Vehicle is a drive away, no more than 200 additional kilometres can be recorded on the odometer in order for the claim to be valid. In the event the odometer has exceeded the above guidelines, the Auction, at its sole discretion, can accept the Arbitration, particularly if the claim is for issues completely unrelated to distance travelled after the sale including, but not limited to, structural damage, excessive rust and odometer rollback.

Minor discrepancies between the odometer disclosure and the actual odometer reading, where the odometer reading exceeds the disclosure by up to 3,000 km or 5% (whichever is less), are not subject to Arbitration. Appraisal valuation Buyers should expect a higher odometer reading than that disclosed at the time of appraisal. A continuation of normal driving based on Vehicle's history can occur between the appraisal date and the Expected Delivery Date. Additional kilometers driven during this period may exceed 3,000 km or 5% and are not subject to Arbitration but will not affect a Buyer's right to Arbitration. In cases where compensation is provided to a Buyer for an odometer

reading discrepancy, a ten cent (\$0.10) per kilometer allowance guideline will be considered.

Determination of excessive added kilometers will be at the sole discretion of the Arbitrator.

44. *Arbitration Process and Costs.* Once an Arbitration is accepted, the Arbitrator will review all details and work through the Arbitration process towards a final and binding resolution. The Arbitrator will only consider matters listed on the initial claim. If a third-party Arbitration inspection is required, the party determined to be at fault will be responsible to pay the cost of inspection. All supporting documentation requested by the Arbitrator must be provided by the Buyer within 72 hours, failing which, the Arbitrator may close the file and deny the Arbitration claim. The 72-hour deadline may be extended at the discretion of the Arbitrator. Post-Sale Inspections (PSI) conducted at the request of the Buyer will remain a Buyer expense and cannot be charged to the Seller or refunded by the Auction. At the sole discretion of the Arbitrator, a resolution ruling can be made requiring a Seller or the Auction to repair defects and/or provide compensation to a buyer to maintain a Vehicle transaction and avoid sale cancellation. The Arbitrator's decision is final and binding on both Buyer and Seller.

In the event of a cancelled sale through Arbitration, the Vehicle must be returned to the Seller in the same or better condition than when it was sold. Additional damage incurred on the Vehicle in the Buyer's care may result in Buyer's loss of right to cancel or financial compensation from the Buyer to the Seller. The Arbitrator will make the final decision in such cases. Vehicle registrations on cancelled sales must be returned to the the Auction head office within 7 days of the cancellation at the expense of the buyer or the buyer may risk revocation of the cancellation.

On completion of Arbitration, the party at fault will be responsible for Arbitration inspection fees (if applicable) and the transport cost (if qualified). Where the Seller is at fault, inspection and transport costs must be paid by the Seller. Failure to make such payment may result in loss of auction privileges. Proof of transportation cost must be provided to the Auction in the form of a proper invoice from a licensed transport company. Dealership driveaway costs will not be considered for reimbursement to the Buyer. Buyers will forfeit compensation for transport costs where the arbitration claim was filed late, the cancellation was the result of Auction goodwill, or the claim relates to information provided on a VHR included in the condition report. Sellers with multiple recurring Arbitrations may be subject to a fee of \$200 per valid Arbitration and will be invoiced directly by the Auction.

45. *NOT Eligible for Arbitration.* Vehicles that are not paid by the Buyer within 5 business days and picked up within 10 calendar days of being available, are not eligible for arbitration unless the vehicle has been transported. In the event the vehicle is delivered via carrier, a grace period of up to 14 days may be granted at the discretion of the Arbitrator. In some circumstances, at the discretion of the Arbitrator, this time frame may be extended based on circumstances such as weather, distance between Buyer and Seller or carrier break down. Any situation falling under normal maintenance or



any situation properly disclosed by the Seller, documented in the “Vehicle Description” or identified in a damage photograph in the Condition Report is not eligible for Arbitration. A Vehicle is not eligible for Arbitration if it is no longer in the Buyer’s possession or if the Buyer has resold the Vehicle in the wholesale or retail marketplace.

46. *AS IS*. Arbitration rights are limited on Vehicles sold AS-IS. Only Vehicles that are 10 model years old or older or have been driven 160,000 kilometers or more can be sold AS-IS. Vehicles that qualify for the Assurance Program will be sold with the Assurance guarantee even if they meet the AS IS criteria above. The Assurance guarantee can be overridden at the discretion of the Seller and the Vehicle sold AS IS if the Vehicle meets the AS IS criteria with respect to model year or distance driven. Vehicles not intended for use on a public roadway (e.g., boats, snowmobiles or ATV’s), antique Vehicles, recreational Vehicles, motorhomes and motorcycles are sold AS IS and the model year is not guaranteed.

AS IS vehicles can only be Arbitrated for the following:

*AS IS Vehicles sold for \$2,500 or more*

- Odometer issues such as rollback, replacement, TKU
- Title issues
- Branding issues and insurance total loss
- Existing structural damage caused by collision or irreparable rust.
- Undisclosed accident repair over \$3,000 (\$2,000 in BC)
- Undisclosed Body/Interior damages/defects over dollar threshold - Arbitrator sole discretion
- Undisclosed major repairs to engine/driveline over \$3,000 – aftermarket or used parts

*AS IS Vehicles sold under \$2,500*

- Odometer issues such as rollback, replacement, TKU
- Title issues
- Branding issues and insurance total loss
- Existing structural damage caused by collision only
- Undisclosed Accident Repair over \$3,000 (\$2,000 in BC)
- Undisclosed Body/Interior damages/defects over dollar threshold - Arbitrator sole discretion
- Undisclosed non-running vehicles – Arbitrator sole discretion

## AS IS Vehicles sold under \$1,000 – Strictly AS IS

- Odometer issues such as rollback, replacement, TKU
- Title issues
- Branding issues and insurance total loss

46. *Major Deception.* An arbitration ruling in favour of the buyer will occur in cases of major deception on the part of the seller. "Major Deception" means an intentional act, representation or omission that materially affects the value of a vehicle and would be regarded as misleading, unprofessional or unethical. A Major Deception ruling is at the sole discretion of the Arbitrator and is difficult to prove as it requires the seller to have knowingly committed the act, representation or omission.

## SELLER & BUYER ASSURANCE PROGRAM

The Assurance Program provides Buyers with enhanced protection from unforeseen non-wear mechanical problems and incomplete disclosure while minimizing the Seller's participation in the Arbitration process.

### Eligible Vehicles

- All vehicles within model year and distance travelled parameters.
- Excludes vehicles under 60,000 kms (or equivalent in miles) and 3 or less model years old. IE 2021, 2020 and 2019.
- Excludes vehicles 300,000 kms (or equivalent in miles) or more, or more than 20 model years old.
- Available to all qualified Sellers.
- Available on Verified and Self-Captured Vehicles.
- Assurance badge must be present on the Vehicle listing at time of sale in order to qualify.

### Ineligible Vehicles

- Vehicles outside the model year and distance travelled parameters.

- Vehicles sold for less than \$1,000 will be sold AS IS.
- Vehicles marked AS IS.
- Vehicles with any the following declarations:
  - Branded Irreparable, Salvage or Rebuilt
  - Needs Tow / Recommend Tow
  - Non Runner
  - Odometer Broken or Faulty
  - Odometer Rolled Back
  - Odometer Unreadable
  - True Mileage Unknown

#### Program Fees

- Fees are only applied when Program vehicles are sold.
- Buyer Program fees:
  - \$59 + tax on all Assurance Vehicles.
- Seller Program fees for Verified Inspections in Live & Timed Grounded Auctions:
  - \$59 + tax on vehicles sold for \$1,000 - \$4,999.
  - \$69 + tax on vehicles sold for \$5,000 - \$14,999.
  - \$79 + tax on vehicles sold for \$15,000 - \$29,999.
  - \$89 + tax on vehicles sold for \$30,000 - \$39,999.
  - \$99 + tax on vehicles sold for \$40,000 or more.
  - Seller program fee for all Appraisals or self-inspected vehicles \$99 + tax.
- Program fees are non-refundable and appear on the bill of sale as a separate line item.

#### Program Terms

- Auction reserves the right, at its sole discretion, to disqualify any vehicle from the Program, pre or post sale.
- Auction reserves the right, at its sole discretion, to remove and/or disqualify any Buyer or Seller from the Program.
- Seller protection under the Program is limited to a maximum \$3,000 repair cost per occurrence or \$4,000 repair cost per occurrence on vehicles sold for \$40,000 or more.
- Claims with repair costs over the Program limits will be entirely the sellers' responsibility and the limit amount will not be treated as a deductible to the claim.
- When mechanical repair cost exceeds the Program limits and the seller is brought into the resolution process and a decision is made to cancel the sale, the seller must refund the proceeds of sale to the Auction and retake ownership of the vehicle. In these cases, the Program will absorb additional expenses incurred against the vehicle prior to the submission of the arbitration claim, such as transport, diagnostics, or any other approved expenses relating to the vehicle.
- Sales cancelled under the Program will be resold under the Buyer's or Seller's name at the sole discretion of the Auction.
- At the sole discretion of the Arbitrator when repair costs exceed the Program limits, the Seller may be required to repair defects or provide compensation to a Buyer in order to avoid cancellation of a sale.

## Sellers

- For Sellers in the Program, all vehicles offered within the model year and distance travelled parameters will be listed and sold under the Assurance Program even if the vehicle falls under the AS IS criteria of 10 model years or older or distance travelled of 160,000 kilometers or more.
- Except for the Assured Program's specific Terms & Conditions as they apply to vehicles sold in the Program, Sellers are bound to all of their obligations as specified in the Auction's Terms of Service.
- Sellers must provide body damage photos on Self-Captured vehicles. Body damages not disclosed by the Seller will not be covered under the Program and will become the full responsibility of the seller under arbitration.
- The Seller Assurance Program guarantee does not apply to the following types of arbitration claims:
  - Branded title
  - Hidden structural damage as per NAAA
  - Liens or other title problems

- Odometer issues such as rollback, replacement or TKU not properly disclosed
  - Non-factory upfitted equipment and accessories.
  - Vehicle history or claims not readily available at time of sale
  - Recalls with no part availability
- Vehicle registrations must be provided by the Seller to the Auction office within 7 days of the sale at the expense of the Seller or the Seller may risk disqualification of the sale from the Program. The risk of disqualification for late registrations includes sales that have been cancelled and scheduled for resale under the Program.

## Buyers

- Applies to vehicles sold under the Assurance Program.
- Vehicles with a sale price under \$1,000 are sold strictly AS IS.
- The Arbitration Dollar Threshold for mechanical is \$750 (not including taxes) for vehicles sold under the Program. The Dollar Threshold increases to \$1,000 on vehicles sold for \$40,000 or more.
- Buyer arbitration deadlines are increased to 72 hours from time of delivery.
- Vehicles transportation allowance is extended to a maximum of 14 days.
- Arbitration claims made after the deadlines will not be considered.
- When a sale is cancelled where the buyer has paid through a floor plan company, the total amount will be refunded to the floorplan company and the Program fee will be charged back to the Buyer separately.
- Vehicle registrations on cancelled sales must be returned to respective Auction office within 7 days of the cancellation at the expense of the buyer or the buyer may risk revocation of the cancellation.

## VEHICLE DISCLOSURE REQUIREMENTS

Source – NAAA Canadian Seller Disclosure Standard – January 2017.

## Declaration: ABS Defective

The seller must disclose if the anti-lock braking system is not operational (if equipped). Arbitration is only available for repairs over the applicable Arbitration Dollar Threshold (see Major Repair).

**Regular Arbitration Period**

## Declaration: Accident Repair

The seller must declare a vehicle to be Accident Repaired if the total cost to fix damage caused by a single incident was \$3,000 or more (\$2,000 cumulative incidents in BC). The Accident Repair declaration must be made regardless of whether the damage was caused by collision, accident, weather or some other incident. If the dollar value of the repair is known, it must be declared. If the dollar value of the repair is not known but estimate data is available, the estimated damage must be disclosed. Although not required, if the Seller chooses to declare and accident repair under \$3,000 (\$2,000 in BC), it may do so. Arbitration is not allowed for repairs under \$3,000 (\$2,000 cumulative in BC).

Regular Arbitration Period

## Declaration: Adjacent Panels Replaced

Seller must declare if two or more adjacent panels (excluding bumper panels) have been replaced on a Vehicle. If the panels were replaced due to an accident or other incident, depending of the cost of repairs, it may also be necessary for the Seller to make an Accident Repair declaration.

Regular Arbitration Period

## Declaration: Air Bags Missing/Defective

Seller must disclose if the vehicle's airbags are missing or not operational. Arbitration is only available for repairs that exceed the Arbitration Dollar Threshold (see Major Repair).

Regular Arbitration Period

## Declaration: Alternate Fuel or Conversion

Seller must disclose if the vehicle uses propane or natural gas, or at any time had a propane or natural gas fuel system.

Regular Arbitration Period

## Declaration: Excessive Rust

Seller must disclose if the vehicle suffers from excessive rust. Rust is considered to be excessive when the location or quantity of rust affects the structural integrity of the vehicle, e.g. the frame or any structural component is perforated by rust.

Regular Arbitration Period

## Declaration: Fire Damage

Seller must disclose if vehicle has been damaged by fire.

Extended Arbitration Period

## Declaration: Flood Damage

Seller must declare a vehicle as Flood Damaged when water or other liquid has penetrated the vehicle to a level of the floor boards or higher, or if any of the following components have been damaged due to immersion:

- Front or rear lighting or wiring harnesses
- Engine or its major components
- Transmission or differential
- Dash instrument panel and wiring
- Passenger seat cushions
- Power seat or window motor
- Major sound system components

Extended Arbitration Period

## Declaration: Grey Market

Seller must declare if the vehicle was ever registered in a country other than the United States or Canada in the past 36 months or manufactured not in compliance with North American standards. All Grey Market vehicles offered for sale must include a CARFAX Canada Verified vehicle history report, or equivalent.



Regular Arbitration Period

## Declaration: Incorrect Vehicle Marking

Seller must disclose if any logo, badge, decal, emblem, ornament or similar marking on the vehicle does not match the make, model or series of the vehicle.

Regular Arbitration Period

## Declaration: Irreparable

Regardless of whether the vehicle title has been branded, the Seller must disclose if the Vehicle is not capable of being repaired for roadworthy operation and may only be used for parts or scrap.

Irreparable Vehicles are assumed to also be Total Loss Vehicles and thus the Total Loss declaration does not need to be made.

Extended Arbitration Period

## Declaration: Km \_\_\_\_\_

If the odometer reading is accurate, the Seller must disclose the distance the Vehicle has travelled as indicated on the odometer. Minor odometer discrepancies of 3,000 km or 5% (whichever is less) are not subject to arbitration.

Extended Arbitration Period

## Declaration: Major Repair \_\_\_\_\_(details)

Where the cost of a repair or replacement exceeds the Arbitration Dollar Threshold, the Seller must disclose if a Major Component of the vehicle is defective or not operational or if there are any accessories that are not working (e.g. cruise control, lane departure warning etc.). Major components include:

- Engine
- Transmission
- Power train

- Hybrid / Electric Vehicle Battery
- Sub-frame
- Electric / Air ride suspension
- Computer equipment
- Fuel operating system
- Electrical system
- Emissions system
- Anti-lock braking system
- Body/Interior damage & defects

Where the cost of repair or replacement exceeds the Arbitration Dollar Threshold, the Seller must disclose body damage (including hail damage), interior damage, non-mechanical or non-electrical defects (excluding Wearable items and Normal Exterior Wear and Tear). General Reconditioning items and Normal Wear and Tear are not subject to Arbitration.

*Arbitration Dollar Threshold:*

- Major Components & Accessories - \$750 repair or replacement cost for vehicles sold under \$40,000 or 2% of the Sale Price for vehicles \$40,000 and over
- Body/Interior damage & Defects - \$500 repair or replacement cost

The Arbitration Dollar Threshold repair cost estimate is calculated before taxes, on a non-cumulative basis and in accordance with standard Mitchell repair times with hourly rates not to exceed \$125 and does not include diagnostic charges. Parts cost included in estimates may include aftermarket or used parts at the discretion of the Arbitrator.

Wearable Items and Normal Mechanical and Cosmetic Wear and Tear are not subject to arbitration. *Wearable Items* are parts of the Vehicle that the manufacturer recognises the need for replacement or adjustment during the expected life of the vehicle. These items are normally identified in the Owner's Manual for routine check and replacement and include, but are not limited to: wipers, brake pads, shoes, rotors, calipers, belts, hoses, tires, lubricants, fluids, timing belts, bulbs, filters, manual clutch, shocks and struts.

*Normal Cosmetic Wear & Tear* means damage that would be considered normal wear and tear given the distance travelled and the age of the Vehicle and is easily seen, such as minor scratches, nicks, cuts, scuffs, discoloration and surface wear on the exterior and/or interior. On Vehicles 4 model years or older - 5 or less significant stone chips are acceptable on hood, front bumper and front fenders and 3 chips on all other panels. Scratches that do not break through the clear coat or

scratches into the paint of 1 inch or less are acceptable with the exception of light scratches affecting multiple panels and deemed to be excessive. Dents repairable with PDR and less than 2 inches with maximum 2 per panel and no more than 2 panels total are acceptable with the exception of aluminum panels.

*Normal Mechanical Wear & Tear* means minor noises, gasket leaks and engine and transmission performance issues that are normal and to be expected given distance travelled and age of the Vehicle.

*Noise and Inherent Conditions.* Arbitration cannot be based on noises or conditions that are inherent or typical to a particular model or manufacturer, unless deemed “excessive” by the arbitrator on non-warranty items. OEM dealer warranty guidelines will be used where applicable to determine whether the condition is excessive. Hybrid / Electric Vehicle Battery disclosure is required when battery capacity is the lower of either 65% or the capacity level specified in the manufacturer’s warranty replacement guidelines.

Regular Arbitration Period

## Declaration: Manufacturer Repurchase \_\_\_\_\_ (details)

Seller must disclose if the motor Vehicle was repurchased by the manufacturer under the Canadian Motor Vehicle Arbitration Plan or under the laws of any jurisdiction including, but not limited to, U.S. lemon laws. If the reason for, date and/or jurisdiction of the repurchase are known, they must be disclosed.

Regular Arbitration Period

## Declaration: Material Variation from Production Specifications

Seller must disclose if the vehicle varies materially from the original manufacturer’s specifications.

Regular Arbitration Period

## Declaration: Odometer 5 Digit

Seller must disclose if the odometer is a 5-digit odometer with over 100,000 miles or kilometers.

Regular Arbitration Period

## Declaration: Odometer Broken/Faulty

Seller must disclose if the odometer of the Vehicle is broken or faulty, i.e. not accurately tracking distance driven.

Regular Arbitration Period

## Declaration: Odo in Miles

Seller must disclose if the odometer is in miles.

Regular Arbitration Period

## Declaration: Odo Replaced

Seller must disclose if the odometer has been replaced.

Extended Arbitration Period

## Declaration: Odo Roll Back

Seller must disclose if the odometer has been rolled back.

Extended Arbitration Period

## Declaration: Odo Unreadable

Seller must declare the odometer to be unreadable if it is accurately tracking distance driven but cannot be read due to pixel damage, because the vehicle cannot be started to obtain an odometer reading, or similar reason.

Regular Arbitration Period

## Declaration: Out of Province

If the province of the last registration (or equivalent) to a retail customer is different than the jurisdiction from which the Vehicle is currently being sold, the Vehicle must be declared an out of province Vehicle and the Seller must identify the last province in which the Vehicle was registered (or equivalent) to a retail customer.

*For vehicles sold in Ontario only:*

A vehicle remains an out of province vehicle and must be so declared, if it was previously registered (or equivalent) to a retail customer in another province and has been registered in Ontario for less than 7 consecutive years.

The Seller must declare all of the provinces in which the vehicle was previously registered.

Regular Arbitration Period

## Declaration: Paint Work

Seller must disclose prior paint work on Vehicles current model year and newer (excluding bumpers).

Regular Arbitration Period

## Declaration: Previous Daily Rental

Seller must disclose if the Vehicle was previously used as a daily rental Vehicle (unless subsequently owned by a non-dealer).

Regular Arbitration Period

## Declaration: Previous Driving School

Seller must disclose if the Vehicle was previously used as a driving school vehicle.

Regular Arbitration Period

## Declaration: Previous Emergency Services Vehicle

Seller must disclose if the Vehicle was previously used as an emergency services vehicle.

Regular Arbitration Period

## Declaration: Previous Police Vehicle

Seller must disclose if the Vehicle was previously used as a Police Cruiser.

Regular Arbitration Period

## Declaration: Previous Racing Vehicle

Seller must disclose if the Vehicle was previously used in organized racing.

Regular Arbitration Period

## Declaration: Previous Taxi/Limo/Rideshare

Seller must disclose if the Vehicle was previously used as a taxi or limousine or rideshare service vehicle (Uber/Lyft).

Regular Arbitration Period

## Declaration: Stolen and Recovered

Seller must disclose if the vehicle was recovered after being reported stolen.

## Declaration: Structural Alteration

Seller must disclose if there has been any alteration to the Vehicle's structure such as lengthened or shortened frame, modified suspension, snowplough, hitch or fifth wheel.

Regular Arbitration Period

## Declaration: Structural Damage

Seller must declare a vehicle to have Structural Damage if there has been damage to the structure or a specific structural component of the Vehicle that meets the definition of structural damage as set out in Section VIII of the National Auto Auction Association's Arbitration Policy regarding Structural Damage. (See the Standards section on the NAAA website found at [www.naaa.com](http://www.naaa.com))

Extended Arbitration Period

## Declaration: Title Branded \_\_\_\_\_ (brand)

Seller must disclose if the Vehicle's title has been branded in accordance with provincial or state law and must indicate the brand(s) assigned. Title brands can change when vehicle registration moves between provincial or state jurisdictions (Rebuilt title in Seller province/state becomes Salvage Title in Buyer province/state). Buyers are responsible to be aware of provincial and state branding regulations and may not Arbitrate a vehicle where title branding was properly disclosed in the Seller's jurisdiction.

Extended Arbitration Period

## Declaration: True Kilometres Unknown (TKU)

Seller must declare a vehicle TKU if the distance travelled is unknown and there are no reliable records available to verify the odometer reading as of a certain date. When a Vehicle is declared TKU, the total distance that the vehicle had driven is likely substantially higher than the reading shown on the odometer.

Extended Arbitration Period

Declaration: TKU \_\_\_\_\_ km as of \_\_\_\_\_ (date)

If the total distance travelled is unknown, but based on reliable records, the distance driven as of a certain date is known, the Seller must declare the last known distance and provide the date.

Extended Arbitration Period

## Declaration: Total Loss

Seller must declare if an insurer determined the Vehicle was a total loss.

Extended Arbitration Period

## Declaration: U.S. Vehicle

Seller must declare if the Vehicle was ever registered in the United States or manufactured not in compliance with Canadian standards. All U.S. Vehicles offered for sale must include a CARFAX Canada Verified vehicle history report or equivalent.

Regular Arbitration Period



## Declaration: VIN Plate Issues

Seller must disclose if the original VIN plate (on the driver's side of the dashboard) had been removed, altered or replaced. Vehicles may not be offered for sale unless the original VIN plate is intact or has been replaced in accordance with provincial and federal regulatory requirements.

Regular Arbitration Period

## Declaration: Warranty Cancelled

Seller must disclose if the manufacturer has cancelled the warranty on the Vehicle or has given notice of its intention to do so. Notice of warranty cancellation given after the date of sale is not subject to Arbitration.

Regular Arbitration Period

Declaration: Year \_\_\_\_\_ Make \_\_\_\_\_ Model \_\_\_\_\_

Series \_\_\_\_\_

Seller must disclose the year, make, model and series (i.e. trim level) of the Vehicle as indicated by means of VIN decoding

Regular Arbitration Period

## ARBITRATION PERIODS

Regular Arbitration Period Two (2) business days after delivery to the Buyer

Extended Arbitration Period Seven (7) calendar days after delivery to the Buyer

## POLICY AMENDMENTS

Policy Amendment 1 – May 19, 2016

Policy Amendment 2 – September 27, 2016

Policy Amendment 3 – October 12th, 2016

Policy Amendment 4 – November 4, 2016

Policy Amendment 5 – March 16, 2017

Policy Amendment 6 – May 1, 2017

Policy Amendment 7 – June 23, 2017

Policy Amendment 8 – November 15, 2017

Policy Amendment 9 – January 11, 2019

Policy Amendment 10 – July 2019

Policy Amendment 11 - April 28, 2020

Policy Amendment 12 - November 9, 2020

Policy Amendment 13 - October 11, 2022

Policy Amendment 14 – December 5, 2022