



Impact Auto Auctions Ltd. Auction POLICIES AND ARBITRATION RULES

Welcome to Impact Auto Auctions! We are Canada's leading salvage auto auction. Our goal is to provide our Customers with the best solutions to process and acquire total loss, theft recovered, damaged and rebuilt motor vehicles, automotive parts and equipment (collectively "Vehicles"). Our role is to create a safe, trustworthy and competitive open bidding environment in which licensed motor vehicle dealers, auto wreckers, body shop operators, automotive rebuilders and auto parts suppliers (collectively "Buyers") can purchase Vehicles from insurance, fleet, lease and daily rental companies (collectively "Sellers"). In this way, true market forces can dictate the best price at which to sell or buy a Vehicle.

We want your experience at Impact Auto Auctions Ltd. ("Auction") to be a positive one. We have therefore developed these Auction Policies and Arbitration Rules (the "Policies") for Buyers and Sellers (collectively "Customers") to understand their rights and obligations at the Auction and to each other. These Policies govern all of your business at or with the Auction and are implied terms and conditions of every agreement you enter into with the Auction and with every Customer. By doing business with the Auction you are agreeing to comply with and be bound by these Policies.

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A. Our Commitment to You

- 1. We will be fair and impartial in our dealings with all Customers.
- 2. We will endeavor to create an environment that inspires confidence in us, and the integrity of the Auction process.
- 3. We will comply with all national, provincial and local laws that regulate the conduct of our business.
- 4. We will make every effort to serve our Customers' needs diligently, courteously, and responsibly.
- 5. We will value your business and endeavor to earn it at every opportunity!

B. General Obligations

1. **Fair Play.** For the Auction system to work properly, the Auction and its Customers must conduct themselves with integrity. We do our part by living our corporate values. We expect you to do your part by conducting your business at the Auction fairly, openly, and honestly. We will not tolerate any conduct that directly or indirectly undermines the integrity of the Auction process.
2. **Auction Privileges.** The Auction reserves the right to temporarily or permanently suspend a Customer's Auction privileges for any reason at any time. Breach of these Auction Policies and Arbitration Rules could result in the temporary or permanent suspension of your Auction privileges at any or all business units within the KAR Auction Services group of companies.
3. **Buyer Registration.** You must be authorized and/or licensed (as applicable) under relevant federal, state, provincial and/or local laws as a motor vehicle dealer ("Dealer") or auto wrecker, body shop, auto parts supplier or rebuilder (collectively "Authorized Non-dealer") in order to register as a Buyer. Upon completion and approval by the Auction of the Buyer Registration Package, the Auction will open an account ("Account") for the Buyer and issue an identification card ("Auction Card") authorizing the Buyer to purchase Vehicles at the Auction. Buyers are responsible for all transactions conducted with its Auction Card. Sharing or lending your Auction Card is strictly prohibited. The Auction may also require photo identification. By using the Auction Card, you are agreeing to comply with and be bound by the Policies in effect on the date the Auction Card is used and to pay any amounts due as a result of transactions conducted with your Auction Card. Buyers are responsible for the security of their Auction Cards. The Auction may cancel an Auction Card for any reason at any time. A \$25.00 fee will be charged for the replacement of a lost Auction Card.
4. **Annual Registration Fee.** All Buyers must pay an annual registration fee to maintain their active Buyer status.
5. **Compliance with the Law.** There are many rules, laws and regulations that govern your business. We count on you to know and comply with all federal, state, provincial and local laws that regulate your right to buy and/or sell Vehicles at our Auction. All Vehicle purchases must be for the purposes of commercial resale.
6. **No Curbsiders.** Persons who engage in the practice of unlawfully selling Vehicles to members of the public are not welcome.
7. **Registered Buyers Only.** Retail customers are not permitted at our Auction facilities. Auction Cards are required to enter the Auction and must be shown by the high bidder at the time of sale and any other time requested by Auction staff.
8. **Courtesy.** Our employees work hard to serve you professionally and courteously. We believe that they are entitled to similar treatment from you.
9. **Children.** We love children, but please leave them at home on sale day. Health and safety laws do not permit children under the age of 16 years in the Auction yard or bidding area, even if accompanied by an adult.
10. **No "Backyard Dealings".** All Vehicles consigned to the Auction must be sold through our Auction process. The Auction reserves the right to charge fees or suspend buying privileges for off-the block sales.
11. **Shilling.** No Customer may work in conjunction with other bidders to restrict or artificially inflate the bidding price on any Vehicle. Any evidence of this practice will result in the suspension of your Auction privileges.
12. **Representatives.** Up to two (2) bidder representatives can be registered for each Buyer. Please be selective when sending someone to the Auction to represent you as you will be responsible for and bound by his/her conduct.

13. **Fees.** You agree to pay all customary Auction fees and charges for services rendered in connection with the purchase and sale of Vehicles, including without limitation, Buyer fees, sale fees, late payment fees, entry fees, cash handling fees, loading and pull fees, storage fees, NSF cheque fees, and other customary fees and charges (collectively "Fees"). You agree that Auction may deduct the Fees and any other amounts owing by you to Auction from any amounts that may be payable by Auction to you, including Vehicle sale proceeds. Interest on overdue payments will accrue at the lesser of the maximum legal rate or 1.5% per month (18% per year). You acknowledge and agree that Auction may change its Fees at any time without notice. The Customer shall pay all costs, including, without limitation, legal fees on a solicitor and client basis, reasonably incurred by Auction to collect any amounts owed to Auction by Customer.
14. **Set off.** In addition to whatever rights of set off Auction may have in any jurisdiction where Vehicles are sold, if Customer fails to pay Fees when due or if any party affiliated with Customer owes funds to Auction and such affiliated party fails to pay such funds when due, Auction will be entitled to immediately set off the amount owed by Customer or by any affiliated party to Customer from any funds owing by Auction to Customer.
15. **Risk.** The Auction does not provide insurance coverage for Vehicles. The Vehicle will be and remain at the Seller's risk until sold. Once the Buyer's bid has been accepted as the winning bid, the Vehicle will be at the Buyer's risk. The Vehicle will remain at the Buyer's risk unless and until the sale is cancelled through Arbitration. If the sale is cancelled, the Vehicle will revert to the Seller's risk until the Vehicle is resold.
16. **Limitation of Liability.** Customer agrees that in no event will Auction be liable to Customer for indirect damages, consequential damages, loss of goodwill, work stoppage, data loss, computer failure or malfunction or lost profits (collectively "Damages"). Without limiting the foregoing, Customer further agrees that Auction will not be liable to Customer for losses or Damages due in whole or in part as a direct or indirect result of any theft, conversion, loss, damage, claim, expense (including legal fees), suit or demand (collectively "Loss") arising out of, based upon or resulting from the possession, transportation, use, storage or operation of any Vehicle, including but not limited to Loss or Damages due to or caused by or during transportation, delay, Arbitration decision, cancelled sale, clerical errors, fire, storm, flood, war, civil disturbance, riot, act of God, lightning, earthquake, or other similar casualty (Auction's willful misconduct or gross negligence excepted). Auction's liability, if any, shall be limited to the sale price of the Vehicle, less 10% per month from the sale date. All liability of the Auction, if any, shall terminate 90 days after the sale date.
17. **Indemnity.** Customer agrees to indemnify, defend and hold harmless Auction from and against any and all liabilities, damages, losses, expenses, demands, claims, suits or judgments, including reasonable legal fees and expenses, in any way related to or arising out of the breach of the Policies by Customer or by any employee, representative, driver, agent, contractor or contractor of Customer.
18. **Tampering/Pilferage.** Removing, pilfering or tampering with parts is strictly prohibited.
19. **No Solicitation.** The Auction does not allow any unauthorized solicitation on the Auction premises. Any persons violating this policy will be denied access into the Auction, and all other affiliated Auction locations will be notified.
20. **Investigations.** The Auction cooperates fully with all investigations conducted by regulatory, government and police authorities (collectively "Investigative Authorities"). By doing business at the Auction, you authorize us to provide all documents and information concerning you, your business and your purchases and sales to any Investigative Authorities requesting them.

21. **Video/Audio.** Some Auction sales are video and/or audio recorded. By attending an Auction sale, you are consenting to the use of video and audio recordings for the purposes of resolving disputes, conducting compliance audits and for all purposes identified by the Auction's Privacy Policy.
22. **Customer's Representations Regarding Taxes.** Unless otherwise expressly noted in the Buyer Registration Package, the Customer certifies that the Customer holds a certificate, license or other permit, issued by the sales tax authority of the province and, if necessary, the locality of the Customer's business or businesses which certificate, license or permit exempts the Customer from the payment of provincial sales tax with respect to the purchased Vehicles and bears the number or numbers set forth in the Customer Registration Package.
23. **Client or Insured Contact.** To protect the privacy of all concerned, under no circumstances may Customer contact or attempt to contact a previous owner or Seller of a Vehicle for any purpose. All communications must be conducted through the Auction location where the Vehicle was offered for sale.
24. **Changes to Auction Terms and Conditions.** These Policies are subject to change. Auction may amend the Policies at any time by posting the amendments on our website at www.impactauto.ca.

C. AuctionNow™

1. **AuctionNow™ Privileges.** AuctionNow™ is the online vehicle remarketing service operated by the Auction and allows you participate in live auction sales via the internet. Only Customers that have been approved by the Auction may conduct business through the AuctionNow™ system. It is therefore very important to keep your Buyer registration and permits current and to ensure that the information in your Customer file at the Auction is up to date. The Auction reserves the right to temporarily or permanently suspend your AuctionNow™ privileges at any time without notice. Breach of the Policies could result in the suspension or termination of your AuctionNow™ privileges.
2. **AuctionNow™ Account.** Once approved, the Auction will open a AuctionNow™ account (the "Account") for you and you will be issued a user ID and a private password authorizing you to purchase Vehicles through the AuctionNow™ system. Registering as a AuctionNow™ user and subsequent use of the AuctionNow™ system represents your acceptance of the Policies and your agreement to pay any amounts due to the Auction.
3. **Unauthorized Use.** You are responsible for maintaining the confidentiality of your user ID and password. You are responsible for, and will be bound by, all transactions conducted through the AuctionNow™ system using your Account. You should immediately notify the Auction in writing upon the discovery of any unauthorized use of your Account.
4. **Vehicle Detail.** The Buyer is responsible for reviewing all of the information posted on or made available through the AuctionNow™ system relating to a Vehicle including, without limitation, damage estimates (where applicable) photos, the additional options, exterior damage, interior damage, tires and wheels, remarks and announcements.
5. **System Integrity.** You will not use any device, software or routine to interfere or attempt to interfere with the proper working of the AuctionNow™ system or any Auction web site or any auction being conducted on the AuctionNow™ system or any Auction web site. You will not take any action that imposes an unreasonably or disproportionately large load on the Auction's infrastructure.

6. **Customers Only.** You will not permit retail customers to view the prices of the electronic inventory of Vehicles posted on the AuctionNow™ system or to "shoulder surf" during a AuctionNow™ sale.
7. **Inspection.** It is the Buyer's responsibility to conduct a thorough inspection of each Vehicle purchased through the AuctionNow™ System promptly upon delivery to the Customer.

D. BUYERS OBLIGATIONS

1. **Know your purchase.** Most of the Vehicles offered for sale through the Auction have been determined to be a total loss for insurance purposes. In addition, all Vehicles have been: (i) severely damaged by collision, impact, fire, flood, hail or similar casualties; and/or (ii) damaged and rebuilt; and/or (iii) stolen and recovered. In the vast majority of cases, the estimated cost of repairing the Vehicle exceeds the difference between the fair market value of the Vehicle before it was damaged or stolen and its salvage value. Most Vehicles have significant damage, defects, flaws and/or wear and tear. Not all damage is visible. It is your responsibility to thoroughly investigate all Vehicles before bidding. It is the Buyer's responsibility to verify serial number, odometer reading, Vehicle year, make, and model prior to leaving the Auction premises.
2. **Vehicle Safety.** If a Vehicle is drivable, it is the Buyer's responsibility to ensure that it complies with all applicable safety requirements before leaving the Auction premises.
3. **Theft Recovery Odometer Readings.** The Auction will endeavour to declare approximate known distance travelled as communicated by the Seller on theft recovered Vehicles; however, due to the nature of these Vehicles, neither the Auction nor the Seller can validate or warrant the accuracy of the odometer reading or the true distance travelled for theft recovered Vehicles.
4. **Disclosure Information.** Sellers provide important disclosure information on the Vehicles offered for sale. Disclosure information may be provided in several formats including but not limited to: Seller Declarations, Deemed Declarations, Run Lists, Auctioneer Announcements, Damage Estimates, Pictures, Condition Reports, and Vehicle History Reports (collectively "Disclosure Information"). Although these Policies require all Sellers to disclose relevant Vehicle information, Buyers also have a responsibility. Buyers are expected to carefully review all Disclosure Information made available. To protect their arbitration rights, Buyers are strongly encouraged to also do their own due diligence, research, Brand verification, and vehicle history investigations within the applicable arbitration time limits. Declarations contained in Disclosure Information made available prior to sale are not subject to arbitration.
5. **Deemed Disclosures.** Given the nature of the Vehicles sold through the Auction, certain disclosures are deemed ("Deemed Disclosures") to automatically apply to all Vehicles offered for sale unless expressly indicated otherwise. Deemed Disclosures do not need to be announced by the Seller. The following Deemed Disclosures apply to all Vehicles unless the Seller has expressly indicated that the Deemed Disclosure is suspended.

Table of Deemed Disclosures

	Deemed Disclosure	Details
1.	ABS Defective	The anti-lock braking system is not operational (if equipped).
2.	AirBags Missing/Defective	Vehicle's airbags are missing or not

		operational.
3.	Adjacent Panels Replaced	Two or more adjacent panels (excluding bumper panels) have been replaced.
4.	AS IS	All Vehicles are sold "as-is" and are not represented as being in road worthy condition, mechanically sound or maintained at any guaranteed level of quality. Vehicles offered for sale may not be fit for use as a means of transportation and may require substantial repairs at the Buyer's expense. It may not be possible to register Vehicles to be driven in their current condition.
5.	Major Repair	One or more major components of the Vehicle is defective or not operational. Major components include: Engine Transmission Power train Sub-frame Suspension Computer equipment Fuel operating system Electrical system Air Conditioning
6.	Structural damage	There has been structural damage to the Vehicle such that the structure of the Vehicle has been permanently altered and/or requires substantial repairs.
7.	Total Loss	The Vehicle has been declared by an insurer to be a total loss.
8.	Warranty Cancelled	The Vehicle is not under manufacturer's warranty. The manufacturer's warranty has been cancelled or expired.

6. **Run Lists.** Run lists provide a listing of Vehicles that will be offered for sale and often include useful disclosure and Brand information regarding the Vehicles listed. Buyers are expected to consult the applicable Run List before bidding. Please note that the information in the Run List may be updated or superseded by information announced by the Auctioneer on the block. Declarations contained in Disclosure Information made available prior to sale are not subject to arbitration.
7. **Damage Estimates.** Some Sellers make available a copy of the insurance adjuster's damage estimate ("Damage Estimate") respecting Vehicles offered for sale (Ontario only). The Damage Estimate discloses important information regarding the condition of the Vehicle; however, it may not include or fully describe all damage or required repairs.
8. **Announcements.** Listen carefully to the Auctioneer before the bidding begins. He/she may have important information about the Vehicle. Auctioneer Announcements may update or correct Declarations previously provided in Disclosure Information and, in the event of inconsistency, will take precedence.
9. **Irreparable and Parts Only Vehicles.** The Seller Disclosure Requirements (other than those applicable to Brand) do not apply to Vehicles sold as Irreparable or Parts Only.
10. **Ontario Authorized Non-Dealers.** Ontario Buyers who are Authorized Non-Dealers and who purchase a non-branded or re-built Vehicle from an Ontario Auction ("Ontario Non-dealers") will be provided with a detailed Vehicle History Report regarding their Vehicle purchase at the check out counter. A fee for the report will be charged at check out. Ontario Non-dealers must carefully review the Vehicle History Report before signing the sale contract. If the Vehicle History Report contains information not previously disclosed and which would reasonably be expected to have influenced the bid price or decision to buy, the Ontario Non-dealer may elect to cancel the sale without penalty. Please note that the cancellation right is not intended to be a tool for Buyer's remorse. Ontario Non-dealers who abuse the cancellation right may have their Auction privileges suspended. The cancellation right does not apply to Vehicles declared Irreparable or Parts only prior to the sale.
11. **Verify the Brand.** Many Vehicles offered for sale through the Auction have branded ownership documents (sometimes called titles) which are permanent designations ("Brand[s]") indicating that the Vehicle sustained substantial damage (e.g. salvage, rebuilt, non-repairable, etc). Brand information is provided to the Auction by the Seller of the Vehicle. It is the responsibility of the Buyer to verify the Brand with the applicable Ministry of Transportation office before altering, repairing, dismantling or reselling a Vehicle.
12. **Insure Your Purchase.** The Auction does not provide insurance coverage for Vehicles and does not accept liability for Vehicles on its property or under its control.
13. **Bidding Process.** Please ensure that you understand the bidding process. Our Auction sales are very fast-paced and energetic. If you do not understand the bidding process, please ask one of our Customer Service Representatives to assist you.
14. **Tote Board.** Some Auctions may have an electronic tote board behind the Auctioneer's podium that displays the bid price of the Vehicle that is on the block. As there may be a delay between when the Auctioneer accepts a bid and when it is recorded on the tote board, you must listen to the Auctioneer carefully for the most current bid price.
15. **Block.** Make sure that you know which Vehicle is on the block. It may not be the Vehicle that is in front of the Auctioneer.

16. **Ringmen.** Most of our Auctions have Ringmen (male or female) who assist the Auctioneer in identifying bids. If you want to place a bid, catch the attention of a Ringman or the Auctioneer.
17. **Tendering a Bid.** All bids tendered, regardless of the method, are binding and non-reversible.
- a. **In-Lane Auction**
You will be deemed to have tendered a bid at an In-Lane Auction (auction sale where bidder is physically present) when you indicate, by speech, expression, the display of an Auction Card, hand signal, or otherwise, the intention to enter a bid equal to or greater than the price being called by the Auctioneer or otherwise acknowledged by the Auctioneer.
- b. **Sealed Bids**
Buyers may submit a Sealed Bid by advising the Auction in writing, by fax, email or other electronic or manual format acceptable to Auction of the bid amount being tendered for the purchase of a Vehicle. Sealed Bids must be submitted in a format acceptable to Auction at least 1 hour before the sale begins. Once submitted in an acceptable format, the Sealed Bid may not be withdrawn and will be binding on the Buyer. A Buyer may only submit one Sealed Bid per Vehicle.
- c. **Absentee Bids**
A Buyer may submit an Absentee Bid by advising the Auction in writing, by fax, email or other electronic or manual format acceptable to Auction of the maximum price ("Max Bid") the Buyer is prepared to pay for a Vehicle. A representative of the Auction will then bid on behalf of the Buyer and attempt to purchase the Vehicle on the Buyer's behalf at the lowest acceptable price that does not exceed the Max Bid. Absentee Bids must be submitted in a format acceptable to Auction at least 1 hour before the sale begins. A Buyer may only submit one Absentee Bid per Vehicle. Absentee Bids cannot be withdrawn after the sale begins.
- d. **AuctionNow™ Bids**
You will be deemed to have tendered a AuctionNow™ bid by selecting or entering the dollar amount of your bid in the appropriate box and selecting the appropriate AuctionNow™ icon confirming your bid. Once a AuctionNow™ bid is made, it cannot be withdrawn. The bid must be received by the host server and must equal or exceed the price being called by the Auctioneer to be eligible for acceptance.
- e. **AutoBid**
You will be deemed to have tendered an AutoBid by selecting or entering the dollar amount of the AutoBid in the appropriate box and selecting AuctionNow™ icon confirming the price you are willing to pay for a Vehicle. An AutoBid is binding once submitted. You cannot modify or remove an AutoBid within two hours of the Online Sale start time. Once the Online Sale starts and the Vehicle is open for bidding, AutoBid will competitively bid in your name until there are no competitors bidding against you or until the dollar value submitted as the AutoBid is reached. If your AutoBid is surpassed, the system will stop bidding on your behalf. If certain Vehicle information changes after you have submitted your AutoBid, the system will automatically remove the AutoBid and you will be notified via email. Please refer to our website for further information regarding the types of changes that will automatically cancel an AutoBid.
18. **Accepting a Bid.** A bid is not binding on the Auctioneer until accepted by the Auctioneer. The Auctioneer will be deemed to have accepted a bid when he/she indicates by speech, hand signal or otherwise, that the bid has been accepted. The Auctioneer is not obliged to accept a bid. The Auctioneer will not accept a bid that, in the opinion of the Auctioneer, is only a nominal or fractional advance on the highest bid previously accepted by the Auctioneer or if the Auctioneer believes that the bid was not tendered in good faith.
19. **Tied Bids.** Where bids are tied, the Auctioneer may break the tie in any manner that the Auctioneer considers appropriate in the circumstances. The decision of the Auctioneer is final. If

an Online Bid is tied with a bid tendered by a bidder who is physically present at an In-Lane Sale, the Auctioneer may break the tie in any manner that the Auctioneer considers appropriate in the circumstances

20. **Reserve Prices.** Some Vehicles are sold subject to a reserve price, (i.e. a minimum price at which the Vehicle must sell). If the Auctioneer does not receive any bids at or above the reserve price, the Vehicle will not be sold unless the Seller expressly authorizes the sale. Impact reserves the right to not sell a Vehicle. The highest bid does not guarantee a sale.
21. **Sale.** Except for If Bids, a Vehicle is sold when the Auctioneer announces that it has been sold. The Buyer who tendered the highest bid accepted by the Auctioneer immediately before the sold announcement is the successful bidder and is required to complete the sale.
22. **If Bids.** When the bids do not reach the Reserve Price, the Auctioneer may conditionally sell the Vehicle subject to an If Bid (also called phone bid or confirmation sale). When a Buyer makes an If Bid, the Seller has 24 hours (or other announced time frame) to accept the bid. The bidder may not withdraw the If Bid during the If Bid time frame.
23. **Remote Site sales and Disposal Units.** With these Vehicles you will be deemed the successful bidder when notified to pick up the Vehicle by an authorized Auction representative. It will then be your responsibility to pick up the Vehicle within 24 hrs, pay any amounts authorized by the Auction to be paid to the person with custody of the Vehicle (the "Pay Out Costs") and submit those to the Auction for payment along with confirmation of pick up. The Auction will reimburse the Pay Out Costs within 7 days, net of the bid/sale price of the Vehicle. Pay Out Costs that have not been duly authorized by the Auction will not be reimbursed. It will then be your responsibility to hold the Vehicle in a secure compound until you have received all ownership documentation from the Auction. You cannot dismantle, rebuild, destroy or sell the Vehicle prior to receiving all ownership documentation from the Auction. In the unlikely event that this occurs, you will be solely responsible for any Loss resulting from same.
24. **Disputes.** If you dispute having made a bid, you must advise the Auctioneer immediately or you will be deemed to have made the bid. Where there is a dispute as to whether a bid was made or which bid was last, the Auctioneer may allow the Vehicle to be put up and resold or may direct that Vehicle be sold to the person that the Auctioneer believes made the last bid. The decision of the Auctioneer is final.
25. **Pay Promptly.** Payment is required before the close of business on sale day. The method of payment is at the discretion of the Auction's Branch Manager. If payment in full is not received within 2 business days of the Auction sale day, the Vehicle may be re-sold at the next Auction sale on an unreserved basis. You will be liable to the Auction for all Losses incurred including the difference in sale price (if any) plus Auction fees, collection costs and legal fees. Failure to pay promptly can result in the permanent loss of your Auction privileges.
26. **Payment Requirements.**
 - . Cheque, Bank Draft, Electronic Transfer. If payment is made by cheque, bank draft or electronic transfer, the payment instrument must be drawn on the account of the Buyer at a federally or provincially regulated bank, trust company or loan company. Personal cheques, counter cheques or payment instruments drawn on an account other than the account of the registered Buyer are not acceptable. Payment by an individual or business entity other than the Buyer will not be accepted.
 - a. Cash. Auction reserves the right to require payment by cash or certified funds until Buyer has established a satisfactory credit history with Auction. Newly registered Buyers will be required to pay by cash or certified funds until advised otherwise by Auction Branch Manager. An administration fee applies to payments by cash.

- b. Cash Transactions. The Auction will not accept cash payments over \$5,000. The source of all cash payments are disclosed by the Auction to its bank. A 2% handling fee will apply on all cash payments of \$1,000 or greater with a \$50.00 minimum charge. The Auction reserves the right to decline cash payments and require payment by certified cheque, credit card, Interac or electronic transfer.
- c. Payment Failure. All cheques not cleared by Buyer's bank (i.e. non-sufficient funds or for any other reason) must be settled immediately with cash or certified funds. An administration fee applies to all N.S.F. and returned cheques. If places a "stop payment order" on a cheque issued to Auction, Buyer's Auction privileges will be suspended.
- 27. **Set Off.** In addition to whatever rights of set off Auction may have in any jurisdiction where Vehicles are sold, if Customer fails to pay Fees when due or if any party affiliated with Customer owes funds to Auction and such affiliated party fails to pay such funds when due, Auction will be entitled to immediately set off the amount owed by Customer or by any affiliated party to Customer from any funds owing by Auction to Customer.
- 28. **Security Interest.** Customer hereby grants to Auction a continuing security interest and hypothec in all Vehicles purchased by Customer through Auction and in all Customer Vehicles that are in the possession, custody or control of Auction, wherever located, and all proceeds from the sale thereof to secure payment of all Fees, debts, liabilities and obligations of Customer to Auction. If Customer fails to pay Auction any amount when due, Auction will be entitled to exercise the rights and remedies of a secured creditor as such rights and remedies may be provided by statute, common law, equity or otherwise.
- 29. **Title.** Regardless of the method of payment and the status of the ownership registration, title to a purchased Vehicle does not pass to the Buyer until payment in full has been made and the funds have actually been received by the Auction, and the ownership registration has been given to the Buyer. For example, if payment is made by uncertified cheque, title does not pass to the Buyer until the cheque has been honored by the Customer's bank. In such cases, the Auction does NOT consent to the use of the Vehicle by the Buyer or any third party. The Buyer acknowledges such lack of consent and covenants not to use or permit the use of the Vehicle. Notwithstanding the foregoing, the Buyer assumes full liability and responsibility for all Vehicle Losses once it has been determined in accordance with these Auction Policies that the Buyer's bid is the winning bid
- 30. **Ownership Transfers**
 - . Authorized Non-dealers. To facilitate the sale of Vehicles to Authorized Non-dealers, the sale may be transacted through an Auction affiliate, Suburban Auto Parts ("Suburban") which is a duly licensed motor vehicle dealer. In these circumstances, Vehicle ownership documents will be transferred from the Seller to Suburban and then to the Authorized Non-Dealer who purchased the Vehicle (the "Transfer Service"). The Authorized Non-dealer will be assessed a Fee for the Transfer Service. The Transfer Service is only available to Authorized Non-dealers. Authorized Non-dealer agrees to indemnify and hold harmless Auction, Suburban and their respective subsidiaries, affiliates, officers, directors, agents and employees from any claim or demand, including reasonable attorneys' fees arising from or relating to the Transfer Services.
 - a. Dealers. All Dealers are responsible for transferring the applicable Vehicle ownership documents into their name no later than six (6) days of the purchase date. Any title problems and related damages occurring outside of this time period will be the sole responsibility of the Buyer.
- 31. **Liens.** The Seller guarantees to the Auction and to the Buyer that it is lawfully entitled to sell the Vehicle and that the Vehicle is free and clear of all liens, charges and encumbrances

(collectively "Liens"). The Buyer must confirm that no Lien exists prior to repairing, rebuilding and/or reselling a Vehicle.

32. **Vehicle Storage Charges.** Once you have purchased and paid for your Vehicle, please remove it from the Auction site as soon as possible. A storage fee per Vehicle per day applies starting from the day after the sale if the Vehicle is not removed within 3 business days after the Auction sale day. Storage rates are available at all Auction sites.
33. **Loading Fees.** If you require assistance in loading your purchase(s), the Auction would be pleased to assist. A loading fee per Vehicle will apply. These fees are available at each site. You must request this service at the time you pay for your purchases. Our yard employees are not authorized to accept payments.
34. **Transportation.** If you require assistance in arranging transportation, please notify an Auction Customer Service Representative. The Auction can offer you very competitive rates. Unauthorized deliveries at specified locations will be subject to a handling fee. A charge of storage and tow back will also apply.
35. **Release Slip.** No Vehicle may leave the Auction premises without a release slip issued by the Auction.

E. SELLER'S OBLIGATIONS

1. **Announcements.** A Seller who offers a Vehicle for sale is required to disclose the information set out in the Table of Seller Disclosure Requirements below by advising the Auction of the applicable Announcement.
2. **Deemed Disclosures.** Given the nature of Vehicles sold through the Auction, certain disclosures (Deemed Disclosures) automatically apply and are therefore deemed to be announced without further action on the part of the Seller. If the Seller does not wish a Deemed Disclosure to apply, it must advise the Auction in writing to suspend the applicable Deemed Disclosure. See the Table of Deemed Disclosures under the Buyer's Obligations section of these Policies for a complete listing of the Deemed Disclosures.
3. **Table of Seller Disclosure Requirements**

	Announcement	Interpretation
1.	Accident Repair \$	The Seller must declare a vehicle to be Accident Repaired if the total cost of repairs to fix the damage caused by incident/accident exceeds \$3,000.
2.	Fire Damage	The Seller must disclose if the Vehicle has been damaged by fire.
3.	Flood Damage	The Seller must declare a Vehicle as Flood Damaged when: 1. water or other liquid has penetrated the Vehicle to the level of the floor boards or higher; or 2. if any of the following components have been damaged due to immersion:

		<p>Front or rear lighting or wiring harnesses</p> <p>Engine and its major components</p> <p>Transmission and differential</p> <p>Dash instrument panel and wiring</p> <p>Passenger seat cushions</p> <p>Power seat or window motor</p> <p>Major sound system components</p>
4.	Incorrect Vehicle Marking	The Seller must disclose if any logo, badge, decal, emblem, ornament or similar markings on the Vehicle do not match the make, model or series of the Vehicle.
5.	Irreparable	Regardless of whether the 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.
6.	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.
7.	Material Variation from Production Specs	The Seller must disclose if the Vehicle varies materially from the original manufacturer's specifications. ,
8.	Odo 5 digit	The Seller must disclose if the odometer is a 5 digit odometer with over 100,000 miles or kilometres.
9.	Odo Broken/Faulty	The Seller must disclose if the odometer of the Vehicle is broken or faulty, i.e. not accurately tracking distance driven.

10.	Odo in Miles	The Seller must disclose if the odometer is in miles.
11.	Odo Replaced	The Seller must disclose if the odometer has been replaced.
12.	Odo Roll back	The Seller must disclose if the odometer has been rolled back.
13.	Out of Province _____ (list)	If the province of the last registration 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 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 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.
14.	Previous Daily Rental	The Seller must disclose if the Vehicle was previously used as a daily rental vehicle (unless the Vehicle was subsequently owned by a non-dealer).
15.	Previous Emergency Services Vehicle	The Seller must disclose if the Vehicle was previously used as an emergency services vehicle.
16.	Previous Police Vehicle	The Seller must disclose if the Vehicle was previously used as a police cruiser.
17.	Previous Taxi/Limo	The Seller must disclose if the Vehicle was previously used as a taxi or limousine.
18.	Stolen and Recovered	The Seller must disclose if the Vehicle was recovered after being reported

		stolen.
19.	Title Branded _____ (brand)	The 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
20.	TKU	The Seller must declare a Vehicle TKU (true kilometres unknown) if the distance traveled is unknown and there are no reliable records available to verify the odometer reading as of a certain date. When this Declaration is made, it should be assumed that the total distance that the Vehicle has been driven is substantially higher than the reading shown on the odometer.
21.	TKU _____ km as of _____ (date)	If the total distance driven 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. When this Declaration is made, it should be assumed that the total distance that the Vehicle has been driven is higher than the reading shown on the odometer.
22.	U.S. Vehicle	The 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 CarProof Verified Vehicle History Report, or equivalent.
23.	Year, Make, Model, Series	The Seller must disclose the year, make, model and series (i.e. trim level) of the Vehicle as indicated by means of VIN decoding.

4. **Fuel.** All Vehicles consigned for sale must have sufficient fuel to run through the Auction process. A minimum fee of \$15 will be charged if a Vehicle does not have sufficient fuel.
5. **Title/Ownership.** When you sell a Vehicle, you are guaranteeing to the Auction and to the Buyer that you are lawfully entitled to sell the Vehicle and that the Vehicle is free of all liens, charges and encumbrances ("Liens"). All documents required to permit ownership to the Vehicle to be transferred to the Buyer must be delivered to the Auction by the sale date.
6. **V.I.N.** Sellers may not offer a Vehicle for sale unless the original VIN plate is intact or has been replaced in accordance with provincial and federal regulatory requirements.
7. **Representing your Vehicle.** You stand behind your Vehicle. You are responsible for ensuring that all applicable disclosures and any other information required by law are announced by the Auctioneer and that the information recorded on the counter list and any online descriptions is accurate. You are also responsible for ensuring that the Auctioneer is aware of the Vehicle's reserve price, if any.
8. **Tampering.** Odometer and parts tampering is strictly prohibited. Anyone involved in odometer and/or parts tampering, will have their Auction privileges including privileges, if any, at all affiliated Auction locations automatically and permanently suspended. In addition, all applicable regulatory and law enforcement agencies will be notified.
9. **Deception.** At no time will a Seller be permitted to deceive a Buyer by altering or patching a Vehicle to increase its value.
10. **No Shilling.** Price boosting (i.e. "shilling") is strictly prohibited. Neither you nor any of your representatives or agents may bid on any Vehicles consigned by you to the Auction. Failure to comply with this obligation will result in the permanent suspension of your privileges at all affiliated Auction locations.
11. **Extras.** If a Vehicle requires towing, pushing, refueling, or its battery boosted on sale day, you will be charged an additional fee for this service. The Auction has a complete range of services designed to maximize the presentation of your Vehicle and deliver maximum returns. Please contact a Customer Service Representative for complete details.

F. ARBITRATION RULES

1. **Auction's Arbitration Services.** Auction offers an Arbitration service to resolve disagreements between Buyers and Sellers. Our process is designed to be impartial, quick, and economical. The overall purpose of Arbitration is to maintain the integrity and fairness of the auction process for both Buyers and Sellers. Our Arbitration professionals are trained Auction employees who understand the salvage auction business.
2. **Arbitration Periods.** For In Lane Auction Sales, the Arbitration period is the end of business on sale day. The Vehicle must remain on the Auction premises or the Buyer risks losing the right to make a claim. For Online Sales, the regular Arbitration period is three (3) business days after the date of sale.
3. **Lengthening the Arbitration Period.** The Auction reserves the right to lengthen the Arbitration period when, in the opinion of the Auction Branch Manager, it would be fair and reasonable to do so. Although the Seller is required to make all applicable Announcements, the Buyer is also required to be diligent in its inspection and research of its Vehicle purchases. Thus, if, by exercising reasonable diligence, the Buyer could have discovered a potential Arbitration issue

within the applicable time period, it is unlikely that an exception to the Arbitration time limits will be made.

4. **Availability of Arbitration**

Arbitration is available for the following:

- a. Material non-disclosure of a mandatory Announcement
- b. Major Deception
- c. Duplicate or mismatched VIN's.

5. **Customers.**

Arbitration is a service available to Auction Buyers and Sellers only and not to their customers. The service is not available if the Buyer no longer has possession or ownership of the Vehicle.

6. **Legal Proceedings.** No action or legal proceedings will be commenced or prosecuted by the Buyer or the Seller against the other concerning:

- i. any matter that is or was the subject of Arbitration unless to enforce the terms or conditions of the Arbitrator's decision; and
- ii. any matter for which Arbitration is not available under the Auction Policies unless Arbitration is not available because and only because the time limit for submitting the matter to Arbitration including any extension of the time period has expired.

No action or legal proceeding will be commenced or prosecuted by the buyer or the seller against Auction for any matter, cause or thing directly or indirectly related to the Auction's Services or the failure to provide Services, including but not limited to Arbitration services. The buyer and the seller release and waive all rights, remedies, claims, and causes of action against Auction from any claim or remedy whatsoever, whether known or unknown, for or by reason of using the Auction's Services or facilities including but not limited to its Arbitration services.

7. **Arbitration Procedure**

The steps for arbitration are as follows:

Step 1: Pay for the Vehicle. An arbitration claim will not be considered until the Buyer has paid for the Vehicle in full. The Buyer must have in his/her possession the sales agreement and release slip for the Vehicle under review. The Vehicle cannot leave the Auction site on sale day if it is being arbitrated.

Step 2: Contact Branch Manager. The Buyer initiates arbitration by contacting Auction's Branch Manager. The arbitration process must be commenced before the close of business on the day of sale and prior to the Vehicle leaving the Auction premises.

Step 3: Investigation. The Branch Manager will review the issue raised. Depending on the nature of the complaint, the Branch Manager may, inspect the Vehicle and present a solution. However, in certain circumstances, the Branch Manager may also refer the Vehicle to a specialty shop for consultation and appraisal. If a specialty shop is consulted, the party against whom the arbitration decision is made must pay all costs of the consultation including transportation or towing fees, if applicable.

Step 4: Decision. After completing the investigation, the Branch Manager will decide whether or not the complaint was valid and inform the Buyer of his/her decision. The unsuccessful party will be responsible for all costs of the Arbitration.

Step 5: Remedy. The Branch Manager may grant any remedy or relief that he/she considers to be appropriate in the circumstances. Remedies may include: cancellation of sale and refund of purchase price, partial rebate of purchase price, refund of buy/sell fees, repair of defect at Seller's expense, repair of defect at Seller's partial expense, refund of expenses, etc.

Step 6: Finality. The decision of the Branch Manager and the remedy imposed is final and binding on both parties. By choosing to initiate the Arbitration process, the Buyer is agreeing to be bound by the Branch Manager's decision. By consigning a Vehicle for a sale at the Auction, the Seller is agreeing to participate in any arbitration process that may be initiated, to be bound by the Branch Manager's decision and to comply with any remedy imposed.

Note: If a Seller fails or refuses to comply with the decision of the Branch Manager, the Seller will be held liable for all losses, costs and damages including legal fees and any losses on the resale of the Vehicle. In addition, the Seller may have his/her Auction privileges at all affiliated Auction locations temporarily or permanently suspended at the discretion of the Auction's Branch Manager.

Limitation of Liability.

The Buyer and the Seller release and waive all rights, remedies, claims, and causes of action against the Auction, and its present and former officers, directors and employees, and its successors, predecessors, subsidiaries, affiliates and assigns from any claim or remedy whatsoever, whether known or unknown, for or by reason of using the services and facilities of the Auction including but not limited to the Arbitration process.

A WORD OF WARNING: The arbitration process is not a tool for price reduction or for dealing with "Buyer's Remorse". All Buyers are cautioned to avoid impulse buying and to inspect Vehicles thoroughly before bidding. Most Vehicles sold at the Auction have hidden damage and generally require extensive repair or are not capable of repair and Buyers should allow for this when bidding.

Arbitrations are regularly monitored by the Auction. Any Sellers who engage in deceptive practices or Buyers who repeatedly submit questionable arbitration claims may have their Auction privileges temporarily or permanently suspended.

IMPORTANT: The Auction reserves the right to interpret and modify these Policies. These Policies are implied terms and conditions of every agreement, whether written, oral, express or implied that you enter into with the Auction or its Customers.