



ADESA POLICIES

Welcome to ADESA! Our goal is to provide you with a quick, efficient and trustworthy used vehicle marketplace that delivers results. We have therefore developed these Policies to assist our Customers to understand their rights and obligations to each other and to the Auction. Through these Policies, we create an environment where Sellers can be confident they will be paid true market value for the Vehicles they sell and Buyers can be confident about the quality and condition of the Vehicles they buy.

ADESA's Core Values

Integrity

Employee welfare

Customer care

Safety

Profitability

Community involvement

Teamwork

Fun



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I. GENERAL TERMS AND CONDITIONS

1. **Application.** The ADESA Policies govern all of your business at the Auction and are implied terms and conditions of every agreement (oral or written) that you enter into with the Auction and with every Buyer or Seller. By doing business at ADESA, you are agreeing to observe and be bound by the ADESA Policies.
2. **Notice of Changes.** We may amend the ADESA Policies at any time by posting the amendments on our website www.adesa.ca.
3. **Definitions.** In addition to other terms defined elsewhere in the ADESA Policies, the following terms have the following meanings:
 - a) **ADESA** means collectively ADESA Auctions Canada Corporation, ADESA Montreal Corporation, and ADESA Quebec Corporation and each of their respective officers, directors, employees, authorized agents, subsidiaries, successors and assigns. References to “we” mean ADESA.
 - b) **ADESA Online Services** means the tools and services for the sale of Vehicles over the internet available through the ADESA.ca or ADESA.com websites including but not limited to DealerBlock® and LiveBlock®.
 - c) **ADESA Policies** means the Auction Policies, Arbitration Rules, Website Use Agreement, Privacy Policy, and any amendments to them.
 - d) **Arbitration** means the dispute resolution process described in the Arbitration section of the ADESA Policies.
 - e) **Auction** means ADESA.
 - f) **Buyer** means a Customer who purchases, offers to purchase or bids on Vehicles and/or Services through ADESA.
 - g) **Condition Report** means a description of the physical and/or mechanical condition of a Vehicle including any Vehicle photographs.
 - h) **Customer** means a registered motor vehicle dealer, individual, partnership, association, corporation, limited liability company, trust, unincorporated organization, government agency or other business entity or enterprise that is expressly or implicitly authorized to conduct business with ADESA. References to “you” mean the Customer.
 - i) **Customer Representative** means the Customer’s authorized representative and any person that has the real or apparent authority to act on behalf of the Customer.
 - j) **DealerBlock®** means ADESA’s online sales platform for Vehicles that are not offered concurrently at an In-Lane Sale.
 - k) **Declaration** means a mandatory disclosure about a Vehicle as set out in the Seller Declaration Obligations section of the ADESA Policies.
 - l) **Fees** mean the fees and charges as established by ADESA from time to time for Services.
 - m) **Gate Pass** means an electronic or paper document that must be presented by the Buyer or Customer Representative to ADESA in order to obtain the release of a purchased Vehicle.
 - n) **In-Lane Sale** means an auction sale event that takes place at a tangible location with some or all bidders physically present.



- o) **LiveBlock®** means ADESA's online sales platform for Vehicles that are offered concurrently in an In-Lane Sale.
 - p) **Major Deception** means an act, representation or omission that, having regard to all of the circumstances would reasonably be regarded as misleading, unprofessional, or unethical and includes, but is not limited to, the failure to make a Declaration which materially affects the value of the Vehicle.
 - q) **Off-Site Vehicle** means a Vehicle not physically located at an ADESA auction facility.
 - r) **Online Buyer** means a Buyer who uses ADESA Online Services.
 - s) **Online Sale** means a sale event conducted through any of the ADESA Online Services.
 - t) **Personal Information** means information about an identifiable individual but does not include the name, title, business address or telephone number of an employee of a an organization within the meaning of the Personal Information Protection and Electronic Documents Act, 2000 c.5.
 - u) **Reserve Price** means the minimum price established by the Seller at which the Vehicle may be sold.
 - v) **Seller** means a Customer who offers a Vehicle for sale through ADESA's Services.
 - w) **Services** means the Vehicle remarketing services and products offered by or through ADESA including but not limited to sale by auction and other means, marketing, transportation, marshalling, glass repairs and replacements, reconditioning, mechanical repairs, inspections, Buyer Protection Plan services, market analytics, Arbitration, and ADESA Online Services.
 - x) **Vehicle** means an automobile, truck, recreational vehicle, wagon, motorcycle, snowmobile or any other vehicle designed to run on land and also includes boats, marine craft, machinery and equipment.
 - y) **Vehicle History Report** means information from an accepted industry source (e.g. CarProof, Auto Check, CarFax, government record, etc.) regarding the history and/or condition of a Vehicle.
4. **Governing Law.** This Agreement will be governed by, interpreted under, and construed and enforced in accordance with the laws of the Province where the Services are delivered and the laws of Canada applicable therein.
 5. **Extended Meanings.** The singular includes the plural and vice versa and any gender includes any other gender.
 6. **Data Ownership.** All information and records, whether oral, written, visual, electronic, digital or tangible (collectively "Data") transmitted, received or stored on or using ADESA's systems, equipment, computers, servers, or premises is the property of ADESA. Accordingly, except as otherwise provided in the ADESA Policies, ADESA has the right to use, control access to, aggregate, modify, package, derive benefit from, remove, destroy or sell Data in whole or in part. Notwithstanding the foregoing, Data that contains Personal Information will only be used and disclosed in accordance with ADESA's Privacy Policy.

II. OUR COMMITMENT TO YOU

1. We will be fair and impartial in our dealings with both Buyers and Sellers.
2. We will create an environment that inspires confidence in the integrity of our marketplace.
3. We will maintain records to verify sale prices and all Fees that are charged for a minimum period of 6 months.



4. We will comply with national, provincial and local laws that regulate the conduct of our business.
5. We will make every effort to service our Customers' needs diligently, courteously and responsibly.
6. As a member of the National Auto Auction Association, we have adopted and will comply with the NAAA Code of Ethics.

III. OUR ROLE

1. We provide Services that create a fast and efficient marketplace for Buyers and Sellers to exchange used Vehicles. We do not take title to the Vehicles bought or sold through our Services and facilities. ADESA is not a party to the contract of sale between the Buyer and the Seller.
2. Through the ADESA Policies, ADESA regulates its marketplace so that Sellers can be confident they will be paid for the Vehicles they sell and Buyers can be confident about the quality and condition of the Vehicles they buy. Auction sales are intended to promote fair and ethical treatment to both the Buyer and the Seller.
3. We provide reliable and convenient value added Services to help your business succeed.
4. The Auction is paid Fees, usually by both the Buyer and the Seller and sometimes by third parties, for its Services.
5. The Auction offers an Arbitration service to quickly and fairly resolve disputes between Buyers and Sellers.
6. The Auction makes no representation, warranty or guarantee as to the accuracy or completeness of the description, equipment, warranty, service policy, title, history, odometer reading or disclosure declarations pertaining to Vehicles offered for sale.

IV. CUSTOMER OBLIGATIONS

1. **Fair Play.** For the auction marketplace to work properly, ADESA 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 ADESA fairly and honestly.
2. **Auction Privileges.** We reserve the right to temporarily or permanently suspend a Customer's Auction privileges at any time. Breach of the ADESA Policies could result in the permanent or temporary suspension of your Auction privileges.
3. **Customer Registration.** ADESA participates in the Auction Access dealer registration system. Upon completion of the ADESA Auction Access registration package, you will be issued a photographic identification card ("Auction Card") authorizing you to buy and sell Vehicles at all ADESA In-Lane Sales in Canada. You will be responsible for all transactions conducted with your Auction Card. Sharing or lending your Auction Card is strictly prohibited. At In-Lane Sales, Customers are required to wear their Auction Card at all times in the bidding area. For Online Sales, in addition to registering through Auction Access, you will need to register through the ADESA Online system in order to receive an online user id and password. You are responsible for maintaining the confidentiality of your user ID and password and will be liable for all transactions conducted with them. Please immediately notify ADESA in writing upon the discovery of any unauthorized use of your Auction Card or online account.



4. **Compliance with Law.** There are many rules, laws and regulations that govern your business. We count on you to know and comply with all national, provincial and local laws that regulate your right to buy and sell Vehicles at our Auction.
5. **Courtesy.** We expect our employees to serve you professionally and courteously and in turn we believe that they are entitled to similar treatment from you.
6. **Dealers Only.** Most of our sales are restricted to registered motor vehicle dealers only. Except for sales expressly open to the public, retail customers are not permitted to attend In-Lane Sales or Online Sales. Retail customers are not permitted to "shoulder surf" Online Sales. Customers may not permit retail customers to view an Online Sale or the prices of the electronic inventory of Vehicles posted through the ADESA Online System.
7. **Guests.** Guests are not permitted in the bidding area.
8. **Safety.** Two of ADESA's core values are CUSTOMER CARE and SAFETY. We endeavour to provide a safe and secure environment to conduct business with as little inconvenience as possible to you. Due to the inherent risk and nature of moving vehicles, there are some procedures, rules, and precautions that everyone visiting our Auction facilities should follow. These are for your protection as much as for the protection of our employees. Each Auction facility is different in layout and personality. As such, you should take the time to make yourself familiar with the facility you are visiting and doing business in. Customers and their employees, agents, contractors, representatives and invitees must observe and comply with ADESA's safety rules as set out below.
 - a) Always be aware and cautious of your surroundings. There is always a lot of activity at an auction, especially on sale day.
 - b) No one under 16 is allowed in the sale arena or on the lot.
 - c) Everyone in the bidding area must wear his/her Auction Card. Everyone on the lot must wear either his/her Auction Card or Visitor Badge.
 - d) If you are injured please contact an ADESA employee.
 - e) Lines on the floor designate auction lanes. Please stand outside the lines. Congested lanes make it harder for our drivers to see and will slow the flow of Vehicles.
 - f) Never open a door or hood without the driver seeing you and the Vehicle stopped. Some Auctions only allow the Ringman to open the hood.
 - g) Always make sure you have eye contact with the driver if you walk in front of a Vehicle and never walk in front of a moving Vehicle.
 - h) Do not open the hood and grab the linkage to rev an engine. Do not ask our employees to rev an engine.
 - i) Test-driving Vehicles is not permitted.
 - j) During a sale you should not get into a sale Vehicle to "hop a ride" to or from the sale arena. This will distract the driver.
 - k) Do not lie under a Vehicle to look for damages or for any other reason.
 - l) If you want to start a Vehicle, please seek the assistance of one our lot attendants. Make sure you are seated in the driver's seat with the brake pedal applied.
 - m) If driving on the lot, please obey posted speed limits, stop and signal at intersections.
 - n) If a Vehicle has a snowplow or attachment that moves, do not reach into the cab and test the controls.
 - o) Let an ADESA employee know if you see any unsafe practices on the lot, whether another dealer or an employee.



p) We hope that by following these simple rules everyone will be safe and able to return another day.

9. Lights. ADESA uses a coloured light system to give bidders visual information about the conditions under which the Vehicle is being offered for sale. At In-Lane Sales, the lights mean:

Colour	Explanation
Green	The Seller has determined that the Vehicle does not require any Declarations to be made. Arbitration is allowed on all issues normally subject to Arbitration.
Yellow	The Seller has made Declaration(s) regarding the Vehicle. Arbitration is not available for Vehicle conditions that have been declared. Arbitration is allowed on all other issues normally subject to Arbitration.
Red	The Vehicle is being sold "as is" and all known Declarations have been made. Arbitration is not available except for Major Deception by Seller.
White¹	Auction is not in possession of the Vehicle's ownership/registration documents on sale day and/or the Out of Province Declaration applies. ²

10. No "Backyard Deals". All Vehicles consigned for sale must cross the auction block. Vehicles sold before reaching the block will be subject to all applicable fees. Customers who attempt to avoid payment of Auction fees by negotiating private sales on Vehicles offered or intended to be offered for sale through the Auction may have their Auction privileges temporarily or permanently suspended.

11. Tampering. Odometer or parts tampering is strictly prohibited.

12. Fees and Payment. In consideration of the performance of ADESA's Services, you agree to pay ADESA all applicable Fees. Fees are due and payable on the date the Services are provided. You agree that ADESA may deduct the Fees and any other amounts owing by you to ADESA from any amounts that may be payable by ADESA 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 ADESA may change its Fees at any time without notice. Please contact your ADESA Customer Service Representative if you require up to date Fee information. 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.

13. Set off. In addition to whatever rights of set off ADESA may have in any jurisdiction where Vehicles are sold, if Customer fails to pay the Fees when due or if any party affiliated with Customer owes funds to ADESA and such affiliated party fails to pay such funds when due, ADESA will be entitled to immediately set off the amount owed by Customer or by any affiliated party to Customer from any funds owing by ADESA to Customer.

14. Security Interest/Hypothec. Customer hereby grants to ADESA a continuing security interest and hypothec in all Vehicles purchased by Customer through ADESA and in all Customer Vehicles that are in the possession, custody or control of ADESA, wherever located, and all proceeds from the sale thereof to secure payment of all Fees, debts, liabilities and obligations of Customer to ADESA. If Customer fails to pay ADESA any amount when due, ADESA will be entitled to exercise the rights and remedies of a

¹ If the Vehicle is from Alberta or Saskatchewan, please note that the Auction bill of sale stands 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). 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.

² U.S. Vehicle and Grey Market Vehicle declarations are required to run under a yellow light.

secured creditor as such rights and remedies may be provided by statute, common law, equity or otherwise.

- 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 ADESA 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 ADESA 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 by ADESA, including but not limited to Loss due to or caused by or during transportation, delay, Arbitration decision, cancelled sale, clerical errors, or fire, storm, flood, war, civil disturbance, riot, act of God, lightning, earthquake, or other similar casualty (ADESA's wilful misconduct or gross negligence excepted). ADESA'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 ADESA 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 by Customer or by any Customer Representative of the ADESA Policies.
- 18. No Warranties by Auction.** The Auction shall not be liable to either the Buyer or the Seller for any visible or latent defects in the Vehicle. The Auction does not make or guarantee any warranty, express or implied, including, without limitation, make, condition, quality, merchantability, fitness for a particular purpose, service policy, or odometer reading, with respect to any Vehicle.
- 19. Investigations.** The Auction cooperates fully with all investigations conducted by regulatory, government and police authorities (collectively "Investigative Authority"). By doing business at the Auction, you authorize us to comply with all reasonable requests from any Investigative Authority for information and/or documents concerning you, your business, and/or transaction history. Any Vehicle in the custody or control of ADESA may be subject to inspection by Investigative Authorities without prior notice to you.
- 20. Video/Audio.** Most In-Lane Sales are video and audio recorded. By attending an In-Lane Sale, you are consenting to the use of video and audio recordings for the purposes of Arbitrations, enforcement of the ADESA Policies, and all purposes identified in ADESA's Privacy Policy. Customers physically present at an In-Lane Sale may be identifiable in the audio or video recording. By participating in an In-Lane Sale, you consent to ADESA's use, retention and disclosure of any audio, photograph, or video recording containing your image or voice
- 21. Sales Tax.** 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 purchase of Vehicles and bears the number or numbers set forth in the Customer registration application. Any Vehicles purchased by the Customer at the Auction are purchased for resale in the form of tangible personal property in the regular course of business, and are of the sort usually purchased by the Customer for resale. In the event that the property is used for any purpose other than for resale, the Customer will pay directly to the proper taxing authorities such sale or use tax as may then accrue and be due and payable.
- 22. GST/QST Election.** Customer will execute GST election forms pursuant to subsection 177(1.3) of the *Excise Tax Act* and QST election forms pursuant to subsections 41.0.1, 41.2 and 41.2.1 of *The Act Respecting the Quebec Sales Tax*.



V. BUYER'S OBLIGATIONS

1. **Payment Terms.** Buyers must pay for all Vehicles purchased plus all applicable Fees by the end of business on the date of sale. Without limiting any other remedy available to it, ADESA may retain possession of Vehicles purchased by Customer and/or withhold ownership documents until all amounts owed by the Customer to the Auction have been paid.
2. **Know your Purchase.** This is a used Vehicle auction. Most used Vehicles have defects, flaws and/or wear and tear. Please allow for this in your bidding. Buyers should inspect Vehicles and should carefully review all Vehicle information made available to them before bidding including Run Lists, Auctioneer announcements, Vehicle History Reports, online Condition Reports, online Remarks, Comments, and Announcements etc. as applicable. It is the Buyer's responsibility to verify the condition and history of the Vehicle within the applicable Arbitration period.³ Please note, Online Buyers require a post-sale Buyer Protection Plan inspection to be eligible for full Arbitration remedies.
3. **Information Inconsistencies.** Information regarding the description, condition or history of a Vehicle may come from multiple sources (e.g. condition report, pictures, Vehicle History Reports, text announcements, etc) which occasionally can result in duplicate and/or inconsistent information and Declarations. If the information provided is inconsistent or unclear, please contact your ADESA Customer Service Representative for clarification prior to bidding.
4. **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. For Online Sales, please also review the Online Training modules offered through the ADESA Online System.
5. **Lights.** The Buyer is responsible for observing and understanding the sale lights.
6. **Auctioneer Announcements.** Listen carefully to the Auctioneer before the bidding begins. The Auctioneer may have important information to tell bidders (including Online bidders) about the Vehicle that is up for sale. Auctioneer Announcements may update or correct information previously provided and, in the event of inconsistency, will take precedence. The Auctioneer is not required to repeat information about a Vehicle during the sale. The Buyer is responsible for listening to the Auctioneer Announcements. If in doubt, ask an ADESA Customer Service Representative for assistance.
7. **Vehicle History Reports.** Some Sellers make Vehicle History Reports available online before or at the time of sale. It is the Buyer's responsibility to read them. For Online Buyers, information disclosed in Vehicle History Reports made available by the Seller before the bidding begins will not be subject to Arbitration. Bidders physically present at the sale are expected to review the Vehicle History Report within the applicable Arbitration period. ADESA is not responsible for the accuracy of Vehicle History Reports.
8. **Tote Board.** At most Auction sites there is 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. If there is a discrepancy between the tote board and the Auctioneer, the Auctioneer takes precedence.
9. **Ringmen.** Most of our In-Lane Sales have Ringmen (male or female) who stand in the auction lane and assist the Auctioneer in identifying bids. If you want to place a bid, catch the attention of a Ringman or the Auctioneer.
10. **Bidding Process at In-Lane Sales.**

³ For online Buyers, please note that the odometer reading may have been taken several weeks before the sale. The odometer reading may therefore be higher than disclosed. *Minor odometer discrepancies of 3,000 km or 5% (whichever is less) are not subject to Arbitration.*

- a) **Tendering a Bid.** You will be deemed to have tendered a bid when you indicate, by speech, expression, hand signal or otherwise, the intention to enter a bid equal to or greater than the price being called by the Auctioneer.
- b) **Accepting a Bid.** The Auctioneer may 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.
- c) **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.
- d) **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.
- e) **If Bids.** When the bids do not reach the Seller's 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 two hours (or other announced time frame) to accept the bid. The bidder may not withdraw the *If Bid* during the *If Bid* time frame.

11. DealerBlock® Bidding Process⁴

- a) **Tendering Buy Now Bids.** You will be deemed to have tendered a Buy Now bid by selecting the appropriate DealerBlock® icons and/or links. A Buy Now™ bid is accepted when it is received by ADESA's server. Once a Buy Now™ bid is made, it cannot be withdrawn and the Buyer will be required to complete the sale at the Buy Now™ price.
- b) **Tendering Bid Now Bids.** You will be deemed to have tendered a Bid Now bid by selecting or entering the dollar amount of your bid in the appropriate box and selecting the appropriate DealerBlock® icons confirming your bid. Once a Bid Now bid is made, it cannot be withdrawn. The Buyer who, before the end of the Bid Now sale, submitted the highest bid received by ADESA's server that exceeds the Reserve Price will be the winning bidder and will be required to complete the sale.

12. LiveBlock® Bidding Process⁴

You will be deemed to have tendered a LiveBlock® bid by selecting or entering the dollar amount of your bid in the appropriate box and selecting the appropriate LiveBlock® icon confirming your bid. Once a LiveBlock® bid is made, it cannot be withdrawn. The bid must be received by ADESA's server and must equal or exceed the price being called by the Auctioneer to be eligible for acceptance. Except for the method of tendering the bid, the bidding process applicable to In-Lane Sales applies to LiveBlock® Bidders.

13. AutoBid Bidding Process⁴

- a) **AutoBid Features.** 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 the appropriate DealerBlock® or LiveBlock® icons 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.
- b) **Automatic Removal of AutoBid.** 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.
- c) **Tied Auto Bids.** If two or more online Buyers enter equal AutoBids, the bid that was received by ADESA's server first will have priority. If an AutoBid is tied with a bid tendered by a bidder who is

⁴ For a detailed explanation of ADESA's Online Sale processes, please go to ADESA's website and access our online training programs.

physically present at a In-Lane Sale, the Auctioneer may break the tie in any manner that the Auctioneer considers appropriate in the circumstances. The decision of the Auctioneer is final.

- 14. Gate Passes.** You or your Customer Representative must present a Gate Pass before a purchased Vehicle can be released. If you have purchased a DealerBlock® or Off-Site Vehicle, you will be issued an electronic Gate Pass when: (i) ADESA has received payment, and (ii) the Vehicle is available for pick-up. As some DealerBlock® and Off-Site Vehicles are in transit at the time of sale, it may take several days before the Vehicle will be available for pick-up and a Gate Pass can be issued.
- 15. Reserve Prices.** Many Vehicles are sold subject to a Reserve Price. If none of the bids received equal or exceed the Reserve Price, the Vehicle will not be sold unless the Seller expressly authorizes the sale.
- 16. Unwinding a Sale.** ADESA may, in its sole discretion, unwind any sale or withdraw a Vehicle from a sale if: (i) there was an error or omission in the description, Declarations, price or any other relevant matter relating to the Vehicle; or (ii) in the circumstances, it would be fair and reasonable to do so.
- 17. Disputes.** No bid may be withdrawn after it has been accepted. If you dispute having made a bid, you must advise the Auctioneer or, for Online Sales an ADESA Customer Service Representative, 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 the Vehicle be sold to the person whom the Auctioneer believes is so entitled. The decision of the Auctioneer is final.
- 18. Payment.** Payment is required before the close of business on sale day. The method of payment is at the discretion of the Auction's General Manager. If payment in full is not received within 48 hours of the Auction sale day, the Vehicle may be re-sold at the next Auction sale on an unreserved basis. The Buyer will be liable to the Auction for all Losses incurred including the difference in sale price (if any) plus Fees and collection costs including legal fees. Failure to pay promptly can result in the permanent loss of your Auction privileges.
- 19. Insufficient Funds.** If your method of payment is not cleared by your bank (e.g. NSF checks), you must pay the amount owing immediately with cash or certified funds. An administrative fee will apply to all uncleared payments due to insufficient funds.
- 20. 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. For example, if payment is made by uncertified cheque, title does not pass to the Buyer until the cheque has been honoured by the drawer's bank. Notwithstanding the foregoing, the Buyer assumes full liability and responsibility for all Vehicle Losses once it has been determined in accordance with the ADESA Policies that the Buyer's bid is the winning bid.
- 21. Vehicle Storage Charges.** Once you have purchased and paid for your Vehicle, please remove it from the Auction site as soon as possible. Storage fees apply 48 hours after the date of sale, subject to the discretion of the Auction General Manager.
- 22. Transportation.** If you require assistance in arranging transportation, please notify an Auction Customer Service Representative. Please note the limitation of liability section of the ADESA Policies regarding transportation Losses.
- 23. Post Sale Inspection.** For In-Lane Sales, Buyer should conduct a thorough inspection before removing purchased Vehicles from the Auction site. Regular Arbitration is not available, or for Online Sales, is limited, once a Vehicle has left the Auction site. Online Buyers are strongly encouraged to arrange for a post-sale inspection of all Vehicle purchases. Ask a Customer Service Representative for information on ADESA's Buyer Protection Plan.
- 24. Exports.** If you are planning to export a Vehicle, you are responsible for ensuring that the Vehicle satisfies all Canadian export requirements and all import requirements of the destination country. The Auction does not supply documentation for import or export purposes.



VI. SELLER'S DISCLOSURE OBLIGATIONS

A Seller will build confidence in its product and credibility with Buyers by disclosing all material facts about the history and condition of Vehicles offered for sale. A Seller who offers a Vehicle for sale at ADESA is required to disclose the information listed below by making the applicable Declaration. The list is not intended to be exhaustive. As Vehicles and our industry change, the disclosure obligations required of Sellers may similarly change. Accordingly, the Auction reserves the right to consider other information not specifically listed below.

	Declaration	Interpretation	Arbitration Period
1.	ABS Defective	The Seller must disclose if the anti-lock braking system is not operational (if equipped). Arbitration is only available for repairs over \$750 (standard Mitchell warranty rates).	Regular
2.	Accident Repair \$ _____	<p>The Seller must declare a Vehicle to be Accident Repaired if a Vehicle History Report indicates repair for single incident damage of \$3,000 (\$2,000 in British Columbia) or more.</p> <p>If the dollar value of the Accident Repair is known, it must be declared.</p> <p>If the Seller believes that a Vehicle History Report is incorrect, it is the Seller's obligation to get the report corrected within the Arbitration period or risk having the sale cancelled.</p> <p>If the Seller chooses to declare an accident repair under \$3,000 (\$2,000 in B.C.), it must describe the Declaration as an Incident Report (see below).</p> <p>Arbitration is not allowed for Accident Repairs under \$3,000 (\$2,000 in B.C. only).</p>	Regular
3.	Adjacent Panels Replaced	<p>The Seller must declare if two or more adjacent panels (excluding bumper panels) have been replaced on a Vehicle.</p> <p>Please note: If the panels were replaced due to an accident, depending on the cost of the repairs, it may also be necessary for the Seller to make the Accident Repair Declaration.</p>	Regular
4.	Air Bags Missing/Defective	The Seller must disclose if the Vehicle's airbags are missing or not operational.	Regular
5.	Alternate Fuel or Conversion	The Seller must disclose if the Vehicle uses propane or natural gas, or at any time had a propane or natural gas fuel system.	Regular
6.	Excessive Rust	The Seller must disclose if the Vehicle suffers from excessive rust. Rust is considered to be excessive when the location or quantity of the rust affects the structural integrity of the Vehicle, e.g. the frame or any structural component is perforated by rust.	Regular
7.	Fire Damage	The Seller must disclose if the Vehicle has been damaged by fire.	Extended
8.	Flood Damage	<p>The Seller must declare a Vehicle as Flood Damaged when:</p> <ul style="list-style-type: none"> • water or other liquid has penetrated the Vehicle to the level of the floor boards or higher; or • if any of the following components have been damaged due to immersion: 	Extended

	Declaration	Interpretation	Arbitration Period
		<ul style="list-style-type: none"> ➤ Front or rear lighting or wiring harnesses ➤ Engine and its major components ➤ Transmission and differential ➤ Dash instrument panel and wiring ➤ Passenger seat cushions ➤ Power seat or window motor ➤ Major sound system components 	
9.	Grey Market	The Seller must declare if the Vehicle was ever registered in a country other than the United States or Canada or manufactured not in compliance with North American standards. All Grey market Vehicles offered for sale must include a CarProof Verified Vehicle History Report, or equivalent.	Regular
10.	Incident Report (optional)	If the Seller has a Vehicle History Report indicating accident repair of under \$3,000 (\$2,000 in B.C.) it may be declared as an Incident Report at the option of the Seller; however, no Arbitration is available.	N/A
11.	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.	Regular
12.	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.	Extended
13.	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. ³	Extended
14.	Major Repair _____(details)	The Seller must disclose if a major component of the Vehicle is defective or not operational and the component would cost over \$750 (on a non-cumulative basis) to repair or replace in accordance with standard Mitchell warranty rates. Major components include: <ul style="list-style-type: none"> ➤ Engine ➤ Transmission ➤ Power train ➤ Sub-frame ➤ Suspension ➤ Computer equipment ➤ Fuel operating system ➤ Electrical system ➤ Emissions system 	Regular



	Declaration	Interpretation	Arbitration Period
		<p>The following items are not subject to Arbitration:</p> <ul style="list-style-type: none"> ➤ Upholstery ➤ Glass ➤ Hail damage ➤ Tires ➤ Visible body damage 	
15.	Material Variation from Production Specs	The Seller must disclose if the Vehicle varies materially from the original manufacturer's specifications. ,	Regular
16.	Odo 5 digit	The Seller must disclose if the odometer is a 5 digit odometer with over 100,000 miles or kilometres.	Regular
17.	Odo Broken/Faulty	The Seller must disclose if the odometer of the Vehicle is broken or faulty, i.e. not accurately tracking distance driven.	Regular
18.	Odo in Miles	The Seller must disclose if the odometer is in miles.	Regular
19.	Odo Replaced	The Seller must disclose if the odometer has been replaced.	Extended
20.	Odo Roll back	The Seller must disclose if the odometer has been rolled back.	Extended
21.	Odo Unreadable	The 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 reasons.	Regular
22.	Out of Province ⁵ _____ (list)	<p>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.</p> <p>For Vehicles sold in Ontario only:</p> <p>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.</p> <p>The Seller must declare all of the provinces in which the Vehicle was previously registered.</p>	Regular
23.	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).	Regular
24.	Previous Driving School Vehicle	The Seller must disclose if the Vehicle was previously used as a driving school vehicle.	Regular

⁵ The Out of Province Declaration only needs to be made in those provinces where the disclosure is required by law.



	Declaration	Interpretation	Arbitration Period
25.	Previous Emergency Services Vehicle	The Seller must disclose if the Vehicle was previously used as an emergency services vehicle.	Regular
26.	Previous Police Vehicle	The Seller must disclose if the Vehicle was previously used as a police cruiser.	Regular
27.	Previous Taxi/Limo	The Seller must disclose if the Vehicle was previously used as a taxi or limousine.	Regular
28.	Stolen and Recovered	The Seller must disclose if the Vehicle was recovered after being reported stolen.	Extended
29.	Structural damage	The Seller must declare a Vehicle to have structural damage if it meets the definition of structural damage set out in the National Auto Auction Association's Structural Damage Policy. See www.naaa.com	Extended
30.	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	Extended
31.	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.	Extended
32.	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.	Extended
33.	Total Loss	The Seller must declare if an insurer determined the Vehicle was a total loss.	Extended
34.	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.	Regular
35.	VIN Plate issues	The Seller must disclose if the original VIN plate (on the driver's side of the dashboard) has been removed, altered or replaced. Vehicles may not be offered for sale unless the original VIN plate is in tact or has been replaced in accordance with provincial and federal regulatory requirements.	Regular
36.	Warranty Cancelled	The 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

	Declaration	Interpretation	Arbitration Period
37.	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.	Regular

VII. ADDITIONAL SELLER OBLIGATIONS

1. **Fuel.** All Vehicles offered for sale must have sufficient fuel to run the Vehicle through the auction process. A refuelling fee will be charged if a Vehicle does not have sufficient fuel.
2. **Re-runs.** All unsold Vehicles that remain at the Auction until the next sale day will be automatically washed and run on the next sale day. The Seller will be responsible for all applicable charges.
3. **Title/Ownership.** When you sell a Vehicle, you are guaranteeing, representing and warranting to the Auction and to the Buyer that you are authorized to sell the Vehicle, have good title to the Vehicle and that the Vehicle is free of all liens, charges, hypothecs, and encumbrances of any nature or kind whatsoever. All documents required to permit ownership to the Vehicle to be transferred to the Buyer must be delivered to the Auction on the day prior to sale. If the ownership documents are not available on sale day, at the option of the Auction’s General Manager, the Vehicle may be excluded from the sale or the Vehicle may be offered for sale under a White Light. After 48 hours, the Buyer may have the option to cancel the sale at the discretion of the General Manager, if the Auction has not received the title documents.
4. **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.
5. **Disclosure.** The Seller is responsible to ensure that all Declarations and any other material disclosures are announced by the Auctioneer and appear in the DealerBlock® and/or LiveBlock® Vehicle description. The Seller is also responsible to ensure that any information recorded on the Vehicle windshield is accurate and that the Vehicle runs under the correct light.
6. **Reserve Prices.** Unless a Seller communicates a Reserve Price to the Auction in writing prior to the sale date, the Seller is expected to attend at the sale to represent its Vehicle.
7. **Price Boosting.** Price boosting (i.e. “shilling”) is strictly prohibited. Neither you nor any of your representatives, or agents may directly or indirectly bid on any Vehicles consigned by you to the Auction for the purposes of attempting to increase the sale price.
8. **Authority for Services.** The Seller authorizes ADESA to provide Services reasonably required to enable a Vehicle to cross the auction block on sale day (e.g. towing, refuelling, battery boost, etc.). The Seller will be responsible for all Fees for such Services. Regardless, ADESA is not required to provide these Services and will not be liable if it fails to do so.
9. **Off-Site Vehicle Sales.**
 - a) Pre-approved Customers may offer Off-Site Vehicles for sale on DealerBlock® and/or LiveBlock®.
 - b) The Off-Site Vehicle must at all times be under the lawful possession, custody and control of the Seller.
 - c) When an Off-Site Vehicle is sold, Seller is required to retain the Off-Site Vehicle and all ownership documents in its custody and control until ADESA has confirmed it has received payment from the Buyer and the funds have cleared the Buyer’s bank.



- d) Before releasing an Off-Site Vehicle to Buyer, Buyer must present an electronic gate pass issued by ADESA and Seller must verify the authenticity of Buyer's electronic Gate Pass by comparing it to the electronic gate pass provided directly to Seller by ADESA. The Seller will be liable to ADESA for all Losses due to the unauthorized or premature release of an Off-Site Vehicle.
- e) The Seller is responsible for transferring the ownership of the Off-Site Vehicle into the name of the Buyer and for providing the Buyer with all applicable ownership documents.
- f) Seller must notify ADESA if there has been any material change in the condition of the Vehicle during the posting period. It may take one (1) business day for the change to be made to the Vehicle posting information.
- g) The Seller must carefully review its Vehicle posting information. It is the Seller's responsibility to correct any errors or omissions.
- h) ADESA reserves the right to remove a Vehicle posted to DealerBlock® and/or LiveBlock® at any time.
- i) To avoid the risk of a double sale, the Seller must advise ADESA before selling the Off-Site Vehicle to a retail (or any other) customer. In the event of a double sale, the Seller will be liable to ADESA for all Losses, including but not limited to the Off-Site Vehicle sale proceeds (if ADESA has already paid them) and all Fees including but not limited to the Sale Fee and Buy Fee.

VIII. ARBITRATION

1. **ADESA's Arbitration Services.** ADESA 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 ADESA employees who understand the automotive remarketing business.
2. **Starting an Arbitration Claim**
 - a) **Pay for Vehicle.** An Arbitration claim may not be started until the Buyer has paid for the Vehicle in full.
 - b) **Contact Arbitration Department.** After paying for the Vehicle, a Customer may initiate an Arbitration claim by contacting the Auction's Arbitration department before the end of the Arbitration period and providing the information required to complete an Arbitration form. Only those matters identified in the Arbitration form will be considered by the Arbitrator. Regular Arbitration claims may be submitted only once per Vehicle sale.
 - c) **Arbitration Location.** For In-Lane Sales, the Arbitration must be initiated at the ADESA location where the Vehicle was purchased. For Online Sales, the Arbitration must be initiated at the ADESA location closest to the Buyer's place of business.
3. **Arbitration Periods.** Depending on the nature of the claim, the Arbitration period will either be *Regular* or *Extended*.
 - a) **Regular.** For In-Lane Sales, the Regular 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 one (1) business day after delivery of the Vehicle to the Buyer.⁶

⁶ Please note the Remedies limitation applicable to Online Sales that are eligible for regular Arbitration.

- b) **Extended.** For In-Lane Sales, the Extended Arbitration period is seven (7) calendar days from the date of sale. For Online Sales, the Extended Arbitration period is seven (7) calendar days after the Vehicle is delivered to the Buyer.
- c) **Lengthening the Arbitration Period.** The Auction reserves the right to lengthen the Arbitration period when, in the opinion of the Auction General Manager, it would be fair and reasonable to do so. Although the Seller is required to make all applicable Declarations, 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. Investigation.** The Arbitrator will review only issues identified in the Arbitration form. The Arbitrator may, but is not required to, consult with the Buyer, Seller or both parties to gain a better understanding of the issue(s) under Arbitration. Depending on the issue, the Arbitrator may also seek the advice of the Auction's mechanics, trained vehicle inspectors or other experienced Auction staff. When appropriate, the Arbitrator may refer the Vehicle to an external resource such as an authorized dealership or specialty shop for consultation.
- 5. Decision.** After completing the investigation, the Arbitrator will decide whether the Arbitration complaint is valid. Before deciding what the remedy should be, the Arbitrator may attempt to mediate a resolution between the Buyer and the Seller. If agreement cannot be reached, the Arbitrator will decide the appropriate remedy, if any.
- 6. Remedies**
- a) **Generally.** The Arbitrator has a broad discretion to grant any remedy or relief that he/she considers to be fair and reasonable in the circumstances. The purpose of the Arbitration remedy is to ensure that the aggrieved party is fairly compensated for its loss. In some circumstances, such as where a Declaration does not affect the value of the particular Vehicle, there may be no loss and thus no remedy. Remedies could involve: cancellation of the sale and refund of the purchase price, reimbursement of costs and/or expenses incurred, partial refund of the purchase price, repair of defect at Seller's expense, repair of defect with the costs apportioned between the Buyer and the Seller, no financial or other compensation, or similar remedies.
- b) **Limitation for Online Sales.** Online Buyers require a post-sale Buyer Protection Plan inspection to be eligible for full Arbitration remedies. In the absence of a Buyer Protection Plan inspection, if the arbitrator determines that the sale should be cancelled, (except for Seller's Major Deception) the online Buyer's remedy will be limited to the purchase price of the Vehicle. All other expenses incurred by the Buyer including, without limitation, transportation expenses, mechanical repair expenses and reconditioning expenses will not be recoverable. Please note that this limitation does not apply to Off-Site Vehicles.
- 7. Arbitration Fees and Costs.** The Auction reserves the right to assess an Arbitration Fee against the Buyer and/or Seller for Major Deception, or arbitration claims not made in good faith. If the Auction incurs costs as part of its investigation (e.g. referral to an external resource, towing, transportation, etc) the Arbitrator, as part of the remedy imposed, will determine liability to pay the costs incurred.
- 8. Finality.** The decision of the Arbitrator and the remedy imposed is final and binding on the Buyer and Seller. By doing business at ADESA, the Buyer and Seller agree to participate in the Auction's Arbitration process and to observe, perform and be bound by the decision of the Arbitrator. Upon fulfilling the Arbitrator's decision, the Buyer and Seller are deemed to release each other from all claims and demands in respect of the matters referred to Arbitration.
- 9. Return Process.** If the Arbitrator determines that the sale should be cancelled, the Buyer must return the Vehicle to the closest ADESA location. A Vehicle is not considered returned until it is received, inspected and approved for return by Auction management. A returned Vehicle must be in the same or better condition as when it was sold. An excess kilometres fee may be assessed against returned Vehicles.

10. Limitations on the Availability of Arbitration

	<i>Arbitration is not available for the following:</i>	<i>Exceptions:</i>
a.	Matters that were properly disclosed as Seller Declarations.	None
b.	Matters disclosed in a Vehicle History Report, Condition Report or similar source made available by the Seller to an Online Buyer before the bidding begins.	None
c.	Vehicles sold under a Red Light	Major Deception by Seller
d.	Vehicles with over 160,000 kms	Green Light Sale Major Deception by Seller
e.	Vehicle conditions that are not required to be disclosed as Declarations.	Major Deception by Seller
f.	Matters raised outside of the applicable Arbitration period.	Where Auction determines that, in the circumstances, it is fair and reasonable to lengthen the Arbitration period.
g.	Vehicles not intended for use on a public roadway (e.g. boats, snowmobiles, equipment)	Green Light Sale Major Deception by Seller
h.	Antique vehicles, recreational vehicles, motor homes, or motorcycles	Green Light Sale Major Deception by Seller
i.	Noise or conditions inherent to or typical of a particular Vehicle make or model unless deemed "excessive" by the Arbitrator. The Arbitrator may refer to OEM dealer warranty guidelines to determine whether the noise or condition is excessive in the circumstances.	None
j.	Wearable parts that are normally expected to be replaced or adjusted during the expected life of the Vehicle, including but not limited to tires, wipers, brake pads, brake shoes, rotors, belts, hoses, lubricants, fluids, timing belts, bulbs, filters, shocks and struts.	None

11. 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.

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

- a) any matter that is or was the subject of Arbitration unless to enforce the terms or conditions of the Arbitrator's decision; and
- b) any matter for which Arbitration is not available under the ADESA 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.

c) No action or legal proceeding will be commenced or prosecuted by the Buyer or the Seller against ADESA 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 ADESA 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.

13. Please Note. The Arbitration process is not a tool for price reduction or for dealing with "Buyer's remorse". Buyers are cautioned to avoid impulse buying and to inspect Vehicles thoroughly before bidding. All used Vehicles generally have flaws and may require repairs. Buyers should allow for this in their bidding. Arbitrations are regularly monitored by the Auction. Sellers who repeatedly fail to properly represent their Vehicles by making all required Declarations or Buyers who repeatedly submit questionable Arbitration claims, may have their Auction privileges temporarily or permanently suspended.

IX. WEB SITE USE AGREEMENT

- 1. Ownership.** ADESA.ca and all of ADESA's web sites (the "Web Site") are owned and operated by ADESA. The material contained on our Web Site including, but not limited to, the text, images, graphics, sound, photographs and software (collectively, the "Content"), is protected by intellectual property laws. Some of the Content is updated on a real time basis and is proprietary or licensed to ADESA by third parties. You may not copy, reproduce, manipulate, alter, modify, create derivative works, distribute, republish, upload, post, publicly display, or transmit the Content in any way without our prior written consent.
- 2. System Integrity.** You will not use any device, software or routine to interfere or attempt to interfere with the proper working of the ADESA.ca System or any ADESA web site or any auction being conducted on the ADESA.ca System or any ADESA web site. You will not take any action that imposes an unreasonably or disproportionately large load on ADESA's infrastructure.
- 3. User Eligibility.** ADESA's services are available only to individuals who can form legally binding contracts under applicable law. Without limiting the foregoing, our services are not available to minors. If you do not qualify, please do not use our services. Further, ADESA's services are not available to individuals banned or otherwise disallowed from doing business at any ADESA auction.
- 4. No Representations or Warranties. Disclaimer of Warranties.** TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, THE WEB SITE AND ITS CONTENTS, AND ANY SITE TO WHICH IT IS LINKED, ARE PROVIDED "AS IS" AND WITHOUT REPRESENTATIONS OR WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NONINFRINGEMENT OF INTELLECTUAL PROPERTY. ADESA DOES NOT WARRANT THAT THE WEB SITE OR ITS CONTENTS WILL BE UNINTERRUPTED OR ERROR-FREE, THAT DEFECTS WILL BE CORRECTED, OR THAT THIS SITE OR THE SERVER THAT MAKES IT AVAILABLE ARE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS. ADESA DOES NOT WARRANT OR MAKE ANY REPRESENTATIONS REGARDING THE USE OF OR THE RESULT OF THE USE OF THE MATERIAL IN THIS SITE IN TERMS OF CORRECTNESS, ACCURACY, RELIABILITY, TIMELINESS OR OTHERWISE. YOU ASSUME THE ENTIRE COST OF ALL NECESSARY SERVICING, REPAIR OR CORRECTION THAT MAY BE ASSOCIATED WITH YOUR USE OF THIS SITE.
- 5. Limitation of Liability.** ADESA AND ITS PARENTS, SUBSIDIARIES, AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS SHALL IN NO EVENT BE LIABLE FOR ANY DAMAGES OR LOSSES, INCLUDING, WITHOUT LIMITATION, DIRECT, INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL



DAMAGES RESULTING FROM OR CAUSED BY THE WEB SITE OR ITS CONTENT, INCLUDING, WITHOUT LIMITATION, LOSSES RELATED TO THE USE OR INABILITY TO USE THE WEB SITE, ANY FAILURE OF PERFORMANCE, ERROR, OMISSION, INTERRUPTION, DEFECT, DELAY IN OPERATION OF TRANSMISSION, COMPUTER VIRUS, OR LINE FAILURE, EVEN IF THERE IS NEGLIGENCE AND/OR IF ADESA HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES, WEB SITE. IF YOU ARE DISSATISFIED WITH THE WEB SITE, ANY MATERIALS AVAILABLE THROUGH THE WEB SITE, OR WITH ANY OF THE WEB SITE'S TERMS AND CONDITIONS, INCLUDING TERMS AND CONDITIONS OF SALE, YOUR SOLE AND EXCLUSIVE REMEDY IS TO DISCONTINUE USING THE WEB SITE. LIMITATION OR EXCLUSION OF WARRANTIES, CONDITIONS, AND/OR LIABILITIES FOR SOME TYPES OF DAMAGES MAY NOT BE PERMITTED IN SOME JURISDICTIONS, IN WHICH CASE SOME OR ALL OF THIS SECTION AND THE PRECEDING SECTION MAY NOT APPLY TO YOU. IF PERMITTED BY LAW, ADESA'S LIABILITY IS LIMITED TO RESUPPLYING THE SERVICE. IN NO EVENT SHALL ADESA BE LIABLE FOR LOST PROFITS OR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH OUR SITE, OUR SERVICES OR THIS AGREEMENT, HOWEVER ARISING, INCLUDING NEGLIGENCE.

6. **Indemnity.** You agree to indemnify and hold us and our subsidiaries, affiliates, officers, directors, agents and employees, harmless from any claim or demand, including reasonable attorneys' fees, made by any third party due to or arising out of your breach of this Agreement or any documents it incorporates by reference, or your violation of any law or the rights of a third party.

7. **Links to Third Party Sites.** The Web Site could provide links to other web sites that are not maintained by ADESA. We are not responsible for the content of those third party web sites. The inclusion of any link to a web site does not imply our endorsement of the web site. Such third party web sites may have separate privacy and data collection practices, independent of us. ADESA has no responsibility or liability for these independent policies, or lack thereof, or any actions or omissions of such third parties.

PRIVACY POLICY

1. **Definitions.** In this Privacy Policy, capitalized terms have the same meaning as in the ADESA Policies.
2. **Commitment to Privacy Protection.** ADESA is committed to your right to privacy and to keeping your Personal Information private. ADESA has therefore developed this Privacy Policy to ensure that your rights are protected.
3. **Limiting Collection of Information**
 - a) The collection of Personal Information is limited to that which is necessary for the purposes identified by ADESA in this Policy. Information is collected by fair and lawful means.
 - b) ADESA collects and maintains certain information about you and your business when you register with us and conduct business with us. The information you provide can identify you and your business and includes but is not limited to items such as driver's license number, your birth date, dealer registration number, and vehicle purchases and sales (e.g. type of vehicle, quantity, price, vehicle identification number, odometer reading, year, make, model, date of purchase and/or sale, purchase and/or sale patterns), banking information, financial information and tax information. Some of the information collected by ADESA may be Personal Information.
4. **Purpose of Collecting the Information**
 - a) ADESA collects, uses and discloses Personal Information for the following purposes:
 - i) to process Customer applications and related documents required to become a registered ADESA Customer and to make a decision regarding the acceptance or rejection of Customer applications;
 - ii) to ensure that our auction facilities are used by registered Customers and authorized Sellers only;
 - iii) to verify the information that you provide to us;
 - iv) to verify, evaluate and/or monitor your creditworthiness;
 - v) to assist with the collection of any amounts owing by the Customer to ADESA;
 - vi) to contact you in response to any purchases, requests, complaints or comments you may have;
 - vii) to contact you to provide you with information regarding our business and sales;
 - viii) to help us to develop, evaluate and improve our sales and marketing strategies and techniques;
 - ix) to provide third parties with information necessary to permit that third party to conduct business with ADESA and/or effectively provide you with Services.;
 - x) to assist us and third parties in evaluating the vehicle remarketing industry;
 - xi) to respond to reasonable inquiries from Investigative Authorities; and
 - xii) to maintain and update our banned dealer list.
 - b) We collect, use and disclose aggregated and individual sales data including sale location, pricing, odometer reading, vehicle condition, vehicle description and vehicle identification number information to assist us and third parties in evaluating market trends, to prepare data analyses, and to prepare market report and valuation products.



- c) We provide law enforcement and regulatory agencies with buyer or seller names and other information, some of which may be Personal Information.
 - d) We may provide our banned dealer list (which includes the name and address of the affected business, the names of all individual representatives of the affected business whose privileges have been suspended, and the reasons for the suspension) to third parties including third party auctions.
 - e) ADESA may share personal and/or aggregated information that you have provided to us with other business divisions within the KAR Holdings group of companies. ADESA shares credit information concerning you with our sister company, AFC (Auction Finance Corporation).
- 5. Limiting Use, Disclosure and Retention.** Personal information shall not be used or disclosed for purposes other than those for which it was collected, except with your consent or as required by law. Personal information shall be retained only as long as necessary for the fulfillment of those purposes or as required by law.
- 6. Consent.** Whenever possible, ADESA will seek your consent to use and disclose your Personal Information at the same time it collects such Personal Information. By providing your Personal Information to ADESA, by conducting business at ADESA or by using ADESA Services you are consenting to the collection, use and disclosure of your Personal Information for the purposes set out in this Privacy Policy.
- 7. Accuracy and Corrections.** Personal information shall be as accurate, complete and up-to-date as is necessary for the purposes for which it is to be used. If you would like to update Personal Information previously submitted to ADESA, request to have outdated Personal Information removed, or withdraw your consent to the use or disclosure of your Personal Information, please contact us by phone at (905) 896-4400 and ask to speak with ADESA's legal counsel.
- 8. Safeguards.** ADESA has safeguards in place through the use of firewalls and password protected computers to control access to your Personal Information and to ensure that your Personal Information is appropriately protected.
- 9. Openness.** ADESA will make available to Customers specific information about its policies and practices relating to the management of Personal Information. Upon request, Customers will be informed of the existence, use, and disclosure of his or her Personal Information and shall be given access to that information. Customers can challenge the accuracy and completeness of the information and have it amended as appropriate.
- 10. Amendments to Policy.** ADESA reserves the right to modify or amend this Privacy Policy at any time and for any reason. Any changes to this Privacy Policy will be preceded by a notice posted on our website at www.ADESA.ca.

For questions about ADESA's Privacy Policy, please contact our Privacy Officer at:

ADESA Canada
50 Burnhamthorpe Road West, Suite 800
Mississauga, Ontario
L5B 3C2

Attention: General Counsel

Tel: 905-896-4400

Fax: 905-896-4045

