

# PUBLIC AUCTION POLICIES



# ADESA PUBLIC AUCTION POLICIES

## A. GENERAL TERMS AND CONDITIONS

1. **Terms and Conditions.** Welcome to ADESA Public Auctions! The ADESA Public Auction Policies apply to your use of our services and are implied terms and conditions of every agreement (oral or written) that you enter into with the Auction and with every Buyer and Seller. If you do not agree to be bound by these Policies, please do not access our services.
2. **Definitions.** In these Policies, the following terms have the following meanings:
  - a. *ADESA* means ADESA Auctions Canada Corporation, ADESA Montreal Corporation, ADESA Quebec Corporation, ADESA Remarketing Services Inc., 79379 Manitoba Inc, 504811 NB Ltd., 51937 Newfoundland & Labrador Limited, LVG Auctions and each of their respective officers, directors, employees, authorized agents, subsidiaries, successors and assigns. References to “we”, “us”, or “Auction” mean *ADESA*.
  - b. *Buyer* means a customer who purchases, offers to purchase or bids on items or services through ADESA.
  - c. *Buyer Protection Plan* means a Vehicle post sale inspection offered by the Auction for a fee.
  - d. *Gate Pass* means an electronic or paper document issued by ADESA that must be presented in order to obtain the release of items consigned or purchased.
  - e. *In-Lane Sale* means an auction sale event that takes place at an ADESA location with some or all bidders physically present.
  - f. *IRONBID®* means LVG’s online sales platform that allows Buyers to view and bid online for items running at a live In-Lane Sale.
  - g. *LiveBlock®* means ADESA’s online sales platform that allows Buyers to view and bid online for items running at a live In-Lane Sale.
  - h. *Major Deception* means a misleading, unprofessional, or unethical act, representation or omission which materially affects the value of an item.
  - i. *Policies* mean the ADESA Public Auction Policies, Web Site Use Agreement, the ADESA Public Auction Privacy Policy, LVG Web Site Use Agreement and LVG Privacy Policy.
  - j. *ProxyBid®* means LVG’s online sales platform that allows Buyers to view and bid online for items running at a live In-Lane Sale.
  - k. *Reserve Price* means the minimum price established by the Seller at which an item may be sold.
  - l. *Run List* means a listing of the items that will likely be offered for sale on a specific sale date. A Run List is sometimes also called a Catalogue.
  - m. *Seller* means a Customer who sells, consigns, or offers an item for sale using ADESA’s services.
  - n. *Vehicle* means a motor vehicle that has an engine, frame and body and that is recognizable as a car, truck bus or motorcycle.
  - o. *Vehicle Disclosure List* means the list of mandatory Vehicle disclosures set out in Section D below.
3. **Our Role.** ADESA is an auction service provider. We make a marketplace where items are bought and sold through open competitive bidding. Unless otherwise announced, all items offered for sale are on consignment and are not owned by the Auction. The Auction is paid fees, by both the Buyer and the Seller and sometimes by third parties, for its services. We offer an arbitration service on eligible Vehicles to quickly and fairly resolve disputes between Buyers and Sellers. 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 disclosures regarding items offered for sale.
4. **Safety.** Auctions are noisy, busy and potentially hazardous places. Vehicles are continuously moving, exhaust fumes are present and, depending on the weather, floors, walkways and other areas may be wet, snow covered, slippery and/or icy. Please read and observe all safety notices and warning signs posted at each Auction location. Do not enter areas restricted to Auction personnel. Observe safety instructions provided by Auction staff. Every person who attends an auction sale or who attends at ADESA premises does so at his or her own risk with notice of the condition of the premises and the activities on the premises.
5. **Children.** We love children; but, for their safety and the safety of our employees, children under the age of 16 are not permitted to attend at the auction.
6. **Payment.** All fees are due and payable by the end of business on the date of sale and will be automatically deducted by Auction from the bidder’s deposit, if applicable. Without limiting any other remedy available to it, ADESA may retain possession of items purchased or consigned for sale by you and/or withhold ownership documents until all amounts owed have been paid. You agree that ADESA may deduct its fees and any other amounts owing by you from any amounts that may be payable by ADESA to you, including sale proceeds. Please see Section B, paragraphs 5 and 7 for additional payment terms for Buyers.
7. **Interest and Costs.** Interest on overdue payments will apply at the lesser of the maximum legal rate or 1.5% per month (18% per year). You agree to pay all costs, including, without limitation, legal fees on a solicitor and client basis, reasonably incurred by us to collect any amounts owed by you.
8. **Security Interest.** By registering as a bidder, consigning an item for sale, or otherwise using our services, you hereby grant to ADESA a continuing security interest and hypothec in all items purchased or consigned for sale by you through ADESA and all proceeds from the sale of them to secure payment of all fees, debts, liabilities and obligations owing by you to ADESA. If you fail to pay any amount when due, ADESA will be entitled to exercise the rights and remedies of a secured creditor including, but not limited to, the right to seize and/or sell the secured property and apply the sale proceeds against the amounts owed.
9. **Conduct of Sale.** Auction reserves the right, in its sole discretion, to do any of the following:
  - a. withdraw any item entered or listed for sale;
  - b. postpone or cancel a scheduled sale without notice;
  - c. reject any and all bids;

- d. announce that a sale is subject to an If Bid; or
- e. unwind a sale after an item has been declared sold if, due to an error, omission, or other circumstances it would be fair and reasonable to do so.
- 10. Vehicle Disclosures.** Buyers and Sellers should be familiar with the [Vehicle Disclosure List](#) and terminology used to describe the condition and history of a Vehicle.
- 11. Lights (applies to Vehicle sales only).** ADESA uses a coloured light system to give bidders visual information about the conditions under which a Vehicle is being offered for sale. At [In-Lane](#) and [LiveBlock®](#) Vehicle Sales, the lights mean:
- Green:* Arbitration available.
- Yellow:* [Disclosures](#) about the condition or history of the Vehicle have been made. Arbitration is not available for disclosed conditions.
- Red:* The Vehicle is being sold “as is”. Arbitration is not available except for Major Deception by Seller.
- White<sup>1</sup>:* Auction is not in possession of the Vehicle’s ownership/registration documents on sale day and/or the Vehicle was previously registered in another province, and the Vehicle is a rental or was a previous rental Vehicle.
- 12. Run Lists.** [Run Lists](#) are prepared as a guide and are based on information believed to be accurate at the time of publication. However, we do not warrant or guarantee the accuracy of information contained in the Run List.
- 13. Gate Passes.** You may be required to present a [Gate Pass](#) to Auction security before your purchased item or unsold consigned item can be released. A Gate Pass is always required before an item can be released. A [Gate Pass](#) will be issued after you have paid all amounts due to the Auction.
- 14. Insurance & Risk.** The Auction does not provide insurance coverage for items. Consigned items will be and remain at the Seller’s risk until sold. Once the Buyer’s bid has been accepted as the winning bid, the item will be at the Buyer’s risk. Buyer and Seller are encouraged to obtain at their own expense adequate insurance coverage for consigned and purchased items. -
- 15. Limitation of Liability.** You agree that in no event will ADESA be liable to you for direct or indirect damages, consequential damages, loss of goodwill, work stoppage, data loss, computer failure or malfunction or lost profits (collectively “Damages”). Without limiting the foregoing, you further agree that ADESA will not be liable to you for losses or Damages due in whole or in part as a direct or indirect result of any theft, conversion, liability, loss, damage, claim, expense (including legal fees), suit, judgment, or demand (collectively “Losses”) arising out of, based upon or resulting from the possession, transportation, use, storage or operation of any item by ADESA, including but not limited to Losses due to or caused by or during transportation, delay, Auction decision, arbitration, 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 item, less 10% per month from the sale date. All liability of the Auction, if any, shall terminate 90 days after the sale date.
- 16. Indemnity.** You agree to indemnify, defend and hold harmless ADESA from all Damages and Losses in any way related to or arising out of your breach of these Policies or your breach of any agreement with ADESA.
- 17. No Warranties by Auction.** The Auction shall not be liable to either the Buyer or the Seller for any visible or latent defects in items. 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 item. Unless otherwise stated, all items are sold on an “as is” basis.
- 18. Waiver of Rights against ADESA.** 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
- 19. Investigations.** The Auction cooperates fully with all investigations conducted by regulatory, government and police authorities (collectively “Investigative Authority”). By using our services, 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 item 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/or audio recorded. By attending an In-Lane sale, you are consenting to the use of video and audio recordings for the purposes of dispute resolution, enforcement of the ADESA Policies, and all purposes identified in ADESA’s Privacy Policy and LVG’s Privacy Policy.
- 21. 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 expressly provided in these 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 Public Auction Privacy Policy.

<sup>1</sup> If a 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.

## B. BUYER TERMS AND CONDITIONS

1. **Vehicle Purchase Restriction.** Unless you are a registered motor vehicle dealer, Vehicles may not be purchased for the purposes of resale.
2. **Investigative Authorities.** ADESA shares purchase information with the relevant authorities in each province as required.
3. **Bidder Registration.** If you wish to bid at our public auctions, you must register online or in person before or on the date of sale. You must have reached the age of majority and have the capacity to form legally binding contracts to be eligible to register. You are responsible for all purchases made using your bidder number or, if registering online, your user id and password. We reserve the right to decline a bidder registration application or to cancel bidding privileges at any time.
4. **Bidder Deposit.** If you are the successful bidder on an item, you will be required to immediately pay a deposit equal to 25% of the purchase price or the minimum deposit amount. For Vehicle sales, the minimum deposit amount is \$400. For all other items, the minimum deposit amount is \$100. When you register, you will be required to establish the ability to pay the applicable minimum deposit amount. A registration deposit may be required at certain locations.
5. **Payment.** Successful bidders must complete and sign the Bill of Sale or sales invoice immediately after the sale. Payment must be made to the Auction and not to the Seller. The Auction must receive payment in full within 1 business day after the auction sale. Payment can be made by certified cheque, bank draft, money order, debit card, or Electronic Funds Transfer. Payment method will be determined by individual auctions sites.
6. **Buyer Fees and Charges.** If you are the successful bidder, in addition to the purchase price, you will be required to pay fees and other charges as follows:
  - a. Buyer's Fee
  - b. On-Line Buyer's Fee
  - c. Ownership Registration Fee
  - d. Licensing Fee
  - e. Vehicle History Report Fee
  - f. Loading Fee
  - g. Regulatory Fee (e.g. OMVIC- where applicable)
  - h. PST and GST, or QST or HST (as applicable)<sup>2</sup>The amount of each fee will be posted at each auction. If you choose to purchase additional products or services additional fees will apply.
7. **Payment Default.** Failure to pay in accordance with these Policies will result in forfeiture of your deposit. In addition to any other rights available at law, if you fail to pay in full within the required time, ADESA shall have the right to a possessory lien and/or to register a security interest (including a purchase money security interest) against the Vehicle(s) on which you were the successful bidder. ADESA may resell the Vehicle(s) without notice to you. The proceeds from the resale, less ADESA's fees and all costs incurred, will be credited against your account. You will be liable to pay ADESA immediately upon demand any deficiency remaining on your account. Your deposit will be applied to the deficiency and/or retained by the Auction as liquidated damages.
8. **Possession.** You do not have the right to take possession of an item purchased until the Auction has received payment in full.
9. **Know your Purchase.** Our auction sales mainly involve used Vehicles and used equipment. Most used items have defects, flaws and/or wear and tear. Please allow for this in your bidding. Buyers should inspect items and carefully review all information made available to them before bidding. A post-sale Buyer Protection Plan inspection on all Vehicle purchases is recommended.
10. **Information Inconsistencies.** Information regarding the description, condition or history of an item may come from multiple sources (e.g. auction condition report, pictures, vehicle history reports, text announcements, etc) which occasionally can result in duplicate and/or inconsistent disclosure information. If the information provided is inconsistent or unclear, please contact an ADESA Customer Service Representative for clarification prior to bidding.
11. **Understand the Bidding Process.** Please ensure that you understand the bidding process. Our auction sales are 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 consult the appropriate website for bidding instructions.
12. **Lights.** You are responsible for observing and understanding the Vehicle sale lights.
13. **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 item 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 an item during the sale. The Buyer is responsible for listening to the Auctioneer announcements. If in doubt, ask an ADESA Customer Service Representative for assistance.
14. **Tote Board.** At most Auction sites there is an electronic tote board behind the Auctioneer's podium that displays the bid price of the item that is on the auction 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 difference between the tote board price and the price called by the Auctioneer, the price called by the Auctioneer takes precedence.
15. **Bid Catcher.** Most of our [In-Lane Sales](#) have Bid Catchers (male or female) who stand in or near the auction lane and assist the Auctioneer in identifying bids. If you want to place a bid, catch the attention of a Bid Catcher or the Auctioneer.

<sup>2</sup> In some provinces, licensed motor vehicle dealers with a valid retail sales tax exemption certificate may be exempt from paying provincial sales tax.



## 16. Bidding Process at In-Lane Sales.

- 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. Once tendered, a bid may not be withdrawn.
  - 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, an item 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 [Reserve Price](#), the Auctioneer may conditionally sell the item 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 Buyer may not withdraw the *If Bid* during the *If Bid* time frame. This does not apply for unreserved items.
17. **Online Bidding Process.** You tender a bid by selecting or entering the dollar amount of your bid in the appropriate box and selecting the appropriate icon confirming your bid. Once a bid is made, it cannot be withdrawn. The bid must be received by our 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 Online bidders.

18. **Vehicle History Reports.** Vehicle History Reports are available for all Vehicles offered for sale. It is the Buyer's responsibility to read them.
19. **Reserve Prices.** If none of the bids received equal or exceed the [Reserve Price](#), the items will not be sold unless the Seller expressly authorizes the sale. Many items are sold unreserved.
20. **Disputes.** Any bidding disputes will be settled by the Auctioneer at his or her sole discretion. The decision of the Auctioneer is final.
21. **Loading and Transportation.** Buyer is responsible for all costs associated with loading and transporting items purchased. If requested, the Auction can arrange transportation (fees apply).
22. **Storage Charges.** Once you have purchased and paid for your items, please remove it from the Auction site as soon as possible. For Vehicles, storage fees of \$50 per calendar day apply on and after the fourth business day after the sale. For all other items, the per calendar day storage fee will be listed on the [Run List](#).
23. **Title.** Regardless of the method of payment and the status of the ownership registration, title to a purchased item does not pass to the Buyer until payment in full has been made and the funds have actually been received by the Auction.
24. **Exports.** If you are planning to export an item, you are responsible for ensuring that the item satisfies all applicable export and import requirements. The Auction does not supply documentation for import or export purposes.

## C. SELLER TERMS AND CONDITIONS

1. **Disclosure Obligations.** A Seller is required to disclose all material facts about a consigned item that would affect a reasonable Buyer's decision to buy the item or the price a reasonable Buyer would pay. For consigned Vehicles, Sellers must also disclose the specific matters in the Vehicle Disclosure List in section D. In addition to the listed Vehicle disclosures, the Seller must accurately disclose the year, make, model and trim/series of the consigned Vehicle.
2. **Seller Fees.** If you wish to consign items for sale at one of our public auctions, you will be asked to enter into a consignment agreement. The consignment agreement will set out the fees payable.
3. **Seller Bidding Prohibited.** A Seller cannot bid on the items that he/she has consigned for sale. This is called "price boosting" or "shilling" and is unethical and, in some jurisdictions, illegal. Similarly, a Seller cannot arrange for someone else to bid on the items that he/she has consigned for sale in order to increase the sale price. If a Seller is caught engaging in this type of activity the Seller will be charged full commission/sell fees and endure permanent banishment from the auction.
4. **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.
5. **Title/Ownership.** When you consign an item for sale, you are guaranteeing, representing and warranting to the Auction and

to the Buyer that you are authorized to sell the item, have good title to the item, and that the item is free of all liens, charges, hypothecs, and encumbrances of any nature or kind whatsoever. All documents required to permit ownership of the item 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 item may be excluded from the sale or, if the item is a Vehicle, the Vehicle may be offered for sale under a White Light. After 48 hours, the Auction may have the option to cancel the sale, if the Seller has not delivered the ownership and title documents.

6. **VIN.** 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. **Responsibility.** The Seller is responsible to ensure that all material disclosures are announced by the Auctioneer and appear in the On-Line item's 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.
8. **Authority for Services.** The Seller authorizes ADESA to provide Services reasonably required enabling 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.

## D. VEHICLE DISCLOSURE LIST

1. **ABS Defective.** The Seller must disclose if the anti-lock braking system is not operational (if equipped).
2. **Accident Repair.** The Seller must disclose if a Vehicle has been involved in an accident or incident that required repairs which cost \$3,000 (\$2,000 in British Columbia) or more. If the dollar value of the Accident Repair is known, it must be disclosed.
3. **Adjacent Panels Replaced.** The Seller must disclose if two or more adjacent panels (excluding bumper panels) have been replaced on a Vehicle. 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 disclose the Vehicle as Accident Repaired as well.
4. **Air Bags Missing/Defective.** The Seller must disclose if the Vehicle's airbags are missing or not operational.
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.
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.
7. **Fire Damage.** The Seller must disclose if the Vehicle has been damaged by fire.
8. **Flood Damage.** The Seller must disclose a Vehicle as Flood Damaged when (i) water or other liquid has penetrated the Vehicle to the level of the floor boards or higher; or (ii) any of the following components have been damaged due to immersion: front or rear lighting or wiring harnesses; engine or its major components; transmission or differential; dash instrument panel or wiring; passenger seat cushions; power seat or window motor; or, major sound system components.
9. **Grey Market.** The Seller must disclose 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.
10. **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.
11. **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.
12. **Kilometres.** 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 1,000 km or 5% (whichever is less) are not subject to arbitration.
13. **Major Repair.** The Seller must disclose if a major component 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, Emissions system, Air conditioning.
14. **Material Variation from Production Specs.** The Seller must disclose if the Vehicle varies materially from the original manufacturer's specifications.
15. **Odometer 5 Digit.** The Seller must disclose if the odometer is a 5 digit odometer with over 100,000 miles or kilometres.
16. **Odometer Broken/Faulty.** The Seller must disclose if the odometer of the Vehicle is broken or faulty, i.e. not accurately tracking distance driven.
17. **Odometer in Miles.** The Seller must disclose if the odometer is in miles.
18. **Odometer Replaced.** The Seller must disclose if the odometer has been replaced.
19. **Odometer Rollback.** The Seller must disclose if the odometer has been rolled back.
20. **Odometer Unreadable.** The Seller must disclose 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.
21. **Out of Province.**<sup>3</sup> 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 disclosed to be 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 disclosed as such, 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 disclose all of the provinces in which the Vehicle was previously registered.*]
22. **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).
23. **Previous Driving School Vehicle.** The Seller must disclose if the Vehicle was previously used as a driving school vehicle.
24. **Previous Emergency Services Vehicle.** The Seller must disclose if the Vehicle was previously used as an emergency services vehicle.
25. **Previous Police Vehicle.** The Seller must disclose if the Vehicle was previously used as a police cruiser.
26. **Previous Racing Vehicle.** A Seller must disclose if the Vehicle was previously used in organized racing.
27. **Previous Taxi/Limo.** The Seller must disclose if the Vehicle was previously used as a taxi or limousine.
28. **Stolen and Recovered.** The Seller must disclose if the Vehicle was recovered after being reported stolen.
29. **Structural Damage.** The Seller must disclose 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](http://www.naaa.com)
30. **Title Branded.** The Seller must disclose if the Vehicle's title has been branded in accordance with provincial or state law

<sup>3</sup> The Out of Province Declaration only needs to be made in those provinces where the disclosure is required by law.

and must indicate the brand(s) assigned.

31. **TKU.** The Seller must disclose 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.
32. **TKU 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 disclose 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.
33. **Total Loss.** The Seller must disclose if an insurer

determined the Vehicle was a total loss.

34. **U.S. Vehicle.** The Seller must disclose 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.
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.
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 a

## E. VEHICLE 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 of eligible Vehicles.
2. **Eligible Vehicles.** All Vehicles are eligible for arbitration except as follows:
  - a. Vehicles sold under a red light.
  - b. Vehicles with over 160,000 kms.
  - c. Vehicles that sell for \$3,000 or less.
  - d. Vehicles not intended for use on public roadways (e.g. snowmobiles, tractors, etc.)
  - e. Vehicles with more than 2 axles, that weigh over 4,600 kgs, or that have air brakes.
  - f. Antique vehicles, recreational vehicles, motor homes or motorcycles
3. **Starting an arbitration Claim**
  - a. *Pay for items.* An arbitration claim may not be started until the Buyer has paid for the Vehicle in full.
  - b. *Arbitration Fee.* To start arbitration, you must pay an arbitration fee of \$50. Depending on the outcome of the arbitration, at the Arbitrator's discretion, part of or the entire arbitration fee may be refunded. The arbitration fee is waived if a Buyer purchases a Buyer Protection Plan post-sale inspection.
  - c. *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.
  - d. *Arbitration Location.* For [In-Lane Sales](#), the arbitration must be initiated at the ADESA location where the Vehicle was purchased. For [LiveBlock® Sales](#), the arbitration must be initiated at the ADESA location closest to the Buyer's place of business.
4. **Arbitration Period.** The arbitration period is the end of business on sale day. The Vehicle must remain on the Auction premises to be eligible for arbitration. 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.

5. **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.
6. **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.
7. **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 Buyer is fairly compensated for its loss. In some circumstances, such as where a disclosure 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 LiveBlock® Sales.* LiveBlock® 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.

8. **Arbitration Costs.** The Auction reserves the right to assess an additional arbitration charge 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. inspection by Auction or external mechanic, referral to an external resource, towing, transportation, etc) the Arbitrator, as part of the remedy imposed, will determine liability to pay the costs incurred.
9. **Finality.** The decision of the Arbitrator and the remedy imposed is final and binding on the Buyer and Seller. By consigning a Vehicle for sale or buying a Vehicle using our services, 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.
10. **Return Process.** If, after a Vehicle has left the Auction, 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 the Buyer for returned Vehicles.
11. **Limitations on the Availability of Arbitration.** Arbitration is not available for the following:
  - a. Matters that were properly disclosed.
  - 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.
  - c. 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.
  - d. 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.
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.
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 or Buyers, who repeatedly submit questionable Arbitration claims, may have their Auction privileges temporarily or permanently suspended.



# WEB SITE USE AGREEMENT

- Ownership.** ADESA.ca, LVGAuctions.com 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.

# ADESA PUBLIC AUCTION PRIVACY POLICY

## **Commitment to Privacy Protection**

ADESA respects your right to privacy. We have developed this Privacy Policy to explain how we collect, use and, in some situations, disclose information about you. Some of the information collected by ADESA may be "personal information" within the meaning of federal and/or provincial privacy laws.

## **Types of Information Collected**

We collect personal information only for the purposes set out in this Policy. The information collected depends on the service(s) requested.

When you register to bid at an auction, we collect information to verify your identity (name, address, phone numbers, email address, driver's license #) and confirm your refundable deposit (credit card data). We may collect information to confirm your ability to pay for purchases (banking information) and/or request your consent for a credit history report.

If you are the successful bidder on a vehicle, we will collect information necessary to transfer ownership (RIN) of the vehicle to you, secure payment, confirm that you are licensed to drive, and verify that you have insured your purchase as required by applicable provincial laws. To expedite the sale check out process, we may collect some of this information at the time you register to bid.

Auction sales are video and/or audio recorded. In addition, for security purposes, many of our auction locations are protected by video surveillance.

We collect and maintain records regarding your vehicle purchases (price, make, model year, VIN#, body type, series/trim, odometer, vehicle history and condition) and details of any services we provided.

If you consign a vehicle for sale through ADESA, we will collect information to confirm your ownership of the vehicle. We will also collect detailed information on the vehicle consigned including make, model year, VIN#, body, series, trim, odometer, history, condition, liens, warranty and insurance information.

Certain information is automatically tracked when you visit our websites, use any of our online services, enter a contest, complete a survey or submit questions or information to us online. The types of information that are automatically tracked include the vehicles and the number of vehicle condition reports you looked at, number of times you logged in, bid and or purchased vehicles.

## **Purpose of Collecting the Information**

ADESA collects, uses, and discloses personal information for the following purposes:

- to deliver the products and/or services that you have requested;
- to process bidder registration applications and related documents;
- to verify the information that you provide to us;
- to verify and/or evaluate your creditworthiness;
- to administer our arbitration process;
- to assist with the collection of any amounts owing by you to us;

- to respond to requests, complaints or comments received from you or other customers;
- to transfer ownership of vehicles purchased and/or sold through us;
- to contact you to provide you with information regarding sales events and services;
- to help us to develop, evaluate and improve our sales and marketing strategies and techniques;
- to enable us or third parties that we retain to deliver products and/or services that you have requested or consented to (such as lien checks, transportation services, warranty, vehicle repair services and similar services);
- to respond to reasonable inquiries from regulatory, governmental, investigative and law enforcement agencies; and
- to maintain and update our list of authorized bidders.

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 to evaluate market trends, analyse data, prepare market reports, and generate valuation products and services. The aggregated and individual sales data does not include personal information.

If requested, we provide law enforcement and regulatory agencies with buyer or seller names and other information, some of which may be personal information.

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 for the purposes identified in this policy.

## **Limiting Use, Disclosure and Retention**

We will not use your personal information for purposes other than those for which it was collected, except with your consent or as required by law.

Personal information will be retained only as long as necessary for the fulfillment of those purposes, as required by law or as required by our established document retention policies.

## **Consent**

By providing your personal information to ADESA, by registering as a customer, or otherwise using ADESA's services, you are consenting to the collection, use and disclosure of your personal information for the purposes set out in this Privacy Policy.

## **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.

## **Safeguards**

ADESA has safeguards in place through the use of firewalls and password protected access to control access to your

personal information and to ensure that your personal information is appropriately protected.

### **Openness**

ADESA will make readily available to customers specific information about its policies and practices relating to the management of personal information. Customers can challenge the accuracy and completeness of information and have it amended as appropriate.

### **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.publicauctionservices.com](http://www.publicauctionservices.com).