



Seller Disclosure Standards – CANADA

Effective: September 2009

Revised: September 2011

A Seller will build confidence in its product and credibility with Buyers by disclosing all material facts about the history and condition of the vehicle offered for sale. A Seller who consigns a vehicle for sale at a participating Canadian NAAA member auction (the "Auction") is required to declare the information listed below. 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 require the disclosure of other information not specifically listed below.

| Declaration | Explanation | 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 the total cost to fix damage caused by a single incident was \$3,000 or more (\$2,000 cumulative incidents in British Columbia).</p> <p>The Accident Repair declaration must be made regardless of whether the damage was caused by collision, accident, weather or by some other incident.</p> <p>If the dollar value of the repair is known, it must be declared.</p> <p>If the Accident Repair information comes from a vehicle history report and the Seller believes that the 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>Although not required, if the Seller chooses to declare an Accident Repair under \$3,000 (\$2,000 cumulative in B.C.), it may do so separately as an additional disclosure.</p> <p>Arbitration is not allowed for repairs under \$3,000 (\$2,000 cumulative in British Columbia).</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 or other incident, 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 | Regular |

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| | 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. | Extended |
| 8. Flood Damage | <p>The Seller must declare a vehicle as Flood Damaged when:</p> <ul style="list-style-type: none"> i. water or other liquid has penetrated the vehicle to the level of the floor boards or higher; or ii. if any of the following components have been damaged due to immersion: <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 | Extended |
| 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. 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 |
| 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. <i>Irreparable</i> vehicles are assumed to also be <i>Total Loss</i> vehicles and thus the <i>Total Loss</i> declaration does not need to be made. | Extended |
| 12. Km _____ | If the odometer reading is accurate, the Seller must disclose the distance the vehicle has travelled as indicated on the odometer. <i>Minor odometer discrepancies of 3,000 km or 5% (whichever is less) are not subject to arbitration.</i> | Extended |
| 13. Major Repair _____(details) | <p>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:</p> <ul style="list-style-type: none"> ➤ Engine ➤ Transmission ➤ Power train ➤ Sub-frame ➤ Suspension ➤ Computer equipment ➤ Fuel operating system | Regular |

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| | <ul style="list-style-type: none"> ➤ Electrical system ➤ Emissions system ➤ Hail damage <p>The following items are not subject to arbitration:</p> <ul style="list-style-type: none"> ○ Upholstery ○ Glass ○ Tires ○ Visible body damage | |
| 14. Manufacturer Repurchase _____ (details) | The Seller must disclose if the motor vehicle was repurchased by the manufacturer under the Canadian Motor Vehicle Arbitration Plan or under the laws of any jurisdiction including but not limited to U.S. lemon laws. If the reasons for, date and/or jurisdiction of the repurchase are known, they should be disclosed. | Regular |
| 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 kilometers. | 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 _____ (list) | <p>If the province of the last registration (or equivalent) to a retail customer is different than the jurisdiction from which the vehicle is currently being sold, the vehicle must be declared an <i>out of province vehicle</i> and the Seller must identify the last province in which the vehicle was registered (or equivalent) to a retail customer.</p> <p>For vehicles sold in Ontario only:</p> <ul style="list-style-type: none"> ➤ A vehicle remains an out of province vehicle and must be so declared, if it was previously registered (or equivalent) to a retail customer in another province and has been registered in Ontario for less than 7 consecutive years. ➤ The Seller must declare all of the provinces in which the vehicle was previously registered. | Regular |
| 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 |

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| 24. Previous Driving School Vehicle | The Seller must disclose if the vehicle was previously used as a driving school vehicle. | Regular |
| 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 a 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 kilometers 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 a vehicle is declared TKU, the total distance that a vehicle has been driven is likely 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. | 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 intact 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 |
| 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 |

ARBITRATION PERIODS

Regular

- ❖ End of business on sale day or as established by local Auction practice. For internet sales, 1 business day after delivery of the vehicle to the Buyer.

Extended

- ❖ 7 calendar days following the date of sale, or for internet sales, from the date of delivery to the Buyer. If the Buyer was not able to discover the undisclosed declaration through inspection or a reliable third party vehicle history report, the arbitration period may be extended at the discretion of the Auction.