



Seller Disclosure Standards

CANADA

January 2017

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 disclose 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
ABS Defective	The Seller must disclose if the anti-lock braking system is not operational (if equipped). Arbitration is only available for repairs over the applicable Arbitration Dollar Threshold (see Major Repair).	Regular
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. If the dollar value of the Accident Repair is not known but estimate data is available, the estimate data should be disclosed.</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
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
Air Bags Missing/Defective	The Seller must disclose if the vehicle's airbags are missing or not operational. Arbitration is only available for repairs that exceed the Arbitration Dollar Threshold (see <i>Major Repair</i>).	Regular
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
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
Fire Damage	The Seller must disclose if the vehicle has been damaged by fire.	Extended
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: <ul style="list-style-type: none"> ➤ Front or rear lighting or wiring harnesses ➤ Engine and its major components 	Extended

Declaration	Explanation	Arbitration Period						
	<ul style="list-style-type: none"> ➤ Transmission and differential ➤ Dash instrument panel and wiring ➤ Passenger seat cushions ➤ Power seat or window motor ➤ Major sound system components 							
Grey Market*	The Seller must declare if the vehicle was ever registered in a country other than the United States or Canada in the past 36 months or manufactured not in compliance with North American standards. All Grey market vehicles offered for sale must include a CarProof Verified vehicle history report, or equivalent.	Regular						
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						
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						
Km _____	If the odometer reading is accurate, the Seller must disclose the distance the vehicle has travelled as indicated on the odometer. Minor odometer discrepancies of 3,000 km or 5% (whichever is less) are not subject to arbitration.	Extended						
Major Repair _____(details)	<p>Where the cost of repair exceeds the Arbitration Dollar Threshold, the Seller must disclose: (a) if a Major Component of the vehicle is defective or not operational; (b) body damage (including hail damage); (c) non-mechanical or non-electrical defects (excluding Wearable Items and Normal Exterior Wear and Tear); and (d) listed accessories that are not working (e.g. cruise control, lane departure warning).</p> <p>Arbitration Dollar Threshold:</p> <table border="1" data-bbox="483 1058 1110 1157"> <thead> <tr> <th><i>Vehicle Sale Price</i></th> <th><i>Arbitration Dollar Threshold</i></th> </tr> </thead> <tbody> <tr> <td>Under \$40,000</td> <td>\$750</td> </tr> <tr> <td>\$40,000 and over</td> <td>2% of vehicle sale price</td> </tr> </tbody> </table> <p>The Arbitration Dollar Threshold is calculated before taxes, on a non-cumulative basis and in accordance with standard Mitchell warranty rates.</p> <p>Major Components include:</p> <ul style="list-style-type: none"> ➤ Engine ➤ Transmission ➤ Power train ➤ Sub-frame ➤ Electrical/Air ride suspension ➤ Computer equipment ➤ Fuel operating system ➤ Electrical system ➤ Emissions system ➤ Anti-lock braking system <p><i>Wearable Items</i> and <i>Normal Exterior Wear and Tear</i> are not subject to arbitration.</p> <p>Wearable Items are parts of the Vehicle that the manufacturer recognizes the need for replacement or adjustment during the expected life of the vehicle. These items are normally identified in the Owner’s Manual for routine check and replacement and include but are not limited to: wipers, brake pads, shoes, rotors, calipers, belts, hoses, lubricants, fluids, timing belts, bulbs, filters, manual clutch, shocks and struts.</p> <p>Normal Exterior Wear and Tear means damage that would be considered normal wear and tear given the distance travelled and age of the Vehicle and is not easily seen, such as scratches that do not break the paint, minor nicks, cuts and/or scuffs.</p>	<i>Vehicle Sale Price</i>	<i>Arbitration Dollar Threshold</i>	Under \$40,000	\$750	\$40,000 and over	2% of vehicle sale price	Regular
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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
Material Variation from Production Specs	The Seller must disclose if the vehicle varies materially from the original manufacturer's specifications.	Regular
Odo 5 digit	The Seller must disclose if the odometer is a 5 digit odometer with over 100,000 miles or kilometers.	Regular
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
Odo in Miles	The Seller must disclose if the odometer is in miles.	Regular
Odo Replaced	The Seller must disclose if the odometer has been replaced.	Extended
Odo Roll back	The Seller must disclose if the odometer has been rolled back.	Extended
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
Out of Province*	<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 out of province Vehicle 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: 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.</p> <p>The Seller must declare all of the provinces in which the vehicle was previously registered.</p>	Regular
Previous Daily Rental	The Seller must disclose if the Vehicle was previously used as a daily rental vehicle at any time in the previous 24 months.	Regular
Previous Driving School Vehicle	The Seller must disclose if the vehicle was previously used as a driving school vehicle.	Regular
Previous Emergency Services Vehicle	The Seller must disclose if the vehicle was previously used as an emergency services vehicle.	Regular
Previous Police Vehicle	The Seller must disclose if the vehicle was previously used as a police cruiser.	Regular
Previous Racing Vehicle	The Seller must disclose if the Vehicle was previously used in organized racing.	Regular
Previous Taxi/Limo	The Seller must disclose if the vehicle was previously used as a taxi or limousine.	Regular
Stolen and Recovered	The Seller must disclose if a vehicle was recovered after being reported stolen.	Extended
Structural Alteration	The Seller must disclose if there has been an alteration to the Vehicle's structure such as lengthened or shortened frame, modified suspension, snow plow, hitch or fifth wheel.	Regular
Structural Damage	The Seller must declare a vehicle to have structural damage if there has been damage to the structure or a specific structural component of the Vehicle that meets the definition of structural damage set out in Section VIII of the National Auto	Extended

Declaration	Explanation	Arbitration Period
	Auction Association's Arbitration Policy regarding Structural Damage. (See the <i>Standards</i> section on the NAAA website found at www.naaa.com)	
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
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
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
Total Loss	The Seller must declare if an insurer determined the vehicle was a total loss.	Extended
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
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
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
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

* BC mandates a seller to disclose if a vehicle was brought to BC for the purposes of resale. If known, this disclosure should also be made. Otherwise, Buyer should review the registration history to determine whether this disclosure is applicable. No arbitration is available regarding this disclosure.

ARBITRATION PERIODS	
<i>Regular</i>	❖ 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.
<i>Extended</i>	❖ 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.