



Selling Dealer Guide

Excess Wear & Use Protection Plan

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Contact Us

Hyundai Capital Lease Inc.

123 Front St. West, Suite 1000
Toronto, ON M5J 2M3

Funding:

Phone: 1-855-627-0484

Fax: 1-800-501-7806

Email: funding@hmfdealer.ca

Hours: Monday to Friday 8:30am to 8:00pm EST

Consumer Website: www.hyundaicanada.com

Dealer Website: <https://lgmhub.ca/>

Each selling dealer will have a unique login profile to the HUB to gain access to dealer-only materials such as Sales Tools.

For Hyundai Motor Finance Excess Wear & Use Protection Plan:

LGM Financial Services Inc. (Sales & Support)

Sales & Customer Service:

Phone: 1-800-510-8372

Fax: 1-800-510-7605

Email: service@lgm.ca

Hours: Please visit our contact page at lgm.ca/contact

Accounts Receivable:

Email: ar@lgm.ca

Vancouver Office

1021 West Hastings Street, Suite 400
Vancouver, BC V3C 1E3

Ontario Office

2010 Winston Park Drive, Suite 300
Oakville, ON L6H 5R7

Montreal Office

1111 Dr. Frederik-Philips Blvd., Suite 450
St. Laurent, QC H4M 2X6

Waiver Plan Objective

The Hyundai Motor Finance Excess Wear & Use Protection Plan will provide lessees with the option to purchase a waiver against potential excess wear and use charges, that the lessee would be obligated to pay (under a standard leasing agreement) at the termination of the lease. Excess Wear and Use Protection Plan (EWU) is not an insurance product; it is an agreement whereby Hyundai Motor Finance (referred to as HMF) at the end of the lease will waive payment by the lessee of certain excess wear and use charges. When presenting EWU to lessees, **it must not be referred to as insurance.**

Waiver Plan Period

Plan start date of May 24th, 2017 and is effective until further notice.

Waiver Plan Changes or Termination

Plan changes including the adjustment to plan pricing may be made at the discretion of HMF. HMF may also terminate the plan with 30 days of notice.

Dealer Eligibility & Enrollment

All Hyundai Canada franchised dealers who agree to abide by the plan rules are eligible to participate in the plan.

Conditions of Ineligibility

The EWU waiver will not be available in any of the following circumstances:

- For any vehicles with damage conditions prior to the start of the lease
- For any EWU waiver purchased after the date of the lease
- If the leased vehicle has more than 24,000 kilometres on the odometer at lease inception or has been titled/registered previously
- If the leased vehicle is not within 1 year of Original In-Service Date at lease inception
- If the lease has an original term of less than 24 months or greater than 60 months

Eligible Models

All Hyundai vehicles (including demonstrator vehicles) eligible for financing under the Hyundai Motor Finance Lease Agreement qualify for EWU. For the purposes of this plan, all vehicles must meet the following specifications:

- Must be a leased vehicle
- Vehicle odometer reading at time of lease inception is within 24,000 kilometres
- Vehicle is within 1 year of Original In-Service Date at lease inception
- Vehicle has not been previously registered to a retail customer
- Lease terms between 24 and 60 months

All lease terms eligible under the Standard Hyundai Lease Plans are eligible for EWU.

Waiver Plan Inclusion

Lessees who exercise their option to purchase the EWU waiver at lease inception, and who return their vehicles to HMF after fulfilling all contractual obligations, could have up to \$7,500 in excess wear and use charges and excess kilometer charges waived up to 1,000 km.

All excess wear and use charges are included unless specifically excluded as a part of the plan. Refer to the "Exclusions" and "Waiver Limits" sections of this document for specific details.

Waiver Limits

HMF will waive eligible excess wear and use charges owing by the lessee upon termination of the lease up to the maximum aggregate waived amount of;

- \$7,500 for vehicles with less than an average of 40,000 km / year
- \$3,750 for vehicles with more than an average of 40,000 km / year
- Windshield replacement and/or damage up to \$600 for cars and \$700 for SUVs

Waiver Fees

HMF

The HMF Waiver Fee is;

- \$745 for all eligible vehicles and eligible lease terms between 24 and 48 months
- \$835 for all eligible vehicles and eligible lease terms between 49 and 60 months

Dealer

The mark-up earned by the Dealer for representing EWU and handling EWU documentation and administration will be the difference between the lessee's EWU purchase price and the HMF Waiver Fee of \$745 and \$835 respectfully. **The maximum Dealer Mark-up is \$400.**

The sale of EWU may be included in the capitalized cost of the lease or paid by the lessee as part of the charges due at lease inception. The lessee purchase price must be itemized appropriately and disclosed on the lease contract. The HMF Waiver Fee and Dealer Fee will be included in the advance of funds when the lease contract is funded. (See dealer chargeback for more details).

E-Contracting & Waiver Registration

The HMF Excess Wear and Use Protection Plan waiver is available via the HUB. A fully signed and executed copy is required by HMF as part of the lease funding package. All waiver sales must be registered in the HUB by the last day of the month in which they are sold and payment of the HMF Waiver Fee for each waiver is required by the 10th business day of the month following sale.

Funding Requirements (in addition to standard lease documents)

1. Hyundai Motor Finance Excess Wear and Use Protection Plan waiver
 - Must be completed in full and signed by the lessee and Dealer
 - Customer Cost on Waiver must match amount entered in Lease Agreement
2. Lease Agreement
 - The selling price of EWU is to be shown on the Lease Agreements as follows if capitalized in the lease:
 - Section 8. Lease Cost Disclosure
 - Sub-Section f. Other Optional Services (Describe)

Lease Transfers

EWU is fully transferable and will follow the vehicle identification number identified on the Vehicle Lease Agreement for the full term of the lease. Standard HMF lease transfer fees apply.

Cancellation

Lessee may opt to cancel out of EWU within the first 30 days from the date on the Vehicle Lease Agreement. A full refund of the retail price lessee paid will be paid to the lessee directly. Dealer must submit a cancellation request in the HUB or lessee must obtain a cancellation form from the dealer and send the request to LGM.

Following 30 days from purchase, EWU may not be cancelled by the customer unless:

- a) Your dealership agrees to participate in a refund (the proportional amount of the upfront profit will be invoiced to your dealership following the cancellation); or
- b) The lienholder who financed the vehicle has interest and provides a written cancellation request due to the vehicle being repossessed or written off to the administrator.

In the event a cancellation is initiated by the dealer or lienholder due to repossession or total loss, the administrator is required to refund the unearned retail amount of the cancellation to the Lessee, which includes the amount that your dealership is required to contribute. The administrator will provide your dealership with written notification for the amount that will be invoiced for the cancellation. The issuing dealer is required to remit their amount owing for the cancellation to the administrator within 30 days of notification.

Cancellations initiated by the dealer or lienholder over 30 days from purchase (agreement date) are calculated using the pro-rata method. The pro-rated refund will be based on the expired portion of the waiver by time or kilometres, whichever is greater, based upon the term selected and the date coverage begins. The lienholder will only have the right to request cancellation in the event they have an outstanding loan balance for the financing of the contract/policy premium.

Dealer Chargeback

Dealer commissions will be charged back in the event that EWU is cancelled. If canceled after 30 days, the dealer chargeback amount is prorated.

Waiver Exclusions

Please refer to the enclosed [Customer waiver](#) for the complete list of exclusions.

Customer Contract

A copy of the full EWU waiver is displayed on the following pages.

Schedule to Lease Agreement – Waiver of Charges

In consideration of the payment of \$_____ and subject to the terms, conditions and exclusions in this schedule (this “**Schedule**”), the Lease Agreement (“**Lease**”) between the **Lessee** and any **Co-lessee(s)** (collectively, the **Lessee**) and **Lessor**, is amended to incorporate this **Schedule**. This **Schedule** may not be executed after the **Lease** inception date. **THIS SCHEDULE MAY ONLY BE PURCHASED FOR NEW VEHICLES, AND IS NOT AVAILABLE ON PICK-UP TRUCKS AND/OR COMMERCIAL LESSEES.**

LESSEE FULL NAME (FIRST, SECOND, LAST):			
ADDRESS:		CITY:	
PROVINCE:		POSTAL CODE:	
CO-LESSEE FULL NAME (FIRST, SECOND, LAST):		CO-LESSEE FULL NAME (FIRST, SECOND, LAST):	
LESSOR NAME:			
ADDRESS:		CITY:	PROVINCE:
			POSTAL CODE:
COVERED VEHICLE:			
VEHICLE IDENTIFICATION NUMBER (VIN):		YEAR:	MAKE:
			MODEL:
ODOMETER READING AT DELIVERY:	LEASE END PERMITTED ODOMETER READING:	EXCESS KILOMETRE CHARGE(PER KM):	

Any charges (plus applicable taxes) not covered by, or waived pursuant to, this **Schedule** will be invoiced to the **Lessee** in accordance with the **Lease**.

WAIVER OF EXCESS WEAR AND TEAR CHARGES

Subject to the Exclusions, the **Lessor** shall waive the specified percentages set out below of the excess wear and tear charges payable by the **Lessee** upon termination of the **Lease**, to the maximum amounts set out below:

Description	Percentage of Charges Waived	Maximum Amount of Charges Waived
Coverage for vehicles with less than 40,000 Average Kilometres Per Year	Waiver of 100% of eligible Charges	\$7,500.00
Coverage for vehicles with 40,000 Average Kilometres Per Year or more	Waiver of 50% of eligible Charges	\$3,750.00
Windshield replacement and/or damage	Waiver of 100% of eligible Charges	\$600 for cars, \$700 SUV's

In the event that the lease term is not a 12-, 24-, 36-, 48-, or 60-month term, in the first column the words “less than 40,000 Average Kilometres Per Year” is deemed amended to read “less than 3,333 Average Kilometres Per Month”, and the words “40,000 Average Kilometers Per Year” is deemed amended to read “3,333 Average Kilometres Per Month or more”.

WAIVER OF EXCESS KILOMETRE CHARGES

Subject to the Exclusions, the **Lessor** shall waive all excess kilometre charges if the kilometres shown on the Covered Vehicle’s odometer at the end of the lease term exceed the Lease End Permitted Odometer Reading by 1,000 kilometres or less.

EXCLUSIONS

Lessee will still be responsible for, and **Lessor** will not provide a waiver of, any excess wear and tear charges and/or excess kilometre charges payable by the **Lessee** under the following circumstances:

- (1) **Lessee** has not made all payments as scheduled under the **Lease** unless said **Lease** is subject to an incentive program sponsored by the manufacturer or **Lessor**;
- (2) **Lessee** has not returned the Covered Vehicle to **Lessor** or **Lessor’s** agent at the end of the lease term;

- (3) **Lessee** has not complied with all the terms and conditions of the **Lease**;
- (4) The Covered Vehicle is repossessed, surrendered voluntarily or classified as a total loss;
- (5) Loss or damage to the Covered Vehicle arising from dishonest, intentional, fraudulent, criminal or illegal acts, including but not limited to forgery, committed by the **Lessee**;
- (6) Loss or damage to the Covered Vehicle arising out of a single incident where the loss or damage exceeds \$1,000.00, and where the damage is insurable under a motor vehicle policy, whether or not such insurance is actually in force.
- (7) Loss or damage to the Covered Vehicle that is covered by a service contract, warranty, or manufacturer's or repairer's guarantee;
- (8) Loss or damage to the Covered Vehicle arising from hail;
- (9) The Covered Vehicle has been operated, used, or maintained:
 - (i) in any race, speed or demolition contest, or stunting activity or while practicing for such contest or stunting activity;
 - (ii) for any commercial purpose, including but not limited to, construction, delivery, logging and landscaping services;
 - (iii) for public or livery transportation; or
 - (iv) for the ordinary activities of ambulance companies, auto leasing companies, daily rental companies, new or used car dealers, police or fire departments, taxi cab companies or driver education companies.
- (10) The Covered Vehicle is part of a drop-shipped fleet agreement or is a custom built vehicle, special body truck, or self-contained recreational vehicle;
- (11) If the odometer has stopped, been altered, tampered, disconnected, or if it in any way misrepresents the actual kilometres driven by the Covered Vehicle, unless the odometer was modified in compliance with the *Weights and Measures Act*, R.S.C. 1985, c. W-6;
- (12) If the Covered Vehicle is missing a part that is valued at greater than \$150.00,
- (13) Loss or damage to a key or fob, where the replacement cost is greater than \$400.00;
- (14) Loss or damage to any part, equipment or accessory added to the Covered Vehicle after vehicle delivery to the **Lessee**;
- (15) Loss or damage resulting from any mechanical or electrical breakdown unless such breakdown is on the following parts and/or surfaces: head lamps, tail lamps, sealed beams, lenses, light bulbs, factory or dealer installed audio equipment and systems, convertible tops, padded tops, vinyl tops, mufflers, tailpipes, mirrors, door handles, and antennae;
- (16) Loss or damage due to confiscation of the Covered Vehicle by a government body or public official;
- (17) Loss or damage to the Covered Vehicle due to nuclear action or reaction, radiation or radioactive contamination;
- (18) Loss or damage to the Covered Vehicle due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or any consequence of these;
- (19) Loss or damage to the Covered Vehicle due to alterations, improper repairs, and modifications including but not limited to replacement parts that do not meet the manufacturer's specifications, mismatched parts to a set, add on parts, poor body work, visible bonds, mismatched paint or poor quality paint job from a repair, and damage to the Covered Vehicle's frame or alignment;

CANCELLATION

Lessee may opt to cancel this **Schedule** at any time. If cancellation is within the first 30 days from the date of the **Lease**, a full refund of the retail price **Lessee** paid will be paid to the **Lessee** directly. Following 30 days from the date of the **Lease**, in the event of cancellation **Lessee** will be paid a pro rata refund based on the expired portion of the waiver by time or kilometers, whichever is greater, based upon the term selected and the date coverage began. **Lessee** must contact the dealership and dealer must submit a cancellation request on the **Lessee's** behalf.

LESSEE IS NOT REQUIRED TO EXECUTE THIS SCHEDULE IN ORDER TO ENTER INTO THE LEASE. THIS SCHEDULE IS NOT AN INSURANCE POLICY. DO NOT SIGN THIS SCHEDULE BEFORE READING IT OR IF IT CONTAINS ANY BLANK SPACES. BY SIGNING BELOW, LESSEE CONFIRMS THAT LESSEE HAS READ ALL OF THE TERMS, CONDITIONS, AND EXCLUSIONS, AND THAT LESSEE AGREES TO BE BOUND BY THEM. LESSEE AGREES THAT THIS SCHEDULE FORMS A PART OF THE LEASE. LESSEE FURTHER ACKNOWLEDGES THAT LESSEE HAS RECEIVED A COMPLETED COPY OF THIS SCHEDULE.

<p>Date accepted by Lessee:</p> <p>LESSEE'S NAME:</p> <p>_____</p> <p>Lessee's Signature</p>	<p>Date accepted by Co-Lessee:</p> <p>CO-LESSEE'S NAME:</p> <p>_____</p> <p>Co-Lessee's Signature</p>
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<p>Date accepted by Lessor:</p> <p>LESSOR:</p> <p>_____</p> <p>(Authorized Signatory)</p>
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