Selling Dealer Guide.

Prepaid Maintenance



TABLE OF CONTENTS

Introduction	3
Contact us	4
General Provisions	5
Hyundai Prepaid Maintenance	7
Benefits	7
Limits of Liability	7
Eligibility	7
Selling Hyundai Prepaid Maintenance	8
E-Contracting	8
Confirmation of Coverage	8
Program Compliance	8
Waiver Information	9
No Interest Deferred Payment Plan	9
Administration	10
Invoice Payment	10
Transfers	11
Cancellations	11
Claims Assistance	13
For Customers	13
For Dealers	13
Parts and Labour Reimbursement Policy for Services	14
Privacy of Personal Information	14
Customer contract	14

INTRODUCTION

Thank you for choosing to add Hyundai Prepaid Maintenance to your suite of Business Office products.

Hyundai Prepaid Maintenance offers service plans designed to increase customer retention in your dealership and support you in building sustainable relationships with your customers. By locking in today's prices for future services, customers will return to your dealership for their scheduled maintenance needs.

All brand new Hyundai models are eligible for Hyundai Prepaid Maintenance. By offering this program to every customer, Hyundai Prepaid Maintenance can quickly become a profitable Business Office product in your dealership.

The following guide is designed to provide you with the information you need to easily promote, sell, and administer Hyundai Prepaid Maintenance at your dealership. By reading this guide, you will attain a thorough understanding of program requirements, eligibility, and claims processes. By participating in this program, you are agreeing to all of the terms and conditions contained in this guide. You will also know who to contact for more information should you need it.

Should you have any additional questions about the program, please feel free to contact the LGM Financial Services Inc. Customer Service team at the numbers listed in the 'Contact Us' section of this guide. Further updates to this guide are available in Sales Tools at www.lgmhub.ca.

Thank you for your continued support of Hyundai Prepaid Maintenance.

CONTACT US

Consumer Website: <u>www.hyundaicanada.com</u>

Dealer Website: hyundai.lgm.ca

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

For Hyundai Extended Protection and H-Promise:

Hyundai Warranty Department

Phone: 1-800-461-0058

Hours: Monday - Friday from 8:30am - 5:00pm EST

Mailing Address:

Hyundai Auto Canada Corp. 75 Frontenac Drive, Markham, ON, L3R 6H2

For Hyundai Appearance Protection, Loan Protection, Prepaid Maintenance and VLPP:

LGM Financial Services Inc. (Administrator, Sales & Support)

Claims:

Phone: 1-855-506-6160 Fax: 1-855-506-6159

Email: <u>HyundaiProtectionClaims@lgm.ca</u>

Hours: Monday - Friday from 7:30am - 7:30pm EST

Saturday from 9am - 6pm EST

Sales & Customer Service: Phone: 1-800-510-8372 Fax: 1-800-510-7605 Email: service@lgm.ca

Hours: Monday - Friday from 7:30am - 10:30pm EST

Saturday from 9am - 6pm EST

Accounts Receivable: Email: ar@lgm.ca

Vancouver Office 1021 West Hastings Street, Suite 400 Vancouver, BC V6E 0C3

Oakville 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

GENERAL PROVISIONS

All Hyundai Dealers shall be governed by the following program requirements:

- a) <u>Maintenance</u>: For each customer that purchases Hyundai Prepaid Maintenance under an applicable Vehicle Service Contract ("PPM Contract"), the selling dealer, or an authorized Hyundai Dealer, shall perform vehicle maintenance services, using prevailing industry standards and using genuine Hyundai parts.
- b) <u>License</u>: Participating Hyundai Dealers shall procure and maintain in good standing and at their cost all licenses required under applicable law that are required to conduct its business and shall carry out the sale of the PPM Contracts, and the performance of maintenance services, in accordance with all of the terms of any such licenses.
- c) <u>Laws and Regulations</u>: Hyundai Dealers shall familiarize themselves with all applicable law pertaining to its business, including the sale of the PPM Contracts and the performance of maintenance services, and shall conduct its business in compliance therewith.
- d) Rules of the Administrator: Hyundai Dealers shall adhere to all rules, requirements and procedures of Hyundai Auto Canada Corp. ("Hyundai") and LGM Financial Services Inc. (the "Administrator") contained within this Selling Dealer Guide or as may be provided to Hyundai Dealers in writing from time to time.
- e) No Authority to Bind: Other than as expressly contemplated herein, Hyundai Dealers shall have no authority whatsoever to bind Hyundai or the Administrator or to otherwise modify the PPM Contract.
- f) <u>Illegal and Unfair Practices</u>: Hyundai Dealers shall not engage in discrimination, misrepresentation or any unfair practice or other practice prohibited by applicable law.
- g) Property, Supplies and Confidential Information: Hyundai Dealers shall maintain in a secure and safe place and, upon request, shall account for, all business merchandise, brochures, guides, rates, executed PPM Contracts, and other documents, materials and other information received from Hyundai or the Administrator in relation to this program, whether in oral, written or electronic form, that would be reasonably considered to be confidential information ("Confidential Information"). Without limiting the foregoing, Hyundai Dealers covenant and agree to keep all Confidential Information confidential and secret, with the same level of care accorded by the Dealer to its own proprietary information, and in any event, not less than a reasonable level of care. Dealers shall not disclose, publish, disseminate, or otherwise convey any portion of Confidential Information to any third party. Dealers further covenant and agree to only use Confidential Information for the purposes of carrying out their obligations under this program, and not to use it directly or indirectly for any other purpose. Dealers agree that they will indemnify Hyundai and the Administrator for any and all damages caused by unauthorized disclosure of Confidential Information.
- h) <u>Modification of Forms</u>: Hyundai Dealer shall not seek to modify, waive, alter or change, whether orally or in writing, any of the terms of the PPM Contracts.
- i) <u>Expenses</u>: The Dealer shall not incur any expense on behalf of Hyundai or the Administrator without the prior written consent of the appropriate party.
- j) <u>Negotiable Instruments</u>: Hyundai Dealers shall not negotiate or endorse any cheque or other negotiable instrument made payable to Hyundai or the Administrator.
- k) <u>Trust Funds</u>: Hyundai Dealers shall hold in trust (as a fiduciary) any funds, sales prices and monies received by the Dealer on behalf of Hyundai or the Administrator (and the issuer of the contractual liability insurance policy for the PPM Contracts) and shall promptly remit such funds to the Administrator (no later than the tenth day of each calendar month for all business sold by Hyundai Dealers during the preceding month) and not convert same to its own use.

- Advertising: Hyundai Dealers shall not publish, circulate or display any advertisements, circulars
 or other promotional materials related to Hyundai, the Administrator or Hyundai Prepaid
 Maintenance unless the content thereof has received the prior written approval of Hyundai and
 the Administrator.
- m) <u>Inducement to Lapse or Claim</u>: Hyundai Dealers shall not induce the lapse, cancellation or termination of any PPM Contract, or induce any claims or additional benefits under the terms of any PPM Contract.
- n) <u>Audit</u>: Hyundai Dealers shall grant Hyundai or the Administrator and their representatives the right of free access during normal business hours at the Hyundai Dealer's business office for the purpose of inspecting the books and records maintained by the Hyundai Dealer with respect to Hyundai Prepaid Maintenance, including copies off all signed PPM Contracts.
- o) <u>Claims</u>: Hyundai Dealers shall have no authority to settle or pay claims unless authorized by the Administrator.
- p) <u>Selling Dealer Guide</u>: The Hyundai Dealer has read and understands the Selling Dealer Guide produced and provided by Administrator the Dealer. The Hyundai Dealer agrees to be bound by the requirements set forth in the Selling Dealer Guide. The Administrator may amend the Selling Dealer Guide from time to time by posting an amended version of the Selling Dealer Guide to the HUB and the Dealer shall continue to be bound by the Selling Dealer Guide, as amended.
- q) <u>Sales Restriction</u>: Hyundai Dealers shall only sell Hyundai Prepaid Maintenance products on the Dealer's own vehicle inventory and at the time of the vehicle sale to the customer, unless otherwise agreed to as set out from time to time in the Selling Dealer Guide.
- r) PPM Contract: The Dealer agrees to maintain in good order and make available to Hyundai and the Administrator for inspection (and provide copies when requested) within two business days of request, copies of all duly signed PPM Contracts that have been sold relating to Hyundai Prepaid Maintenance. The Dealer shall retain Hyundai Prepaid Maintenance contracts for a period of two Hyundai Prepaid Maintenance years after their expiration.
- s) <u>Indemnification:</u> Each Hyundai Selling Dealer shall indemnify, defend and hold harmless Hyundai and the Administrator from and against any and all damages, claims, liabilities, judgments, awards, penalties, fines and expenses, including but not limited to legal fees, resulting from or arising out of:
 - any act, error, or omission committed by the Hyundai Dealer in connection with this Selling Dealer Guide and causing loss to a third party, except to the extent the party(ies) seeking indemnification also caused, contributed to or compounded the loss, or
 - ii. the failure by the Hyundai Dealer to comply with any law, regulation, rule or governmental directive of the jurisdiction in which this Selling Dealer Guide applies.
- t) <u>Survival of Covenants:</u> The obligations of the parties to indemnify each other shall survive the termination of the Hyundai Prepaid Maintenance program until all business written has fully expired.
- u) <u>Hyundai Dealer Agreement:</u> The Dealer agrees that the provisions in this Selling Dealer Guide are in addition to the terms and conditions contained in any other agreement between Hyundai and the Dealer, including the Hyundai Dealer Agreement and all Letters of Intent and Letters of Consent currently in force. Nothing in this Selling Dealer Guide shall be taken as limiting, or in any way relieving, the Dealer of any of its obligations under these other agreements. This Selling Dealer Guide shall not merge with the other agreements and all of the terms/obligations of these other agreements remain fully binding on Dealer.

HYUNDAI PREPAID MAINTENANCE

BENEFITS

Hyundai Prepaid Maintenance is a smart and convenient way for your customers to manage their vehicle's service. The Premium and Premium Plus plans cover most of the recommended scheduled maintenance performed by OEM trained technicians using genuine Hyundai parts.

For a comprehensive description of the benefits, please refer to the PPM Contract.

LIMITS OF LIABILITY

The maximum aggregate liability under, or in connection with a PPM Contract shall in no event exceed the limits as specifically set out in the applicable PPM Contract. In no event shall Hyundai be liable for any special, indirect, or consequential damages.

ELIGIBILITY

Hyundai Prepaid Maintenance is available on all Hyundai models which are classified as New Vehicle. To be classified as New Vehicle, the vehicle is required to be within 6 months of Original In-Service Date or less than 8,000 km at time of purchase; no later than on the day of the first service.

Please contact the Administrator at 1-800-510-8372 if you are uncertain if a vehicle qualifies.

SELLING HYUNDAI PREPAID MAINTENANCE

E-CONTRACTING

PPM contracts are sold exclusively via a secure online sales portal at www.lgmhub.ca (the "HUB").

To get started with e-contracting, please contact the Administrator at 1-800-510-8372 and the Administrator will provide you with access. E-contracting provides you with these valuable benefits:

- No need to hand complete pre-printed forms;
- Easy to use and quick to complete;
- · Guaranteed accuracy of rates and coverage;
- Track results electronically;
- Complete monthly remittance automatically;
- Professional documents for your customer;
- Instant confirmation of coverage; and
- VIN decoding makes processing faster (auto-population).

Please note that your dealership is to retain a customer signed copy of each contract sold. It is the responsibility of the Dealer to promptly provide the Administrator a copy of the signed contract upon request.

CONFIRMATION OF COVERAGE

The HUB automatically generates a welcome letter, with its integrated wallet card, along with the complete PPM Contract terms and conditions after the product is purchased in the HUB. These must be printed, presented to and signed by the customer at time of purchase.

PROGRAM COMPLIANCE

Participating Dealers agree to offer to their customers Hyundai Prepaid Maintenance contracts as made available online by the Administrator.

Each approved Hyundai Prepaid Maintenance contract shall be sold only on a qualifying vehicle in accordance with, subject to, and defined by Hyundai's programs, coverages, rules, and regulations for the base price (also referred to as dealer cost) owed to Hyundai as indicated on the retail rate chart in effect at the time each Hyundai Prepaid Maintenance contract is sold. This retail rate chart also sets out Dealer profit (also referred to as Dealer mark-up), which when added to the base price, equals the current suggested retail price. Dealers may sell below the suggested retail price, but this shall not decrease the base price owed to Hyundai. Dealers shall not sell above the suggested retail price.

Hyundai may at any time (with thirty (30) days notice) revise its programs, coverages, rules, regulations and fees by posting such revisions to the HUB and/or providing written notice of such revisions to Hyundai Dealers, and Hyundai Dealers shall promptly conform to any such revisions. The Administrator shall not be obligated to perform administrative services with respect to any Hyundai Prepaid Maintenance contract sold by any Hyundai Dealer on a form (or online program) which has not been approved by Hyundai or the use of which has been discontinued by Hyundai.

Hyundai Dealers shall have no authority to alter, modify, waive or discharge any terms or conditions of the Hyundai Prepaid Maintenance contract, or to incur any liability on behalf of Hyundai or the Administrator, or to make representations about the Hyundai Prepaid Maintenance coverage not contained in the Hyundai Prepaid Maintenance contract or this Selling Dealer Guide.

WAIVER INFORMATION

The waiver form is provided as a suggested selling tool in the business office.

The Administrator provides this waiver form as a guideline only and urges your dealership to independently seek legal counsel before adopting any waiver form, or practices for using waiver forms, in your dealership.

When used appropriately, this waiver form may add further credibility during your sales presentation in the business office. This waiver reminds the customer they have been given the option to purchase Hyundai Prepaid Maintenance and that they have chosen to decline coverage; it is important the product is always marketed as a voluntary purchase. It may also serve as a valuable reference in your deal jacket in the event there is ever contestability about offering Hyundai Prepaid Maintenance to your customers.

The waiver form is accessible via the online sales portal. Upon completion of a customer quote, the Dealer has the option of printing a waiver form. The Waiver Form is also available as a downloadable form by visiting www.lgmhub.ca.

NO INTEREST DEFERRED PAYMENT PLAN

Hyundai Prepaid Maintenance is eligible for financing with the LGM No Interest Deferred Payment Plan (NIDPP). For complete program details and participation fees please refer to the "No Interest Deferred Payment Plan Program Guide" available in the Sales Tools section in the LGM HUB via www.lgmhub.ca.

ADMINISTRATION

INVOICE PAYMENT

Hyundai Prepaid Maintenance contracts are sold exclusively via a secure online sales portal at www.lgmhub.ca. Your dealership is required, on the last day of the month, to report all valid business for invoicing to the Administrator via the HUB or the Administrator will generate invoicing on your dealership's behalf. The Administrator shall prescribe the method and form of invoicing.

Payment remittances are required by your dealership to the Administrator no later than the tenth business day of the following month, or as per provincial regulations. Payment submitted later than this date may result in claim service delays to your customers. Invoices sent to your dealership pertaining to cancellations must be paid immediately upon receipt.

Your dealership can make payment through the HUB via bank withdrawal, credit card submission or with a cheque made payable to Hyundai Auto Canada Corp. and mailed to the Administrator. Any cheques not made payable to Hyundai Auto Canada Corp. will be returned to your dealership.

When paying with a cheque, please ensure that you attach the following:

- Invoices generated by the online sales portal; and
- Cheque made payable to Hyundai Auto Canada Corp.

Please remit to:

Hyundai Auto Canada Corp. c/o LGM Financial Services Inc. 1021 West Hastings Street, Suite 400 Vancouver, BC V6E 0C3

When calculating remittances, please note the following taxation regulations:

- Dealers in BC, Alberta, Saskatchewan, and Manitoba are required to remit GST
- Dealers in Ontario and Atlantic Canada provinces are required to remit HST
- Dealers in Quebec are required to remit QST and GST

Note: In some cases, where applicable tax has been based on location of customer's residence, tax to be remitted may differ from the above.

Aboriginal Customers

Please note that tax regulations pertaining to sales of Hyundai products to Aboriginal customers with Indian Status must be observed by your dealership. It is important that your dealership maintains records of such transactions, including the retention of copies of Indian Status Cards, in the event a taxation audit requires this information to be produced.

TRANSFERS

The terms and conditions of the Hyundai Prepaid Maintenance contract allow for transfers in certain circumstances. In order to facilitate a permitted Hyundai Prepaid Maintenance contract transfer, the original purchaser must contact the Administrator within 30 days of ownership change to initiate the request. The Administrator requires the following details in order to review and, if accepted, process a contract transfer request:

- Dealer name;
- Date of vehicle ownership change;
- Contract number;
- Odometer reading on vehicle at time of ownership change;
- Name of original PPM contract holder;
- Year and model name of vehicle;
- Name of new owner:
- Vehicle Identification Number (VIN);
- Address of new and original owner;
- Copy of Transfer of Ownership document signed between the parties;
- Vehicle registration.

A Transfer Request form is available via an online sales portal which can be accessed at www.lgmhub.ca. Please contact the Administrator at 1-800-510-8372 if you do not have a username and password for the online sales portal.

The transfer request form must be completed by both the original contract holder and the new owner, including their signatures. Once signed, this document, and the applicable transfer fee should be mailed or emailed to the Administrator for review.

The Administrator, upon receiving the completed transfer documentation and fees, will review and if the transfer application is accepted, will confirm this with the new contract holder. The Administrator does not require any maintenance documents in order to validate coverage or confirm transfer acceptance.

A \$100 fee (plus applicable tax) shall apply to any transfer request.

Please ensure all cheques relating to contract transfers are made payable to: Hyundai Auto Canada Corp.

Please remit to:

Hyundai Auto Canada Corp. c/o LGM Financial Services Inc. 1021 West Hastings Street, Suite 400 Vancouver, BC V6E 0C3

CANCELLATIONS

Hyundai Prepaid Maintenance contracts can be cancelled within thirty (30) days from the contract purchase date. As a selling dealer, you can use the HUB to submit a cancellation request completed by the contract holder. Otherwise, you can obtain a cancellation request form via the online sales portal at www.lgmhub.ca, and submit to the Administrator within thirty (30) days from the contract purchase date. The Administrator will refund the retail price paid less an administration fee of \$100 (plus applicable taxes), unless such administration fee is prohibited under applicable law.

Cancellation requests initiated by a contract holder will be generally redirected to the original selling dealer to ensure that the selling dealer has an opportunity to discuss the reason for cancellation with their customer. The Administrator will always hold the selling dealer's contribution of the refund in strictest confidence.

After thirty (30) days, cancellations can only occur under the following conditions with any refund of the contract purchase price to be calculated in accordance with the Hyundai Prepaid Maintenance contract;

- Total loss of the vehicle
- Lienholder cancellation request
- Cancellation by Hyundai due to Vehicle ineligibility
- Cancellation by Hyundai due to inaccurate, incomplete or falsified information provided by the contract holder
- Cancellation by Hyundai due to misrepresentation by the contract holder or any third party in connection with the PPM contract or any claims made for coverage
- Joint dealership and customer cancellation request where your dealership agrees to participate in a refund

The proportional amount of the upfront profit will be invoiced to your dealership following any cancellation, except for when cancellation is due to vehicle repossession or total loss more than 90 days from the contract purchase date, in which case Dealers are not required to contribute towards cancellation refunds.

To initiate a cancellation, the original contract holder must complete the Cancellation Request Form at the selling dealer. This form is available via the HUB, or by contacting the Administrator. The Cancellation Request Form will ask for the following information:

- Contract registration number
- Name, phone number and email address for contract /policy holder
- Dealer name, fax number and name of dealer representative
- Vehicle Identification Number (VIN)
- Cancellation date
- Current odometer reading (if applicable)
- Reason for cancellation; loan information, name and address of lienholder (if applicable)
- Signatures of both the contract holder and the dealer representative

If the selling dealer is required to participate in the refund, the HUB will provide the Selling dealer with a quote which outlines the total refund and outlines the Selling dealer's portion.

If the PPM contract was financed by the customer, the refund will be sent to the Lienholder, as listed on the warranty (unless customer has discharged their loan). If the PPM contract was not financed by the customer, the refund will be made payable to the customer unless otherwise requested by the customer.

IMPORTANT

The Administrator will issue the refund directly to the contract holder (and/or Lienholder if applicable) and your dealership will be invoiced for your proportional amount of the unearned profit as may be required. Please do not deduct cancellations from your remittances for NEW business.

For further cancellation details please refer to the PPM contract.

CLAIMS ASSISTANCE

The Administrator will direct a contract holder to return to your dealership for service under the PPM contract whenever possible to do so. This important step assures the Administrator of quality service and also improves customer retention for your dealership.

FOR CUSTOMERS

The following is the CUSTOMER's steps to filing a claim:

- 1. Make a service appointment at an authorized dealer to perform the maintenance services. Customers may only have their vehicles serviced by such dealers located in Canada and the Continental United States of America and Alaska.
- 2. Provide the authorized dealer the contract registration number or Vehicle Identification Number (VIN).
- 3. Advise the authorized dealer to verify what maintenance is due. The dealer must use the Administrator's online claims submission portal or otherwise contact the Administrator and obtain an authorization number prior to any service being performed. Please confirm this with the authorized dealer; failure to receive prior authorization may void coverage for services under the customer's contract.
- 4. The Administrator will reimburse the authorized dealer for the pre-authorized cost of the maintenance service performed on the vehicle that is covered by the customer's contract; provided that, the authorized dealer has provided all invoices and other reasonably requested documents to the Administrator within thirty (30) days of the Administrator authorizing such service and costs.
- For claims assistance, please contact the Administrator at <u>HyundaiProtectionClaims@lgm.ca</u> or toll-free at 1-855-506-6160

FOR DEALERS

To initiate a claim the DEALER should follow these steps:

- 1. Request the customer's PPM Contract number or VIN number.
- 2. Verify what maintenance is due, based on the recommendations as outlined in the owner's manual.
- 3. Create an estimate for the required maintenance. Provide a copy to the customer.
- 4. Log into www.lgmhub.ca, using personal username and password;
- 5. Submit a claim through the Hyundai Prepaid Maintenance Online Portal.

For claims assistance please visit the Service Tools section of the HUB for helpful resources, alternatively contact our National Call Centre:

Email <u>HyundaiProtectionClaims@lgm.ca</u>

Telephone toll free 1-855-506-6160

Hours of Operation Monday to Friday from 7:30am - 7:30pm EST

Saturday from 9am - 6pm EST

PARTS AND LABOUR REIMBURSEMENT POLICY FOR SERVICES

The Administrator will reimburse parts and labour in accordance with the then current list of approved labour times and eligible parts costs till February 28, 2022. Administrator will reimburse parts to address the pricing adjustment and inflation changes by increasing the reimbursement by 6.5%/year for ICE/Hybrid models and 4% for EV models starting March 1, 2023

Labour times are set based on the model of vehicle and the service type. The full list of approved labour times and eligible parts numbers and dealer cost is available in Sales Tools at www.lgmhub.ca. Once per year, or otherwise determined by Hyundai, the Administrator will review the list of approved labour times and eligible parts numbers and dealer cost provided by Hyundai. Applicable changes will be implemented every year on the first business day of the month of December; starting December 1, 2020.

Subject to providing the Administrator with all information reasonably related to your claim, the Administrator will reimburse parts and labour in accordance with the then current list of approved labour times and eligible parts costs. For clarity, such reimbursement schedule may change from time to time to reflect market changes, including changes in parts and labour costs. Once the total approved cost of the service has been determined, the Administrator will provide the repair facility with an authorization number. The approved claim amount will be the total approved cost.

Following receipt and settlement of required documents, a WEX credit card payment will be promptly provided (with a target time of two business days).

PRIVACY OF PERSONAL INFORMATION

Maintaining the privacy of customer information is very important to Hyundai Auto Canada Corp. and LGM Financial Services Inc.. The information each Dealer provides the Administrator for a Hyundai Prepaid Maintenance customer is held in strict confidence and is not shared with any third parties unless authorized by the customer, required in connection with administration of PPM Contracts or for statutory or underwriting purposes. If You have questions about privacy, please contact privacyofficer@lgm.ca or visit www.hyundaicanada.com/en/about/privacy-policy.

Each Selling Dealer must ensure that in promoting, selling and maintaining the Hyundai Prepaid Maintenance product at their dealership that they comply at all times with the current legislation pertaining to the privacy of personal information for all contract holders.

CUSTOMER CONTRACT

A copy of the full standard terms and conditions for PPM Contracts is displayed on the following pages.