



Certified Pre Owned™

Program Manual

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Overview

A Kia Certified Pre-Owned vehicle is one which has been inspected and reconditioned to Kia Canada's approved standards and is ready for sale to the next proud Kia owner. Vehicles which have this certification will provide customers with added peace of mind knowing that this vehicle is safe and reliable, and has numerous benefits backed by Kia Canada.

By meeting specific certification standards, a pre-owned Kia vehicle can become a Kia Certified Pre-Owned vehicle which gives the Dealer a unique remarketing advantage within the pre-owned marketplace.

As an authorized selling dealer, Kia Certified Pre-Owned vehicles will attract customers to your dealership, and will ultimately contribute to higher resale values, improved turn rates and increased profit opportunity.

Program Benefits

The Kia Certified Pre-Owned Vehicle Program is designed to enhance the remarketing success of a pre-owned Kia vehicle. There are many advantages in certifying a pre-owned Kia vehicle which include:

1. Maintaining a higher residual value of a pre-owned Kia vehicle. When higher residual values can be established it improves consumer confidence, lowers cost of borrowing and creates higher profitability for the selling dealer.
2. Higher customer traffic will occur when advertising a certified vehicle. Many customers want to purchase a pre-owned vehicle that they know has passed a credible certification process and will only shop for vehicles with that certification.
3. Higher credibility of the Dealer's pre-owned inventory. Vehicle sales increase with a certified vehicle program in effect.
4. National advertising and support by Kia Canada to promote consumer awareness of the Program.
5. Opportunities within the Business Office to provide the Kia Protect suite of products which compliments the certified vehicle sale.
6. Faster turnaround of pre-owned vehicle inventory. A certified vehicle generally sells quicker (on average) than a non-certified vehicle when advertised effectively.

Program Features

Kia Certified Pre-Owned vehicles come standard with the following features:

1. 135 Point Inspection Report
2. ~~Paintless Dent Removal (PDR) (6 months of complimentary coverage)~~
3. ~~Key and Keyless Remote Replacement (12 months of complimentary coverage)~~
4. ~~Four (4) Free Oil Changes~~
5. ~~30 day/2,000km exchange privilege at selling dealer~~
6. CarProof® History Report
7. Graduate Bonus (for applicable customers)
8. 90 Day SiriusXM Satellite radio trial (if applicable)
9. Subvented Financing
10. Co-op Advertising Support
11. Third Party Condition Report
12. Mechanical Breakdown Protection (optional feature)

1. Vehicle Inspection Report

Each Kia Certified Pre-Owned vehicle must pass a thorough 135 point inspection, which is available for a customer to review at time of considering purchase. Upon inspection of a qualifying Kia vehicle, any items that require repair **MUST** be repaired to Kia Canada standards prior to declaring the vehicle to be a Kia Certified Pre-Owned vehicle. Costs of vehicle reconditioning to certification standards are the selling dealer's responsibility.

2. ~~Paintless Dent Removal (PDR) Coverage~~

~~Kia Certified Pre-Owned vehicles come with 6 months of complimentary coverage for the limited removal of most small dents on exterior painted sheet metal body panels.~~

~~What is PDR? PDR is a detailing process developed by automobile body repair specialists that uses custom hand tools to gently push dented metal back to its original, or near original form. This procedure generally removes most small dents without further harming the manufacturer's original finish.~~

~~Coverage Limit (as shown in the Terms and Conditions):~~

~~During the Coverage Term, We shall provide PDR coverage for vertical metal body panels of the customer's CPO vehicle only. This benefit requires initial assessment by the administrator's approved PDR technician prior to commencing the repair.~~

~~Coverage limit: Maximum \$1,000 during coverage term.~~

~~PDR coverage commences at the time the customer purchases the CPO vehicle. PDR coverage will not include any pre-existing conditions.~~

3. Key and Keyless Remote Replacement

~~Kia Certified Pre-Owned vehicles also come with 12 months of complimentary coverage for the costs to replace one lost, stolen or inoperable key and/or keyless remote (except for battery failure) for the CPO vehicle, including charges for cutting the key and reprogramming the keyless remote.~~

~~Coverage limit: Maximum \$1,000 and one replacement per coverage term.~~

~~Key and Keyless Remote Replacement commences at the time the customer purchases the CPO vehicle. Coverage does not include any pre-existing conditions.~~

4. **Four Free Lube, Oil and Filter Changes**

The selling dealer is required to cover the cost of the customer's initial lube, oil, and filter change.

The three additional lube, oil and filter changes shall be paid for by Kia Canada.

The selling dealer is required to activate the customer's Kia Rewards card in order for Kia Canada to upload the applicable points which may be redeemed at a later date.

5. **30-day/2,000 km Exchange Privilege**

An additional measure of building customer peace of mind includes a dealer-sponsored 30-day, one time only, exchange privilege, which means that a customer may exchange their Kia Certified Pre-Owned vehicle within 30 days from purchase with no more than 2,000 incremental kilometres on the odometer for an alternate Kia Certified Pre-Owned vehicle from their original selling dealer. The vehicle must be returned in the same condition as purchased and any additional accessories purchased at time of delivery are not refundable by the selling dealer.

The selling dealer may not charge any additional fees for this exchange privilege; however they may offer an exchange of the price paid for the original Kia Certified Pre-Owned vehicle against the retail price listed for the replacement vehicle.

In the event of an exchange, the originally sold vehicle must be de-registered by contacting Kia CPO support line at 1-888-KIA-CPOV.

NOTE: In the case of an exchanged vehicle which was financed, lenders require the first loan to be paid out in full (interest for up to 30 days may apply) and referral fees would need to be reimbursed. Lenders may require new application and new contract for replacement vehicle. Contact your respective lender representatives for more information.

6. **CarProof® History Report**

A CarProof Report provides the history of a vehicle sold by Kia Canada Inc. It confirms the following:

1. Cross Canada lien check
2. Cross Canada Registration
3. Canadian Accident Claims
4. Odometer record

Each Kia Certified Pre-Owned vehicle must pass a CarProof history report. For more information please refer to the CarProof section on page 16.

7. **Graduate Bonus**

To encourage recent graduates to make their next vehicle purchase a Kia vehicle, a graduate bonus of \$500 will be subsidized by Kia Canada. The Selling dealer is responsible to pay \$150 toward this graduate bonus rebate.

For more information please refer to the most recent Kia Graduate Program guidelines.

8. 90 Day free-trial subscription to SiriusXM

All Kia CPO vehicles equipped with a SiriusXM satellite radio will come with an automatic 90 day dealer demo and a free 90 day customer trial.

Registration Instructions:

- Dealer certifies the CPO vehicle through LGM Financial Services Inc.'s Digital Resource Centre
- Administrator sends report of VINs to SiriusXM to process eligibility
- 4 days after certification the dealer then activates the "Dealer Trial" period through www.sirius.ca (click on "Send Activation Signal") or by calling 1-866-635-0578
- Once sold, the administrator sends a list of all registered CPO vehicles to SiriusXM
- SiriusXM then automatically activates the 90 day "Customer Trial"

9. Subvented Financing - Special Bank Rates

Special bank rates will be made available for Kia CPO vehicles by leading financial institutions. You can review current rate options on the DealerTrack portal.

10. Co-op Advertising Support

Kia Canada will provide assistance to selling dealers with co-op advertising support. For more details on this feature please review the current published Co-op support guidelines.

11. Third Party Inspection

~~The selling dealer has the option to select each certified vehicle to be posted on kia.ca and the AGX wholesale website. This selection is completed within the certification process via DRC. The selling dealer must select the applicable boxes to have the CPO vehicle posted. These notifications will identify the vehicle as in need of a condition report, complete with photos. This condition report and photos will be uploaded to the desired websites as well as any dealer website.~~

12. Mechanical Breakdown Protection (MBP) - Optional Feature

Kia Protect MBP now has a CPO Plan which is tailored for CPO vehicles with discounted rates. The Kia Protect MBP CPO Plan can be purchased by the selling dealer to enhance the buying experience or sold to the customer as an upgrade to the CPO registration.

Coverage

The CPO Plan offers supreme 5 Star level protection for total peace of mind. All vehicle components are covered except for a select list of exclusions.

Terms

For vehicles within factory warranty, coverage begins upon its expiry. For vehicles without any remaining factory warranty coverage begins at the time of vehicle delivery.

These are the available terms:

- > 12 months / 20,000 km
- > 24 months / 40,000 km
- > 36 months / 60,000 km
- > 48 months / 80,000 km

Deductible

There is only one deductible option for the CPO MBP Plan: \$50

Additional Benefits

The MBP upgrade offers the customer the following additional benefits:

- > **24 Hour Roadside Assistance:** a maximum of \$100 per occurrence is provided for the following:
 - Towing
 - Winching
 - Battery Boost
 - Fuel Delivery
 - Tire Change (using spare tire)
 - Lockout Service
- > **Trip Interruption**

In the event a covered breakdown occurs more than 100 km from your customer's home and results in a repair facility keeping their Kia overnight, receipted motel and restaurant expenses will be covered up to \$100 per day including taxes, up to a maximum of 3 days.
- > **Rental Benefits**

MBP will pay or reimburse your customer \$50 per day (up to 4 days) for the expense of a rental vehicle while their Kia is being repaired for a covered breakdown. An additional 3 days rental will be provided in the event of an engine or transmission parts delay.

Key differences between the CPO MBP Plan and the Kia Protect 5 Star Plan

While the Kia Protect MBP CPO Plan offers the same level of coverage as the 5 Star Plan, there are some differences between both products:

- > The CPO Plan has discount rates
- > The CPO MBP plan does not include the Claim-free Reward benefit
- > There is only one deductible option with the CPO MBP Plan - \$50
- > It is not possible to upgrade to the Multimedia Package with the CPO MBP Plan

For further details please refer to the Kia Protect Mechanical Breakdown Protection Selling Dealers Guide.

Program Pricing

- Each registered Kia Certified Pre-Owned vehicle requires a registration fee to be paid to Kia Canada Inc. The fee is ~~\$98~~ and is paid by the selling dealer. This fee is only charged to the selling dealer at the time the customer purchases the CPO vehicle and the vehicle is registered within the DRC. Note that this fee is not transferrable to the customer.
- If the optional Mechanical Breakdown Protection upgrade is selected, the MBP premium may either be paid by the customer or funded by the selling dealer.

Invoice Payment

Kia Certified plans are sold exclusively via the [DRC](#). Your dealership is required, on the last day of the month, to report all valid business for invoicing to the Administrator via the [DRC](#) or the Administrator will generate them on your dealership's behalf. The Administrator shall prescribe the method and form of invoicing.

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

Your dealership can make payment through the [DRC](#) via bank withdrawal, credit card submission or with a cheque made payable to the insurer of the business and mailed to the Administrator. Any cheques not made payable to the insurer will be returned to your dealership.

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

- Cancellation invoices provided to you by the Administrator;
- Cheque made payable to Kia Canada Inc.; and
- Invoices generated by the online sales portal.

Please remit to:

Kia Canada Inc.

R142 – 757 West Hastings Street Suite 617

Vancouver BC V6C 1A1

Please note the following taxation regulations:

- Dealers in Alberta, Saskatchewan, Manitoba, and PEI are required to remit GST
- Dealers in BC, Ontario and Atlantic Canada provinces (with exception of PEI) are required to remit HST
- Dealers in Quebec are required to remit QST and GST

Note: In some cases, where contract/policy tax has been based on customer residence, tax to be remitted may differ from the above.

Indian Status Customers

Please note that the Kia Dealer is required to observe the tax regulations pertaining to sales of Kia Protect contracts to customers with Indian Status. The dealer is further required to maintain records of such transactions, including retaining copies of Indian Status Cards, in the event a taxation audit requires this information to be produced.

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.

Standard of Care

The Kia Certified Pre-Owned vehicle program (“Program”) is designed to enhance credibility and confidence in pre-owned Kia vehicles. In order to ensure a consistent and high quality reputation of a certified Kia vehicle, each Selling Dealer must exercise a standard of care to preserve the program features.

The following program guidelines will assist in maintaining the effectiveness of the Kia Certified Pre-Owned vehicle program:

1. Each Kia Dealer shall establish a sales and marketing business plan to maximize the sale of pre-owned Kia vehicles in their inventory. The intent of each Kia Dealer will be to promote Kia pre-owned vehicles to a high standard whenever possible to do so.
2. Each Kia Dealer shall utilize the point of sale material ~~supplied by Kia Canada~~ in the manner for which it was intended and to ensure that each marketing piece is displayed in good condition.
3. To utilize the online registration process in order to certify and register customer sales of a certified vehicle.
4. To utilize the Program inspection form in order to complete a thorough inspection of a pre-owned Kia vehicle and to ensure that all required inspection points meet the minimum standards required.
5. To ensure the reconditioning standards of the vehicle, inclusive of the Program inspection form, utilize genuine Kia parts.
6. To ensure that the sales delivery process for a Kia Certified Pre-Owned vehicle is to the same standard and quality as a new vehicle delivery.
7. To utilize the provided signage for the Program in a prominent area of the dealership.
8. To provide a separate accounting of certified vehicle sales on your financial statements. Furthermore, to ensure the timely remittance for each registration fee.
9. To exercise good faith in promoting the Program and to use best commercial efforts to maintain the certification of a vehicle at the time of delivery.
10. To provide access to Kia’s selected independent auditor ~~(DataScan)~~ as may be requested from time to time to inspect Kia CPO vehicles within dealer inventory.

Vehicle Eligibility

To be eligible for the Kia Certified Pre-Owned vehicle program a vehicle must meet the following requirements:

1. Must be a Kia model originally sold in Canada through Kia Canada Inc. (no US or other models permitted)
2. Must be within 6 model years and 120,000 kilometres at time of Part One certification and must be within 7 model years and 122,000 kilometres at time of Part Two registration. Model year eligibility is counted based on the calendar year and not the in-service-date of the vehicle.
3. In good mechanical condition, without frame damage, unknown kilometres, or any body modifications
4. Must pass the multi-point certification inspection
5. Must pass a CarProof vehicle inspection report. ~~If a vehicle has had an insurance claim or collision estimate in excess of \$3,500, or if it has been branded as stolen, Salvage, Non-repairable, Junked or Rebuilt, it cannot be a Kia Certified Pre-Owned vehicle~~

Once a vehicle is certified it can be advertised as a Kia Certified Pre-Owned vehicle. During the time a certified vehicle remains in dealer inventory, any repairs for breakdowns must be attended to in a timely manner by the selling dealer and any costs are the responsibility of the selling dealer.

A Kia Certified Pre-Owned vehicle must be sold to a retail customer during the eligibility criteria listed above. In the event the Kia Certified Pre-Owned vehicle exceeds the allowable eligibility criteria above, the vehicle will be de-certified and the selling dealer may no longer advertise it as such.

Ineligible Vehicles

The following vehicles or usage are not eligible for the Kia Certified Pre-Owned program:

1. Vehicles greater than 6 model years old or with mileage exceeding 120,000 kilometres
2. Totaled or written-off vehicles
3. Any non-Canadian Kia vehicle
4. Vehicles that have been severely damaged, abused or used for commercial uses specifically excluded in the warranty exclusions
5. Vehicles which have been significantly modified from the original specifications (for example: suspension modifications, oversize/undersize tires/wheels, exhaust system modifications, etc.)
6. ~~Vehicles that do not pass a CarProof Report. If a vehicle has had an insurance claim or collision estimate in excess of \$3,500, or if it has been branded as Stolen, Salvage, Non-repairable, Junked or Rebuilt, it cannot be a Kia Certified Pre-Owned vehicle.~~

The above referenced vehicles may be eligible for Kia Protect. Visit www.kiaprotect.ca for more details.

Dealer Eligibility

All authorized Kia Canada Inc. dealers are eligible to be a Kia Certified Pre-Owned dealer.

It is each dealer's responsibility to ensure compliance with any and all program guidelines which may be updated and audited at any time and at the discretion of Kia Canada Inc.

Consumer Eligibility

Kia Certified Pre-Owned vehicles must be to a retail consumer within Canada and is not intended for sale to wholesalers, auctions, commercial accounts, brokers, exporters or non-Kia dealers.

Program Audit

Kia Canada has appointed an independent auditor to monitor the Kia CPO program. The auditor, ~~DataScan Field Services (DFS) is the largest inventory verification and inspection company in North America and~~ will ensure reconditioning standards are consistent. Program auditing has been established to maintain the brand integrity of the Kia Certified Pre-Owned program.

Please note the following arrival and audit procedures:

- DFS specialists will locate designated dealership personnel and review the inspection process
- DFS will conduct complete independent inspection
- Results available online via protected website
- Assessment report provided to selling dealer, LGM Financial Services Inc. (LGM) and Kia.

Vehicle Maintenance Requirements

The Kia Protect Mechanical Breakdown Protection customer contract states:

“You must have your vehicle checked and serviced in accordance with our recommendations, as outlined in your vehicle owner’s manual. Your owner’s manual lists different servicing recommendations based upon your individual driving habits and climate conditions. You are required to follow the maintenance schedule that applies to your conditions. Failure to follow our recommendations that apply to your specific conditions will result in denial of coverage. It is required that verifiable receipts are retained for the service work. You may not conduct your own service work.”

In all cases, the Administrator recommends that contract holders contact their selling dealer for information relative to their vehicle. As an additional precaution, the client confirmation email reminds customers to properly maintain their vehicle covered under the Kia Protect Mechanical Breakdown Protection plan.

The contract holder should review all upcoming maintenance requirements once they have taken possession of their Kia to ensure that a required maintenance service is not overlooked which may jeopardize coverage of future claims.

Kia’s maintenance schedules include:

- Engine oil & filter change;
- Timing belt replacement;
- Automatic transmission oil & filter change;
- Cooling system servicing;
- Manual transmission gear oil change;
- Lubrication of steering, suspension & driveline components; and
- Transfer case gear oil change.

The contract holder is also required to service their vehicle in accordance with Kia’s recommended maintenance schedule relevant to the climate conditions and their vehicle usage. Failure to adhere to the “severe service” maintenance schedules in those regions which endure severe climates, or where vehicle usage requires such, may jeopardize coverage of future claims.

The contract holder is responsible for all required maintenance from contract purchase date. In the event that a Kia Protect Mechanical Breakdown Protection contract is transferred to another owner, all receipts verifying proof of maintenance should be forwarded to the new owner as they may be required in the event of a claim.

Pre-existing Conditions

The Kia Protect Mechanical Breakdown Protection contract excludes coverage for conditions which exist prior to the commencement of the contract.

Generally, claims initiated within the first ~~30 days or 2,000 kilometres~~ of the Kia Protect contract purchase date will be closely examined to determine if a condition is pre-existing. Although all Kia Protect selling dealers are responsible to ensure vehicles are in excellent condition and all components covered under the terms of a contract are free from defects, there will be occasions when a vehicle defect is overlooked or undetectable. The Claims Adjuster will work closely with the selling dealer's Service Department to determine a fair and equitable solution on a case by case basis.

Claims related to pre-existing defects will be subject to denial of coverage. In most cases, your service department can determine if a condition is pre-existing. Occasionally, the Administrator may utilize an independent inspection agency or discuss the repair with the customer in order to thoroughly identify information regarding a condition or failure.

General Provisions

All Kia Dealers shall be governed by the following program terms and conditions:

- a. License: Participating Kia Dealers shall procure and maintain in good standing all licenses required under applicable law to conduct its business.
- b. Laws and Regulations: The Kia Dealers shall familiarize itself with all provincial or territorial laws and regulations applicable to its business and shall conduct its business in compliance therewith.
- c. Rules of the Administrator: Kia Dealers shall adhere to all rules, requirements and procedures of Kia Canada and the Administrator contained within this Selling Dealer's Guide.
- d. No Authority to Bind: Kia Dealers shall have no authority to bind Kia Canada or the Administrator except as provided for in this Selling Dealer's Guide.
- e. Illegal and unfair Practices: Kia Dealers shall not rebate prices or engage in discrimination, misrepresentation or any unfair practice or other practice prohibited by applicable law.
- f. Property and Supplies: Kia Dealers shall maintain in a secure and safe place and, upon request, shall account for, all brochures, guides, rates, and other property received from Kia Canada or the Administrator.
- g. Modification of Forms: Kia Dealers shall not modify, waive, alter or change, whether orally or in writing, any of the terms of the Kia Certified Pre-Owned vehicle Warranty Contract.
- h. Expenses: Kia Dealers shall not incur any expense on behalf of Kia Canada or the Administrator without their prior written consent.
- i. Legal Notices: Kia Dealers shall notify Kia Canada and the Administrator of its receipt of legal notices or service or process affecting Kia Canada or the Administrator relating to any Kia Certified Pre-Owned vehicle Warranty Contract and shall immediately forward same to Kia Canada and the Administrator.
- j. Advertising: Kia Dealers shall not publish, circulate or display any advertisements, circulars or other promotional materials related to Kia Canada or the Administrator and the Kia Certified Pre-Owned vehicle program unless the content thereof has received the prior written approval of Kia Canada and/or the Administrator.
- k. Inducement to Claim: Kia Dealers shall not induce any claim under the Kia Certified Pre-Owned vehicle program. Specifically, a Kia Dealer shall only repair items of necessity and requested by the customer as a complaint for their covered vehicle.
- l. This Selling Dealer's Guide is subject to revision and update from time to time by the Administrator and any changes shall be adapted with immediate effect.
- m. Audit: Kia Dealers shall grant Kia Canada, DataScan or the Administrator and their representatives the right of free access during normal business hours at the Kia Dealer's business office or accounting office for the purpose of inspecting the books and records maintained by the Kia Dealer with respect to the Kia Certified Pre-Owned vehicle program.
- n. Claims: Kia Dealers shall have no authority to settle or pay claims unless agreed to in writing by the Administrator.
- o. Sales Restriction: Kia Dealers shall only certify a vehicle from their own vehicle inventory.
- p. Each party (meaning Kia Canada Inc., LGM, and the Kia Selling Dealer) shall indemnify, defend and hold harmless the other party(ies) from and against any and all damages,

claims, liabilities, judgments, awards, penalties, fines and expenses, including but not limited to legal fees and punitive or exemplary damages resulting from or arising out of:

- i. any act, error, or omission committed by the party (or in the case of indemnification by the Kia Dealer, committed by the Kia Dealer) 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 party (or in the case of indemnification by a Kia Dealer, the failure of the Kia Dealer) to comply with any law, regulation, rule or governmental directive of the jurisdiction in which this Selling Dealer's Guide applies.

The obligations of the parties to indemnify each other shall survive the termination of the Kia Protect Vehicle Contract Program until all business written has fully expired.

- q. De-registration in Good Faith: Kia Dealers shall only de-register a Kia Certified Pre-Owned vehicle in the event that the vehicle is a) traded to another company in the business of selling motor vehicles; b) the vehicle no longer meets the eligibility criteria for the program or; c) the customer chose to exercise the right to a one time exchange of the certified vehicle. The Kia Dealer shall exercise its best commercial efforts, acting reasonably, to maintain the registration of a Kia Certified Pre-Owned vehicle. The Kia Dealer agrees that an excessive volume of deregistered vehicles may result in program changes up to and including the termination of the Kia Certified Pre-Owned vehicle program.
- r. Maintaining the privacy of information is very important to Kia Canada Inc. and LGM Financial Services Inc. The information each dealer provides for a Kia Certified Pre-Owned vehicle customer is held in strict confidence and is not shared with any outside parties unless required for statutory or underwriting purposes.

Inspection and Reconditioning

A vehicle inspection must be completed on any vehicle that the dealer wishes to enroll into the Kia Certified Pre-Owned vehicle program. The official Kia Certified Pre-Owned vehicle Inspection Report must be used to complete the inspection process. This inspection can be found online within the Sales Tools section of the [Digital Resource Centre](#).

The Kia Certified Pre-Owned vehicle Inspection Report requires a Kia Service Technician to thoroughly inspect a pre-owned Kia vehicle to ensure that all items listed are in good working order. It is not the intent of the certification that a vehicle be “as new” but rather to be in a condition that reflects the age and mileage of the vehicle.

It is the selling dealer’s responsibility to ensure that any items inspected that do not meet acceptable standards are repaired prior to certification of that vehicle as a Kia Certified Pre-Owned vehicle.

Please ensure the Inspection Report is accessible for a prospective customer to view. It is recommended that this Inspection Report remains in the vehicle at all times.

The cost of performing the inspection as per the Inspection Report shall be the responsibility of the selling dealer. All repair costs necessary to bring the vehicle up to Kia Certified Pre-Owned vehicle standards are the responsibility of the selling dealer.

Any replacement parts required in order to pass the Kia Certified Pre-Owned inspection must be genuine Kia parts.

Kia Canada shall not be responsible for any repairs of any breakdown that occurred prior to the registration and/or sale of the Kia Certified Pre-Owned vehicle to the retail customer.

A sample of the Kia Certified Pre-Owned vehicle Inspection Report is available as a downloadable form on the www.cpo.kia.ca website.

Inspection Procedures

A thorough inspection of a pre-owned Kia vehicle to determine eligibility for certification shall include:

1. Inspection by a fully trained Kia Service Technician using the Inspection Report.
2. To recondition any parts that do not meet the suitable condition for a quality vehicle of its age and mileage. Upon reconditioning required parts, a re-inspection must occur to ensure that the repair has been completed satisfactorily and to mark a “pass” on the inspection report.
3. To ensure any campaigns on the vehicle have been repaired.
4. To ensure all required maintenance has been completed.
5. The signature of the Kia Service Technician that the vehicle has been inspected and is now ready for certification.

Upon completion of the inspection process, the Dealer may complete step one of the certification process.

The vehicle inspection shall expire after 6 months from the date of completion. Should the vehicle continue to be offered for sale as a certified vehicle, beyond 6 months from date of vehicle inspection, a new inspection must be completed.

Vehicle Inspection Report

The Kia Certified Pre-Owned certificate can be found in the “Sales Tools” at www.cpo.kia.ca

CarProof® History Report

- CarProof was founded to access and supply important Canadian used vehicle data that may not be provided by its competitors.
- CarProof is electronically connected "live" to their data sources to ensure data is always current and not outdated.
- Only service that provides Canadian lien and/or security interest information on vehicles.
- Provides Canadian insurance and accident claims data.
- Connected live to each provincial and territorial registrar responsible for maintaining these records and only service that is electronically connected to the database for each provincial and territorial Ministry of Transportation in Canada.

Each Kia Certified Pre-Owned vehicle must pass a CarProof report. Ordering a CarProof history report should be the first step in the reconditioning process. A vehicle will not be eligible to be a Certified Pre-owned vehicle beif it has had an insurance claim or collision estimate in excess of \$3,500, or if it has been branded as Stolen, Salvage, Non-repairable, Junked or Rebuilt.

The cost to order and provide a CarProof Report shall be the responsibility of the selling dealer. A CarProof Report must be provided for each Kia Certified Pre-Owned vehicle. Your user ID and password is established by CarProof. Visit www.carproof.ca for more details.

The CarProof report shall comply for a total of 6 months. After which time, should the vehicle be unsold, a new report must be completed.

Online Process

Part One – Prior to retail sale (Certification)

In order to enter a Kia vehicle as a Kia Certified Pre-Owned vehicle, you must log onto <http://www.cpo.kia.ca> and complete the online process. You will require a valid user ID and password to enter the secure area to register a Kia Certified Pre-Owned vehicle. If you require assistance with accessing the secure area please contact customer service at LGM (1.800.510.8372).

Once you reach the secure area for registration you will be required to provide the vehicle information including:

1. Vehicle Identification Number
2. In-Service-Date
3. Current Odometer Reading
4. Date of vehicle inspection
5. CarProof #
6. Confirmation that all inspected items meet Kia Canada standards (if repairs are required this needs to be done prior to the certification process).
7. Optional Selections
 - a. You may select the box “Notify AGX to post on kia.ca”. By checking this box the dealer is requesting that there be a third party condition report completed on the vehicle. This condition report, inclusive of photos, shall be placed on kia.ca for national advertising. Also, these photos will be sent to the dealer’s third party websites.
 - b. You may select the box “Notify AGX to post on wholesale site”. By checking this box the dealer is requesting that the vehicle is posted to Auto Gavel Exchange. This website is exclusive to Kia dealers for the option of CPO vehicle trades. A third party condition report will be completed and submitted to the website.

With the above information entered you will have completed the certification process and will be able to print out a confirmation of certification which can be displayed on the vehicle for prospective customers to see.

Part Two – Following retail sale (Registration)

Upon a successful retail sale of a Kia Certified Pre-Owned vehicle the selling dealer must register the customer information at www.cpo.kia.ca. The final registration of the Kia Certified Pre-Owned vehicle is not complete until the customer information is collected. We will require the following customer information to complete the registration process:

1. Customer name
2. Customer address
3. Customer email
4. Customer phone number
5. Date of sale to Customer
6. Odometer Reading at time of sale
7. Selling Price
8. Kia Rewards Number (to be used for the oil change benefits)

Once the above information is entered into the online registration form, a set of confirmation documents will be produced, including a letter outlining the benefits of the program, and the

terms and conditions of the PDR coverage and the Key and Keyless Remote Replacement coverage.

Part Three (Optional) – Mechanical Breakdown Protection Upgrade

If the customer agrees to purchasing the CPO MBP Plan, they may do so at the time of the Registration (Part Two) or within the following 30 days.

In order to upgrade to the CPO MBP Plan, the following information will also be required:

1. Light Commercial Use (if applicable)
2. Current odometer reading

The selling dealer will then be able to choose from four coverage terms and add a P-Code if needed.

A box labeled “NCTC” (No Cost To Customer) is also available should the selling dealer choose to fund the deal for the customer.

Once the above information is entered into the online registration form, a confirmation contract will be produced specific to the CPO MBP upgrade. These documents will be produced in addition to those produced in Part Two and must be signed by all parties.

Confirmation of Coverage

The DRC (~~Digital Resource Centre~~) automatically confirms coverage to the customer by sending the welcome letter along with the complete terms and conditions 48 hours after being purchased in the DRC. It is important that the customer's email address is entered correctly into the DRC during the sales process to ensure the customer receives this documentation. In the event the customer does not have an email address, a welcome letter, with its integrated wallet card, along with the complete contract/policy terms must be printed and presented to the customer at time of purchase.

If the customer chooses the optional Mechanical Breakdown Protection upgrade, they will receive an additional confirmation of coverage.

Re-certification

Vehicles that have been certified (but not registered) as a Kia Certified Pre-Owned vehicle for over six months will require a re-inspection and re-certification on the online portal. This process is required to ensure Kia Certified Pre-Owned vehicles still represent a high standard of quality and are up-to-date on the retail website.

De-certification/De-registration

In rare circumstances a certified Kia Certified Pre-Owned vehicle may need to be de-certified. In the event that a Kia Certified Pre-Owned vehicle is to be de-certified please contact Kia CPO support line at 1-888-KIA-CPOV to process the de-certification.

Vehicles may only be de-registered in the case where the customer elects to exchange the vehicle for another Certified Pre-owned vehicle. A cancellation form, along with customer signature will be required.

In the event of a de-certification or de-registration, any costs incurred by the selling dealer during the certification process such as the inspection report, CarProof Report, etc. are the sole responsibility of the selling dealer. Kia Canada Inc. is not responsible for any costs related to the reconditioning, inspection or other sales/marketing costs related to the Kia Certified Pre-Owned program.

Claims Assistance

The Administrator will direct a contract holder to return to the selling dealership for repairs under the Kia Protect Mechanical Breakdown Protection plan whenever possible to do so. This important step assures the Administrator of quality repairs and also improves customer retention for the selling dealership.

The following is the customer's steps to filing a claim as stated in the Kia Protect contract:

1. Prevent further damage - Take immediate action to prevent further damage. This Contract will not cover any damage caused by not securing a timely repair of the failed component;
2. Take Your Vehicle to an authorized Kia Dealer. If this is not possible due to proximity or the location of the Breakdown, please contact the Administrator at 1-866-475-8864 for assistance in locating an authorized repair facility;
3. Provide repair facility with a copy of Your Contract and/or Your Contract number;
4. Obtain authorization from the Administrator prior to any repair being made. Advise the repair facility that they must first determine cause of the failure or Breakdown, and advise the Administrator of required repairs prior to the commencement of the repair being made. Failure to receive prior authorization for any Breakdown will void Coverage for such repairs under this Contract;
5. Authorize Teardown and/or Inspection - In some cases, You may need to authorize the repair facility to inspect and/or teardown Your Vehicle in order to determine the cause and cost of the repair. You will be responsible for these charges if the failure is not covered under this Contract. We reserve the right to require an inspection of Your Vehicle prior to any repair being made. Labour charges for diagnosis are the responsibility of the Contract holder, unless specifically listed within Our factory labour guide;
6. We will reimburse the repair facility or You for the cost of the work performed on Your Vehicle that is covered by the Contract and previously authorized. Once authorization is obtained, and the repair is completed, all repair orders, documentation and receipts must be submitted to the Administrator within thirty (30) days to be eligible for payment; and
7. Emergency Repairs - Should an emergency Breakdown occur which requires a repair be made at a time when the Administrator's office is closed, You must contact the Administrator's office within the next available business day of the date of repair to determine if such repair will be covered by this Contract. If covered, We will pay for the repair.

To initiate a Kia Protect MBP claim the dealer should follow these steps:

1. Contact the National Claim Centre by telephone or facsimile:

Telephone toll free
Facsimile toll free

1-866-475-8864
1-866-602-9276

Hours of Operation
7:30am – 7:30pm EST

Provide the National Claim Centre with the following information:

- Repair facility name and telephone number;
- Last eight (8) digits of the Vehicle Identification Number (VIN);
- Contact name at the repair facility;
- Contract holder's complaint or concern;
- Contract number;
- Part numbers for components required for repair;
- Name of the contract holder;
- Cause of failure;
- Vehicle description – year and model;
- Repair order number;
- Current odometer reading; and
- Labour time for repair.

The Claims Adjuster will provide the repair facility with a reference number. This number should be referred to throughout the remainder of the claim process to ensure efficient claim administration.

2. Obtain authorization from the client for diagnosis and/or tear down.
In the event the service department requires time to tear down or diagnose a condition or failure, they must obtain approval from the contract holder. Until such time as the repair facility has made a determination of the required repairs, and receives confirmation that such repairs are covered under the terms and conditions of the contract, the Administrator cannot provide approval for any portion of required teardown or diagnosis.
3. Contact the Administrator for claim approval.
Once a diagnosis for required repairs has been established, the repair facility must itemize the required parts and labour hours which will be reviewed by the Claims Adjuster.

The Administrator will approve labour times as determined by the Kia Canada Inc. labour guide.

The Administrator will authorize parts for approved repairs at the suggested retail price as recommended by Kia.

Once the total approved cost of the repair has been determined, the Administrator will provide the repair facility with an authorization number.

For claims assistance, please contact the Administrator toll-free at 1-866-475-8864.

IMPORTANT

In order to prevent vehicle refurbishment and protect loss ratios, claims will not be authorized, under any circumstances, during the period in which the covered vehicle remains under the care, control or ownership of a dealership.

Retail Parts and Pricing for Kia Protect MBP

The Administrator will authorize parts for approved repairs to a maximum of Kia's suggested retail pricing. Once the total approved cost of the repair has been determined, the Administrator will provide the repair facility with an authorization number. The approved claim amount will be the total approved cost, less the applicable deductible amount. The contract holder is required to pay any applicable taxes on the deductible amount based on regional tax regulations.

Submission for Payment

The Administrator requires that all invoices for authorized claims be submitted within 30 days of the completion of the repair. To ensure expeditious claim payment, please ensure the following information is included on the repair order:

- Claim authorization number;
- Kia Protect MBP contract number;
- Name, address & telephone number of repair facility;
- Name of contract holder;
- Hourly labour rate;
- Date of repair;
- Part number(s) and price for each part;
- Odometer reading;
- Labour hours per repair or operation;
- Vehicle Identification Number;
- Name or ID number of the service advisor;
- Copies of all sublet invoices: rental, machine shop, etc.; and
- The contract holder's signature.

Please direct all inquiries relevant to claims payment to the Claims Processing Department at 1-866-475-8864.

Claim Payment on Non-Remitted Contracts

Kia Protect contracts which have been sold but the contract payment has not been received by the Administrator are considered to be "CNOF" contracts (contract not on file). In the event a claim is incurred on a CNOF contract the claims adjuster will review and adjust the claim in the regular manner. However, the payment of the claim to the selling dealer will be held until such time as the contract price has been received by the Administrator. Authorized claims for repairs made by a non-issuing dealer, such as when the customer is travelling, will be promptly paid and will not be subject to payment delays.

Credit Card Payment Processing

The Administrator may authorize claim payment by VISA card in the event that a contract holder has repairs completed by a repair facility requesting instant payment. The VISA card payment process is often utilized when a repair facility, situated away from the client's residential area, is reluctant to initiate or complete repairs for a warranty program that they are not familiar with. VISA card payment ensures repairs are completed in the normal efficient manner for the contract holder, in the event they are travelling or on vacation.

Claims to be paid by VISA credit card are initiated in the usual manner. To complete the payment transaction, the repair facility must fax the relevant documentation to the Claims Adjuster (as described above). Once all documentation has been received and reviewed, the Claims Adjuster will then fax the repair facility a VISA authorization form for them to sign and fax

back to the Claims Adjuster. Upon receipt of the sign authorization from the Claims Adjuster will finalize the transaction by providing the repair facility an authorization code and the VISA card number.

Sublet Repairs and Services for Kia Protect MBP

Kia Protect Mechanical Breakdown Protection offers a mark-up provision for certain sublet services and repairs to assist in covering expenses incurred by the repair facility. The Administrator will approve a maximum markup of 10% on machine shop service(s) relating to:

- Cylinder head machining
- Engine cylinder hone or rebore;
- Crankshaft machining;
- Driveshaft repairs;
- Radiator repairs; and
- Rebuilding or repair of any mechanical or electronic component as directed by the Administrator. Examples would include alternator, starter, turbocharger, etc.

Markup will not be included or approved for:

- Any repairs subletted to another repair facility without authorization from the Administrator;
- Repairs completed by another repair facility unless due to a lack of expertise or equipment;
- Rental Vehicle Benefit expense; and
- Towing expenses.

Point of Sale Materials

~~Please contact Kia Canada to order point of sale materials.~~

Vehicle Branding and Presentation

In order to distinguish your Kia Certified Pre-Owned vehicles effectively and consistently, please use the “dress up” items as follows:

- Pole signs in designated area for Kia Certified Pre-Owned vehicles
- 2-sided mirror hanger in each vehicle
- Branded license plates installed on front and back of vehicle
- Certification Notice present within vehicle

Advertising

In order to support your certified pre-owned sales efforts, dealers will be allowed to attribute up to 25% of their new car ads to Kia Certified Pre-Owned vehicles. Please refer to most recent co-op guidelines for further details.