

A-PROTECT WARRANTY CORPORATION VEHICLE EXTENDED SERVICE CONTRACT TERMS AND CONDITIONS

Part 1) DEFINITIONS

In this agreement, the following words shall have the hereunder meanings:

"A-Protect" refers to A-Protect Warranty Corporation. "Customer" refers to the owner of the vehicle to which this agreement applies.

"Selling dealer" refers to the authorized person through whom the customer may purchase a warranty.

"Contract" refers to the agreement between the customer and the warranty company.

"Liability limits" refers to the maximum limits of liability, including all applicable taxes.

"Parts" refers to the automotive parts under this contract.

Part 2) DESIGNATED OPTIONS

(Terms as chosen on the front page of this agreement)

POWERTRAIN BRONZE, SILVER, GOLD, and PLATINUM: Maximum \$750, \$1,000, \$1,500, and \$2,500-5,000 respectfully for both parts and labour per claim.

PREMIUM: Powertrain maximum \$3,000 for both parts and labour per claim.

LUXURY/PLUS: Powertrain maximum \$1,500, \$2,500 or \$5,000 for both parts and labour per claim.

ANY ADDITIONAL OPTIONS OR PLUS OPTIONS:

3.2 A-T: Maximum of \$500 per claim parts and labour, unless specified otherwise.

PLUS PACKAGES:

- Silver Plus includes the following additional options: 3.2 (E & G).

- Gold Plus includes the following additional options: 3.2 (A, B, C, E).

- Platinum Plus includes the following additional options: 3.2 (A, B, C, D, E).

PREMIUM PACKAGE:

- Includes the following additional options: 3.2 (A,B,G,Q).

LUXURY PACKAGE:

- Includes the following additional options: 3.2 (A,B,C,D,E,M,N,Q).

LUXURY PLUS PACKAGES:

- Includes the following additional options:

3.2 (A,B,C,D,E,M,N,O,P,Q).

CUSTOM PACKAGES/UPGRADE

- All custom packages or additional upgrades done after initial sale of the warranty are subject to terms and conditions of this contract, unless specified otherwise.

Part 3) PARTS COVERED AND OPTIONS.

3.1 POWERTRAIN COVERAGE

A) ENGINE: (when damaged from within)

Engine block and cylinder heads, crankshaft and main bearings, camshaft and bearings, crankshaft gears, connecting rods and bearings, push rods, rings and pins, gears, valve lifters, pistons, intake and exhaust valves, valve springs and retains, guides and lifters, rocker arm assemblies, oil pan, pivots, shaft.

Excluding: timing belt/chains tensioners, vanos, guides and all seals and gaskets used to contain fluids and lubricants, intake manifold runners, and other related maintenance issues.

B) TRANSMISSION:

- Automatic (when damaged from within):

Housing, torque converter, modulator valve, vacuum modulator, valve body, gear sets, main and intermediate shafts, oil pump, governor, clutches and bands.

- Standard (when damaged from within):

Housing, shifter fork, main and intermediate shafts, synchronizer mounts. Excluding: manual clutch components, flex plates, pressure plate, flywheel, external linkages and shifter, solenoids, electrical and cooling system.

C) TRANSAXLE/DIFFERENTIAL:

1) Front Wheel Drive Vehicles (transaxle):

- Housing, bearings, crown and pinion. Excluding: axle/drive shafts, wheel bearings.

2) Rear Wheel Drive Vehicles (differential):

- Housing, carrier gear and case, driver pinion and pinion gear, ring gear, differential cover, differential mounts, and bearings. Excluding: axle/drive shafts, wheel bearings.

D) TOWING:

A-Protect will reimburse the customer up to \$50 per occurrence for towing expenses incurred due to a contract-covered breakdown. Valid receipt should be provided for reimbursement.

E) TRIP INTERRUPTION:

A-Protect will reimburse the customer for lodging, meals, bus, or taxi up to \$50 or \$150 for the term of the warranty. If the authorized repair center is not able to provide the same-day services and/or is further away from home than 200 km one-way, a valid receipt must be provided for a reimbursement within seven days from occurrence.

3.2 ADDITIONAL OPTIONS (available upon purchase)

A) 4X4/AWD: Auxiliary Differential and Transfer Case, gears and sprockets, internal bearings. Excluding: manual clutch components, flex plates, wheel/hub bearings, flywheel, ring gear and external linkages and shifter.

B) TURBO & SUPERCHARGER: (When damaged from within) Housing, waste gate controller, compressor, intercooler, clutches, and bypass valve.

C) SEALS & GASKETS: All seals and gaskets used to contain fluids and lubricants within the engine, transmission and differential/transaxle. Please note: "seepage" or "sweating" are not covered as they are considered normal and acceptable.

D) AIR CONDITIONER: Compressor, clutch assembly, receiver, dryer and evaporator. Excludes: Freon and Recharge.

E) HEAD GASKET(S): Cylinder head gasket(s).

F) WEAR & TEAR: A-Protect will cover the parts even if they are worn out, pertaining to the powertrain covered in this contract.

G) UNLIMITED KILOMETERS: There will be no mileage restriction if this option is chosen.

H) DOUBLE THE TERM/MILEAGE: The customer will have double the length and mileage of the chosen warranty plan.

I) ZERO DEDUCTIBLE: A-Protect will waive the amount of the deductible on every claim visit.

J) COMMERCIAL BUSINESS USE: This option must be purchased for any vehicles registered to a company name and/or used to generate revenue. All cargo vans and pickup trucks automatically fall under the above-mentioned category; the maximum capacity is one ton. Mileage will be limited to 1,000 km per month regardless.

K) CAR RENTAL OPTION: In case the repair takes longer than 24 hours, A-Protect will reimburse the customer up to \$35.00 per day, to a maximum of \$210.00 due to a breakdown covered under this contract. Valid receipt must be provided and prior approval must be obtained for reimbursement.

L) HI-TECH COMPONENTS: Engine-mounted electronic cruise control components, automatic temperature control/programmer dash display unit, main dashboard digital display cluster, power door lock actuators and switches, power window motors and switches, power seat switches, power sun roof motor and switch, fuel pump, ABS pressure regulator and pump, internal transmission/transfer case electronic engagement components, wastegate controller and intercooler. Excluding: computer system, high pressure fuel pump.

M) FUEL SYSTEMS: Gas and Diesel fuel injection pump, mechanical or electrical fuel pump, fuel pressure regulators, fuel tank and sending unit.

N) COOLING SYSTEMS: Radiator fan motor and blades, fan clutch, heater control valve and coolant recovery unit.

O) POWER STEERING: Power steering pump, steering gear, rack and pinion assembly.

P) FRONT SUSPENSION: Upper and lower control arms, upper and lower ball joints.

Q) ELECTRICAL: Starter motor and solenoid, alternator and voltage regulator, windshield wiper motors and front windshield washer pump, heater motor and fan. Premium Package Electrical is limited to the alternator, starter and solenoid switch only.

R) GPS AND BACKUP CAMERA: Manufacturer-installed units only. Excluding: CD/DVD mechanisms and wiring.

S) SUPPLEMENTARY PARTS: Water pump, motor mounts, oil pan, harmonic balancer, pulley, intake and exhaust manifold, axle shafts, CV joints and boots.

T) BRAKES: Master cylinder, vacuum assist booster, disc brake calipers, wheel cylinders, proportioning valve, flexible brake fluid hoses, hydraulic steel lines and fittings.

Part 4) CUSTOMER'S RESPONSIBILITY

Customer is obligated by this contract to complete any required services according to the A-Protect's or manufacturer's maintenance schedule including engine oil and filter changed and all other fluid levels checked at each interval of 6 month or 10,000kms, whichever comes first from the purchase or lease date, if synthetic oil is used. Otherwise, the interval of 3 months or 5,000kms must be met.

A-Protect reserves the right to see all original maintenance receipts and bills of sale, before any claim(s) is/are processed.

A-Protect may inspect any covered vehicle within 90 days after the purchase date, payable by the customer.

If the customer does not meet any of these conditions, A-Protect reserves the right to cancel the warranty for the vehicle without refund.

Any fluid loss, shop supplies, diagnostic charges, machine shop, non-covered part(s) and labour, alignment storage, and other miscellaneous items are considered to be customer's responsibility.

Part 5) CLAIM PROCEDURES

In the event that repairs or a claim to the registered vehicle are necessary, the registered owner should do the following:

a) Call the A-Protect claim center during regular business hours (Monday-Friday, 9 a.m.-5 p.m.) at 416-661-7444 or toll-free at 1-866-660-6444.

b) All repairs to be done hereafter must be made by a repair facility authorized by A-Protect in accordance to the current Mitchell Labor Guide. A-Protect will not be responsible for any repairs completed at an unauthorized facility.

c) In the event that the terms and conditions set out in this warranty have been met, and the claim is covered by the contract, A-Protect will pay the authorized repair establishment based on the coverage chosen less the customer's deductible, diagnostics, core, and miscellaneous items.

d) In the event that the covered vehicle has a mechanical breakdown and/or failure and it is two hundred (200) kilometers away (one way) from authorized repair establishment, or that the customer has obtained prior approval from the A-Protect Claim Centre. A-Protect will reimburse the customer upon receipt of the original invoice(s) for repairs. If A-Protect authorizes repairs to be carried out at any establishment other than the A-Protect authorized repair establishment, A-Protect shall only pay the amount that it would have paid at the repair facility authorized by A-Protect. A-Protect reserves the right to refuse any unreasonable repair estimates in relation to alternatives.

A holding period of 30 days is applied for all warranties, upgrades, or renewals purchased directly or indirectly from A-Protect in person or via telephone.

In case of multiple issues diagnosed at the same time, all repairs will fall under one claim limit.

Part 6) DEDUCTIBLE

In the event of a mechanical breakdown covered under this warranty, the customer shall pay \$100 for any Bronze package, \$150 for any Silver package, \$200 for any Gold/Premium package, \$250 for any Platinum package, and Platinum/Luxury \$5,000 per claim has a \$500 deductible, \$100 for any additional options purchased.

Part 7) MAXIMUM LIABILITY LIMITS

The liabilities of A-Protect under this warranty shall be based on the coverage chosen on the front part of this application. The total liability over the term of this agreement shall not exceed the Canadian Black book value excluding taxes, and a single claim liability will be limited to the half of the value of the vehicle at the time of the repair. Total amounts of claims are limited up to five claims. In case of multiple issues diagnosed at the same time, all repairs will fall under one claim and are subject to a maximum liability limit. Any payments/reimbursements for claims approved by A-Protect are tax-excluded.

Part 8) MISCELLANEOUS PROVISIONS

RENEWAL:

This warranty is renewable for a further period by the registered warranty holder, providing the maintenance record has been kept up to date and is renewed before the expiry of the existing warranty.

Terms and conditions of this contract are subject to changes. A-Protect reserves the right to accept or reject any renewable application at its discretion.

"No Claims, Double your Term" is available to the original purchaser, only on a 3 and 4 year term. The warranty holder must contact A-Protect at least 30 days before the original warranty has expired, to activate the second term for a processing fee of \$199 plus applicable taxes. All requirements as per Part 4 of this agreement must be met, and supportive documents provided upon request. The original warranty policy must have no claims paid or pending, and vehicle is qualified for the renewable plan according to our restrictions guidelines.

A-Protect reserves the right to accept or reject any renewal application at its sole discretion.

TRANSFER:

The warranty may be transferred to a new owner provided the terms of this contract have been followed and consent from A-Protect has been obtained in advance. All original documents and a transfer fee of \$150 must be submitted to A-Protect within 10 days from the date of a sale.

LATE FEES:

If the customer does not activate their warranty within 20 days of the purchase date, if cheque is NSF, or if payment goes in arrears, a late fee of \$50 will be applied.

CANCELLATION:

This contract can only be cancelled within 10 days of the date the coverage would have commenced, and with no claim having been made under this contract, provided that it was directly purchased from A-Protect. A-Protect will deduct an administration fee of \$150 upon receipt of all documents. Reimbursement and cancellation of the warranty must be done through the party it was directly purchased from. If it was purchased through a party other than A-Protect, A-Protect will only be held responsible for the wholesale amount that was paid to A-Protect. A-Protect reserves the right to cancel a contract less any claims costs that have been paid, if the following has occurred: fraud, material misrepresentation, improper use of the covered vehicle, non-payment by the customer or the selling dealer, or if in A-Protect's sole opinion it appears this is the only way to settle the situation.

In the case of an accident or repossession of a vehicle under the warranty, there is no reimbursement of any kind.

Part 9) WARRANTY COVERAGE LIMITATIONS

1) Any damage resulting from the customer's failure to perform servicing as per the maintenance schedule.

2) Any repair or replacement made without prior approval of A-Protect Warranty.

3) Lost or damage as a result of corrosion.

4) Problems or conditions existing prior to purchase of the vehicle and normally covered by this contract.

5) A-Protect does not cover any used items.

6) Any loss caused by lack of necessary and proper amounts of lubricants or coolants, including damage caused by failure of water hoses, radiators, and/or their connections and/or in the transmission oil cooler lines.

7) Any mechanical breakdown caused by a defect that the manufacturer has publicly announced.

8) Any repairs covered partly or in full by the manufacturer warranty or any other warranty/insurance company.

9) Any loss caused by abuse, negligence, collision, fire, theft, vandalism, water, or freezing.

10) Vehicle has been modified from original manufacturing specifications.(Any part that is not factory-installed).

11) Any fluid loss and shop supplies, diagnostic charges, machine shop, alignment storage, and other miscellaneous items.

12) Any damage caused by loss or contamination of engine and transmission oil, lubricants, anti-freeze and refrigerants, or mechanical failure caused by overheating, regardless of cause.

13) Any loss due to a breakdown of the vehicle, except as provided in this contract.

14) Damage to property, injury and/or death, or any expenses incurred to any person(s), regardless of whether your vehicle (or its parts) caused the damage and/or injury.

15) Claim procedure was not followed properly.

16) Any loss or inconvenience due to the inability or a time delay from A-Protect, or the servicing facility to obtain parts to repair the vehicle.

17) Repairs to carbonized, burned valves and/or piston rings.

18) Due to normal wear and tear. Note: normal wear and tear shall include repairs or replacement of valves, valve seals and/or rings where the if malfunction is high oil consumption and/or low compression. Stretched timing chains, noisy lifters and bearings are also considered being normal wear and tear, will be covered only under Wear and Tear option only if purchased.

19) Any adjustments, alignments, tune-ups required as part of a covered repair or necessary to a covered repair.

20) Vehicle odometer reading has been altered or tamper with, or not immediately repaired by the customer.

21) Any vehicle-for-hire to the public, any vehicle equipped with a snowplow, emergency vehicles, courier or delivery vehicle, daily rental, other purposes, or commercial use, taxi, driving school, limo.

22) Failure of non-covered parts. Coverage shall also exclude cost of repairs and replacement (including labour) of covered parts where their repair or replacement is due to failure of non-covered parts. If a part is not covered, the labour to repair or replace the part is also not covered, nor is the damage to a covered part caused by non-covered part.

23) Damage caused or contributed to by the customer's failure to use all reasonable means to protect the vehicle from further damage following a breakdown.

24) Any computer/module systems programming, or any additional repairs other than what is specified in Part 3 of this agreement.

INITIALS: _____