

AAP TERMS & CONDITIONS

1: DEFINITIONS: Mechanical Breakdown means the failure of an eligible part under normal service. An eligible part has failed when it can no longer perform the function for which it was designed, solely because of its condition, and not because of the action of any non-eligible parts. Approved Repair Facility means a licensed facility that has hired, trained and licensed mechanics on staff to complete repairs. At home, do it yourself repairs are not acceptable. Services means the number of kilometers and term you have purchased for your vehicle, as shown in the Service & Terms section of the Application Page, and is more fully described in the schedule of Services. We, Us & Our mean the selling dealer named on this Contract. You & Your means the person named as the Applicant on the Application page. The extended warranty applies to Your name on the contract only, and is not transferrable to another name and/or new owner. Your Vehicle means the vehicle described on the application page. The extended warranty applies only to this vehicle and is not transferrable to another vehicle. Term & Deductible: This contract is between you and the selling dealer, and is subject to all the terms and conditions contained herein.

2: CONTRACT PERIOD: Your chosen term and kilometers are selected and described on the Application Page under Services & Terms. If there is no manufacturer's warranty left on the Vehicle, Services begin from the Application Date and from the Current Odometer reading as described in the Application Page. If there is a manufacturer's warranty on the Vehicle or if the manufacturer's warranty information is not completed on page one of this Application, Services begin from Your Vehicle's in-service date and an odometer reading of zero. The contract shall expire when the chosen Term has ended or when Your Vehicle has travelled the chosen kilometers, whichever occurs first.

3: DEDUCTIBLE: You will be responsible to pay for a portion of the covered repair costs. The Deductible is one hundred (\$100) dollars and is subject to all applicable taxes. Should a Mechanical Breakdown take more than one visit to repair, only one deductible will apply for that Mechanical Breakdown. The deductible does not apply to benefits in sections 4.6, 4.7 & 4.8. All Full Coverage Gold Comprehensive AAP Warranties and Top Up AAP Warranties include all items under section 4, once the contract period is in effect.

4: PARTS & COVERED BENEFITS – SCHEDULE OF SERVICES: Replacement parts may be remanufactured or parts of like kind and quality. We will arrange to pay for costs to repair or replace any Mechanical Breakdown of a part listed below for Your Services, provided that the repair facility or You contact the Claims Administrator for authorization prior to any such repair or replacement being made to Your Vehicle. No services provided for Mechanical Breakdowns occurring prior to the contract purchase date and odometer reading as shown on the application page will be covered. Payment will be made in Canadian dollars if the event occurs in Canada and in US dollars if the event occurs in the United States. You have indicated Your choice of Services and Terms on the application page. The following summarizes all of the Services available and included under each plan.

4.1 ENGINE: All internally lubricated parts (when damaged from within) including: engine block, cylinder heads (excluding damage caused by overheating regardless of the cause), crankshaft & main bearings, crankshaft gears, connection rods & bearings, camshaft & main bearings, camshaft gears, push rods, pistons, rings & pins, intake & exhaust valves, valve springs & retainers, valve covers, guides, lifters, rocker arms, shafts & pivots, timing chain or belt, oil pump shaft, timing gears, tensioners, valve seals, water pump, cam followers, harmonic balancers, oil pan, timing chain cover, intake & exhaust manifolds, engine mounts. EXCLUDED: Manifold studs. 4.2 TRANSMISSION/TRANSAXLE: (A – Automatic): All internally lubricated parts (when damaged from within), including housing, torque converter, valve body, gear sets, main & intermediate shafts, vacuum modulator, oil pump. EXCLUDED: External linkages & shifter. (B – Standard/Manual): All internally lubricated parts (when damaged from within), including housing, main & intermediate shafts, gear sets, synchronizer rings, shifter fork & bearings. EXCLUDED: manual clutch, pressure plate, clutch bearing, external linkages & shifter, flex plate & flywheel, flywheel/flex plate, electronic shift control unit, shift control sensor, transmission mounts. 4.3 DIFFERENTIAL: All internally lubricated parts (when damaged from within), including housing carrier gear & case, drive pinion & pinion gear, ring gear, differential cover, differential mounts & bearings. 4.4 SEALS & GASKETS: All seals & gaskets used to contain fluids or lubricant for parts within sections 4.1 through 4.3 when necessary to assemble or replace a covered component. 4.5 AIR CONDITIONING: Compressor, clutch assembly & pulley, evaporator, accumulator, expansion valve, orifice tube, receiver dryer, idler pulley & bearings, condenser, refrigerant lines, belt tensioner & idler pulley bearings, high/low compressor cut-off switch, pressure cycling switch. 4.6 ROADSIDE ASSISTANCE: We will reimburse You up to fifty (\$50) dollars per occurrence, to an aggregate maximum of two hundred & fifty (\$250) dollars, including applicable taxes, (valid receipts must be submitted for reimbursement) for the following events, when related to approved claim for Services: A – Winching services for Your Vehicle if stuck (Excludes off-road situations); B – Battery boosting services to start Your Vehicle; C – Emergency fuel delivery service for Your Vehicle if it has run out of fuel (up to 10 liters); D – Flat tire repair or installation of the spare tire on Your Vehicle; E – Vehicle entry service (locksmith service) for Your Vehicle should the keys be lost or locked in Your Vehicle. 4.7 TOWING: We will reimburse You up to fifty (\$50) dollars per occurrence, to an aggregate maximum of two hundred (\$200) dollars,

including all applicable taxes (valid receipts must be submitted for reimbursement) for towing expenses incurred due to Mechanical Breakdown. 4.8 CAR RENTAL / TRIP INTERRUPTION: (A – Car Rental): We will reimburse You for car rental expenses incurred due to a Mechanical Breakdown. Prior approval must be obtained from the Claims Administrator, and valid receipts must be submitted for reimbursement. Benefits will be payable if the labour time allocated by a current recognized professional labour guide exceeds eight hours requiring that Your Vehicle be kept in a Repair Facility overnight. Reimbursement is up to forty (\$40) dollars per day, to a maximum of two hundred (\$200) dollars, for the Term of this contract. (B – Trip Interruption): We will reimburse You for lodging, meals, bus or taxi expenses incurred due to Mechanical Breakdown. Prior approval must be obtained by the Claims Administrator, and valid receipts must be submitted for reimbursement. Benefits will be payable if You are more than 300 kilometers away from the registered residence (one way), and labour allocated by a current recognized professional labour guide exceeds eight hours, requiring that Your Vehicle be kept in a Repair Facility overnight. Reimbursement is up to fifty (\$50) dollars for the term of this contract. No person under the age of 25 will be granted a rental vehicle.

4.9 ELECTRICAL SYSTEMS: Starter motor & solenoid, alternator, voltage regulator, electronic ignition module, distributor, water pump, windshield wiper motors, washer pump motors, heater motors & fan, horn assembly, starter ring gear, transmission wiring harness, computerized timing control unit, powertrain control module, electronic crank angle sensor, cam sensor, knock sensor, ignition switch, ignition switch lock cylinder, manual heater/AC control head. EXCLUDES: computer system. 4.10 BRAKING SYSTEM: Master cylinder, assist booster, proportioning valves, wheel cylinders, backing plates & return springs, front & rear calipers, hard lines & fittings, flex lines, brake linkages & cables, hydro boost, hydraulic control unit, seals & gaskets, electronic control processor wheel speed sensors, hydraulic pump/motor assembly, pressure modulator valve/isolation dump valve, accumulator. 4.11 STEERING SYSTEMS: Rack & pinion, power steering pump & pulley, fluid reservoir, hydraulic lines, steering gear, main & intermediate shafts, pitman arms, idler arms, center link, steering knuckles, spindles, kingpins & bushings, cooler & lines, tie rod ends & drag link, steering dampener, upper & lower steering column shafts & couplings, including internal tilt-wheel mechanism, rear wheel steering, rear steering shaft & couplings, power cylinder & pump, electronic rear wheel steering, rear steering shaft & couplings, electronic control unit/solenoid, phase control unit, stepper motor, steering box, control valve, rack tie rod ends. 4.12 ELECTRONICS: Electronic anti-lock brake system (ABS), traction control system (TCS), including electronic brake control module, exciter rings, pump motor/hydraulic unit, relays, accumulators, pressure modulator valve assembly, electronic temperature control module, electronic ignition computer control modules, fuel injection computer control modules, cruise control modules, cruise control servo, transducer & cable, digital dash instrumentation including speedometer, tachometer, odometer, fuel, oil, temperature, compass readout, thermometer readout & voltage displays, door control mode & lock actuators, power door lock actuator motor & switches, power window motors, power seat motors & switch, power antenna, electronic trunk release actuator, hidden headlight door motors, distributor, ignition coil, ignition coil packs, coil pack housing, oxygen sensor, electronic combination entry system, rear defogger switch. EXCLUDES: All of the following items are excluded from coverage: Transmitters & receivers for remote locks, electronic automatic load leveling compressor motor, radios/CD/DVD players, touch screens, navigation systems/screens, back up cameras/sensors, remote start module. 4.13 AUXILIARY DIFFERENTIAL & TRANSFER CASE (4WD & AWD): All internally lubricated parts, (when damaged from within), including case, gears, sprockets & chains. 4.14 TURBOCHARGER: (Factory installed only) All internal parts including housing, waste gate controller, intercooler & hard line. (Turbocharged engines must use turbo-rated oil) 4.15 SUPERCHARGER: (Factory installed only) All internal parts including housing, compressor, clutch & pulley, bypass valve. 4.16 FRONT SUSPENSION: Upper & lower ball joints, upper & lower control arms & their shafts, steering knuckles, kingpins & their bushings. 4.17 FUEL INJECTION: (Gasoline & Diesel) Pressure regulators, fuel injector lines & fuel injectors, injection/distribution & fuel pumps. 4.18 DRIVE AXLE: (Front & Rear) Locking hubs, drive shafts, center support bearings, constant velocity joints, axle bearings, four-wheel drive actuator & differential cover. EXCLUDES universal joints. 4.19 SEALS & GASKETS/FLUIDS & FILTERS: Every repair includes the replacement of coolants, refrigerants, transmission fluid & filter, engine oil & filter, hydraulic & lubricants, when required as a result of a failure covered component. 4.20 FUEL DELIVERY: Fuel injection pump, vacuum pump, fuel tank, fuel tank sending unit, metal fuel delivery lines. 4.21 FRONT & REAR SUSPENSION: Radius arm & bushings, torsion bars & mounts or bushings, stabilizer bar, links & bushings, spindle support, wheel bearings, variable dampening suspension, compressor, control module, actuator, solenoid, height sensor & mode selector switch. 4.22 COOLING: Engine cooling fan & motor, fan clutch, belt tensioner, radiator, heating core, blower motor. EXCLUDES thermostats. 4.23 BODY INTERIOR: Manual/Automatic shift lever & shift lever subassembly, inside door handles, child safety door lock mechanism.

5: LIMITS OF LIABILITY: (A) Per visit repair: Our liability of any one (1) repair visit shall in no event exceed the lesser of the maximum per claim amount indicated under

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the Services & Terms on the Application page, or the actual cash value of Your Vehicle according to the Canadian Black Book wholesale value at the time of said repair visit. Limits of Liability include all applicable taxes. (B) Aggregate: The total of all Services & benefits paid of payable while this contract is in force shall in no event exceed the retail price You paid for Your Vehicle (excluding tax, title & license fees). Limits of Liability include all applicable taxes.

6: EXCLUSIONS: This contract will not provide coverage for any part not specifically listed in Section 4. Schedule of Services or for any parts specifically excluded under that section. For repairs or replacement of parts or components to correct conditions existing, or which may be reasonably assumed to have existed at the same time Your Vehicle was sold, for maintenance services and parts described in Your Vehicle owner's manual as supplied by the manufacturer and other normal maintenance services and parts which include, but are not limited to: **Alignment, adjustments, wheel balancing, tune ups, spark plugs, spark plug wires, glow plugs, hoses, belts, carburetor, battery, shock absorbers, struts, strut mounts, glass, lenses, headlamps, light bulbs, fuses, brake pads, brake rotors, brake linings, brake shoes, radios/cd/dvd players, navigation systems, back up cameras/sensors, remote start module, manifold studs, exhaust systems, tire pressure monitoring systems, upholstery, cup holders, paint, bumpers, body sheet metal, shop supplies, cleaning products, filters, lubricants, coolant, fluids, refrigerants, reprogramming, bolts, nuts & fasteners.** For any Mechanical Breakdown resulting from collision, fire, smoke, theft, vandalism, riot, civil commotion, explosion, lightning, earthquake, freezing, condensation, deterioration, rust or corrosion (failure of an eligible component due to corrosion of electrical wiring or connectors is also not covered), windstorm, hail, water or flood, missiles, upset or falling objects, road debris, terrorism, war, nuclear contamination, glass breakage, salt, environmental damage, chemicals, pitting, impact or stress cracks, lubricant blockage, contamination of fluids, fuels, coolants or lubricants. For any Mechanical Breakdown caused by overheating, misuse, abuse, negligence, lack of normal maintenance required by the manufacturer's maintenance schedule for Your Vehicle, or improper servicing. For any Mechanical Breakdown caused by sludge, carbonized or burnt Valves and/or seized piston rings, carbon build-up or the failure to maintain proper levels of lubricants and/or coolants. This includes loss of coolants & lubricants, including damage caused by failure of water hoses, radiators or transmission cooler lines. For any Mechanical Breakdown due to failure to protect Your Vehicle from further damage when a Mechanical Breakdown has occurred, or when the warning indicator lights or gauges indicate non-normal levels. For any repair or replacement due to wind noise, squeaks rattles & water leaks. For any repair or modification to engines for the sole purpose of raising engine compression. For any repair or replacement of any eligible part if a Mechanical Breakdown has not occurred. If any alterations have been made to Your Vehicle, or if it is being or has been used in a manner not recommended by the manufacturer, including but not limited to: the failure of any custom or add-on parts, all frame or suspension modifications, lift kits, oversized/undersized tires, engine modifications, emissions system and/or exhaust system modifications. If the vehicle is being, or has been used for commercial use. If the odometer reading has been falsified, modified, or if the odometer has become inoperative, unless the administrator has been notified within seven days following the reading before & after the repair & those must be accepted by the administrator. For any liability for property damage, or for injury to or death of any person arising out of the operation, maintenance or use of Your Vehicle described in this Contract, whether or not related to the eligible parts. For loss of use, time, profit, inconvenience or any other loss (except as may otherwise be provided under the Schedule of Services), that result from a Mechanical Breakdown. When the responsibility for the repair is covered by another Service Contract, any warranty from the manufacturer: such as extended powertrain, major component or full coverage warranties (regardless of the remaining manufacturer's warranty when you purchase this Contract), or any warranty imposed by law, or repairer's guarantee/warranty. Further Services under this contract is similarly limited in the event of a Mechanical Breakdown if the manufacturer has announced its responsibility through any means including public recalls & factory Service bulletins, or any other bulletins, updates or conversions recommended by the manufacturer. This includes situations where the manufacturer has declared the condition is normal & not detrimental to the operation Your Vehicle through Technical Service Bulletins (TSBs). For diagnostic charges & repairs done without receiving prior approval from the administrator, or for repairs done by private parties (including the contract holder), repair facilities not authorized by the administrator, or by unlicensed Repair Facilities, or if the information provided by You or the Repair Facilities cannot be verified as accurate, or is found to be deceptively inaccurate. For Mechanical Breaks that occur and/or repairs made outside of Canada & the continental USA. For any cost associated with converting Your Vehicle to meet government requirements (e.g. emissions). For Your Vehicle if it is not insured. For any Mechanical Breakdown caused by improper storage or due to normal wear & tear. Normal wear & tear shall be deemed to include, but is not limited to: repairs or replacement of valves and/or rings where the purpose, in whole or part, is to raise engine compression or to mitigate oil consumption. For any Mechanical Breakdown that is not reported within 15 days of the occurrence or for information that cannot be verified as accurate. If you are not a Canadian resident, or if Your Vehicle is being used more than 180 days per year

outside of Canada. If Your Vehicle was ever deemed a total loss or write-off, or if it was not manufactured for distribution in Canada/USA or is a salvage vehicle. If Your manufacturer's warranty has been voided for any damage to a non-eligible component by either an eligible or non-eligible component failure. Mechanical Breakdown of a covered part if due to the failure of a non-covered part. For Mechanical Breakdowns if the claim procedures are not followed as required by Section 10. If You have failed to maintain Your Vehicle in strict compliance with Your maintenance requirements found in sec 7. For any Mechanical Breakdown related to the air bag and/or supplementary restraint system and/or seat belt related parts including but not limited to S.R.S. electronics. For any cause whatsoever except as provided for in this contract.

7: MAINTENANCE REQUIREMENTS: Read this section carefully. Failure to maintain Your Vehicle by a licensed Repair Facility & according to the Services & Maintenance Schedule as outlined below may result in coverage being restricted or voided under this Contract. To keep this Contract in force, it is Your responsibility is to properly operate, care for & maintain Your Vehicle in accordance with Your manufacturer owner's manual including, but not limited to, the completion of the following Services at the required intervals: 1. Change engine oil & filter, 2. Check & maintain all fluid levels, 3. Service brakes regularly. This work must be done by an Approved Repair Facility & valid receipts will be required for verification. Do-it yourself maintenance & repairs are not permitted. You are responsible to ensure that all warning indicator lights & gauges are working properly.

8: CANCELLATION OF YOUR CONTRACT: This Contract may be cancelled within ten (10) days after the Application Date by notifying the Selling Dealer in writing. Your refund within ten (10) days of Application Date will be total cost paid, less any claim of Service paid & pro-rate based on the lesser of: The remaining days in force or the remaining kilometers in force, minus any claim for Services paid and a cancellation fee of fifty (\$50) dollars plus applicable taxes. If Your Vehicle loan is still outstanding with the Lienholder at time of cancellation, the lienholder will be named on the Cancellation refund cheque.

9: OUR RIGHT TO RECOVER PAYMENT: If We make any payments under this Contract, You agree that We hold all rights of recovery for those payments against anyone, due to, but not limited to, a manufacturer's repair campaign, or any repair required by any court, regulatory agency, decree or settlement. You will do nothing to harm those rights. If you have a right to recover against another party, Your rights shall become Our rights. You shall do whatever is necessary to enable Us to enforce these rights. If We pay for repairs under this Contract & You are also repaid for the same repairs by someone else, Your payment will become Our property up to the amount that We paid for the repair.

10: CONTRACT HOLDER'S GUIDE TO FILE A CLAIM FOR SERVICES
IF YOUR VEHICLE INCURS A MECHANICAL BREAKDOWN, TAKE THE FOLLOWING STEPS TO FILE A CLAIM FOR SERVICES: (Replacement parts may be remanufactured or parts of like kind & quality.)

PREVENT FURTHER DAMAGE: In the event of a Mechanical Breakdown, do not continue to operate Your Vehicle that results in further damage, related to the original Mechanical Breakdown, or this shall be considered Your failure to protect Your Vehicle & shall not be eligible under this Contract. You are required to safely pull Your Vehicle off of the road & shut off the engine immediately when warning indicator lights or gauges indicate a problem or any unusual noises or deficiencies in operating performance occur. Contact claims department immediately (during normal business hours Monday-Friday 8 a.m. - 5 p.m. EST) at 1-866-865-0058. You will need to state Your full name, Contract number, telephone number & the then odometer reading of the vehicle. We will then direct You to the nearest Approved Repair Facility whenever possible. You are responsible for authorizing the diagnosis. Once satisfied that all terms & conditions of the Contact have been met, We will immediately determine whether the claim for Services is covered under this Contract. If it is We will issue an authorization number to proceed with repair. We will then pay the authorized Repair Facility directly, less any miscellaneous items & Your deductible of one hundred (\$100) dollars plus all applicable taxes. In the event that circumstances arise where this is not practical, We will reimburse You upon receipt of an itemized invoice, the amount We would have had to pay for similar repairs at an authorized Repair Facility, less Your portion, provided You have obtained prior approval & submitted the invoice within thirty (30) days of repair. We reserve the right to refuse any repair estimate judged unreasonable, in relation to other alternatives. We reserve the right to examine Your Vehicle within ten (10) days of receipt of a claim for Services. We reserve the right to ownership of all covered replaced parts of Your Vehicle. We reserve the right to examine Your Vehicle within ten (10) days of the date of any claim for Services being made hereunder. Such inspection will be conducted by an independent expert selected by Us & You. In the event of any disagreement between Us & You as to the Selling Dealers liability hereunder, the decision of such independent expert shall be binding upon both parties.

