

ADESA offers an arbitration service to resolve certain disputes between buyers and sellers. Our service is designed to be fair, quick and impartial. ADESA's arbitration service generally follows the National Auto Auction Association's Arbitration Policy In-Lane and Online (the "**NAAA Arbitration Policy**"), as may be amended from time to time (see [www.naaa.com](http://www.naaa.com)). This ADESA Arbitration Policy contains some addenda to the NAAA Arbitration Policy and some additional policies and procedures. In the event of a conflict between the terms of the NAAA Arbitration Policy and those set forth in this ADESA Arbitration Policy, the terms of this ADESA Arbitration Policy will control. Notwithstanding anything set forth herein, certain sellers may adhere to their own arbitration policies and procedures.

**Definitions.** In addition to the terms defined in the NAAA Arbitration Policy, the following terms shall have the meanings set forth below:

- (a) "**ADESA Location**" means a physical ADESA facility.
- (b) "**Arbitrator**" means the individual responsible for adjudicating disputes and managing the dispute resolution process contemplated in this ADESA Arbitration Policy.
- (c) "**Category**" means the vehicle listing category associated with vehicles offered for sale on DealerBlock<sup>®</sup>.
- (d) "**Certified Auction Partner Sale**" or "**CAP Sale**" means a digital, Off-Premise Sale where the vehicle is listed by or on behalf of a non-ADESA auction company.
- (e) "**Claim**" means a claim submitted by buyer for arbitration.
- (f) "**DealerBlock<sup>®</sup>**" means an ADESA digital sales platform offering vehicles for sale, including bid-now, buy-now functionality.
- (g) "**Off-Premise Sale**" means a sale where, at the time of sale, the vehicle is *not* physically located at an ADESA Location or at an ADESA-facilitated mobile sale location.
- (h) "**On-Premise Sale**" means a sale where, at the time of sale, the vehicle is located at an ADESA Location or at an ADESA-facilitated mobile sale location.
- (i) "**Simulcast**" (including **Simulcast+<sup>SM</sup>**) means an ADESA digital sales platform offering vehicles for sale to both in-lane and online buyers via a live or electronic auctioneer.

**Arbitration Period.** The arbitration period for all vehicles bid on and purchased in-lane at an ADESA Location expires at the close of business on sale day at the relevant ADESA Location, in accordance with the NAAA Arbitration Policy. The arbitration period for all vehicles bid on and purchased online through ADESA's digital sales platforms, Simulcast and DealerBlock<sup>®</sup>, is **two (2) calendar days from verified receipt of the vehicle, not to exceed fourteen (14) calendar days from the date of sale. Sale day is day 1.** All Claims must be made within the applicable arbitration period.

**Increased Arbitration Rights for Green Light and Enhanced Vehicles.** For vehicles sold under a green light on Simulcast or under the Enhanced Category on DealerBlock<sup>®</sup>, in addition to the arbitration rights available in the NAAA Arbitration Policy, Appendix I: National Arbitration Policy Guidelines, buyer will be entitled to arbitrate any single defect that was neither disclosed nor announced and has a repair or replacement cost of \$600 or more in the following areas:

- Visible interior or exterior damages, including missing equipment;
- Paintwork (3 adjacent panels or more), excluding bumpers; or
- Tire tread depth measurement discrepancy greater than 2/32nds or higher resulting in tread depth of 4/32nds or below.

Seller is responsible for the disclosure and/or announcement of the above additional items in addition to all of the other disclosures and announcements required under the NAAA Arbitration Policy.

**Seller Obligations.** Seller is responsible for the accuracy and completeness of all representations, announcements and disclosures regarding its vehicles, regardless of whether seller has relied on third party resources (e.g., inspection company, vehicle listing service, electronic data vehicle history report, etc.). For DealerBlock<sup>®</sup> Sales, seller is responsible for designating the appropriate Category for listing the vehicle and ensuring that the vehicle satisfies the requirements of the Category selected. If a seller fails to designate a Category, it will be offered for sale under the Enhanced Category.

**Arbitration Process for All Transactions.**

- (a) **Start Arbitration Claim.** Before starting a Claim, buyer must pay ADESA all amounts due related to the vehicle to be arbitrated. Failure to pay may result in loss of arbitration rights and/or temporary or permanent suspension of auction privileges. An arbitration Claim must be initiated *before* the expiration of the arbitration period via ADESA.com (on my Purchases page) or by contacting the ADESA Location where the vehicle was purchased and following the instructions of the Arbitrator. Failure to provide supporting documentation within 2 business days after starting the Claim, in accordance with the instructions provided by the Arbitrator, may result in loss of arbitration rights.
- (b) **Buyer's Obligations.** Buyer is responsible for delivering any arbitrated vehicle to the nearest ADESA Location or other location, as instructed by the Arbitrator. A returned vehicle must be in the same or better condition as when it was sold, otherwise the Arbitrator has the discretion to deny the Claim or charge additional fees. Buyer may lose the right to make or continue a Claim if buyer drives the vehicle, provided that buyer may drive a minimal number of miles for transportation to and from the ADESA Location (maximum of 50 miles, subject to the Arbitrator's discretion taking into account type of damage and other

relevant factors). In the event of an Off-Premise Sale where the Arbitrator does not direct buyer to deliver the arbitrated vehicle to an ADESA Location, buyer must, at its own expense, take reasonable steps to care for, preserve, secure and store the vehicle until it is properly returned.

- (c) Review of Claim. ADESA will review only issues identified in the initial Claim. ADESA may, but is not required to, consult with buyer, seller or both parties to gain a better understanding of the issue(s) in the Claim. When appropriate, ADESA may refer the vehicle to an auction mechanic, inspector or external resource such as an ADESA approved repair facility, dealership or specialty shop for consultation. The unsuccessful party (buyer or seller) in the arbitration will be responsible for payment of all fees (including but not limited to the inspection, diagnostic evaluation and transportation) incurred in the Claim review, at the Arbitrator's discretion.
- (d) Decision. After reviewing the Claim, the Arbitrator will decide whether the Claim is valid. Before deciding what the remedy should be, the Arbitrator may attempt to facilitate a resolution between buyer and seller. If agreement cannot be reached, ADESA will decide the appropriate remedy, if any.
- (e) Arbitration Award. It is understood that, as the Arbitrator, ADESA will grant any remedy or relief that it considers fair and reasonable under the circumstances, including but not limited to: cancellation of sale and full refund of purchase price, partial refund of purchase price, repair of defect at seller's expense, repair of defect with the fees apportioned between buyer and seller, and/or partial or full reimbursement of transportation, reconditioning and/or repair fees. All amounts that the Arbitrator determines should be paid as a result of the Claim are referred to as the "**Award Amount**".
- (f) Payment of Award Amount by Seller. Seller agrees to pay the Award Amount on or before three (3) business days after ADESA notifies seller of the Arbitrator's final decision. If seller fails to pay the Award Amount within the time limit, ADESA reserves the right to charge seller a late payment charge and/or to offset and deduct the Award Amount from any amounts payable by ADESA to seller.
- (g) Payment of Award Amount to Buyer. ADESA may withhold (or offset) all or part of the Award Amount from buyer if (i) transferable title is not returned (when applicable), (ii) buyer has unresolved past due amounts payable to ADESA, and/or (iii) ADESA determines that the vehicle's condition has changed while in buyer's possession.
- (h) Returns. If the Arbitrator determines that the sale should be cancelled and the vehicle has not already been returned to an ADESA Location as part of the Claim review process, (i) if the sale was an On-Premise Sale, the buyer will contact the ADESA and follow all directions given by the Arbitrator regarding return of the vehicle; or (ii) if the sale was an Off-Premise Sale, then seller and buyer will follow the instructions provided by the Arbitrator regarding arrangements for seller to pick up and transport the vehicle. Risk of loss for the vehicle

remains with buyer until the vehicle is delivered to seller or to seller's carrier or other agent or delivered and secured at an ADESA Location. Any vehicle delivered to or left at an ADESA Location without ADESA approval will remain the sole responsibility of buyer.

- (i) Finality. The decision of the Arbitrator is final and binding on buyer and seller. By doing business with ADESA, buyer and seller appoint ADESA to serve as the Arbitrator and empower ADESA to render a final, binding decision in settlement of all Claims submitted for arbitration. Upon payment of the Award Amount and/or otherwise implementing the Arbitrator's decision, buyer and seller are deemed to release each other from all claims and demands regarding the matters referred to arbitration.
- (j) Limited Arbitration Rights for Buyer at Grounding Location. For Off-Premise Sales, if, at time of sale, the vehicle is physically located at buyer's location (i.e. the grounding location), the NAAA Arbitration Policy rules for As Is In-Lane sales, including arbitration periods and disclosure requirements, apply (see Appendix I: National Arbitration Policy Guidelines to NAAA Arbitration Policy).

**Additional Terms and Conditions.**

- (a) ADESA reserves the right to interpret, waive or vary any provision of this ADESA Arbitration Policy or the NAAA Arbitration Policy if, in its sole discretion, ADESA considers it fair and reasonable to do so under the circumstances.
- (b) Vehicles exported outside of the United States or with a title designation as "Export Only" are not eligible for arbitration.
- (c) For Certified Auction Partner Sales, the settlement and arbitration process may be handled by the third party listing the vehicle or its assigned agent rather than ADESA.