



SELLING DEALER GUIDE

Prepaid Maintenance

SecureDrive Prepaid Maintenance for Volkswagen* models

Table of Contents

Table of Contents	2
Contact Us	3
General Provisions	4
SecureDrive Prepaid Maintenance	5
Limits of Liability	5
Eligibility	5
E-Contracting	5
Confirmation of Coverage	6
Program Compliance	6
Waiver Information	6
No Interest Deferred Payment Plan	6
Invoice Payment	7
Transfers	7
Cancellations	8
Claims Assistance	10
Parts and Labour Reimbursement Policy for Services	11
Privacy of Information	16
Customer Agreement	16

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Contact Us

LGM Financial Services Inc. (“LGM” or the “Administrator”)

#142 - 757 West Hastings Street
Vancouver, BC V6C 1A1

Dealer/Retailer Inquiries: **1-866-287-6200**

Consumer and Dealer/Retailer Website: www.lgm.ca

Each Selling Dealer/Retailer will have a unique login to gain access to Dealer/Retailer only material.

Claims:

Phone: 1-866-287-6200

Email: claims@lgm.ca

Hours: <https://www.lgm.ca/contact/>

Sales and Customer Service:

Phone: 1-866-287-6200

Email: service@lgm.ca

Hours: <https://www.lgm.ca/contact/>

Settlement Department

Email: settlement@lgm.ca

Accounts Receivable:

Email: ar@lgm.ca

General Provisions

All Dealers shall be governed by the following program requirements:

- a) **Maintenance:** For each customer that purchases a SecureDrive Prepaid Maintenance under applicable Vehicle Service Contracts ("PPM Contract") from the Dealer, the Dealer shall perform vehicle maintenance services (unless an alternative dealer is authorized by LGM to perform such services), using prevailing industry standards and using genuine parts of the original manufacturer of the vehicle.
- b) **License:** The Dealer shall procure and maintain in good standing and at its cost all licenses required under Applicable Law that are required to conduct the Business and shall carry out the sale of the Business in accordance with all of the terms of any such licenses.
- c) **Laws and Regulations:** The Dealer shall familiarize itself with all Applicable Law pertaining to the Business and shall conduct the Business in compliance therewith.
- d) **Rules of LGM:** The Dealer shall adhere to all rules, requirements and procedures of LGM relative to the Business in place from time to time.
- e) **No Authority to Bind:** Other than as expressly contemplated herein, the Dealer shall have no authority whatsoever to bind LGM or to otherwise modify the PPM Contract.
- f) **Illegal and Unfair Practices:** The Dealer shall not engage in discrimination, misrepresentation or any unfair practice or other practice prohibited by Applicable Law.
- g) **Property and Supplies:** The Dealer shall maintain in a secure and safe place and, upon request, shall account for, all Business merchandise, brochures, guides, rates, executed PPM Contracts, and other property ("Confidential Information") received from LGM. Without limiting the foregoing, the Dealer shall maintain the confidentiality and shall not disclose to any other third party, the Confidential Information.
- h) **Modification of Forms:** The Dealer shall not modify, waive, alter or change, whether orally or in writing, any of the terms of the Business.
- i) **Expenses:** The Dealer shall not incur any expense on behalf of LGM without its prior written consent.
- j) **Negotiable Instruments:** The Dealer shall not negotiate or endorse any cheque or other negotiable instrument made payable LGM.
- k) **Trust Funds:** The Dealer shall hold in trust and consider as fiduciary funds any sales prices and monies received by the Dealer on behalf of LGM (and the issuer of the contractual liability insurance policy for the PPM Contracts) and shall promptly remit such funds to LGM (no later than the tenth day of each calendar month for all Business sold by the Dealer during the preceding month) and not convert same to its own use.
- l) **Advertising:** The Dealer shall not publish, circulate or display any advertisements, circulars or other promotional materials related to LGM and the Business unless the content thereof has received the prior written approval of LGM.
- m) **Inducement to Lapse or Claim:** The Dealer shall not induce the lapse, cancellation or termination of any PPM Contract, or induce any claims or additional benefits under the terms of any PPM Contract relating to the Business.
- n) **Audit:** The Dealer shall grant LGM and its representatives the right of free access during normal business hours at the Dealer's business office for the purpose of inspecting the books and records maintained by the Dealer with respect to the Business, including copies off all signed PPM Contracts.
- o) **Claims:** The Dealer shall have no authority to settle or pay claims unless authorized by LGM.

- p) Selling Dealer's Guide: The Dealer has read and understands the Selling Dealer's Guide produced and provided by LGM to the Dealer. The Dealer agrees to be bound by the requirements set forth in the Selling Dealer's Guide. LGM may amend the Selling Dealer's Guide from time to time and the Dealer shall continue to be bound by the Selling Dealer's Guide, as amended.
- q) Sales Restriction: The Dealer shall only sell the Business products on the Dealer's own vehicle inventory and at the time of the vehicle sale to the customer, unless otherwise agreed to as set out from time to time in the Selling Dealer's Guide.
- r) PPM Contract: The Dealer agrees to maintain in good order and make available to LGM for inspection (and provide copies when requested) within two business days of request, copies of all duly signed PPM Contracts that have been sold relating to the Business. The Dealer shall retain SecureDrive Prepaid Maintenance contracts for a period of 2 years after their expiration.

SecureDrive Prepaid Maintenance

SecureDrive Prepaid Maintenance is a smart and convenient way for your customers to manage their vehicle's service. The Basic and Plus plans cover most of the recommended scheduled maintenance using OEM trained technicians, genuine OEM parts, for a savings over retail rates.

For a comprehensive description of the benefits, please refer to the Customer Agreement.

Limits of Liability

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

Eligibility

SecureDrive Prepaid Maintenance is available on all Volkswagen* models (except e-Golf and Arteon) which are classified as New Vehicle. To be classified as New Vehicle, the vehicle is required to be within 12 months of Original In-Service Date, less than 15,000 km at time of purchase and the first service must not yet have been performed on the vehicle.

Please contact LGM at 1-866-287-6200 if you are uncertain if a vehicle qualifies.

E-Contracting

SecureDrive contracts are sold exclusively via a secure online sales portal at www.lgmhub.ca

To get started with e-contracting, please contact LGM at 1-866-287-6200 and LGM will provide you with access. E-contracting provides you with these valuable benefits:

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

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

Confirmation of Coverage

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

Program Compliance

Participating Dealers agree to offer to their customers SecureDrive Prepaid Maintenance contracts as made available online by LGM.

Each approved, SecureDrive Prepaid Maintenance contract shall be sold only on a qualifying vehicle in accordance with, subject to, and defined by LGM's programs, coverages, rules, and regulations for the base price (also referred to as dealer cost) owed to LGM plus the applicable Dealer profit (also referred to as dealer mark-up) on the Administrator's current suggested retail rate chart in effect at the time each SecureDrive Prepaid Maintenance contract is sold.

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

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

Waiver Information

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

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

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

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

No Interest Deferred Payment Plan

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

Invoice Payment

SecureDrive Prepaid Maintenance contracts are sold exclusively via a secure online sales portal at www.lgmhub.ca. Your dealership is required, on the last day of the month, to report all valid business for invoicing to the Administrator via the HUB or the Administrator will generate 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, or as per Provincial regulations. 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 HUB via bank withdrawal, credit card submission or with a cheque made payable to LGM Financial Services Inc. and mailed to the Administrator. Any cheques not made payable to LGM Financial Services Inc. will be returned to your dealership.

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

- Invoices generated by the online sales portal; and
- Cheque made payable to LGM Financial Services Inc.

Please remit to:

**LGM Financial Services Inc.,
#142 - 757 West Hastings Street,
Vancouver, BC V6C 1A1**

When calculating remittances, please note the following taxation regulations:

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

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

Indigenous Customers

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

Transfers

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

- Dealer name;
- Date of vehicle ownership change;
- Contract number;
- Odometer reading on vehicle at time of ownership change;
- Name of contract holder;
- Year and model name of vehicle;
- Name of new owner;

- Vehicle Identification Number (VIN);
- Address of new and original owner;
- Copy of Transfer of Ownership document signed between the parties;
- Vehicle registration.

A Transfer Request form is available via an online sales portal which can be accessed at www.lgmhub.ca. Please contact LGM Customer Service at 1-866-287-6200 if you do not have a username and password for the online sales portal.

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

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

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

Please ensure all cheques relating to contract transfers are made payable to: LGM Financial Services Inc.

Please remit to:

**LGM Financial Services Inc.,
#142 - 757 West Hastings Street,
Vancouver, BC V6C 1A1**

Cancellations

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

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

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

- Total loss of the vehicle
- Lienholder cancellation request
- Vehicle ineligibility

Following 30 days from purchase, the contract is strictly non-cancellable and may not be cancelled by the customer unless:

- a) Your dealership agrees to participate in a refund (the proportional amount of the upfront profit will be invoiced to your dealership following the cancellation); or
- b) The Lienholder who financed the contract, which has an interest in the contract (an outstanding loan balance), and provides a written cancellation request to the Administrator due to the contract holder's failure to pay the lienholder or the vehicle being repossessed or written off as a total loss.

Dealers are required to contribute towards cancellation refunds when the Lienholder requests contract cancellation due to vehicle repossession or total loss and the repossession or total loss occurs within 90 days from the contract purchase date. Dealers are not required to contribute towards cancellation refunds when the repossession/total loss occurs more than 90 days from the contract purchase date.

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

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

If the issuing Dealer is required to participate in the refund, the HUB will provide the Issuing Dealer with a quote which outlines the total refund and outlines the Issuing Dealer's portion.

If the contract was financed, the refund will be sent to the Lienholder, as listed on the warranty (unless customer has discharged their loan). If the warranty was paid in cash, the refund will be made payable to the customer unless otherwise requested by the customer.

IMPORTANT

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

For further cancellation details please refer to the contract.

Claims Assistance

The customer must return to the Selling Dealer for maintenance services under the SecureDrive Prepaid Maintenance contract unless an alternative dealer is authorized by the Administrator to perform the maintenance services. Only claims submitted by the Selling Dealer (or such alternative dealer as may be authorized by the Administrator) will be authorized under the SecureDrive Prepaid Maintenance contract.

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

1. Make a service appointment at the Selling Dealer unless an alternative dealer is authorized by the Administrator to perform the maintenance services. Customers may only have their vehicles serviced by such dealers located in Canada.
2. Provide the Selling Dealer the contract registration number or Vehicle Identification Number (VIN).
3. Advise the Selling Dealer to verify what maintenance is due. The Selling Dealer must use the Administrator's online claims submission portal or otherwise contact the Administrator and obtain an authorization number prior to any service being performed. Please confirm this with the Selling Dealer; failure to receive prior authorization may void coverage for services under the customer's contract.
4. The Administrator will reimburse the Selling Dealer for the pre-authorized cost of the maintenance service performed on the vehicle that is covered by the customer's contract; provided that, the Selling Dealer has provided all invoices and other reasonably requested documents to the Administrator within thirty (30) days of the Administrator authorizing such service and costs.
5. For claims assistance, please contact the Administrator at claims@lqm.ca or toll-free at 1-866-287-6200

To initiate a claim the DEALER should follow these steps:

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

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

Email
Telephone toll free
Hours of Operation

claims@lqm.ca
1-866-287-6200
Monday to Friday from 7:30am - 7:30pm EST
Saturday from 9am - 6pm EST

Parts and Labour Reimbursement Policy for Services

Subject to providing LGM with all information reasonably related to your claim, **LGM will reimburse parts and labour in accordance with this Selling Dealer's Guide**, as it may change from time to time.

The Administrator will authorize genuine OEM parts only. Approved maintenance performed according to the maintenance/reimbursement schedule below, including parts and labour, will be **reimbursed based on the vehicle's class and interval as indicated in the maintenance/reimbursement schedule below**. For clarity, such schedule may change from time to time to reflect market changes, including changes in parts and labour costs. Once the total approved cost of the service has been determined, the Administrator will provide the repair facility with an authorization number. The approved claim amount will be the total approved cost.

Following receipt and settlement of required documents, a WEX credit card payment will be promptly provided (with a target time of 48hrs).

Class 1	Beetle, Beetle Convertible, Golf, Golf GTI, Golf R, Golf SportWagen, Golf Alltrack, Jetta							
BASIC PLAN								
Service Intervals	1	2	3	4	5	6	7	8
Replace engine oil	x	x	x	x	x	x	x	x
Replace engine oil filter	x	x	x	x	x	x	x	x
Replace engine oil drain plug gasket	x	x	x	x	x	x	x	x
Multi-point inspection	x	x	x	x	x	x	x	x
Shop supplies	x	x	x	x	x	x	x	x
Reimbursement for each interval	\$105	\$105	\$105	\$105	\$105	\$105	\$105	\$105
PLUS PLAN								
Service Intervals	1	2	3	4	5	6	7	8
Basic plan	<i>Maintenance and/or Common Wear Items covered under the Basic plan are included</i>							
Rotate tires	x	x	x	x	x	x	x	x
Replace pollen filter		x		x		x		x
Replace engine air filter						x		
Replace spark plugs				x				x
Reimbursement for each interval	\$141	\$205	\$141	\$365	\$141	\$246	\$141	\$365
Options								
Service Intervals	1	2	3	4	5	6	7	8
DSG transmission service Refer to the Owner's Manual of your vehicle to determine if required				x				x
Reimbursement for each interval	\$0	\$0	\$0	\$268	\$0	\$0	\$0	\$268
Haldex oil service 4Motion models/trims only				x				x
Reimbursement for each interval	\$0	\$0	\$0	\$111	\$0	\$0	\$0	\$111

Class 2	Passat							
BASIC PLAN								
Service Intervals	1	2	3	4	5	6	7	8
Replace engine oil	x	x	x	x	x	x	x	x
Replace engine oil filter	x	x	x	x	x	x	x	x
Replace engine oil drain plug gasket	x	x	x	x	x	x	x	x
Multi-point inspection	x	x	x	x	x	x	x	x
Shop supplies	x	x	x	x	x	x	x	x
Reimbursement for each interval	\$106	\$106	\$106	\$106	\$106	\$106	\$106	\$106
PLUS PLAN								
Service Intervals	1	2	3	4	5	6	7	8
Basic plan	<i>Maintenance and/or Common Wear Items covered under the Basic plan are included</i>							
Rotate tires	x	x	x	x	x	x	x	x
Replace pollen filter		x		x		x		x
Replace engine air filter						x		
Replace spark plugs				x				x
Reimbursement for each interval	\$142	\$207	\$142	\$410	\$142	\$245	\$142	\$410
Options								
Service Intervals	1	2	3	4	5	6	7	8
DSG transmission service Refer to the Owner's Manual of your vehicle to determine if required				x				x
Reimbursement for each interval	\$0	\$0	\$0	\$312	\$0	\$0	\$0	\$312

Class 3	Tiguan							
BASIC PLAN								
Service Intervals	1	2	3	4	5	6	7	8
Replace engine oil	x	x	x	x	x	x	x	x
Replace engine oil filter	x	x	x	x	x	x	x	x
Replace engine oil drain plug gasket	x	x	x	x	x	x	x	x
Multi-point inspection	x	x	x	x	x	x	x	x
Shop supplies	x	x	x	x	x	x	x	x
Reimbursement for each interval	\$119	\$119	\$119	\$119	\$119	\$119	\$119	\$119
PLUS PLAN								
Service Intervals	1	2	3	4	5	6	7	8
Basic plan	<i>Maintenance and/or Common Wear Items covered under the Basic plan are included</i>							
Rotate tires	x	x	x	x	x	x	x	x
Replace pollen filter		x		x		x		x
Replace engine air filter						x		
Replace spark plugs				x				x
Reimbursement for each interval	\$155	\$229	\$155	\$383	\$155	\$269	\$155	\$383
Options								
Service Intervals	1	2	3	4	5	6	7	8
Haldex oil service 4Motion models/trims only				x				x
Reimbursement for each interval	\$0	\$0	\$0	\$111	\$0	\$0	\$0	\$111
ATF Service Atlas and Tiguan models only								x
Reimbursement for each interval	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$423

Class 4	Atlas							
BASIC PLAN								
Service Intervals	1	2	3	4	5	6	7	8
Replace engine oil	x	x	x	x	x	x	x	x
Replace engine oil filter	x	x	x	x	x	x	x	x
Replace engine oil drain plug gasket	x	x	x	x	x	x	x	x
Multi-point inspection	x	x	x	x	x	x	x	x
Shop supplies	x	x	x	x	x	x	x	x
Reimbursement for each interval	\$124	\$124	\$124	\$124	\$124	\$124	\$124	\$124
PLUS PLAN								
Service Intervals	1	2	3	4	5	6	7	8
Basic plan	<i>Maintenance and/or Common Wear Items covered under the Basic plan are included</i>							
Rotate tires	x	x	x	x	x	x	x	x
Replace pollen filter		x		x		x		x
Replace engine air filter						x		
Replace spark plugs				x				x
Reimbursement for each interval	\$160	\$224	\$160	\$427	\$160	\$267	\$160	\$427
Options								
Service Intervals	1	2	3	4	5	6	7	8
Haldex oil service 4Motion models/trims only				x				x
Reimbursement for each interval	\$0	\$0	\$0	\$111	\$0	\$0	\$0	\$111
ATF Service Atlas and Tiguan models only								x
Reimbursement for each interval	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$495

Privacy of Information

Maintaining the privacy of customer information is very important to LGM. The information each dealer provides LGM for a SecureDrive customer is held in strict confidence and is not shared with any third parties unless authorized by the customer, required in connection with administration of SecureDrive Prepaid Maintenance contracts or for statutory or underwriting purposes. Please see LGM's Privacy Policy for more details www.lgm.ca/privacy-policy.

Customer Agreement

A copy of the full Customer Agreement is displayed on the following pages.