

LEXUS CERTIFIED COLLISION CENTRE PROGRAM

COLLISION CENTRE SPONSORSHIP AND PARTICIPATION AGREEMENT

Sponsoring Dealership Name: _____ Dealer Code _____

Dealer Principal or General Manager Name (Print) _____

Dealer Principal or General Manager Name (Signature) _____ Date _____

Sponsored Collision Centre Name _____

Collision Centre Address _____

Phone Number _____ Website _____

Collision Centre Owner or General Manager (Print) _____

Collision Centre Owner or General Manager (Signature) _____ Date _____

Collision Centre Owner or General Manager E-Mail _____

Submission of a properly completed and executed original of this Agreement confirms that, effective as of the date set out above, the above noted Independent Collision Centre (the “**Collision Centre**”) is sponsored by the above noted Lexus Dealer (the “**Dealer**”) who has nominated it for certification as a Lexus Certified Collision Centre.

Further, the Collision Centre and the Dealer wish to participate in the Lexus Certified Collision Centre Program (the “**Program**”) and agree to comply with the Terms and Conditions of this agreement between the Collision Centre, the Dealer, and Lexus Canada Inc. (“**Lexus**”).

The sponsoring Lexus Dealer must keep a copy of this signed document on file and provide a copy to the Collision Centre so it can be uploaded into the Collision Centre profile as part of the certification process managed by Certified Collision Care.

1 DEALER

The Dealer acknowledges that its participation in the program is voluntary and in accordance with the terms and conditions outlined in the Lexus Dealer Agreement between the Dealer and Lexus.

The Dealer's roles and responsibilities shall be as follows:

- 1.1. To monitor the Certification process with the nominated Collision Centre and to provide support and assistance to representatives from Certified Collision Care and Lexus as required.
- 1.2. To comply with its obligations under the Program and to ensure that the Collision Centre complies with its obligations under the Program.
- 1.3. To advise Lexus immediately if it becomes aware that the Collision Centre:
 - (a) intends a change of ownership;
 - (b) Intends to relocate its facilities; or
 - (c) is affected by any circumstance that might cause sponsorship or certification to be withdrawn or re-evaluated.
- 1.4. To ensure any customer contact and/or complaint is handled promptly with the Collision Centre and that actions and outcomes are properly documented.
- 1.5. The Collision Centre must be geographically located within the Dealer's trade area. If the collision centre is located outside the Dealers Trade Area, the Dealership may sponsor one facility outside of the Dealers trade area provided:
 - (a) The affected Dealer(s) provide a written agreement to Lexus to allow this sponsorship for certification. (Agreements are between the affected Dealerships and not Lexus.)
 - (b) It is not in another Dealers DMA who owns and operates a certified collision centre.
 - (c) Is not in a competing brand facility.
 - (d) Uses Lexus Integrity Parts (OEC)
 - (e) Is the same shop that the sponsoring Dealers sends vehicles for warranty repairs, customer vehicles and Dealer owned vehicles for collision repairs. NOTE: (Lexus reserves the right to decline shops outside of the Dealers trade area)
- 1.6. The Dealer may sponsor up to 5 Collision Centres provided they are:
 - (a) Within the Dealers Trade area.
 - (b) Not in a competing brand facility.
 - (c) Lexus has final approval on sponsored Collision Centres.
 - (d) Should a dealership wish to sponsor more than 5 collision centres they can submit a request to your APSM outlining the business reasons. Lexus will review each request on an individual basis. Note: all existing LCCC rules apply.

- 1.7. The Dealer must use OEC (Lexus Integrity Parts) with the sponsored collision centres for parts pricing matching opportunities.
- 1.8. The Dealer agrees to provide technical assistance / advice / and repairs to assist the collision centre as needed.
- 1.9. The Dealer may display the Lexus Certified Collision Centre (LCCC) poster and LCCC certification plaque supplied by Lexus in an appropriate customer area within the Dealer facility. The LCCC poster and plaque must be removed immediately in the event that certification is terminated.

2 **COLLISION CENTRE**

2.1 **Collision Centre Guidelines and Responsibilities:**

- 2.1.1 To complete the Certified Collision Care online business assessment and authorize representatives from Certified Collision Care and/or Lexus to conduct on-site visits for the purpose of consultation and evaluation of the program criteria required to achieve and maintain certification as a Lexus Certified Collision Centre.
- 2.1.2 The Collision Centre acknowledges that, even if it operates multiple locations, the terms of this agreement will only apply only to the individual facility certified pursuant to this agreement, and only such facility may be represented as a Lexus Certified Collision Centre.
- 2.1.3 The Collision Centre must not be located at a competing automotive brand facility.
- 2.1.4 To subscribe and maintain an active subscription to Lexus Technical Information System (TIS) (techinfo.toyota.ca)
- 2.1.5 To follow Lexus repair procedures as identified in Lexus's repair manuals, bulletins and other reference material found in Lexus's Technical Information System (TIS) and to provide full written disclosure where Lexus repair procedures have not been followed.
- 2.1.6 To purchase all new genuine Lexus parts required to complete the repair from the sponsoring Dealer.
 - (a) NOTE: New Genuine Lexus Parts that are not obtained from an authorised Lexus Dealership may not be intended for the Canadian market, could be counterfeit and do not carry any warranty from Lexus.
- 2.1.7 To provide full, written disclosure on all customer invoices where non-new Lexus Genuine parts are specified and used.
- 2.1.8 To send all estimates via OEC to the sponsoring dealership for price matching opportunities.
- 2.1.9 The Collision Centre agrees that new Lexus Genuine Parts usage for each repair to a Lexus vehicle will be at **industry average or roughly 70% or greater**, based on parts line count.

- 2.1.10 The Collision Centre agrees that upon request by the sponsoring Dealership, the Collision Centre must supply the sponsoring Dealership with repair invoices along with supporting parts invoices (proof of purchase) from that Dealership and ensure adherence to 2.1.9.
- 2.1.11 The Collision Centre agrees, supports and follows Lexus Canada Inc best practices as per attachment available at www.getlexuscertified.ca
- 2.1.12 The Collision Centre agrees to participate and attend relevant training offered from Lexus or the sponsoring Dealership.
- 2.1.13 The Collision Centre must have the ability to perform pre and post vehicle scans (Health Checks) using a Toyota Tech Stream scan tool or equivalent. Aftermarket Scan Tools are not acceptable.
- 2.1.14 The Collision Centre will allow Lexus to access and retrieve KPI's from the Collision Centre via 3rd party providers such as (Certified Collision Care, Enterprise ARMS, Mitchell, Data Base Gateway ... etc. for the purpose of data collection. NOTE: This data will only be used by Lexus for internal usage.
- 2.1.15 The Collision centre acknowledges that recertification is required yearly (12 months from certification) and associated costs for recertification.
- 2.1.16 To advise the Dealer immediately if it:
- (a) Intends a change of ownership;
 - (b) Intends to relocate its facilities; or
 - (c) Is affected by any other circumstance that would cause sponsorship or certification be withdrawn or re-evaluated.

2.2 Marketing, Advertising and Trademarks

- 2.2.1 After confirmation of certification, the Collision Centre may display, in an appropriate customer area within the Collision Centre facility, the Lexus Certified Collision Centre (LCCC) certification plaque, LCCC poster, and/or other Point of Purchase (POP) materials provided from time to time by Lexus.
- (a) Note: Only Lexus Dealer-owned Collision Centres may use the Lexus logos or Lexus trademarks on the exterior of the facility and must follow the guidelines as set in the Dealer Standards.
- 2.2.2 Collision Centre may market, advertise, or publicize its certification and participation in the program that clearly indicates the specific facility to which the certification applies. All marketing must be in accordance with the Lexus Brand Guidelines (to be provided when agreement signed) provided. It is recommended that the Certified Shop and the Sponsoring Dealership work together to promote the repair of guest's vehicles at the Certified Centre.

- 2.2.3 Upon termination of this agreement, the Collision Centre shall immediately discontinue all use of the Lexus Trademarks, or any colourable imitations, variations or adaptations thereof and return to the Dealer any Lexus Certified Collision Centre ("LCCC") display materials previously provided to it, including without limitation the LCCC poster and certification plaque.
- 2.2.4 In the event of a breach, or threatened breach, of any of the foregoing provisions, the Collision Centre agrees that the harm suffered by Lexus would not be compensable by monetary damages alone and, accordingly, that Lexus shall, in addition to other available legal or equitable remedies, be entitled to an injunction against such breach or threatened breach.

2.3 Confidentiality

- 2.3.1 Confidential Information includes any information or material in any format whatsoever which is by its nature, or is declared by Lexus or the Dealer to be, confidential or proprietary or which may contain valuable trade secrets (whether or not patentable or copyrightable) owned or possessed by Lexus or the Dealer and disclosed to the Collision Centre pursuant to the terms of this agreement
- 2.3.2 The Collision Centre shall use the Confidential Information solely as necessary for the performance of this agreement and shall only disclose Confidential Information to its accountants or professional advisors if and when there exists a reasonable need to know such information, provided it gives written notice to the disclosing party prior to disclosure, and provided that any such third party executes a binding agreement to keep such information confidential before being given access to such Confidential Information.
- 2.3.3 The Collision Centre agrees to use good faith efforts (and at least the same care that it uses to protect its own Confidential Information of like importance but in no event less than reasonable care), to prevent unauthorized dissemination or disclosure of the Confidential Information both during the term of this agreement and for a period of 2 years after the expiration or termination of this agreement.
- 2.3.4 In the event of a breach, or threatened breach, of any of the foregoing provisions, the Collision Centre agrees that the harm suffered by the injured party would not be compensable by monetary damages alone and, accordingly, that the injured party shall, in addition to other available legal or equitable remedies, be entitled to an injunction against such breach or threatened breach.

3 TERMINATION

- 3.1 Any party may terminate this agreement upon 30 days' prior written notice to the other party.

- 3.2 Lexus may terminate this agreement immediately, without prior notice upon the occurrence of any of the following events:
- (a) The Collision Centre's failure to be certified or fails any future audit.
 - (b) The Collision Centre's material breach of the provisions of this agreement or material failure to comply with the Program.
 - (c) The relocation of the Collision Centre to a facility outside the Dealer's trade area;
 - (d) The Collision Centre's assets or issued and outstanding shares are purchased by, or the Collision Centre merges or amalgamates with, any third party resulting in a change of control of the Collision Centre;
 - (e) The voluntary or involuntary bankruptcy of the Collision Centre; or
 - (f) The Collision Centre becoming insolvent or making an assignment for the benefit of creditors.

4 GENERAL

- 4.1 **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the province of Ontario and the applicable laws of Canada and each party irrevocably attorns to the non-exclusive jurisdiction of the courts of the province of Ontario.
- 4.2 **Amendments.** No amendment, modification or waiver of any provision or term in respect of this Agreement will be effective unless in writing by Lexus and then only in the specific instance and for the specific purpose given.
- 4.3 **No Waiver of Rights.** A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise of that right, power or privilege or the exercise of any other right, power or privilege. No waiver by Lexus of a default shall operate against Lexus as a waiver of such default unless made in writing and signed by an authorized officer of Lexus.
- 4.4 **Severability.** Any provision of this Agreement that is held to be inoperative, unenforceable or invalid in any jurisdiction shall be inoperative, unenforceable or invalid in that jurisdiction without affecting any other provision of this Agreement in that jurisdiction or the operation, enforceability or validity of that provision in any other jurisdiction, and to this end the provisions of this Agreement are declared to be severable and all other provisions hereof shall continue in full force and effect. The parties shall negotiate in good faith to substitute for such inoperative, unenforceable or invalid provision a mutually acceptable provision consistent with the original intention of the parties.
- 4.4.1 **Language.** The parties agree that this Agreement and all ancillary documents be prepared in the English language. Les parties aux présentes acceptent que cette entente et toute entente s'y rapportant soient rédigées en anglais.