



Special Compensation Fund

The Certified AutoGlass Services (CAGS) program administers a Special Compensation Fund (the “Fund”) in connection with CAGS. In order to participate in the CAGS, each Certified Glass Shop is required to enter into a form of agreement with the ARA.

The purpose of establishing “The Fund” in connection with the CAGS program is to make funds available to the program in order to cover repair costs incurred by CAGS where a customer that has a claim under a Lifetime Guarantee given by a Certified Repair Shop that has become insolvent and/or has ceased to carry on business operations. Additionally, the fund may be used in circumstances where a facility has been removed from the program, inclusive of a failure to resolve a customer dispute and/or continues to refuse to correct deficiencies, The Fund, at the discretion of the CAGS committee may be used to pay for re-repair to the affected area to support the integrity of the program guarantee.

Each Certified Glass Repair facility participating in the CAGS is obligated to provide each customer with a written Lifetime Guarantee, acceptable to and approved by CAGS, with respect to repairs to a customer’s vehicle.

The Certified Glass Service facility and CAGS shall work cooperatively in order to benefit their mutual customers. There is a high level of trust between CAGS and Certified Glass Service facility which supports the program. CAGS has high expectations that the Certified Glass Service facility will meet or exceed the requirements and standards set out in the form of certification regarding customer service, equipment, training, guarantees and business practices.

CAGS believes it is important that each Certified Glass Service facility stand behind the repair work they undertake as part of CAGS by providing Lifetime Guarantees to their customers. CAGS further believes that it is vital that the Certified Glass Service facility support the creation of The Fund to provide long-term financial strength and support for the Lifetime Guarantees provided by the Certified Glass Service facility as part of the CAGS network.



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Contributions to the Special Compensation Fund

CAGS repair facilities will be required to make the following contributions to The Fund in connection with program:

- a contribution as defined below at the time a repair facility initially applies to become a CAGS member and is accepted by CAGS as a Certified Glass Service facility participating in the program.
- (b) a contribution is on an annual basis at the time a participating Certified Glass Service facility is accepted by CAGS for re-enrolment in the program.

Initially, the amount of each of the contributions payable by new applicants to CAGS and payable annually by participating Certified Glass Service facility will be set at \$100.00 in order to establish The Fund.

Initially, the prescribed amount for The Fund shall be \$55,000.00. When The Fund reaches the prescribed amount, the contribution amount may be amended from time to time, at the sole discretion of the CAGS Committee, in order to maintain The Fund at the prescribed amount through a combination of investment returns and regular payment of contributions.

Advance written notice will be provided to all Certified Glass Service facilities participating in the program should any changes or amendments be made by the CAGS Committee with respect to the contribution amount payable into The Fund, or with respect to the prescribed amount.

The Fund will be structured so that it is not owned by or the property of CAGS. CAGS's intent is to ensure that money paid into the Fund, or received by CAGS for The Fund, is not subject to any process of seizure, garnishment, attachment, or execution under any legal process by any creditor of CAGS.

Any and all amounts paid into The Fund will be used and dealt with by CAGS and the CAGS Committee only for The Fund purpose (not for ancillary purposes).

Administration of Special Compensation Fund

CAGS's corporate controller will have the power and authority to make any and all rules with respect to the administration and operation of The Fund, including but not limited to rules to do any of the following:

- (a) establish a special compensation fund committee (the "CAGS Committee"), and delegate certain authority and responsibility with respect to The Fund.
- (b) establish conditions, qualifications and limitations with respect to making payments from The



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Fund;

(c) establish policies and procedures to be followed with respect to making payments from The Fund;

(d) provide for the administration and investment of The Fund;

(e) determine, from time to time, the contribution amount with respect to the contributions and the prescribed amount;

(f) assist in the establishment of procedures for reviewing, considering, approving, and documenting repair requests (defined and described below) made by customers in relation to Lifetime Guarantees;

(g) establish reporting requirements with respect to The Fund; and

(h) place general limitations on the amounts that may be paid out of The Fund (if applicable).

Special Compensation Fund Committee

The Fund Committee will be comprised of three (3) members, of whom: three (3) members shall include:

- the controller
- CAGS's manager
- the chair of the AutoGlass Division of the Automotive Retailers Association

The CAGS manager will have the authority, power and responsibility to deal with and handle all matters in connection with, as well as make all decisions with respect to, reviewing, approving, and documenting repair requests as well as approving and implementing payments from the Fund. The CAGS manager will ensure that Repair Requests are reviewed, approved, documented and processed, and all payments are made from The Fund in accordance with certain practices and procedures established and developed by the controller and CAGS.

Although the CAGS manager and The Fund Committee will be delegated the above-noted authority, power and responsibilities with respect to The Fund, such authority, power and responsibilities will be exercised by the CAGS manager and The Fund committee, respectively, at the discretion of, and under the ongoing supervisory oversight and scrutiny of the controller. The controller will also have the ability to review and alter any decision made by the CAGS manager and/or The Fund Committee with respect to the Fund.

Questions arising at any meeting of The Fund Committee shall be decided by a majority of votes.

Payments from Special Compensation Fund

A customer will advise CAGS that their vehicle requires repairs ("Repair Request") with respect to either defective or sub-standard workmanship performed, or defective or sub-



standard parts which were used, in the course of the vehicle being originally repaired by a Certified Glass Service facility for repairs that were then identified on the original repair invoice.

If the CAGS manager determines that the original repairs were completed by a Certified Glass Service facility which has either become insolvent and/or which has ceased to operate or carry on business, or has been removed from the program resulting from sanctions which included refusal to resolve the customer concerns, the CAGS manager will consider the circumstances. Each case will be determined individually and in accordance with any applicable CAGS procedures. This assessment will determine whether CAGS will pay and cover any or all costs with respect to the original repairs, ensuring the repair of the customer's vehicle is in connection with honouring the Lifetime Guarantee provided by the defunct Certified Glass Service facility.

The CAGS manager may pay Repair Costs detailed in an estimate out of The Fund, by way of a Fund Payment, if the CAGS manager is satisfied that:

- (a) a customer's vehicle was originally repaired by a Certified Glass Service facility for the original repairs in favour of the owner of the vehicle (the "original owner");
- (b) the Certified Glass Service facility that performed the original repairs has been removed from the program resulting from sanctions which included refusal to resolve the customer concerns;
- (c) the Certified Glass Service facility that performed the original repairs has since the time of the original repairs, ceased to operate or carry on business, and the original owner still owns the insured vehicle; and the repairs required with respect to the original owner's vehicle in order to repair or remedy any defective or sub-standard workmanship performed or any defective or sub-standard parts that were used in the course of the original repairs fall within the scope of the Lifetime Guarantee provided by the defunct Certified Glass Service facility with respect to such original repairs.

The CAGS manager shall not pay the Repair Costs to a Certified Glass Service facility out of The Fund by way of a Fund Payment in respect of a Repair Request in the following circumstances:

- (a) the request is made by someone other than the original owner of the vehicle subject to the Repair Request;
- (b) the repair relates to a vehicle, the original owner of which is an individual or relative of an individual who owned, or who had any ownership interest in the now defunct Certified Glass Service facility which performed the original repairs.

If a repair request is approved, the CAGS manager will then arrange to have the repairs to the customer's vehicle completed by a Certified Glass Service facility either selected by the



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customer or retained by CAGS on behalf of the customer. Subject to the conditions and limitations set out in paragraphs F (2) and F (3) above, the CAGS manager has the complete discretion, with respect to making a Fund Payment with respect to covering repair costs. This discretion in respect of a Repair Request includes the ability to:

(i) make full or partial payment from The Fund, subject to the terms he/she considers appropriate; or

(ii) make no payment from The Fund.

With respect to each such Repair Request, the CAGS manager will provide The Fund Committee with all relevant and pertinent particulars, information, documentation, and details regarding the Repair Request and the related estimate, repair costs, and Fund Payment.

The Fund Committee shall be aware that CAGS is a “private association,” (as such term is defined in the Freedom of Information and Protection of Privacy Act (British Columbia), as amended from time to time (“FOIPPA”), and therefore shall abide by and comply with the terms of FOIPPA, including without CAGS limitation, provisions regarding the collection, storage, access, use, protection, and disclosure of “personal information” (as such term is defined in the FOIPPA).

As such, any information, records, documents, evidence or details provided by the CAGS Manager and/or CAGS to The Fund Committee in order for The Fund Committee to produce and publish the reports and to otherwise carry out the duties, powers, and responsibilities in connection with The Fund, including without limitation copies of documents related to Repair Requests, copies of estimates, copies of any receipts or other documents produced by an Certified Glass Service facility in relation to completing repairs, shall be amended accordingly by the CAGS manager and/or CAGS so as to not contain any “personal information” (as such term is defined in FOIPPA).

Winding-Up of Special Compensation Fund

If the CAGS Program ceases to operate for any reason, or the controller, in his or her sole discretion, determines that The Fund is no longer necessary for The Fund purpose, The Fund Committee shall determine how The Fund will be wound-up, as well as how any remaining funds comprising The Fund (if any) shall be dispersed or otherwise dealt with in connection with such wind-up.