



Program Summary Genesis

Genesis has agreed to arbitrate claims covered by the applicable state lemon law. This *Program Summary* describes the claims that may be resolved through BBB AUTO LINE. Genesis has also agreed to arbitrate certain warranty claims not covered by the lemon law. This Program Summary describes the claims that may be resolved through BBB AUTO LINE.

LEMON LAW CLAIMS

A claim seeking relief under the applicable state lemon law must meet all standards set out by that law. The claim must involve a vehicle that is used in the manner required by the lemon law, and must be received by BBB AUTO LINE within the time period for filing a legal or administrative action under that law. Please see the attached description of applicable state lemon law provisions.

If the claim meets all standards set out by the applicable state lemon law, the arbitrator will award a refund or replacement vehicle including all remedies specifically provided by that law **except** attorney's fees, any penalties or multiple damages.

Please note:

- ◆ The award will be reduced for the customer's use of the vehicle in accordance with the applicable state lemon law.
- ◆ The arbitrator may adjust the award based on damage to the vehicle exceeding normal wear and tear.
- ◆ The award will not include debt from a previous transaction.
- ◆ The award will not include any manufacturer rebate the customer received or used as a down payment or capitalized cost reduction.
- ◆ Unless state law mandates otherwise, a repurchase award must be completed within 45 days and a replacement award must be completed within 90 days.
- ◆ In states where the lemon law provides the manufacturer the option to either repurchase or replace a vehicle, the arbitrator must award a repurchase.

CUSTOMER RESPONSIBILITIES

At the time of a repurchase or replacement transaction, the customer's vehicle must be currently registered. The customer will also be responsible for providing clear title to the vehicle and signing all documents necessary to effect transfer of the title, including a power of attorney for title transfer.

WARRANTY CLAIMS NOT COVERED BY THE LEMON LAW

A claim that does not meet all standards of the applicable state lemon law might still be eligible for assistance through BBB AUTO LINE if it meets certain conditions. Please see the attached description of “non-lemon law” warranty claims that may be resolved through BBB AUTO LINE. Note that these warranty claims must be filed with BBB AUTO LINE before the expiration of the applicable Genesis U.S. Vehicle Warranty coverage period on the vehicle at time of original sale or lease.

CLAIMS THAT WILL NOT BE ARBITRATED

- ◆ Claims involving a vehicle that was not distributed by Genesis or is not registered and normally operated in the 50 United States and Washington, D.C.
- ◆ Claims involving a salvaged, “total loss” or similarly branded title vehicle.
- ◆ Claims involving a product not manufactured by Genesis unless it is included by Genesis as original equipment on a Genesis vehicle.
- ◆ Claims alleging that an airbag failed to deploy or deployed when it should not have.
- ◆ Claims covered by insurance or by warranties of other manufacturers.
- ◆ Claims involving a vehicle defect if the customer alleges – either as part of the BBB AUTO LINE claim or at any other time – that the vehicle defect has caused (1) bodily injury, or (2) an accident or fire that resulted in damage to any vehicle or damage to property.
- ◆ Allegations of fraud or other violations of law.
- ◆ Claims seeking punitive damages or compensation for loss of wages, personal injury or mental anguish.
- ◆ Claims that have been resolved by a previous mediation or arbitration, court action, settlement, or agreement between the customer and Genesis or an authorized U.S. Genesis dealer.
- ◆ Claims with the following criteria:
 - ◆ Genesis has offered a repurchase;
 - ◆ The customer is seeking a replacement; and
 - ◆ State law provides that a repurchase or replacement is the manufacturer’s choice.

OTHER IMPORTANT INFORMATION

- ◆ The customer must own or lease the vehicle throughout the entire arbitration process.

- ♦ If the customer files suit or a state administrative action against Genesis [or an authorized Genesis dealer] prior to the completion of the arbitration process, Genesis will not be obligated to continue with the arbitration.

The BBB will let the parties know if other restrictions apply.

INFORMATION FOR NON-LEMON LAW CLAIMS (WARRANTY CLAIMS NOT COVERED BY THE LEMON LAW)

Time Period for Filing Claims

Claims must be filed with BBB AUTO LINE before the expiration of the applicable Genesis U.S. Vehicle Warranty coverage period on the vehicle at time of original sale or lease.

Eligible Claims

Claims must be based on a defect in the vehicle's material or workmanship that is covered by the applicable Genesis Vehicle Warranty.

Eligible Vehicles

The vehicle must be owned or leased in the name of an individual who is the current owner or lessee. Unless the customer is seeking reimbursement for past repairs, the vehicle must have a current defect.

Remedies for Warranty Claims

The arbitrator may award the following remedies:

- ♦ Repairs.
- ♦ Reimbursement for money the customer paid to repair the vehicle.
- ♦ Repurchase of the vehicle.

Repairs/Reimbursement for Repairs

The arbitrator may award repairs to, or reimbursement for money paid for the repair of, defects in material or workmanship covered by an applicable Genesis Written Warranty on the vehicle at original time of sale or lease. If repairs are awarded, the arbitrator may not order a change in the vehicle's options or its design.

Repurchase

The arbitrator may award a repurchase if the arbitrator finds that the claim has met the following conditions:

- The vehicle has been out of service for more than 60 days and the arbitrator determines that there is or will be a part delay of at least another 60 days preventing the repair and or;
- Genesis has attempted to repair the vehicle on four (4) previous occasions, the vehicle comes back to Genesis for the same concern, and the arbitrator determines that there is not an available fix.

If the arbitrator finds that the claim meets these conditions, the arbitrator may award:

- ♦ **Owned vehicle repurchase** – The actual amount paid for the vehicle. This will not include any collateral charges (e.g., taxes, fees, finance and other charges, non-manufacturer items installed by a dealer or the customer, service contracts, insurance policies, and any amount not included on the purchase invoice).

- ♦ **Leased vehicle repurchase** – To the lessor: pay-off amount pursuant to the lease. To the lessee: any trade-in allowance/down payment and all base monthly payments actually paid, excluding all collateral charges (e.g., taxes, fees, finance/lease and other charges, non-manufacturer items installed by a dealer or the customer, service contracts, insurance policies, and any amount not included on the purchase invoice).

Deductions/Exclusions from a Repurchase Award

- ♦ The repurchase award will be reduced, or the replacement award will require payment, for the customer's use of the vehicle using the following formula:

Use		# miles attributable to the customer		Vehicle purchase
Deduction/	=	<u>at the time of the arbitration hearing</u>	x	price or gross
Payment		100,000		capitalized cost
- ♦ The award may be reduced based on damage to the vehicle exceeding normal wear and tear.
- ♦ The award will not include any trade-in over-allowance or debt from a previous transaction.
- ♦ The award will not include any manufacturer rebate the customer received or used as a down payment or capitalized cost reduction.