

You Can't Miss Them All. That's Why You've Got Coverage.

Eligible tires purchased at your Volkswagen dealership include 24-Month Road Hazard Coverage.*

You'll get:

- $\boldsymbol{\cdot}$ 100% coverage the first year
- 50% coverage the second year

Road Hazard Coverage provided by a third party. Coverage ends at the earlier of (1) expiration of 24 months from date of replacement tire purchase or (2) when less than 3/32" of tread remains. 100% coverage the first year; customer responsible for 50% of the current retail price of the tire second year. Only VW original equipment tires, original equipment alternative tires, winter tires, and wheel and tire packages are eligible. Excludes mounting, balancing, and Nexen" tires. Non- transferrable. Additional restrictions may apply. See participating dealership or program brochure for details.

CUSTOMER TERMS & CONDITIONS EFFECTIVE 10/1/15 VOLKSWAGEN TIRE STORE 24-MONTH TIRE ROAD HAZARD PROGRAM

DEFINITIONS

Throughout this agreement, capitalized words in bold type have specific definitions as follows:

- . Cosmetic Damage means damage that does not render the Covered Tire Unserviceable;
- Coverage Period means that coverage is effective when You purchase Original Tires from a Participating Dealer, and such Participating Dealer installs the Original Tires on the Covered Vehicle. You are entitled to Program Benefits for Covered Losses with Loss Occurrence Dates within twenty four (24) months of the date on Your Original Tire purchase invoice; however, coverage will end earlier when any part of any Covered Tire's tread that comes into contact with the road has a tread depth of 382" or less. Additionally, coverage will end when You transfer ownership of the Covered Vehicle, or if any Covered Tire is installed at any time on any vehicle other than the Covered Vehicle. The term of coverage for Replacement Tires is limited to the balance of the Coverage Period for the Original Tires:
- Covered Loss means that a Covered Tire becomes Unserviceable during the Coverage Period because of damage caused by a Road Hazard;
- . Covered Tire means an Original Tire or a Replacement Tire;
- Covered Vehicle means the vehicle identified on the Original Tire proof of purchase invoice and on which the Covered Tire is originally mounted:
- Eligible Tire means any tire purchased from a Participating Dealer and which is designated as one of the following product
 types for the tire program as: (i) originally installed by the original equipment manufacturer (OEM) (ii) original equipment
 alternative (OEA), (iii) a tire meeting the requirements of (i) or (ii) above which is included in a tire and wheel package (PKG),
 (iv) a winter tire (WINI), or (v) a winter tire meeting the requirements of (iii) above which is included in a winter tire and wheel
 package for the Covered Vehicle (WPK).
- Loss Öccurrence Date means the date on which the repair invoice for the Covered Loss is opened by the Participating
 Dealer. The Loss Occurrence Date must be on or after the date that the Covered Loss occurred;
- Obligor means Nation Motor Club, LLC located at 800 Yamato Road, Suite 100, Boca Raton, FL 33431. In California, Obligor means Nation Motor Club, LLC diba NSD Insurance Markeling located at 800 Yamato Road, Suite 100, Boca Raton, FL 33431. Service Contract License #GP62045. In Oklahorna, Obligor means Nation Motor Club, LLC located at 800 Yamato Road, Suite 100, Boca Raton, FL 33431. Service Warranty License #962215. In Arkansas, Maine, Missouri, Washington and Wisconsin, Obligor means NIU of Florida, Inc. located at 800 Yamato Road, Suite 100, Boca Raton, FL 33431. In Florida, the Obligor means NIU of Florida, Inc. located at 800 Yamato Road, Suite 100, Boca Raton, FL 33431. License #01238. Repairs covered under this Agreement may be affected with one or more parts supplied by a source other than the manufacturer of Your motor vehicle. In Texas, Obligor means Nation Motor Club, LLC located at 800 Yamato Road, Suite 100, Boca Raton, FL 33431. Texas Service Contract Provider #545.
- Off Road Use means that the Covered Vehicle was driven on anything that is not a paved road maintained by the state or local authority, or by a private entity.
- Original Tire means an Eligible Tire purchased from a Participating Dealer, specifically listed on Your original purchase invoice, and mounted on the Covered Vehicle;
- Participating Dealer means a Volkswagen dealer within the United States which is enrolled in the Program with Us, and which
 maintains their status as a Participating Dealer. You can obtain a current list of the Participating Dealers by visiting www.
 nsdmc.com/dealertire or calling 800-780-1510. Participating Dealers may change from time to time, so please be sure to visit
 the website or call the number listed herein to obtain the most current information;
- Primary Coverage means any other source of recovery available to You for Road Hazard damage to a Covered Tire including but not limited to physical damage insurance, motor club contracts, vehicle service contracts, or Road Hazard warranties provided by anyone other than Us.
- Program Administrator means NIU of Florida, Inc. located at 800 Yamato Road, Suite 100, Boca Raton, FL 33431. In the state of Texas, Program Administrator means NIU of Florida, Inc. located at 800 Yamato Road, Suite 100, Boca Raton, FL 33431. Texas Service Contract Provider Administrator #183.
- Program Benefits means Tire Replacement Benefits:
- Replacement Tire means an Eligible Tire that is obtained from a Participating Dealer to replace an Original Tire due to a Covered Loss. To be eligible for Program Benefits, the Replacement Tire must be mounted on the Covered Vehicle on the Loss Occurrence Date
- Road Hazard means a condition on a public roadway that does not belong there, including potholes, nails, glass, other road
 debris, and which causes damage to a Covered Tire. This definition specifically includes curbs;
- Tire Replacement Benefit means a credit to the Participating Dealer for the cost of replacing a Covered Tire. This benefit applies to the cost of the tire only and does not include any other costs including but not limited to mounting, balancing, wheel weights, shop supplies, taxes, disposal fees, environmental fees, tire pressure sensors, and/or valve stems. During the first twelve (12) months of the Coverage Period, the Tire Replacement Benefit will cover the cost to replace each Covered Tire up to a maximum of five hundred fifty dollars (\$550) per tire. During the second twelve (12) months of the Coverage Period, You will be required to pay fifty percent (50%) of the current retail cost of the Replacement Tire, and the Tire Replacement Benefit will cover the balance of the cost of the Replacement Tire up to a maximum of five hundred fifty dollars (\$550) per tire.
- Unserviceable means that the Covered Tire has been punctured or otherwise damaged to the extent that it is unsafe, or that it will no longer hold a seal with its wheel;
- . We, Us, Our means the Obligor;
- You, Your means the original purchaser of the Covered Tire(s), provided that you are a non-commercial, private-party, individual named as the registered owner or lessee of the vehicle on which the tires are mounted.

WHAT IS THE VOLKSWAGEN TIRE STORE ROAD HAZARD PROGRAM?

The Volkswagen Tire Store Road Hazard Program provides **You** with a limited warranty for the replacement of any **Covered Tire** which during the **Coverage Period**, becomes **Unserviceable** because of damage caused by impact with a **Road Hazard**. **Cosmetic Damage** is specifically excluded. This limited warranty applies only to losses that occur in the fifty (50) United States or Canada. In order for **You** to be eligible for **Program Benefits**, **You** must be the original purchaser of the **Covered Tire**, and the **Covered Tire** must have been on the **Covered Vehicle** at the time it was damaged. To qualify for **Program Benefits**, **You** must comply with all rules of the **Program as** described herein; additionally, certain rules may apply specifically to **You**r state, and **You** can find these at www.nsdmc.com/dealertine. **Program Benefits** will be paid directly to the **Participating Dealer** by the **Program Administrator** for all valid claims. **You** are not entitled to receive any cash payment under this **Program**.

WHERE CAN I PURCHASE AN ORIGINAL TIRE?

You must purchase an Original Tire from a Participating Dealer in order to be eligible for Program Benefits. You can obtain a current list of the Participating Dealers by visiting www.nsdmc.com/dealertire or calling 800-780-1510. Participating Dealers may change from time to time, so please be sure to visit the website or call the number listed herein to obtain the most current information.

WHERE CAN I OBTAIN SERVICE FOR MY COVERED TIRE?

To receive Program Benefits, You must bring the Covered Vehicle and Covered Tire(s) to any Participating Dealer. You can obtain a current list of the Participating Dealers by visiting www.nsdmc.com/dealertire or calling 800-780-1510. Participating Dealers may change from time to time, so please be sure to visit the website or call the number listed herein to obtain the most current information.

HOW LONG ARE MY TIRES COVERED UNDER THE PROGRAM?

You will be entitled to Program Benefits for the Coverage Period defined above.

WHAT IF I NEED ASSISTANCE WITH A TIRE CHANGE OR TOW?

In the event **Your Covered Vehicle** has a flat **Covered Tire** in the United States or Canada, Nation Motor Club, LLC will send a service provider to change **Your flat tire with Your good**, inflated spare. In the absence of a good spare, **Your Covered Vehicle** will be towed to the nearest **Participating Dealer** up to a maximum of five (5) miles, **Please Mote** if there is no **Participating Dealer** within five (5) miles, or if **You** choose to have the **Covered Vehicle** towed to a **Participating Dealer** that is more than five (5) miles away, **You** must pay the excess mileage charges at the time service is rendered. To access this Tire Change and Towing benefit, dial foll-free **1**-855-548-3457.

HOW DO I FILE A CLAIM TO RECEIVE BENEFITS UNDER THE PROGRAM?

1) To receive Program Benefits, You must bring the Covered Vehicle and Covered Tire(s) to any Participating Dealer. You must also bring Your original invoice for the purchase of the Original Tires. All documentation, including the damaged tire must be inspected by the Participating Dealer.

2) Upon completion of the replacement, You must sign the replacement invoice and allow the Participating Dealer to make a copy of both the Original Tire purchase invoice and the replacement invoice for submission to the Program Administrator. You must also complete and sign a claim form if requested to do so by the Program Administrator, and provide them with any other documentation that they may reasonably request including, but not limited to, digital photographs.

3) The Participating Dealer must obtain authorization from the Program Administrator prior to any tire replacement.

4) If a Covered Tre needs to be replaced outside of the Program Administrator's normal business hours Monday through Friday from 9 am.—8 p.m. Eastern time, **You** should wait for authorization; alternatively, **You** may proceed with the tire replacement without the prior authorization from the **Program Administrator**, but **You** are then solely responsible for all amounts owed to the Participating Dealer should the Program Administrator subsequently deny the claim. THERE IS NO GUARANTEE THAT THE CLAIM WILL BE ACCEPTED FOR ANY REPLACEMENT OF A TIRE REPLACED AFTER HOURS.

WHAT IF I ALREADY HAVE OTHER COVERAGE FOR MY TIRES?

Program Benefits are secondary to any Primary Coverage. When a Covered Tire is damaged by a Road Hazard and another company provides any benefits for tire repair or replacement, the Program Benefits will be reduced by the amount of the Primary Coverage benefit. If any other motor club contract and/or vehicle service contract exists but the terms of that contract(s) clearly states that it is secondary, the Program Administrator will pay 50% of the eligible reimbursement amount described in the Tire Replacement Benefit section of this Program.

CAN I TRANSFER MY BENEFITS TO ANOTHER PERSON OR ANOTHER VEHICLE?

No. You may not transfer the benefits of the Program to any other tire(s), vehicle(s) or to any subsequent owner of the Covered Vehicle or Covered Tire(s). Any transfer of the Covered Tire(s) or the Covered Vehicle will automatically terminate the Coverage Period.

WHAT IS NOT COVERED UNDER THIS PROGRAM?

There is no coverage for any of the following: a) Replacements made by anyone other than a Participating Dealer; b) Any tires where any part of the tire tread that comes into contact with the road has a tread depth of 3/32" or less; c) Any loss, damage or expense caused by an accident, collision, impact with another vehicle or animal, theft, larceny, snow chains, explosion, lightning, earthquakes, fire, windstorms, hurricanes, water, floods, wet or dry rot, malicious mischief, vandalism, civil commotion, riots, nuclear discharge, war or warlike act, act of terrorism, or any cause of loss normally covered by primary physical damage insurance; d) The replacement of any tire due to manufacturer defect, or recall; e) If for any reason the manufacturer replaces the tire at its expense or at a reduced cost, no Program Benefits will apply; f) Any invoice presented for services not performed; g) Any damage due to misuse, abuse, negligence, improper application, improper towing, improper balancing or alignment, improper inflation, run flat damage, brake lock up, wheel spinning, torque snags, or lack of proper maintenance; h) Cosmetic Damage to any tire; i) Any loss, damage or expense resulting from Off Road Use; j) Any damage caused by any mechanical failure including but not limited to failed shocks, struts, alignment, or balancing, or contact with vehicle components including but not limited to fenders, exhaust system, or springs; k) Replacement of any tires that have been repaired in any manner other than the tire manufacturer guidelines and industry approved methods; I) Replacement of any tires that have been re-treaded, re-capped, re-grooved, remolded, or tubed; m) Replacement of any tire(s) used or installed on any vehicle designed for, built for or used in any commercial application; n) Replacement of any tire(s) used or installed on motorcycles, all-terrain vehicles, motor homes, trailers, or on vehicles used for competitive driving or racing, police or emergency service, snow removal, carriage of passengers for hire, commercial towing, construction, postal service, or any other commercial use; o) Replacement of any tire(s) used or installed on any vehicle used for farming, ranching, or agriculture, or any vehicle that is registered to or licensed to a farming or ranching business; p) Replacement of tires that are not: (i) clearly listed on the original purchase invoice with the Department of Transportation Number (DOT #); (ii) identified by the listed part/SKU numbers; and (iii) damaged while mounted on the Covered Vehicle; q) Michelin PAX® system, PAX® tires, and tires and wheels of similar construction and purpose; r) Replacement of tire pressure monitoring systems (TPMS) and/or devices and components associated with TPMS; s) Consequential, incidental, and/or secondary damages; t) Any costs that You may incur as a result of the need to replace a tire other than the Program Benefits; u) Any expenses arising because the Covered Vehicle is not available for use; v) Liability for damage to property, injury to or death of any person arising out of the operation, maintenance or use of the Covered Vehicle whether or not related to tire damage; w) Storage or freight charges; x) Any damage that occurs outside of the United States or Canada.

GENERAL CONDITIONS

- The Volkswagen Tire Store Road Hazard Program is provided to You free of charge when You purchase Covered Tires
 from a Participating Dealer, therefore, it cannot be cancelled and has no independent value.
- . You are responsible for any expenses other than the Program Benefits.
- The Volkswagen Tire Store Road Hazard Program is non-renewable, and the period during which coverage applies is limited to the Coverage Period.
- To obtain the Full Terms and Conditions as they pertain to Your state of residence, go to www.nsdmc.com/dealertire.

IS THERE ANYTHING ELSE I NEED TO KNOW ABOUT THIS PROGRAM?

1) FOR TIRE REPLACEMENTS DURING THE PROGRAM ADMINISTRATOR'S NORMAL BUSINESS HOURS, IF THE PARTICIPATING DEALER DOES NOT RECEIVE PRIOR AUTHORIZATION FROM THE PROGRAM ADMINISTRATOR TO REPLACE THE COVERED TIRE(S). THEN YOUR CLAIM WILL BE DENIED AND YOU WILL HAVE TO PAY FOR ALL CHARGES FROM THE PARTICIPATING DEALER, AT THEIR REGULAR RATES.

2) We reserve the right to inspect any Covered Tire(s) prior to authorization, and prior to replacement or disposal;

 There is no coverage for any loss in which You, or anyone acting on Your behalf, commit any fraudulent act, or falsely swear with regard to any fact or circumstance of any loss or claim;

4) We reserve the right to Deny any claim: (i) submitted with false or misleading information, (ii) if the documentation does not clearly identify the original purchaser, the original selling Participating Bealer, the Covered Vehicle, and the Covered Tire(s), or (iii) if You are unable to provide the original purchase invoice for any Covered Tire(s).

5) ANY PERSON WHÓ KNOWINGLY AND WITH THE INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY WARRANTOR FILES A CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION, MAY BE GUILTY OF A CRIME AND SUBJECT TO CIVIL AND/OR CRIMINAL SANCTIONS.

6) No oral representations or statements may be relied upon by You. The terms and conditions contained herein represent the entire agreement between the parties hereto.