



Suggested Safety Guidelines

Effective Date: March 7, 2018

SUGGESTED SAFETY GUIDELINES

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The National Auto Auction Association (NAAA) and its member auctions have been committed to enhancing the safety of the auto auction industry and particularly ensuring the safety of auction employees, customers and visitors.

NAAA, in furtherance of its concern for safety consciousness, and with the support and encouragement of its membership, has provided SAFE T. SAM™ programming and other safety courses to promote greater safety awareness and accident prevention.

NAAA's safety certification courses not only encourage greater safety awareness for staff members, but also offer SAFE T. SAM™ training to familiarize the industry's part-time employees, contractors and vendors about the safety conditions and potential risks encountered in the auction lanes.

In order to enhance awareness of safety at NAAA's member auction locations, NAAA has featured a safety video providing information to auctioneers to assist auctioneers identify and avoid potential safety risks at all times. Despite increasing emphasis and continued focus on safety, NAAA auctions have not yet achieved one hundred percent accident free status.

Accordingly, to underscore NAAA's and its members' commitment to safety at all times and for all participants involved in auction functions (employees; contractors; customers; visitors), the NAAA Safety Committee and the NAAA Board have worked with counsel and with comments received from many member auctions to develop suggested safety guidelines that may be of assistance to NAAA member auctions.

These suggested guidelines may be reviewed by all NAAA member auctions and are intended to promote even greater awareness of safety in the conduct of all auctions and suggest practices which may be considered to avoid distractions and enhance safety for all persons involved in the conduct of the auction, including drivers. These suggested guidelines have received the unanimous endorsement of

the NAAA Safety Committee, its Executive Committee and its Board of Directors.

Recognizing that every member auction has unique attributes and diverse operational environments (e.g. varying traffic flows, work processes, safety features, physical environments, local statutes and regulations and customary business practices) and will develop and implement safety measures suitable for its own facilities, the NAAA Board of Directors encourages consideration of the following suggested safety guidelines:

1. Member auctions provide general safety training, such as KAR's online SAFE T. SAM™ training course, as part of the onboarding process for every new full-time, part-time and temporary employee who will have any involvement in the conduct of the auction or transport of vehicles to or through the lanes;
2. Member auctions continue to provide ongoing safety training for all employees, with particular emphasis on employees involved in the actual conduct of the movement and auction of vehicles during or in connection with the auction sale, complete KAR's online SAFE T. SAM™ training course, and periodically revisit and evaluate new safety practices based on the evolution of technology and available safety programming;
3. Member auctions educate all employees, as applicable, on personal safety practices in and around vehicles, including but not limited to matters such as: wearing steel toe boots or other condition-appropriate footwear; wearing high visibility clothing; wearing safety glasses and hearing protection; wearing required prescription glasses, hearing aids, and other necessary prescribed devices;



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4. Member auctions encourage every auctioneer and ringman hired or contracted to conduct auction sales, to complete the online training courses available through the NAAA;
 5. Member auctions alert every ringman or driver, employed or contracted, to participate in the movement or sale of vehicles, of the existence of the member auction's safety guidelines, policies and procedures by providing a written or digital copy of the same, and possibly requiring his/her written certification of the receipt and understanding of, and adherence to, such guidelines, policies and procedures;
 6. Prior to the commencement of each auction, auctioneers should be encouraged to make a safety announcement audible to all persons near the auction lanes. A form of safety announcement each member auction may consider using is attached hereto as **Exhibit A**, and that member auctions should also consider posting a physical copy of the safety announcement along with any other safety notices that the auction deems appropriate, in areas that are clear and conspicuous to auction attendees (e.g. primary entrances; holding areas; in the vicinity of lanes; in restrooms) on brightly colored signs. Such announcements should also include specific guidance for attending invitees (e.g. dealer representatives and other customers) and other visitors on the premises; encouraging attendees to be on alert and to avoid or limit the use of technological devices such as cellular phones, tablets and computers, in and around lanes and parking lots; alerting auction attendees to the presence of visual and audible safety systems; and identifying specific sections of the lanes where vehicles will stop and door opening is permitted;
 7. Member auctions develop, implement and enforce driver-specific policies and procedures including, but not necessarily limited to: checking for current valid driver's licenses;
 8. Member auctions develop a driver apprentice program, whereas new drivers would ride-along with experienced drivers prior to driving vehicles on their own;
 9. Member auctions encourage all drivers (whether full-time, part-time or temporary) who are employed to retrieve vehicles and to drive them into the lanes for sale, to observe the following specific safety precautions:
 - a. Wear seat belts, maintain seats in upright position, maintain steering wheels at appropriate heights and ensure mirrors are appropriately set for the current driver, and ensure all lines of sight are clear of obstructions inside the vehicle;
 - b. Ensure that vehicle doors, hoods and trunks remain closed at all times, if possible, but particularly when the vehicle is moving to, from or through the lanes, and if any person present at the sale attempts to open a door when the vehicle is moving, the vehicle should be stopped and turned off immediately. Should member auctions decide to allow prospective buyers to open vehicle doors in the course of the vehicle moving through lanes, for the purpose of inspecting the interior of the vehicle, member auctions may consider employment of safety mechanisms to avoid injury;
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- c. Ensure that vehicle windows are, and remain, closed as the vehicle is brought to and through the lanes, except to the extent as may be required for needed ventilation, to hear safety announcements or for other limited and auction-approved purposes;
 - d. Ensure that when the vehicle is stopped, whether before entering the lanes or in the lane, the vehicle is placed in park position or neutral, with the driver's foot on the brake and one hand on the key or start/stop button;
 - e. Familiarize themselves with the current operational status and unique features of the vehicle, including but not limited: flat or unserviceable tires; units with altered suspension; lift kits or similar devices that create a particularly high clearance height; broken or unserviceable windows, mirrors, lights and other features which could lead to unsafe operation;
 - f. Not permit installation of diagnostic devices on the vehicle unless approved and installed by member auction authorized personnel, and only before or after the vehicle is brought to the lane or has completed progressing through the lane;
 - g. Not possess electronic devices, cell phones or music devices while operating vehicles in lanes, and avoid playing of the radio or use of any other electronic device while the vehicle is being brought to and through the lanes, unless there is an unique circumstance that merits the use of an electronic device for safety or operational purposes;
 - h. Observe speed limits at all times, and use additional caution, as warranted by the auction house and weather conditions;
 - i. Maintain both hands on the steering wheel whenever practicable, or otherwise one hand on the steering wheel and one hand on the ignition switch or start/stop button, except as required to shift a manual transmission vehicle;
 - j. Have no refreshments in the vehicle, other than a bottle of water, and only for drinking when the vehicle is in park or neutral;
 - k. Turn on head lights, and consider, as appropriate, use of four-way flashers, or other on-board emergency signals as the vehicle approaches the auction lane and keep them on as the vehicle progresses through and exits the lane;
 - l. Ensure, ordinarily, that only the driver of the vehicle occupies the vehicle; i.e., there should be no passengers except for drivers in training as authorized and approved by auction management;
 - m. If warranted to ensure safety where vehicle sight lines may be compromised, consider the use of ground guides when operation of the vehicle or premises conditions could lead to limited visibility for the driver;
 - n. Maintain safe distances between vehicles in accordance with auction house policies and procedures and as conditions dictate (e.g. able to see the rear tires of the vehicle in front of the driver);



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- o. If, upon starting a vehicle and commencing to bring the vehicle toward the lane, the driver observes an operating malfunction or perceives that the vehicle is unsafe, the driver should discontinue progress into the lane and should turn the vehicle off and bring the safety concern to the attention of auction management;
10. Member auctions, as may be suitable given the applicable auction premises, may consider designating appropriate areas in parking lots, auction lanes, loading/offloading zones and building ingress/egress points, for the installation of bollards, safety rails, speed/traffic calming devices and other applicable mechanisms designed to slow vehicle speed and to mitigate against runaway vehicles from leaving designated travel areas and thereby harming bystanders;
11. Despite observance of every safety precaution identified herein, events can occur, such as medical emergencies that may warrant immediate attention. Each member auction should consider assigning a member of its staff with the responsibility to monitor traffic in the lanes and on site in order to react to any medical emergency of a driver or others involved in the auction process. In the event of an emergency, auctioneers should be alerted and the progress of vehicles in the lanes should stop until the medical emergency is addressed;
12. Each member auction may want to consider effective ways to communicate the safety guidelines to auction attendees. Such communication could be done electronically or with written materials such as a tri-fold pamphlet regarding these safety guidelines, which could be made available to all auction attendees and employees;
13. Recognize that every member auction has unique attributes and diverse operational environments (e.g. varying traffic flows, work processes, safety features, physical environments, local statutes and regulations and customary business practices), and thus every auction should consider these guidelines and implement them as may be appropriate in that auction's individual circumstances;
14. The NAAA encourages member auctions to consider these safety guidelines and, as practicable, incorporate these or similar practices into daily operations and educational programming, to revisit standing policies and procedures with regularity and to share lessons learned and new ideas with each other and with the NAAA. The NAAA and its member auctions continue to recognize and maintain safety as a highest priority and, collectively and collaboratively, endeavor to maintain safe environments for all persons present on all auction house premises.



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Exhibit A – Suggested Safety Announcement

ATTENTION DEALERS AND VISITORS
YOUR SAFETY IS IMPORTANT TO US!

We endeavor to provide a safe and secure environment to conduct business with as little inconvenience as possible to you, our customer. Due to the inherent risks of moving vehicles, there are some procedures, rules, and precautions everyone visiting our facility should follow. These are for your protection as much as for the protection of our employees. Each facility is different in layout and personality. As such, you should take the time to make yourself familiar with the facility you are visiting. For your safety, please read the following and complete the acknowledgment at the end

1. Always be aware and cautious of your surroundings. There is always a lot of activity at an auction, especially on sale day.
2. No one under 18 is allowed in the sale arena or on the lot.
3. Everyone in the sale arena and on the lot should be displaying dealer, mechanic, driver, or visitor badge.
4. If you are injured, please contact an employee.
5. Lines on the floor designate auction lanes. Please stand outside the lines. Congested lanes make it harder for our drivers to see and will slow the flow of vehicles.
6. Always try and use designated walkways whenever possible.
7. Never open a door or hood on a vehicle when the vehicle is moving or when the vehicle is in the sale arena.

8. Always make sure you have eye contact with the driver if you walk in front of the vehicle and never walk in front of a moving vehicle.
9. Do not open the hood and grab the linkage to rev an engine. Do not ask auction employees to rev an engine.
10. Check the facility's test-driving procedures. Some facilities have a test track or designated area to test drive vehicles. Some facilities do not have such a designation and test-driving on the lot is not allowed. No test-driving during a sale.
11. During a sale, you should not get into a sale vehicle to "hop a ride" to or from the sale arena. This will distract the driver.
12. Do not lie under a vehicle to look for damages.
13. If you want to start a vehicle, make sure you are fully seated in the driver's seat with the brake pedal applied.
14. If driving on the lot, please obey posted speed limits, stop and signal at intersections.
15. If a vehicle has a snowplow or attachment that moves, do not reach into the cab and test the controls.
16. Inform an auction employee if you see any unsafe practices on the lot, whether from dealers or employees.
17. Always be on alert and avoid or limit the use of technological devices such as cellular phones, tablets, and computers, in and around lanes and parking lots.

Following these simple rules will ensure a safe experience for customers and employees alike. Thank you for your business and stay safe!

Seller will be held responsible for the accuracy and completeness of all representations or descriptions. This includes handouts, catalogues, vehicle markings, condition information or vehicle listings and verbal or written statements made by Seller, Auction, Auctioneer or Selling Representative at the time of sale. The Seller understands that the sale light/video display is a binding arbitration representation of vehicle condition, and is therefore responsible for ensuring that their vehicles sell under the correct light in the lane.

A condition report, in its current state, is a visual representation of the physical condition of a vehicle as well as an overall description of the vehicle. It is not a complete mechanical, electrical or structural inspection and is not to be treated as such.

The following is collected as part of the Generic Condition Report:

- Year, Make, Model, Trim
- Odometer
- Visible Exterior Damage
- Visible Interior Damage
- Visible Prior Repairs
- Visible Flood Damage
- Interior and Exterior Options installed
- Obvious structural damage, repairs, replacements, and/or alterations that can be seen without being underneath the vehicle
- Vehicle Images

The following is not collected as part of a Generic Condition Report and will not be disputed nor arbitrated based on the information disclosed (or not disclosed) on the CR:

- Electrical issues (interior and exterior)
- Mechanical issues with the engine, transmission, drivetrain, etc
- Non-visible Structural issues
- Vehicle History (Title, accidents, flood, salvage, theft, taxi, warranty, etc.)
- Open Safety Recalls
- Prior repairs not obvious to visual inspection
- OEM provided option information