



NISSAN CANADA INC.

Head Office
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Date: October 9, 2007

Attention: Principal Owner /General Manager / Sales Managers / Parts & Service Managers

We are pleased Nissan sales continue to increase and that our new models have been well received in the market. We have heard from a few of you that occasionally a Nissan vehicle that originated in the United States is presented at your dealership for service. Some of you have inquired as to how warranty is administered on those vehicles. Our mutual goal should be to provide the Nissan owner a superior service experience; but in some instances, there is no valid Nissan warranty coverage on the vehicle and the customer will need to be advised accordingly.

Nissan vehicles purchased in the US are warranted by Nissan North America (not Nissan Canada) if first registered in the US. If the Nissan North America (US) warranty has been properly activated, it will be honoured in Canada in accordance with its terms. If a US vehicle is covered by a valid US warranty, then Nissan Canada will process the claim on your behalf in the normal manner.

The US warranty does apply if the vehicle was:

- Titled, registered, and operated in the US before entry into Canada, and still owned by the original owner, even if re-registered in Canada by the original retail purchaser.
- Titled, registered, and operated in the US before entry into Canada, re-registered in Canada, and then transferred to a second retail owner after six months of the original US sale.
- Titled, registered, and operated in the US before entry into Canada, transferred to a new owner, and then re-registered in Canada after six months of the original US sale.
- In Canada on a temporary basis, i.e., a US person traveling on vacation, to attend school or engage in temporary work in Canada. The vehicle will most likely have a US license plate from one of the 50 US states or the District of Columbia.

If a US vehicle is in your dealership for service, please be prepared to provide warranty service, but before beginning service, call NCI at (905) 629-6455 to confirm the validity of the warranty coverage. When warranty service is performed, Nissan Canada will provide courtesy processing of the claim in the normal manner on behalf of Nissan US.

To assist NCI, please ask the customer the following:

- Are you the original owner?
- When did you buy the vehicle?
- Where did you buy the vehicle? (Do you know if the vehicle is from the US?)
- Was the vehicle registered and operated in the US immediately after its original retail sale?

If after NCI hours or NCI is closed for a weekend or holiday please perform the repair as though the vehicle were warranted, so as to not inconvenience the customer. You should call NCI on the next business day during regular office hours to process the claim. When warranty service is performed, Nissan Canada will provide a courtesy processing of the claim on behalf of Nissan US.

We do not encourage purchases from the US. The vehicles are different, and the warranty, as noted, may not travel with the vehicle across the border. There are several instances when these vehicles will not have valid warranty coverage:

- The vehicle's US title has been branded due to flood or other occurrence and the warranty has been voided.
- The warranty was never properly activated because it was never registered in the US. For example:
 - The vehicle was not initially registered in the US, but was instead initially registered in Canada
 - The vehicle was never registered in the US, but only operated in the US on dealer plates, or temporary, or transport papers
 - The vehicle was initially registered in the US, but was both re-registered in Canada and was sold within the first six months after the initial retail sale.

(Attached to this letter is a list of examples which may prove helpful to you.)

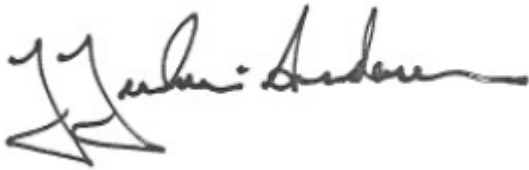
It is important for Canadian consumers to understand that Nissan vehicles sold in the US are not the same as those sold in Canada and do not enjoy all of the same benefits and opportunities. For these reasons, we encourage customers to buy their vehicle in the country they will operate it in. Specifically, vehicles permanently brought into Canada from the US:

- Must meet all applicable Federal and Provincial Safety and Emissions regulatory requirements. Vehicles built for the US market do not have certain equipment required by Transport Canada and federal law. It is the responsibility of the party importing the vehicle to process the vehicle through the RIV (Registrar of Imported Vehicles) in Canada to ensure compliance.
- All applicable recalls must be completed prior to importation and a letter from the manufacturer in the exporting country must be provided to the RIV attesting to this fact.
- Are subject to applicable importation duties, fuel economy levies, Federal and/or Provincial taxes.
- Are not eligible to buy the Nissan ASP extended service plan.
- Are not eligible for arbitration under the CAMVAP program.
- Are not eligible for the Nissan Canada Roadside Assistance program, which among other benefits includes: mechanical breakdown towing, accident help line, emergency service calls, trip interruption services, personalized travel planning, etc.

If you are importing and selling these vehicles, you need to be aware that these vehicles are not warranted by Nissan Canada. The warranty is from Nissan North America and subject to their administration of the terms of their warranty. These vehicles do not earn vehicle allocation, are not eligible for sales incentive credit, and are not eligible for indemnification under the terms of your Canadian dealer agreement. In our opinion, you and the consumer benefit from buying in Canada. Please build the Canadian market through the sale of Canadian vehicles.

If you have any questions, please contact the undersigned or your DOM or AOM.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "John Junker-Andersen". The signature is fluid and cursive, with a large initial "J" and "A".

John Junker-Andersen
Director
Quality, Technical and Government Affairs

A handwritten signature in black ink, appearing to read "Chris Julian". The signature is cursive and compact, with a small initial "C".

Chris Julian
Director
Nissan Dealer Operations

NISSAN NORTH AMERICA NEW CAR LIMITED WARRANTY

EXAMPLES OF APPLICABILITY

2007 AND 2008 MODEL YEARS

Nissan North America is the distributor of Nissan brand vehicles in the US. NNA warrants those vehicles pursuant to a specific written warranty provided to the original owner of the vehicle, if the vehicle is registered in the US. Once registered, the vehicle warranty remains in effect in the US or Canada. However, the warranty is voided if both (1) ownership of the vehicle is transferred from the original retail owner, and (2) the vehicle is re-registered in Canada within six months of the initial sale. Examples of how this warranty requirement is applied are set out below.

- Customer purchases vehicle and registers it in the State of Washington, and then moves to Canada to take a job and registers it there 30 days after his purchase. The vehicle's warranty is perfectly good because there has been no transfer of ownership (no sale of the vehicle).
- A Canadian flies to Texas on vacation and purchases an Altima. He and his wife then drive it back to Canada and register it in Canada. The vehicle's warranty never takes effect because the vehicle was not first registered in the US.
- A Canadian flies to Florida to spend the winter and purchases an Altima. Dealer registers the vehicle in Florida for the customer, who then drives it back to Canada 4 months later and registers it in Quebec. The vehicle's warranty is perfectly good because it was first registered in the US, and ownership has not been transferred within 6 months of purchase.
- Customer purchases vehicle and registers it in the State of Maine, then he moves to Canada to take a job. He registers the vehicle in Canada, and then sells it to someone in Canada 5 months after his original purchase. The vehicle's warranty was valid for the first five months, UNTIL he sold the vehicle, at which point it became void. The warranty would have continued to be perfectly good IF he had waited until he had owned or leased it for six months before selling it.
- Customer walks across the border and purchases a vehicle and registers it in the State of Minnesota, and then sells the vehicle to someone 2 months after he purchased it. The subsequent owner takes it to Canada while she attends school for 9 months. The vehicle remains registered in Minnesota, and the 2nd owner returns to the US after her classes end. The warranty is perfectly good because the vehicle's registration never left the US.
- Customer purchases a vehicle and registers it in the State of California; and then he sells the vehicle to someone 30 days later who moves to Vancouver to take a job 7 months after the original customer's purchase. The second owner then registers the vehicle in Canada during the 7th month. The vehicle's warranty is perfectly fine because both of the qualifying events did not occur within six months of the original purchase (i.e., transfer of ownership and registration outside the US). (In this example, while the vehicle was re-sold 30 days after the original purchase, it was not re-registered in Canada until 7 months after the original purchase.)