

General Terms for the Sale and Delivery of New BMW Vehicles Abroad (Direct Sales)

The following Terms for Sale and Delivery ("Terms") shall only apply to the sale of new BMW vehicles which have not been licensed in Germany or which are intended to be exported with German number plates within BMW direct sales.

In these Terms, unless the context otherwise requires, any German words and phrases ("in brackets") defining any proximate prior English words and phrases shall have legal effect for purposes of interpreting these Terms, and their meaning shall prevail the meaning of the respective English words and phrases. Headings to clauses, parts and paragraphs are inserted for convenience only, have no legal effect and shall be ignored in interpreting these Terms.

I. Conclusion of Contract/Transfer of Purchaser's Rights and Obligations

- The Purchaser is legally bound by the order for a maximum period of four weeks. The contract shall be deemed as concluded as soon as BMW confirms the order in writing or undertakes delivery within the mentioned period up to the non-binding delivery date ("Contract"). BMW shall be however obliged to inform the Purchaser immediately if the order is not accepted.
- The Purchaser shall neither assign any and all claims arising out of the Contract nor sell or transfer ownership of the vehicle within a period of four months from the date of delivery. This shall not apply if Purchaser sells the vehicle for non-commercial purposes. If the vehicle is sold in violation of the foregoing provision for commercial purposes or to a commercial reseller ("gewerblicher Wiederverkäufer"), BMW shall be entitled to claim from the Purchaser a contract penalty ("Vertragsstrafe") of 15% of the vehicle's net purchase price.

II. Prices

- The purchase price of the vehicle includes optional extras and accessories ("Purchase Price"). Any further discounts as well as the statutory rate of value-added tax ("gesetzliche Mehrwertsteuer", VAT) or any other export/EC deposit shall be shown separately on the invoice and are not included in the Purchase Price. Any and all costs for transportation, insurance, licensing and transfer of the vehicle as well as any other additional services agreed upon will also be charged separately to the Purchaser and are not included in the Purchase Price. The export deposit will be refunded as soon as Purchaser submits written proof of exportation ("Ausfuhrnachweises"). The EC deposit will be refunded as soon as Purchaser provides a certified copy of registration ("amtliche Zulassungsbescheinigung") of the vehicle in another member state of the European Union.
- The prices as displayed in the order form may be amended by BMW subject to the following conditions: (i) between conclusion of the Contract and the agreed date of delivery elapses a time period of more than four months and (ii) BMW changes its list price for the vehicle after the Contract had been concluded. This shall also apply on changes of the statutory VAT rate. BMW shall notify Purchaser immediately of such amendment. If the agreed Purchase Price is increased in accordance with the above-mentioned provision by more than 5%, the Purchaser may rescind ("zurücktreten") the Contract by giving written notice within two weeks after receipt of the notification of this change. If the vehicle is delivered within four months after conclusion of the Contract, the agreed price remains valid.

III. Payment

- The invoice shall be issued in Euro (for US models in US\$, for Canadian models in CAN\$). The invoice will be issued to the Purchaser's foreign address.
- The Purchase Price and all additional costs and services become due within eight days after Purchaser had been notified about the vehicle's readiness for collection.
- All payments have to be made in the currency shown in the invoice (III.1.). Payments shall be made in advance to delivery of the vehicle, at the latest at the time of collection of the vehicle in Munich or prior to release of the vehicle for transportation. Payments shall be made by wireless bank transfer or a banker's draft (no personal Cheques). Cheques will only be accepted under reservation and after calculation of all collection charges. If BMW accepts payment in another currency than displayed in the invoice and under derogation of III.1., any and all costs resulting hereof, especially exchange rate differences and expenses for currency exchange shall be borne by the Purchaser.
- Purchaser may only set off ("aufrechnen") claims arising from the Contract against BMW's counter-claims if Purchaser's claims are undisputed ("unbestritten") or Purchaser can provide a legally binding executory title ("vollstreckbarer Titel"). The Purchaser may only enforce a right of retention ("Zurückbehaltungsrecht") if it is based on claims resulting from the Contract.

IV. Delivery and Delay in Delivery

- Delivery dates and delivery periods which may be binding or non-binding shall be stated in writing. Delivery periods shall commence with the date of conclusion of the Contract.
- If BMW exceeds a non-binding delivery date or a non-binding delivery period by six weeks or more, the Purchaser may request from BMW delivery of the vehicle. BMW shall be deemed to be in default of delivery ("Verzug") upon receipt of this request. If the Purchaser is entitled to claim damage caused by delay in performance ("Verzögerungsschaden"), this claim shall be limited in case of slight negligence ("leichte Fahrlässigkeit") by BMW to a maximum of 5% of the purchase price. Purchaser may only rescind the Contract ("zurücktreten") and/or claim compensation instead of performance ("Schadensersatz statt der Leistung") after having put BMW on notice for another reasonable period of time for delivery in addition to and after expiration of the six-week period according to sentence 1. If the Purchaser is entitled to compensation instead of performance, this claim shall be limited in case of slight negligence to a maximum of 25% of the agreed Purchase Price. If BMW is, whilst in delay permanently unable to deliver the vehicle by coincidence ("zufällige Unmöglichkeit") BMW shall be liable in accordance with the above-mentioned agreed liability limitations. BMW shall not be liable if the damage also had occurred even at delivery on time.
- If a binding delivery date or a binding delivery period is exceeded, BMW shall be deemed to be in delay of delivery by exceeding the particular delivery date or delivery period. Purchaser shall in this case be entitled to the rights of sentence 3 to 6 of IV.2.
- All time periods, dates and deadlines as mentioned in IV.1. - 3. shall be extended by such a period of time, within which BMW is - without negligence ("ohne eigenes Verschulden") - temporarily unable to deliver the vehicle "vorübergehende Unmöglichkeit" for reason of Force Majeure or stoppage at BMW's or its suppliers' factories or plants. If such circumstances result in an interruption of more than four months, Purchaser shall have the right to rescind the Contract ("Recht zum Rücktritt"). The right of Purchaser to rescind the Contract for other reasons shall remain unaffected hereby.
- Provided their reasonableness for the Purchaser and having taken into consideration BMW's interests, constructional changes or changes in the shape, differences in colour-tones as well as differences in the bulk of delivery carried out by BMW during delivery time shall have no effect on the Contract. As far as BMW makes use of characters and/or numbers for purposes of designating the particular order or vehicle, no rights shall be derivable from this fact alone.
- The transfer and/or transportation of the vehicle to a destination other than the place of performance ("Erfüllungsort", IX.1.) will be carried out on demand of, at the sole risk and on cost of the Purchaser. This shall apply irrespective of the party or person who carries out the transportation. Upon request by the Purchaser BMW shall be entitled to arrange and/or carry out the transfer and/or transportation of the vehicle by itself or charge third parties. In this case no rights or claims against BMW shall be derivable from the kilometers clocked up during transportation. BMW shall also be entitled to arrange transfer/transport insurance within the limits customary in this field of industry on cost and expense of the Purchaser. This shall not represent any tacit acceptance or guarantee for damage cover by BMW.
- The Purchaser shall be entirely responsible to insure compliance with all relevant national import regulations ("nationale Einfuhrbestimmungen") applicable to the vehicle and the licensing requirements ("Zulassungsbestimmungen") in the country of final destination. This shall not apply if the vehicle has been explicitly ordered in a country specific version. In the latter case the Purchaser shall be solely responsible for deciding whether and under what conditions the vehicle may - if necessary - be temporarily registered in Germany or another country.

V. Acceptance

- The Purchaser is obliged to collect the vehicle within 14 days after receipt of the notification of the vehicle's readiness for collection. If Purchaser fails to collect the vehicle within this period, BMW may make use of its statutory rights.
- If BMW demands compensation in connection with non-acceptance ("Schadensersatz wegen Nichtabnahme") or a delay in acceptance ("Schadensersatz wegen verspäteter Abnahme") of the vehicle from Purchaser, this compensation shall be 15% of the net purchase price. The compensation rate may be increased or decreased or shall entirely not apply if BMW proves more or Purchaser proves less damage or Purchaser can prove that no damage whatsoever has incurred.

- The Purchaser must provide legal written proof of identity when collecting the vehicle. If a third party collects the vehicle on behalf of the Purchaser, such party shall also provide proof of identity and a written power of attorney ("schriftliche Handlungsvollmacht") or, upon BMW's request, a written and notarized power of attorney ("notariell beglaubigte Vollmacht") from the Purchaser.
- The vehicle shall only be registered for international export. Unless otherwise agreed, BMW will insure the vehicle in the name of and on expense of the Purchaser from the date of the notification of the vehicle's readiness for collection. For purposes of licensing, registration, conclusion of insurance, transportation and handover of the vehicle the Purchaser must provide BMW with a notarized power of attorney ("notariell beglaubigte Vollmacht") which enables BMW to act for and on behalf of the Purchaser. The Purchaser bears the entire risks for any and all damages, loss or destruction of the vehicle after it has been handed over by BMW to either the Purchaser or the transporting person.

VI. Retention of Ownership and Title

- BMW shall retain ownership and title ("Eigentumsvorbehalt") to the vehicle until the Purchaser has settled any and all claims arising from the Contract. At Purchaser's request, BMW shall waive ("Verzicht") its retention of ownership and title if Purchaser has settled any and all claims arising from the Contract in an incontestably ("unanfechtbar") way and has provided adequate security ("angemessene Sicherung") for any and all other claims arising from the current business relationship with BMW. BMW shall have the right to retain the vehicle registration documents during retention of ownership and title.
- In case of Purchaser's delay with payment ("Zahlungsverzug") BMW shall be entitled to rescind the Contract ("Rücktritt vom Vertrag"). If BMW is entitled to claim compensation instead of performance ("Schadensersatz statt der Leistung") and takes the vehicle into repossession BMW shall reimburse to Purchaser the vehicle's standard market value ("gewöhnlicher Verkehrswert") at the time of repossession. At Purchaser's request to be expressed without delay after BMW has taken the vehicle into repossession the Purchaser may demand to have an officially appointed and sworn expert, e.g. from "Deutsche Automobil Treuhand GmbH" (DAT) determining the vehicle's standard market price. The Purchaser shall bear all costs arising from the repossession and realization of the vehicle. The realization costs shall be deemed to be - without any proof - 5% of the standard market value. The rate shall be increased or decreased if BMW proves higher or the Purchaser can prove lower costs.
- During retention of ownership and title ("Eigentumsvorbehalt") the Purchaser may neither sell the vehicle or transfer ownership to third parties nor assign any right of use to third parties.

VII. Material Defects

- In accordance with statutory provisions any and all claims of Purchaser in connection with material defects ("Sachmängel") shall become statute-barred ("verjähren") within two years after delivery of the vehicle. If a material defect occurs within one year after date of delivery it is assumed that the particular defect had already existed at the time of delivery unless this assumption is not consistent with the type of defect. Restricted to the Purchaser's right for subsequent improvement ("Mängelbeseitigungsanspruch"), such presumption also applies if a material defect occurs for the first time within the second year after delivery. There are no claims derivable from material defects if the defect or damage results from conventional wear and tear ("natürlicher Verschleiß") or due to the fact that:
 - The Purchaser did not inform BMW about the defect immediately after its discovery or
 - The vehicle had not been treated properly or had been used over-excessively, e.g. in motor sports competitions or
 - The vehicle had been incorrectly repaired, maintained or serviced by a non authorized (by manufacturer) workshop and the Purchaser had positive knowledge thereof or could have realized this or
 - Parts had been installed into or onto the vehicle which have not been approved by the manufacturer or the vehicle or parts thereof (e.g. software) were altered in a manner not approved by the manufacturer or
 - The Purchaser failed to observe the regulations relating to the handling, servicing and maintenance of the vehicle (e.g. operating instructions in the owner's manual).
 In the event of fraudulent concealment ("arglistiges Verschweigen") of material defects or the acceptance of a quality guarantee ("Beschaffenheitsgarantie") further claims shall remain unaffected hereof.
- If the vehicle's body shows severe signs of corrosion ("Durchrostung") within 12 years or a defect of the lacquer layer within 3 years after its delivery, Purchaser is entitled - irrespective of his statutory or contractual warranty rights - to demand subsequent improvement from BMW. The rights of Purchaser are subject to regular technical services in intervals specified by BMW and subject to checks and, as the case may be, improvements of the car body and underbody during these technical services. Purchaser is in particular not entitled to request the removal ("Nachbesserung") of the above mentioned defects if they are due to rock slide, scratches, dents, accidental damages or environmental impacts.
- The proceedings for the removal of material defects ("Mängelbeseitigung") are as follows:
 - Claims on removal of defects ("Mängelbeseitigungsansprüche") can be raised against BMW or any other entity of the BMW dealer network. In the latter case Purchaser must notify BMW hereof. If Purchaser notifies claims orally, BMW shall send a written confirmation of the receipt of such notification to the Purchaser.
 - If the vehicle becomes inoperative due to a material defect, Purchaser must notify this incident to the nearest member of the BMW dealer network which is in service at the particular time.
 - All replaced parts become property of BMW.
 - Concerning all new parts embodied into the vehicle in course of replacement Purchaser shall have the warranty rights based on the purchase agreement as set out within these Terms as long as Purchaser's warranty rights concerning the vehicle are not yet statute-barred.
- Any change of the vehicle's ownership ("Eigentumswechsel am Fahrzeug") shall have no effect on the statutory rights for subsequent improvement of material defects ("Recht auf Mängelbeseitigung").

VIII. Liability

- If BMW is liable due to statutory provisions and due to the provisions set out hereinafter for any damage caused by slight negligence ("leichte Fahrlässigkeit"), BMW's liability is limited as follows: BMW shall only be liable, if the damages were caused by a breach of fundamental obligations under the Contract ("Verletzung vertragswesentlicher Pflichten"). BMW's liability is limited in this case to the typical damage foreseeable ("vorhersehbarer typischer Schaden") at the time of conclusion of the Contract. This limitation shall have no effect in case of damage of life, limb and general health ("Verletzung von Leben, Körper und Gesundheit"). As far as the particular damage is covered by an insurance of Purchaser for such an instance (excepted insurances of fixed sums), BMW shall only be liable for associated detriments ("verbundene Nachteile"), e.g. increased insurance premiums or detrimental interest until the compensation by the insurance. This shall also apply in case of damages caused by a material defect of the vehicle.
- BMW's liability due to fraudulent concealment ("arglistiges Verschweigen") of a material defect, acceptance of a quality guarantee or the risk of procurement as well as all claims arising from the Product Liability Act ("Ansprüche nach dem Produkthaftungsgesetz") remain unaffected.
- Any liability due to delay of delivery is exclusively settled in section IV.
- Any personal liability of BMW's legal representatives, agents or employees for any damage caused by their slight negligence is hereby excluded.

IX. Place of Jurisdiction

- Exclusive place of jurisdiction ("Erfüllungsort") shall be Munich, Germany.
- Exclusive place of jurisdiction ("ausschließlicher Gerichtsstand") for any and all current and future claims arising from BMW's business relations with the Purchaser, including all claims based on a bill of exchange or cheque shall be BMW's principal offices ("Hauptsitz").
- The same place of jurisdiction shall apply if the Purchaser has no general place of jurisdiction ("allgemeiner Gerichtsstand") in Germany, moved his/her domicile or normal place of residence outside Germany after the conclusion of the Contract or if his/her domicile or normal place of residence was not known at the time of initiation of legal proceedings. In the case of claims by BMW against the Purchaser, the place of jurisdiction shall be the latter's residence.
- This Contract and all disputes arising from or in connection with it shall be subject to German law and shall be interpreted, enforced and performed in accordance with German law. Application of the United Nations Convention on the International Sale of Goods (CISG) is hereby expressly excluded.
- Should the Contract, these Terms or any provisions thereof be void, unenforceable or incomplete, the effectiveness of the remaining Contract, Terms or single provisions thereof shall remain unaffected. The parties shall be obliged to substitute the ineffective or incomplete provision by such an effective provision which meets best the commercial intentions and interests of both parties hereto.