

Key features of a loan agreement

1. You have requested that BMW consider loaning you money to purchase a motor vehicle or loaning you money to refinance the amount you owe on a motor vehicle you already own.
2. A loan agreement is the most usual and common form of borrowing money to purchase or refinance a motor vehicle. It is usually appropriate for all types of Borrowers whether they are borrowing to purchase or refinance a private vehicle or business vehicle.
3. If there is more than one Borrower:
 - (a) you might jointly have made arrangements between yourselves in relation to which of you makes the payment to BMW;
 - (b) despite any arrangements between yourselves, both of you are liable to BMW for all the obligations under the loan agreement; and
 - (c) ownership, use and possession of the vehicle does not affect who has the obligation to pay BMW.
4. This summary of Key Features is designed to help you decide whether to enter into a loan agreement with BMW.
5. The key features of the loan agreement include:

Ownership

- (a) You will own the vehicle being financed or refinanced and will need to maintain, insure and keep the vehicle at an address agreed with BMW.

Security and Repossession

- (b) If you do not make payments when due or otherwise comply with your obligations to BMW under the agreement, BMW may repossess and sell the motor vehicle.
- (c) If you have entered into any other agreement with BMW and default under that other agreement, then that default is also a default under this agreement and BMW is able to repossess the motor vehicle referred to in this agreement and vice versa.
- (d) If it is necessary to repossess and sell the motor vehicle, then in addition to the default fees and any default interest, you will also be charged for any third party costs. These are usually the costs of any repossession, storage and sale. These costs may also include the costs to bring the vehicle up to a standard that is suitable for sale.

Interest and Interest Rates

- (e) The interest rate under the agreement and the total amount of interest you will pay for the full term of the agreement are set out in the attached disclosure statement.
- (f) The interest rate at the time you enter into the agreement is fixed for the whole term of the agreement and will not change.
- (g) BMW may charge you a default rate of interest which is 5% higher than the interest rate in your agreement if you do not make any payments when they are due.

Default Fees

- (h) If you do not make payments when due BMW will charge you:
 - (i) \$9.00 in the event that a payment tendered is dishonoured by your bank;
 - (ii) \$9.00 if a repossession warning notice is issued if your loan account goes into arrears;
 - (iii) \$3.00 if BMW engages a repossession agent;
 - (iv) \$40.00 if BMW repossess the vehicle; and
 - (v) third party costs relating to the collection and enforcement of the agreement.

Third Party Fees

- (i) You will be charged for any third party fees, for example PPSR registration costs, search costs and also any fee charged by the broker or dealer who arranged the finance (dealer origination fees).

Payments

- (j) The payments you will make under the agreement and the total amount of all payments you will make under this agreement, including interest, are set out in the attached disclosure statement.
- (k) BMW does not have to accept any early payments of the monthly payments due. If BMW does accept an early payment, it will be credited to the next payment(s) due. There is no interest saving or benefit for you in making payments early.

Early Repayment of the Whole Agreement

- (l) You can end the agreement at any time by asking BMW to provide you with a settlement amount. If you end the agreement early the amount you need to pay is determined by the formula set out in the disclosure statement. There are no additional fees if you want to repay the loan early.

Cancellation

- (m) If you enter into the agreement you have a very short time period where you can cancel the agreement as follows:
 - (i) If the disclosure statement is handed to you - you must give written notice to BMW that you intend to cancel the contract within 5 working days of the statement being handed to you.
 - (ii) If the disclosure statement is emailed to you - you must give notice to BMW that you intend to cancel the contract within 7 working days of the statement being emailed to you.
- (n) What you have to do and what you have to pay if you cancel the agreement is set out in detail in the disclosure statement.

- 6. If you are considering entering into this agreement and you are not the person who will usually have access to and use of the motor vehicle being financed, BMW recommends that you seek independent legal advice about the nature of your obligations.

Notes

The Credit Contracts and Consumer Finance Act 2003 obligates us to ensure that any loan we provide to you is suitable for your purposes and at the time you enter into the loan, that you will be able to comply with your obligations without suffering substantial hardship. To help us make this assessment, we will consider your financial situation and your requirements and objectives in obtaining credit from us. Some of the information we collect will need to be verified to enable us to rely on it (such as by obtaining proof of your income). Even if we do offer you a loan, we recommend you consider whether the loan will be right for you and whether you are comfortable that you will be able to meet your commitments under the loan.

If you would like any further information about how this agreement operates or the terms of the agreement you should ask a financial advisor, accountant or legal advisor. BMW is not able to provide you with personalised advice which takes into account your individual circumstances. Credit is provided by BMW Financial Services New Zealand Limited. You may contact us at any time by writing to us at PO Box 9510, Newmarket, Auckland 1149, by phone on 09 573 2535 or by email at customerservicenz@bmw.co.nz.

If you enter into an agreement with BMW, we may pay a fee, charge or commission to the person that arranged the loan with you. You may ask the person who arranged the loan for details of the amount they may receive in relation to the loan agreement.

If you have not received the level of service you expected or are unhappy with your loan please contact BMW directly. You may contact us by phone on 09 573 2535, by email at complaints@bmw.co.nz or by post at PO Box 9510, Newmarket, Auckland 1149. We try to resolve all concerns quickly and fairly.

You may also complain to our external dispute resolution scheme. BMW is registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 with registration number FSP28161 and is a member of a dispute resolution scheme operated by Financial Services Complaints Limited. It is free to make a complaint to this independent dispute resolution scheme. This scheme can help you to resolve any disagreements you have with BMW. Contact details of the dispute resolution scheme are: Phone 0800 347 257, Website www.fscl.org.nz, PO Box 5967, Wellington 6145.