

**LEASING GENERAL TERMS AND CONDITIONS**  
**of Porsche Leasing BG EOOD FOR CONSUMERS**  
(hereinafter referred to as **PORSCHE**)

**to the 17<sup>th</sup> of September 2019**

**A. TERMS AND CONDITIONS FOR FINANCIAL LEASING AND RESIDUAL VALUE LEASING**

**1. CONCEPTS (ACCORDING TO THE COMMERCE ACT)**

- 1.1. The Lessor is Porsche Leasing BG EOOD, EIK 131283654, hereinafter referred to as **Porsche**.
- 1.2. The Lessee is referred to as **Client**.
- 1.3. The manufacturer, or the person from whom Porsche acquires the motor vehicle, is referred to as Supplier.
- 1.4. The subject of the leasing contract is referred to as a **motor vehicle**.
- 1.5. Any amendments to the terms and conditions of the contract, as well as all communications between the parties shall only be valid if made in writing. Deviations from the written form shall only be allowed under particularly important circumstances, where compliance with the above stipulation is not possible for objective reasons.
- 1.6. The concept of **total damage** shall be defined according to the definition of the respective insurer.
- 1.7. **Option** is a future and conditional right of the client within the meaning of art. 34.1.3. of these General Terms and Conditions and which may arise on the basis of certain prerequisites as described in the same text, after conclusion of the leasing contract
- 1.8. **The financial value of the contract (value of the object)** is the price, which the lessor has paid to the supplier in order to acquire the title on the motor vehicle with all taxes, fees, transport and other acquisition related costs included therein, paid by the lessor.
- 1.9. **Initial installment (payment)** is the part of the financial value of the contract, which the client pays to the lessor upon conclusion of the contract. The amount of the initial installment is set forth in the leasing contract.
- 1.10. **Leasing installment** is a monthly installment, which has to be paid to Porsche by the client for the use of the motor vehicle according to a repayment schedule.
- 1.11. **Repayment schedule** is an integral attachment of the leasing contract, where there are specified the amount and the maturity date of the leasing installments, the outstanding part of the principal after each installment (outstanding part of amount of financing) and residual value, if any.

- 1.12. **Amount of Financing** is the difference between the financial value and the initial installment paid by the client before the first installment under the repayment schedule.
  - 1.13. **Residual value** of the leased motor vehicle at a given moment is determined according to the type of contract and the repayment schedule set therein in accordance with the current method of Porsche. Signing the contract and the repayment schedule the client accepts the thus ascertained residual value.
  - 1.14. **Tariff of Fees (the Tariff):** ANNEX to these General Terms and Conditions, an integral part thereof and containing the fees which the client owes to Porsche upon and in regard to the fulfillment of the lease contract under conditions set forth in the General Terms and Conditions. The changes of the tariff become binding for the parties as of the moment when they approve them in writing by a separate annex. In all other cases the provisions of the law shall apply.
  - 1.15. All other articles quoted herein by their numbers with no other explanations mean articles of the present General Terms and Conditions.
  - 1.16. Fees due during the term of validity of the leasing contract: see items 2.9, 3.2, 3.4, 3.6, 4.4, 5.5, 5.6, 8.2, 9.4, 10.1 of the General Terms and Conditions and the Tariff of Fees.
  - 1.17. How to terminate the contract – see item 12.
  - 1.18. **Finance Group Porsche Bulgaria** are Porsche Leasing BG EOOD, UIC 131283654, Porsche Mobility BG EOOD, UIC 203261484 and Porsche Insurance Broker BG EOOD, UIC 175167480, which in accordance with the Joint Controllorship Data Processing Framework Agreement dated 23 May 2018 are Joint Controllers concerning the personal data jointly processed by them.
- 2. OWNERSHIP**
- 2.1. Porsche is owner of the motor vehicle, whereas the client is holder of the motor vehicle for the entire period of validity of the leasing contract. In case PORSCHE has acquired the vehicle for the purposes of the leasing by assignment of the client and if PORSCHE paid for this acquiring any expenses towards third persons, including

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notary fees, local tax according to the ZMDT etc., the client shall be obliged to repay these expenses to PORSCHE within 14 days of the receiving the vehicle by the client.

- 2.2. The liability of Porsche for the leased motor vehicle is completely exhausted with securing the conformity of the client's order with the motor vehicle, delivered by the supplier. In the cases where the client himself has placed the order for the motor vehicle with the supplier, also the liability according to the foregoing sentence falls away entirely. Porsche is not liable under any circumstances whatsoever for the qualities of the motor vehicle, or for any evident or hidden defects, notwithstanding whether they are covered by the manufacturer's warranty and notwithstanding the moment they have been revealed. The client undertakes to send solely to the supplier all claims relating to liability for defects and/or warranty liability for eventual defects of the motor vehicle. Porsche shall, upon request, transfer to the client for the entire period of validity of the leasing contract the following rights:

The right of the owner to request from the seller remedy of the defects. Porsche shall bear no responsibility in respect of whether the motor vehicle is suitable for use or of damages that may occur as a result from the defects of the motor vehicle.

- 2.3. The client shall bear the entire risk of damage, destruction or loss (incl. all kinds of unlawful deprivation by a third party) of the leasing subject, including cases of force majeure and/or where such risk is not covered by the insurance covering the leasing object. The client shall compensate Porsche for all damages that may be caused to the leasing object, regardless of whether these are due to default of the client or not, and/or result from force majeure when an insurance cover is missing. Should the damage be covered by the insurance, the client shall be released up to the amount of the sum received by Porsche.

The client is not entitled to sell, encumber, or rent out the motor vehicle. In particular, the client may not:

- Sell the motor vehicle;
- Provide the motor vehicle to third parties, except with the explicit approval of Porsche;
- Use the motor vehicle for rent-a-car purposes, driving school purposes or purposes other than those set forth in the leasing contract, except with the explicit approval of Porsche;
- Enter into any contracts and legal transactions whatsoever in respect of the motor vehicle;
- Pledge the motor vehicle;
- Jeopardize in any way whatsoever the ownership or the possession of Porsche over the motor vehicle.

- 2.4. Any default or breach of any of the provisions under the preceding article 2.3 shall entitle Porsche to terminate the contract without advance notice. The provisions of article 12 shall apply respectively.

- 2.5. The client shall keep the motor vehicle separately from his other property and to mark it as property of Porsche.

- 2.6. The client shall notify immediately Porsche of any lawsuits or eventual claims of third parties in respect of the motor vehicle.

- 2.7. The client shall notify Porsche of any facts or actions of a third party with reference to the motor vehicle, or any undertaken or anticipated actions for compulsory execution, e.g. confiscation, seizure, etc. by third parties in respect of the motor vehicle. The client shall be authorized and obliged to take all the necessary measures and to undertake actions to defend the right of ownership of Porsche, also under circumstances that may result in costs to be taken over by the client. The client shall reimburse to Porsche all the costs incurred with regard to the aforesaid within 8 (eight) days following the submission of the relevant disbursement documents.

- 2.8. Should insolvency or liquidation proceedings be initiated against the client or the client falls into insolvency or over-indebtedness pursuant to the Commerce Act, even if in such case liquidation proceedings have not been initiated against him, he shall notify forthwith Porsche of such circumstances. In such case Porsche shall be entitled to cancel the leasing contract and/ or to request the immediate return of the motor vehicle. In the event of insolvency or liquidation the client shall notify the trustee in bankruptcy or the liquidator of the ownership of Porsche over the motor vehicle.

- 2.9. Porsche shall be entitled to mark visibly its ownership over the motor vehicle. Should the client remove or damage this mark, the expenses to recover it shall be borne by the client.

- 2.10. In the cases where during the validity term of the leasing contract as result of destruction, lack or rejection of the motor vehicle or for other reasons envisaged by law, Porsche shall pay VAT for this motor vehicle, the client shall owe Porsche the entire amount of said VAT. This obligation takes effect on the grounds referred to in this item and it does not depend on any other obligations under the leasing contract and the general terms and conditions. The client can be released from this obligation only if it provides to Porsche such evidences or means that according to the valid regulations release Porsche from the obligation to pay VAT.

### 3. ACCEPTANCE OF THE MOTOR VEHICLE

- 3.1. Unless otherwise provided in the contract, the motor vehicle shall be delivered to the head office of the supplier. The client accepts the vehicle in the state it has

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as of time of delivery. In order for the delivery to be valid a protocol of delivery and acceptance shall be prepared in writing and signed by all three parties (Porsche, supplier and client). Any defects of the motor vehicle should be recorded in the protocol. If there are no objections by the client recorded in the protocol, the motor vehicle shall be considered accepted by the client in a perfect state and according to the order of the latter.

3.2. Any delays of delivery which are not at Porsche's fault, including delays at supplier's fault, shall not affect the validity of the contract. The client should accept the motor vehicle within 10 days following the supplier's notification that the motor vehicle is ready for delivery. Should the client be in delay, Porsche may set additional deadline and specify that after its expiry the contract shall be deemed cancelled due to default by the client. In such case, the client shall owe Porsche a penalty for non-fulfilled contract to the amount of 10% (ten percent) of the financial value of the contract, and Porsche has the authority to net off the down payments received up to that moment from the client. If the delay is at Porsche's fault, Porsche shall owe the client a penalty to the amount of 0,01% of the financial value of the motor vehicle for each day of delay.

3.3. The supplier shall deliver the motor vehicle to the client only after the client has paid to Porsche, as per the disbursement documents submitted, all costs incurred so far by Porsche (such as custom duties, excise duties, charges, registration with the traffic police, all insurances, etc.). These costs include:

- a down payment (if applicable) and credit check service fee;
- costs for the registration of the motor vehicle;
- all other expenses that may be necessary upon delivering the vehicle to the client in an actual and legal state allowing it to be used according to the requirements of the leasing contract;
- the fees according to the Porsche's Tariff of Fees.

If the due costs are not determined upon signing the contract or in the Tariff of Fees, they shall be specified by Porsche in a letter delivered to the client. The costs are due as of the time of delivery of the letter, unless otherwise stipulated in writing.

3.4. The client shall take all costs relating to operation of the motor vehicle for the entire term of validity of the contract, such as road tax, mandatory technical inspections, maintenance, technical service etc. In the event that Porsche has paid costs of such type instead of the client, the client shall reimburse them to Porsche within 3 days following the delivery of a payment demand. If diverse payment terms for any taxes or expenses owed by the vehicle's owner or option for payment in installment are provided for, Porsche has the

right to choose at which moment and to what amount to pay these obligations.

In these cases, the client has no right to raise objection in terms of the payment deadline and shall reimburse to Porsche the paid taxes/expenses in full within 3 days after the delivery of a demand for payment.

3.5. The client shall, as of the date of acceptance of the motor vehicle, pay all subsequent leasing installments after the initial payment, in accordance with p. 5.1 and the repayment schedule.

3.6. In observance of Ordinance I-45 for the registration, reporting, and the road traffic approval and disapproval of the motor vehicle Porsche registers the client's data for the purpose of entering the latter as user under lease contract. The client has been informed about it and agrees.

3.7. Porsche delivers the vehicle to the client with the all original keys as were received from the supplier, including built-in, plastic, service and any other type of keys. The number of the keys delivered is entered in the takeover protocol. An additional key may be made after a written request addressed to Porsche by the client. The manufacturer of the vehicle or another person authorized by him shall be contractor of the order according to the preceding sentence. All terms and conditions of the order are set forth by the contractor. The client bears all costs for the making of the new key, as well as the respective fee under the Tariff. The client has to inform immediately both Porsche and the insurer always when any of the keys received is lost or damaged. The making of new keys goes always on account of the client.

3.8. The client is entitled to withdraw from the leasing contract, without owing compensation or penalty, within 14 days as of: 1) the date of concluding the loan agreement, or 2) the date when the client receives the conditions under the agreement and the pre-contractual information – in case that date follows the date under item 1. The right to withdraw from the leasing contract is deemed exercised if the client has sent a notification to Porsche before the expiry of the deadline under the foregoing sentence. The notification has to be made on paper or another durable carrier which Porsche has access to, in a way such that is provable in accordance with the valid legislation. When the client exercises its right to withdraw from the leasing contract, he returns the motor vehicle to the creditor and pays interest, calculated for the time from the date of receiving the vehicle to the date of returning it, with no unjustifiable delay and not later than 30 calendar days as of sending the notification to Porsche of exercising the right of withdrawal. The interest is calculated on the basis of the interest rate fixed in the contract. The daily interest rate is computed by dividing the agreed annual interest rate by 365. Upon

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using the right to withdraw from the leasing contract Porsche is not entitled to demand and collect compensation from the client, except for compensations for expenses made towards public administrative bodies, with said expenses being non-refundable.

3.9. The client has the rights under art. 27 and art. 28 of the Consumer Credit Act.

## 4. INSURANCES

4.1. In the capacity of an owner Porsche is entitled to insure the motor vehicle to their own benefit. Within the relations between Porsche and the client each property insurance (casco) of the motor vehicle serves as guarantee for the fulfillment of the obligations of the client according to the leasing contract. Based on that all costs of insurance and any related additional payments shall be borne by the client. The client shall cover the costs for installation of the relevant security systems. The client shall receive a copy of the insurance policy. The client shall use the insurance of the vehicle in accordance with p. 2.3.

4.2. In the event that the client intends to travel with the motor vehicle outside Bulgaria, the client shall notify Porsche in advance and to take out insurances "Full CASCO for travelling abroad" and "Green card" to the benefit of Porsche. The client has to make the above mentioned request not later than three working days before the leased vehicle leaves the country. The client can not use the motor vehicle in a manner or in regions where for that reason the insurances may be rendered partially or fully invalid. The client shall be liable to Porsche for all damages that may occur due to failure to comply with this obligation.

4.3. After each occurrence of partial compensations paid for insured damages, Porsche is entitled to pay in addition to the insurer the respective percentage of the insurance premium so that in the event of total damage or theft/robbery (additional insurance) the value of motor vehicle remains fully covered. In such events the client shall pay the costs for the additional insurance according to invoice (summons for payment), issued by Porsche.

4.4. The Deferred Payment of the Insurance Premium service is offered to the clients. If the client wishes to use it, he pays to Porsche the amount of the premium in several consecutive installments within a year. In such cases the nominal percentage of the insurance premium is increased in accordance with the Tariff of Fees. At the moment of concluding the contract the client has to determine whether he shall use this service, as well as the number of installments. When the CASCO insurance covers a period longer than a year, the client has to declare before Porsche in written form, not later than 30 days prior to the beginning of the respective year, that he wishes to use the Deferred Payment of the Insurance Premium service for each separate consecutive year of

the insurance; if no written statement is submitted within said period, the premium is paid for the entire following year in the way it was paid during the previous year. If no written declaration is made by the client and at Porsche's discretion, the entire premium can be calculated as a lump-sum.

4.5. The client is aware that for technical reasons the insurance term could differ from the term of the leasing contract. Nevertheless, all costs for the insurance shall be borne by the client in accordance with p.4.1.

4.6. The client has to meet all requirements necessary for the concluded insurances to remain valid. In addition to any other necessary actions the client has to enable in due time the marking of the motor vehicle according to the requirements of the insurance in order to ensure the uninterrupted validity of the insurance. If the client fails to fulfill this obligation, he shall be liable to full amount for any damage pertaining to the motor vehicle.

4.7. The client is not entitled to sign, amend or terminate any insurance whatsoever concerning the leased motor vehicle without the prior written consent of Porsche. The client can represent Porsche before insurers only within insurance agreements already concluded by Porsche for the leased vehicle used by the client and only for the purpose of providing the necessary support upon settling insurance damages.

4.8. The client declares that he has received from Porsche a copy of the CASCO and the original of the third party liability insurance policies of the leasing motor vehicle with all attachments thereto, that he is aware of all conditions of the insurances, including the General Terms and Conditions of the respective insurer and commits himself to strictly fulfill these conditions, so as not to affect the interests of Porsche as an insured party. In particular, the client has been notified of all actions that he has to undertake to keep the insurance valid, such as delivery of the motor vehicle in a service shop and within a term determined by the insurer, marking the motor vehicle, etc.

4.9. Porsche has no obligation towards the client to insure the motor vehicle, unless such obligation is undertaken by virtue of a separate express agreement in written. The client has to keep track of the validity terms of the insurance policies and to notify Porsche in timely manner of the extension needed.

4.10. The client is entitled to choose an insurer among those Porsche has contracts with. Porsche shall provide the client with a list of these insurers, which has to be updated upon conclusion of the insurance.

4.11. Porsche is not liable in any way whatsoever for the actions of the insurer on the concluded insurance, including for unpaid insurance compensations. In case of



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unpaid insurance compensations, p. 2.3 of the present General Terms and Conditions shall be applicable.

- 4.12. Porsche is entitled to terminate a valid CASCO insurance of the leased motor vehicle before the term set when Porsche estimates that the insurer with his actions or inactions jeopardizes the interests of the parties under the leasing contract. Upon such terminations and provided that a valid agreement under p. 4.9 exists, Porsche has to insure the said leased motor vehicle with another insurance company, and to inform the client about the change and to provide the latter with a copy of the new insurance, the general terms and conditions of the new insurance company and the attachments thereto. In all cases of change of insurer before the term set the client has to pay Porsche the full amount of the insurance premium under the new insurance within 3 (three) days as of the date Porsche has informed him about the new insurance. Upon reimbursement of part of the premium under the terminated insurance on the part of the insurer, this part shall be deducted from the other current liabilities of the client towards Porsche. If the client has no other current liabilities towards Porsche, the amounts reimbursed by the insurer shall be paid to the client.
- 4.13. The provisions of the foregoing p. 4.12 apply also in all cases, where the insurance, concluded by Porsche, is terminated by the insurer before the term set.
- 4.14. In all other cases, where during the leasing contract the insurance is terminated or is not extended, Porsche is entitled to conclude a new insurance with another insurance company on the conditions of p. 4.12.
- 4.15. The client has to keep in the motor vehicle at any time a blank set of documents for a bilateral protocol for recording a traffic accident in compliance with the requirements of the insurer and the legislation in force and effect.

## 5. PAYMENTS

- 5.1. The due date for the leasing installments shall be the fifteenth of current month. The client shall make the payment in such a manner that as of this date the payment should be received on the account of Porsche; otherwise the payment shall be considered as delayed. For the purposes of handling the payments Porsche keeps one current account for all contracts concluded with the same client.
- 5.2. The amounts received on the bank account shall be distributed in accordance with p. 5.8.
- 5.3. In the event that the three-month EURIBOR changes as compared to the time of the last adjustment of the interest rate or the date of delivery of the motor vehicle respectively, by more than 25 basic points (1%=100 basic points), the interest rate (upon financial leasing and residual value leasing) shall be adjusted on the 1st of the

month, following the respective calendar quarter. The adjustment is equivalent to the change of the three-month EURIBOR. The calculation is based on the three-month EURIBOR as of the last day of the previous month as compared to the three-month EURIBOR as of the date of the last adjustment of the interest rate/ the monthly installment, respectively the date of delivery of the motor vehicle.

- 5.4. Any faults upon using the motor vehicle, regardless of their cause and nature, are not a reason for termination or modification of the contract, inasmuch as Porsche is not responsible for them.
- 5.5. In the event of delayed payment the client shall owe interest at the rate of 10% per annum plus the base interest rate on each overdue payment for the whole period of delay.
- 5.6. All payments between the parties shall be calculated in EURO (EUR). Payments within the country shall be made in Bulgarian Leva (BGN). The amount paid in Bulgarian Leva or another currency should be calculated in such a manner that the beneficiary of the payment shall not suffer any losses owing to differences in the exchange rates of the servicing banks. A payment shall be considered as made in due time only if it complies with the provisions of the preceding sentence.
- 5.7. The parties use the official fixed rate of the Bulgarian National Bank.
- 5.8. When the client effects payment, which does not cover all his liabilities towards Porsche at the date of payment, the rule by law concerning the order of consequence of payment of liabilities under the particular leasing contract shall apply.
- 5.9. Porsche has the right to amend the orders of consequence under 5.8 with the consent of the client.
- 5.10. Porsche is entitled to charge the client with a fee in accordance with the Tariff of Fees for each change of the leasing contract, initiated by the client.
- 5.11. The client cannot justify a delayed payment with the statement that he has not received the respective invoice. The lack of invoice does not affect the responsibility of the client for a delayed payment.
- 5.12. The lessee has been informed that he is entitled to receive, at request and for free, at any moment of the fulfillment of the contract, (a statement of account in the form of a repayment schedule for both the effected, and the forthcoming payments; the repayment schedule specifies the outstanding payments and the respective terms and conditions of payment; the schedule gives a breakdown of each repayment installment and, if applicable, the additional expenses; if the interest rate is not fixed or if the additional expenses can be altered according to the loan agreement, the repayment schedule shall specify that the information contained in

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the plan is valid only until the next change of the interest rate or of the additional expenses under the loan agreement.

## 6. BLANK PROMISSORY NOTE

- 6.1. If required and in accordance with the solvency of the client, Porsche is entitled to demand the provision of additional guarantees upon concluding the contract.
- 6.2. If so agreed between the parties by virtue of an additional annex hereto, the client as drawer shall issue to the benefit of Porsche as beneficiary signed drafts, elaborated in compliance with the requirements of art.464 of the Commerce Act. In the event of default on the leasing contract or the general terms and conditions Porsche shall be entitled to use such draft for an amount equivalent to all the obligations of the client outstanding and due at the time, and to start enforced collection of this amount. By signature of the leasing contract the client shall authorize explicitly Porsche for this purpose. A power of attorney shall be issued additionally. The usage of one or more drafts shall not affect the validity of the contract. The client shall provide at disposal of Porsche sufficient number of drafts for the entire period of validity of the contract.
- 6.3. Porsche retains the right to demand additional guarantees from the client (such as guaranty, pledge, registration of the contract with the Central Register of the Special Pledges etc.) depending on the preliminary checkup of the client's solvency. Porsche is entitled to the same when during the validity term of the contract.

## 7. JOINTLY LIABLE DEBTORS

If the leasing contract is signed by a jointly liable debtor, then a joint liability arises pursuant to art. 121 par.1 of the Obligations and Contracts Act. In this case the jointly liable debtor and the client are jointly liable under the same conditions for all liabilities under the leasing contract according to art. 122 – 126 of the Obligations and Contracts Act. Porsche is entitled to demand payment of the whole debt and of all debts under the leasing contract directly from the jointly liable debtor without having to claim the receivable before or out of court towards the client first. The liability of the jointly liable debtor is not limited by deadlines other than those according to general period of prescription.

By signing the leasing contract, the jointly liable debtor declares that he/she is familiar with the present General Terms and Conditions and with the repayment schedule to the leasing contract and with the size and maturity date of the leasing installments in particular. The jointly liable debtor must monitor the fulfillment of client's obligations under the leasing contract in timely manner. Upon default of any obligation of the client whatsoever within the terms fixed in the repayment schedule, the jointly liable debtor considers himself invited to fulfill

immediately the respective obligation without additional notice.

The joint liability of the client and the jointly liable debtor covers all consequences of the default, including but not limited to contract penalties and other sanctions, statutory interests, costs etc.

The postponement or deferring leasing installments or other amendments of the leasing contracts made unilaterally by Porsche or according to an agreement with the client, are valid also for the jointly liable debtor and do not lead to termination of the joint liability. Porsche retains the rights towards the jointly liable debtor and the latter agrees to it in the sense of art. 124 of the Obligations and Contracts Act. The obligation for notification of the jointly liable debtor lies with the client. The relations between the client and the jointly liable debtor and their reasons and content do not concern Porsche and cannot be opposed to it.

## 8. NON-COMPLIANCE WITH DEADLINES

- 8.1. In addition to the interests provided for under the contract, the client shall owe a fee for handling and delivery of demands for payment and any other notifications in the amount as defined in the Tariff of Fees.
- 8.2. The client has to reimburse to Porsche all other costs that may refer to demanding and/or securing the sums receivable pursuant to the contract (judicial costs, administrative costs, lawyer's fees, expert's fees, charges for seizure of the motor vehicle and other costs), which shall be assumed due on the grounds of invoices or summons for payment, issued by Porsche.
- 8.3. The client is bound to notify Porsche of each anticipated delay of payment or such that has already occurred. The notification itself shall not result in extension of the deadline for the payment.
- 8.4. Should the client fall in arrears with a payment, Porsche shall have the following options:
  - 8.4.1. Should the client fall in arrears with a payment of one leasing installment for more than 15 (fifteen) days, Porsche is entitled to send to the client a first summons for payment in writing. Should the client fail to make the payment within 7 (seven) days of the receipt of the summon, Porsche sends in the same manner a second summon for payment and extend the payment deadline with 8 (eight) more days with a remainder that after expiry of the extended deadline with no payment made, Porsche is entitled to terminate the leasing contract on the grounds of default on the part of the client. In such case the parties accept that Porsche has granted the client a sufficient extension of the deadline and that it follows from the non-payment of the debt after the second summons that the client does not wish to fulfill his future obligations under the leasing contract.

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- 8.4.2. Should the client be in delay with the payment of more than one monthly installment or if the delay for the payment of one installment continues for more than 60 (sixty) days, Porsche is entitled to cancel the contract without observing the procedure according to p. 8.4.1 and without extending the payment deadline.
- 8.4.3. Porsche is under no obligation whatsoever to send the summons for payment according to p. 8.4.1. At Porsche's discretion the termination can be made solely under observation of the requirements of the law. Porsche is entitled at its own discretion to send other summons for payment and notices besides those mentioned in p. 8.4.1.
- 8.5. Immediately after termination of the contract, Porsche has the right to:
- utilize all guarantees obtained for collection of the entire sum of all outstanding leasing installments, regardless of their due dates;
  - notify the client that the leasing contract has been lawfully terminated before the term set and to demand return of the motor vehicle, respectively to return the motor vehicle themselves.
- 8.6. The parties agree that all deadlines, set forth in the general terms and conditions are appropriate for the fulfillment of the obligations of the client.
- 8.7. In the event that Porsche utilizes the provided guarantees or is compelled to utilize them, but then thereafter the parties reach an agreement to the effect that the contract remains in force, the client shall restore the guarantees used by Porsche to their original state within 3 (three) days after reaching such an agreement. If the client fails to comply with this obligation in due time, the contract shall be considered terminated before the term set through a fault of the client as of the date of default.
- 8.8. Porsche may, at its own discretion, waive the compliance with the general terms and conditions under p.8.4.1 and p.8.4.2, and observe solely the deadlines determined by imperative statutory provisions.
- 8.9. In the event of delay of payment on the part of the client Porsche is entitled to seize the leased vehicle and to keep it until the client repays all executable obligations under the contract.
- 8.10. In case of non-fulfillment of obligations on the part of the client under a lease contract, Porsche is entitled to transfer their receivables towards the client and also their other rights under the leasing contract to third persons.
- 9. MAINTENANCE/ RESPONSIBILITIES IN RESPECT OF THE MOTOR VEHICLE**
- 9.1. The motor vehicle should be used in compliance with the instructions of the manufacturer/supplier. Special restrictions are allowed by the leasing contract.
- 9.2. The client shall maintain the motor vehicle with the due care of a good merchant, to carry out all the required repairs and service inspections, to continuously monitor the perfect functional and environmental status of the motor vehicle in compliance with the general terms and conditions of the manufacturer, with these general terms and conditions and with the contract. The client shall be responsible for all damages resulting from failure to comply with this obligation, regardless of whether they have been caused by the client or by third parties. All costs pertaining to the maintenance of the motor vehicle under the present article are entirely at the expense of the client.
- 9.3. The maintenance and repairs of the motor vehicle may be carried out by authorized service shops indicated in the service book or in the warranty book. The client should use only original parts for the maintenance of the motor vehicle.
- 9.4. The client shall be bound to use the motor vehicle in compliance with the effective legal regulations. In the event of breach of law the client shall be responsible for all consequences that may result thereof and shall pay all fines to the respective authorities. For each such event where Porsche has paid any cash fines and the administrative costs relevant thereto, the representations costs and/or counsel fees, charges etc., the company shall be entitled to reimbursement by the client of such costs plus a processing fee according to the Tariff of Fees.
- 9.5. Any modifications to the structure of the motor vehicle or addition of other parts and devices to the motor vehicle shall be made only after obtaining the prior written approval of Porsche and shall be made at authorized service shops only. The added parts shall become property of Porsche with no obligation for compensation. Any changes that may be required by law shall be made by the client on his own account. In particular, the use of non-original parts and systems shall not be allowed (air-conditioner, spare parts, etc.), nor any tuning of the vehicle (chip-tuning, motor-tuning, body tuning) such that is inadmissible according to the prescriptions of the manufacturer/the plant, even where such operations have been done at authorized service shops. The right of warranty claims of the client remains valid only provided that the tuning has been made in compliance with the prescriptions of the manufacturer/the plant. In the event where damages on the motor vehicle occur as result of addition of non-original equipment (air-conditioner, spare parts, etc.), or any tuning of the motor vehicle (chip-tuning, motor-tuning, frame tuning) such that is inadmissible according to the prescriptions of the manufacturer/the plant, the client shall be obliged to

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reimburse to Porsche the value of the motor vehicle as of the time prior to the occurrence of the damages.

In the same events Porsche shall be entitled to the alternative option to demand from the client instead of reimbursement of the value, full repair of the motor vehicle on account of the client, and such repair should guarantee the recovery of the motor vehicle to its original condition.

- 9.6. In the event of loss or destruction of a key, registration certificate of the motor vehicle or other items pertaining to the motor vehicle, the competent authorities as well as Porsche must be notified immediately.

## 10. LOCATION AND INSPECTION OF THE MOTOR VEHICLE

- 10.1. The client shall notify Porsche immediately by registered mail about any changes of his seat, respective place of residence or place of work. In the event of non-fulfillment of this obligation any communication delivered to the address specified by the client in the contract shall be considered valid, regardless of whether the client has received it or not, and the date of forwarding by Porsche shall be considered as date of delivery. Notwithstanding the aforesaid, Porsche is authorized in such a case to charge the client with a penalty of BGN 150.

- 10.2. Upon request of Porsche the client shall be bound to provide access to the motor vehicle at any appropriate time. If the client prevents such access to the motor vehicle by his action or inaction, Porsche may terminate the contract without advance notice (see Article 12).

- 10.3. Should the client be in arrears with the payment of three successive monthly installments, Porsche is entitled to make a preventive inspection of the leased vehicle. The preventive inspection represents an extraordinary security measure in favor of Porsche for the purpose of avoiding further financial losses under the leasing contract, insofar as retaining the ownership of the motor vehicle during the validity term of the leasing contract serves as a guarantee to the benefit of the lessor. The preventive inspection takes place on a location specified by Porsche, which could also be an authorized service shop for the respective make motor vehicles.

- 10.3.1. As the preventive inspection is always a consequence of non-fulfillment of obligations on the part of the client, all costs for each preventive inspection shall be borne by the client and cover both the inspection fee and any other related costs. The preventive inspection fee shall be paid by the client immediately after the beginning of the inspection and is specified in the Tariff of Fees.

- 10.3.2. As of occurrence of the due date of the third outstanding monthly installment in a row the client is under the obligation to deliver the motor vehicle to Porsche for a preventive inspection. For this purpose the client has to deliver the motor vehicle within two weeks

as of the occurrence of the due date according to the previous sentence to one of the following addresses:

- Plovdiv, 121 Bulgaria Blvd.;
- Stara Zagora, 55 Nikola Petkov Blvd.;
- Varna, residential district Vladislav Varnenchik, 59 Treti Mart Blvd.;
- Burgas, Prof. Jakim Jakimov Blvd., North Industrial Zone, residential district Slaveykov.

- 10.3.3. Should the client fail to deliver the motor vehicle within the term according to the previous sentence or if the client cannot be found on the last address given by him, Porsche shall be entitled immediately and at their own expenses to locate, seize and transport the motor vehicle to the place of preventive inspection. In such cases the client has to reimburse separately all additional expenses incurred by Porsche upon locating and transporting the motor vehicle, including the case when the expenses were made for hiring a specialized company for this purpose. These costs shall be reimbursed by the client as soon as they have been borne by Porsche.

- 10.3.4. The client has to pay monthly leasing installments for the entire duration of the preventive inspection.

- 10.3.5. In the cases where Porsche exercises their rights according to art. 90 of the Contracts and Obligations Act the client owes to Porsche a fee in accordance with the Tariff of Fees for the entire duration of exercising these rights.

- 10.3.6. In the cases under p. 10.3.3 the client shall render to Porsche or the persons authorized by the latter every assistance upon locating or seizing the motor vehicle. The client shall indicate to them the location of the motor vehicle, as well as to grant full and undisturbed access to the motor vehicle for the purpose of the preventive inspection.

## 11. DAMAGE, TOTAL DAMAGE, THEFT

- 11.1. The client is aware that Porsche is the insured party under the CASCO insurance.

Upon a traffic accident occurrence the client shall take on site any necessary actions for documenting the accident and in particular to ensure obtaining of the required documents from the police (a protocol of traffic accident issued by the traffic police and all other documents as required by law or by the leasing contract). The client shall be bound to notify immediately thereafter Porsche in writing about the damages and to register the damages with the respective insurer in compliance with the requirements of the insurance policy. Only authorized service shops shall be allowed to make the necessary repairs. The client should undertake all the necessary measures and actions prescribed or given by the insurance company to enable full coverage of all damages. All damages that are not covered by the insurer shall be paid by the client. Should the insurer



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refuse to pay out damages or if he is discharged from the obligation to pay compensation, the client shall be bound to pay to Porsche the total amount of the damages and all additional costs. This obligation of the client falls away if the client has organized on his own account the remedy of the damage through repair of the motor vehicle at an authorized service shop for the respective make motor vehicles. The client is under the same obligations in the cases of damages of an unestablished origin (found on the parking place and others).

- 11.1.1. Upon damage occurrence the risk of temporary impossibility or decreased possibility for using the leased motor vehicle shall be borne by the client. The qualification of the type of damage (partial or total) shall be made by the insurer under the CASCO insurance and is binding upon both parties under the leasing contract. For the period of time until the insurer qualifies the damage the client has to pay the monthly leasing installments according to the repayment schedule.
- 11.1.2. If the damage has been qualified by the insurer as a partial damage (reparable) the leasing contract is not changed in any way whatsoever and the client has to pay the monthly leasing installments and other amounts due under the contract according to the repayment schedule, regardless of the duration of repair. Porsche shall not give their consent for the repair, respectively shall not order the remedying of damages on the vehicle until the client has met all his current contractual obligations towards Porsche. The client is not entitled to make objections against Porsche regarding the estimate of damages, given by the insurer.
- 11.1.3. If the damage has been qualified by the insurer as a total damage, the leasing contract is terminated as of the moment of damage occurrence. In such cases the client shall pay to Porsche all outstanding amounts under the contract up to the date of termination, as well as compensation for lost profits suffered by Porsche to the amount of the leasing interest according to the repayment schedule up to the moment of payment of the insurance compensation.
- 11.1.4. In the event of a total damage and after receiving the insurance compensation, Porsche makes calculation by deducting from the received insurance compensation all outstanding debts of the client under the leasing contract (including all insurance premiums, taxes and all other payments related to the vehicle, made by Porsche), the residual value of the motor vehicle up to the termination date and the leasing interest due according to the foregoing article. If the calculation displays a positive balance, Porsche shall pay the respective amount to the client who shall not be entitled to any other claims with regard to the fulfillment and the termination of the leasing

contract. If the calculation displays a negative balance, the client has to pay to Porsche the respective amount.

- 11.1.5. In the event of partial damage and if the insurer refuses to pay insurance compensation, the client shall pay in full the repair of the leased vehicle made for the purpose of restoring it to the condition it was in before the damage occurred and at the same time shall continue to pay the leasing installments according to the repayment schedule.
- 11.1.6. In the event of total damage and if the insurer refuses to pay out the insurance compensation, the client remains under the obligation to pay to Porsche the following amounts:
- all leasing installments due up to the moment of termination and other payments due under the contract,
  - the residual value of the motor vehicle up to the date of termination according to the repayment schedule to the leasing contract;
  - compensation for the lost profits suffered by Porsche amounting to the leasing interest as of the termination date up to the refusal of payment of the insurance compensation.
- 11.2. In the event of theft of the motor vehicle the client shall immediately report it to the nearest police department and shall inform Porsche and the insurer under the CASCO insurance. In such cases, after the expiry of 30 (thirty) days after reporting the theft the contract shall be frozen until the motor vehicle is found and returned or until the insurer consents or refuses to pay the damage, whichever occurs first. By "freezing" the parties mean postponement of the maturity dates of the payments of the client up to the moment according to the previous sentence.
- 11.2.1. Should the motor vehicle be found and returned to Porsche, at that moment the freezing ends and the client shall pay immediately all leasing installments and other payments due up to that time and henceforth as if the contract had not been frozen, and Porsche shall deliver the motor vehicle to the client in the state it was found.
- 11.2.2. Should the motor vehicle be not found and the insurer pays theft compensation the contract shall be terminated with effect from the beginning of the freezing. The client owes leasing installments until the moment of this termination. In this case, Porsche deducts from the received insurance compensation the amount of all liabilities being outstanding at the contract termination plus the residual value of the motor vehicle at the moment of termination according to the repayment schedule. If after the aforesaid deduction a positive balance exists it will be transferred to an account of the client. If the insurance compensation can not cover the amount of all liabilities being outstanding at the contract

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termination plus the residual value of motor vehicle at the contract termination according to the repayment schedule the client owes Porsche the difference between this amount and the compensation received.

11.2.3. Should the insurer refuse to pay out compensation or if he is discharged from the obligation to pay compensation, whether entirely or partially, the client shall be bound to pay Porsche the amount of all liabilities being outstanding at the contract termination plus the residual value of the motor vehicle at the moment of termination according to the repayment schedule.

## 12. TERMINATION OF THE CONTRACT

12.1. Save in the hypotheses of p. 8.4, 11.1.3 and 11.2.2 hereof, the leasing contract can be terminated in the following cases:

12.1.1. On part of Porsche by means of cancellation due to default by the client if:

- as result of the use the motor vehicle has been brought by the client into condition, which hinders its normal use or decreases its market value or if the requirements of the motor vehicle's manufacturer as to its regular maintenance (the regular technical inspections at authorized service shops upon reach of the mileage or expired time, specified by the manufacturer, or actions for due remedy of occurred damages onto the motor vehicle have not been met), or elements or parts of the interior equipment of the motor vehicle or its external appearance (paint, exterior surfaces, window – panes, headlights, tyres, wheel rims, locks, exhaust, plates, external accessories, etc.) have been damaged, and these damages have not been duly remedied;
- the client changes his place of residence or moves to live abroad without giving express notification of Porsche;
- the ownership is jeopardized;
- the client or the guarantor provide or have provided untrue data about their income and property, and/or should it be established that the property status of the client substantially differs from that according to the information provided, so that no grounds for conclusion of the contract existed;
- the client or one of the applicants is deceased or is subject to insolvency proceeding or owing to insufficient property the petition for declaring insolvency has been rejected or the property is subject to enforcement;
- insurance fraud (also attempt for insurance fraud);
- the acceptance under p.3.2. has not been carried through;
- in the event that any of the contractual security becomes prematurely invalid;

- in case of total damage, destruction, theft or loss of the motor vehicle; in such case he contract is deemed to be terminated from the date, on which Porsche has received the full amount of insurance compensation for the value of the motor vehicle;

- the client is not using the motor vehicle in accordance with the contract and/or fails to maintain it in good condition;

- the client falls regularly in arrears with payments under the contract, delayed as they may be, but carried out nonetheless; "regularly" shall mean herein two or more delayed payments.

- Any default on the obligations of the client, arising out of the contract or the leasing general terms and conditions.

12.1.2. On mutual consent of the parties expressed in writing.

12.1.3. In case of extraordinary circumstances or force majeure events that may threaten or postpone the fulfillment of the contractual obligations the contract can be terminated upon applying the respective valid law terms about force majeure.

12.2. Porsche may, after forwarding notification of contract termination, seize the motor vehicle from the client without advance notice.

12.3. In the event of seizure of the motor vehicle as well as in the event of termination of the contract the client shall provide to Porsche or its proxy free access to his premises as well as to make easier the return of the motor vehicle. The client is entitled to no compensation because of the seizure of the motor vehicle.

12.4. The consumer is entitled to a premature termination of the contract according to the provisions of art. 32 of the Consumer Credit Act.

## 13. LEGAL CONSEQUENCES OF THE CONTRACT TERMINATION

13.1. In case of cancellation or any premature termination of the contract respectively at client's fault Porsche shall be entitled to:

13.1.1. Retain all leasing installments paid up to that date and additional payments under the contract;

13.1.2. Collect from the client the outstanding amount of the financing, incl. all leasing installments and additional payments due and outstanding, which according to these general terms and conditions and the leasing contract shall be borne by the client;

13.1.3. To receive from the client a penalty equaling the positive difference between the rest value of the motor vehicle according to the payment schedule as of the termination date and the market value of the motor vehicle as of the same moment, which penalty shall be determined in accordance with the rule of the Art. 34.5.3. of the present General terms and conditions. In case the client has not returned the vehicle to Porsche the

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penalty's amount shall equal the vehicle's residual value as per repayment schedule at the moment of the contract cancelling increased by ten percent. The right to compensation for damages exceeding the amount of the penalty shall not be affected thereby.

13.1.4.To receive from the client a Lease Agreement alteration fee according to the Tariff of Fees.

13.2.In case of termination of the contract the client shall be bound to recover in addition also all damages to Porsche, such that may be additional consequences of the termination of the contract and in particular the receivables associated with the contract termination and the return of the motor vehicle (court and administrative fees, lawyer's fees, costs for service and maintenance, costs for the return of the motor vehicle, transport costs).

## 14. SEIZURE OF THE MOTOR VEHICLE

14.1.In all cases of premature termination of the contract the client is obliged to voluntarily return the motor vehicle to Porsche within the specified term and if such is not specified - on the first working day after termination of the contract. As exception under the previous sentence are valid only the cases where the premature termination takes place by virtue of a mutual written agreement between the client and Porsche, in which agreement it will be specified that the motor vehicle remains in possession of the client after signing the agreement. Should the client not fulfil its obligation to voluntarily return the motor vehicle within the specified term, Porsche may carry out a seizure of the vehicle.

14.2.The return of a leasing motor vehicle shall proceed at a dealer designated by Porsche and if such is not specified – at one of the specified addresses:

- Plovdiv, Bulgaria Blvd.121;
- Stara Zagora, 55 Nikola Petkov Blvd.;
- Varna, residential district Vladislav Varnentschik, 59 Treti Mart Blvd.;
- Burgas, Prof. Yakim Yakimov Blvd., North Industrial Zone, residential district Slaveykov.

Should the client not remove the accessories and objects in the motor vehicle such as additional fittings or improvements, which have been assembled in accordance with the general terms and conditions and the leasing contract, they shall become property of Porsche without any right of compensation. Porsche can undertake recovering of the former state of the motor vehicle at the client's expense if that is expected to bring about increasing of value of the motor vehicle (for example, setting of a corporate inscription).

14.3.The client shall return the motor vehicle on his own account in perfect operational and technically perfect condition, together with all the required and additionally installed accessories, provided with service book, spare keys and the keys with their codes. Otherwise, the client

shall pay cash compensation for the damages and remedy any damage evaluated by an expert. The costs for the eventual evaluation of the motor vehicle.

14.4.For the period after the contract termination, where the client has retained the motor vehicle the client shall owe Porsche a compensation amounting to one monthly leasing installment for each month commenced.

14.5.Should the client fail to return the motor vehicle after the contract termination, Porsche is entitled to take any legal measures to receive the motor vehicle back. Porsche may forthwith declare before the police the motor vehicle stolen/defalcated; undertake judicial proceedings against the client etc. Porsche shall be entitled to track down the motor vehicle by themselves and to seize it by force from the place of its location. The client shall reimburse all expenses in result of these measures.

14.6.The client agrees not to request from Porsche payment of compensation for damages for decoding the alarm system and other blocking systems in the motor vehicle which have been installed without the written consent of the lessor. The lessor shall not be responsible for any personal items in the motor vehicle at the time of its seizure or the confiscation of the leasing object.

14.7.Upon seizure of the motor vehicle the parties sign a protocol for seizure of the motor vehicle, which contains the actual indication of the mileage meter and all visible defects of the motor vehicle. Should the client refuse to sign the protocol it shall be signed by one representative of Porsche and one witness, and it has a binding effect upon the parties.

## 15. CHANGES TO THE GENERAL TERMS AND CONDITIONS

Changes of the General Terms and Conditions are allowed only in observance of the requirements of art. 147b of the Consumers Protection Act.

## 16. REIMBURSMENT OF EXPENSES

All fees, taxes, charges, cash fines and other expenses relevant to the conclusion of the contract, such pertaining to the contract conclusion and having arisen throughout the term of validity shall be paid or reimbursed by the client.

## 17. JURISDICTION

17.1.In the event of dispute arising out of or in connection with the leasing contract, it shall be referred to the relevant competent court or the Arbitration Court before the Bulgarian Chamber of Commerce and Industry, chosen at the claimant's discretion. Should the dispute be referred to the Arbitration Court of the Bulgarian Chamber of Commerce and Industry, its regulations shall apply.

17.2.The disputes arising out of the fulfillment of this leasing contract can be settled with out-of-court methods for reaching agreement, where compensations for the consumers can be determined according to Chapter XV

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of the Consumer Credit Act. The address of the Commission for Consumer Protection is: Sofia 1000, 4A Slaveykov Square, Floors 3, 4 and 6, tel.: 02/ 980 25 24.

## 18. ASSIGNMENT OF RIGHTS

Porsche may assign its rights and obligations under the present contract to third parties, and Porsche will not violate in no way the contractual rights thereby. In this case, the client can not terminate the contract, if the right assignment does not give rise to change of its contractual rights and obligations.

## 19. TERM OF THE CONTRACT

The term of the contract shall be determined in accordance with the leasing contract. The expiry of the term shall not bring about the termination of the contract, if outstanding obligations of the client under the leasing contract exist.

## 20. ENTRY INTO FORCE OF THE CONTRACT

20.1. By signing of the leasing contract, of which the present general terms and conditions are integral part, the client undertakes all obligations arising out of the contract and the general terms and conditions.

20.2. The leasing contract shall enter into force after the following pre-conditions have been cumulatively fulfilled on the client's part:

- credit check service fee;
- the down payment has been effected (if provided by the contract);
- provision of all contract guarantees;
- signature of the contract;
- the client has determined in writing which of the two options for financial leasing he has chosen: Option A. (Chapter B. of the present general terms and conditions) or Option B. (Chapter C. of the present general terms and conditions).

20.3. A prerequisite for obtaining the approval of Porsche for conclusion of the contract shall be the preliminary verification of the solvency of the client and the positive result of the verification.

20.4. Porsche has the right to request from the client the entry of the leasing contract into the Central Register of the Special Pledges. The entry into the Central Register of the Special Pledges serves as a warranty for the fulfillment of the obligations of the client towards Porsche.

20.4.1. The obligation of the client to perform the entry of the contract into the said register occurs at the time Porsche places such request. The request is sent in written or electronic form. All entry, entry renewal and entry deletion related costs shall be borne by the client.

20.4.2. The request for entry into the register can be placed either at the conclusion of the leasing contract or at later stage throughout the term of validity, if at Porsche's discretion such need has arisen.

20.4.3. If at the moment of placing the request under the previous paragraph the vehicle has not been delivered to the client Porsche has the right to refuse the delivery of the vehicle until the moment, where it receives an original copy of a document from the Central Register for Special Pledges, evidencing the accomplished entry.

20.4.4. If at the moment of placing the request under the previous paragraph the vehicle has already been delivered to the client and the client does not have the leasing contract entered within two weeks after the receipt of the request for entry Porsche has the right to terminate the leasing contract on the grounds of p.12.1.1 (non-fulfillment of obligation of the client).

## 21. OTHER PROVISIONS

21.1. The invalidity of any provisions of the contract shall not affect the validity of the entire contract. In such cases the parties will replace the invalid provision with valid one, respectively such following the goals and the meaning of the contract.

In the event of conflicts between the contract and the general terms and conditions, the contract shall prevail.

21.2. The personal data of the client shall be processed by the Finance Group Porsche Bulgaria for the purposes, on the grounds and as per all other conditions disclosed in the Notification for processing personal data, which inseparable part of the Information form provided to the client as of applying for the lease. For the entire term of validity of the leasing contract the client undertakes to notify Porsche for any change in the declared personal data.

21.3. The contract defines the kind of leasing (financial or residual value leasing).

21.4. Should the client express a wish to purchase the leasing vehicle prior to the end of the leasing contract he must have observed in advance the following conditions:

21.4.1. The client may apply for an early buy-up, partial repayment or another alteration of the contract only upon expiry of six months as of a receipt of the leasing motor vehicle.

21.4.2. The client shall apply to Porsche in writing and pay to Porsche by the 25th day of the month, in which the request for exercising this right is submitted, each of the following amounts:

- all payments due under the leasing contract up to the moment of the preliminary purchase;
- the full amount of the non-paid part of the amount of financing as of the moment of the preliminary purchase;
- lease agreement alteration fee according to the Tariff of Fees;
- all payments shall be effected until 25<sup>th</sup> day of the month of the preliminary purchase;



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- 21.4.3. In case that the client has submitted the request under p.21.4.2 up to the 15<sup>th</sup> day (incl.) of the current month Porsche considers the request and does express an opinion within 7 working days. If the request is submitted after the 15<sup>th</sup> day of the current month Porsche considers it and does express an opinion up to 15<sup>th</sup> day of the next month. If all requirements under p. 21.4.2 are met, and Porsche has replied to the client in the affirmative in writing, Porsche is obliged to transfer to the client the title on the motor vehicle within 7 (seven) working days after the expiry of the relevant term under the two previous sentences. If the client does not appear in the office of Porsche for the purpose of transferring the title, then the provision of p. 26.3 shall analogically apply; in this case the 30-day term starts to elapse after the day, where Porsche has sent to the most recently known address of the client a written request to appear in the office for the purpose of transferring the title.
- 21.4.4. The leasing contract is terminated with effect from the date, on which all due payments under p.21.4.2 have been received on the bank account of Porsche.
- 21.4.5. Porsche shall transfer the title over the motor vehicle to the client within 15 days after the termination under p. 21.4.4. All expenses related to the transfer of the title shall be borne by the client.
- 21.5. By signing the leasing contract the client declares that the address for correspondence provided by it, including telephone, fax and e-mail, is updated and binding, whereas all notifications sent to this address shall be deemed duly served to the client in any case when the

fact of their sending can be proved. The client shall be obliged to notify in written Porsche for each change of the address provided in the contract; otherwise the previous sentence shall apply with respect to the last address announced to Porsche.

- 21.6. Subject to terms and conditions under p.5.10 and 21.4.1, the client is entitled to repay earlier part of its obligations that are not yet due (principal). For the earlier repayment to take effect, the client and Porsche shall sign a written annex to the leasing contract wherein they agree upon the financial conditions of the leasing after the premature repayment and accept a new payment schedule accordingly.
- 21.7. Subject to the terms and conditions under p.5.10 and 21.4, the client is entitled to request from Porsche an alteration of the leasing contract, namely: substitution of the lessee by another person. In this case, Porsche can at its own discretion and after checking the creditworthiness of the other person, accept or decline the client's request. In any case, the check related expenses shall be borne by the client, if they exceed the amount of the fee under p.5.10. Should the client's request be approved by Porsche, the substitution takes effect after signing a tripartite agreement and only if the substituting person entirely and unconditionally accepts the provisions of the leasing contract and the General Terms and Conditions thereto.

## B. SPECIAL CONDITIONS FOR FINANCIAL LEASING WITHOUT RESIDUAL VALUE (Option A)

### 22. MOTOR VEHICLE ORDER

Upon order of the client Porsche acquires the motor vehicle from the supplier and delivers it to the client for use.

### 23. TRANSFER OF RISK

Upon delivery of the motor vehicle the risk is transferred on the client. In the event of delay of the acceptance on the part of the client this risk shall be transferred thereon as from the moment of expiry of the deadline within which the client should have accepted the motor vehicle.

### 24. AMOUNT OF FINANCING UNDER FINANCIAL LEASING

Upon financial leasing contract Porsche finances the entire difference between the financial value of the contract and the initial installment (full financing). The amount of financing under the financial leasing contract equals the difference between financial value of the contract and the initial installment.

### 25. LAST RECONCILIATION BILL

25.1. Upon expiry of the contract or after its premature termination, in compliance with the provisions of p.13.1 Porsche calculates the leasing installments paid so far and the other payments received from the client. On such grounds Porsche prepares an equalization bill, describing all payments outstanding and payable by the client so far, arising from the leasing contract, its annexes and the general terms and conditions. Should the client have debts he shall be issued an invoice indicating the amount due. The amount under the invoice shall be paid by the client within 14 days after its delivery. After expiry of that period the lessor has the right to utilize the guarantees provided.

25.2. If the invoice under the preceding article cannot be delivered at client's fault its payment deadline commences as from the date of issue of the invoice.

### 26. ACQUISITION OF THE MOTOR VEHICLE

26.1. Upon the payment of the last leasing installment and in the cases where there is a final reconciliation bill – after its payment to Porsche and if no outstanding previous

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liabilities ensuing from the leasing contract exist, the client acquires the right to obtain the title over the motor vehicle with no other payment or statement being necessary. In this case Porsche shall transfer to the client the title in the form provided by the law. All transfer related taxes and fees shall be borne by the client.

- 26.2. The client also can on the conditions of the previous point select a third party, who shall acquire the motor vehicle instead of the client.
- 26.3. Should the client or the third person assigned by him does not take advantage of the right to acquire the vehicle within 30 days after the day this right arose, the client shall pay to Porsche a fee amounting the sum defined in the Tariff for each started calendar month of the delay. Should the client or the third person assigned by him does not take advantage of the right to acquire the vehicle within one year after the day this right arose, the

client or the third person shall lose this right to acquire the vehicle. After the expiry of this period Porsche can freely dispose of the motor vehicle. If in this case the client or the third person appears after the term and Porsche transfers to him at its own discretion the title on the motor vehicle, a precondition for the transfer shall be the client has to pay to Porsche all costs related to the motor vehicle incurred by the latter, incl. premiums for Casco insurances or third party liability insurance, parking expenses and any other expenses related to the motor vehicle up to the date of the transfer as well as a fee according to the Tariff of Fees.

- 26.4. All costs related to the purchase/sale of the motor vehicle, including taxes, charges etc. Shall be at the purchaser's expense.

## C. SPECIAL CONDITIONS FOR RESIDUAL VALUE LEASING (Option B)

### 27. ORDER OF THE MOTOR VEHICLE

By order of the client Porsche acquires the motor vehicle from the supplier and delivers it to the client for use.

### 28. RISK TRANSFER

Upon delivery of the motor vehicle the risk is transferred to the client. In the event of delay of the client this risk is transferred thereon as of the time of expiry of the deadline, within which the client should have accepted the motor vehicle.

### 29. AMOUNT OF FINANCING AND RESIDUAL VALUE UNDER RESIDUAL VALUE LEASING

The residual value leasing contract is a type of financial lease under which a certain part of the amount of financing is not included in the monthly leasing installments in the form of principal. That not included part of the amount of financing for the purposes of that type of contract is called **residual value**. The amount of the residual value is determined in the leasing contract upon its conclusion. The residual value is subject to interest charges. Concerning acquisition of the motor vehicle after expiry of the contract applicable are the special rules of this section C.

### 30. TERM

The residual value leasing contract is concluded for a term, which is not longer than 72 months. In each particular case the term is fixed in the leasing contract.

### 31. FIXED MILEAGE

- 31.1. The residual value leasing contract contains a fixed annual mileage limit (annual mileage) for the whole term of the leasing contract. Multiplying the annual mileage with the number of the years in the whole contract's

term results in fixed limit for mileage for the whole contract's term (general limit). Should the general limit be exceeded by more than 2500 km (two thousand and five hundred kilometers), the client shall owe an additional lease remuneration to the amount of 30% of the price rate (in so far as the lease remuneration is stipulated in euros by definition), determined in the following way:

- a) The monthly lease remuneration is divided by the average monthly mileage, which in its turn is determined by dividing the fixed annual mileage by 12;
- b) The derived quotient is multiplied by the difference between the established kilometers above the fixed general mileage minus 2500.

- 31.2. The client shall inform Porsche if he exceeds the annual mileage of more than 2500 kilometers. In this case, Porsche prepares a new repayment plan for the period until the expiration of the contract and submit it to the client, and the client is obliged to observe the new repayment plan with the changed amount of monthly installment stated therein. In case the client fails to inform Porsche for the exceeding of the annual mileage within one month from the moment of exceeding, Porsche shall be entitled to prepare repayment plan from the moment of becoming aware of the exceeding and the change entries into force for the client from the moment of exceeding. If Porsche becomes aware for the exceeding after the expiry of the leasing contract, the client will be charged with an additional fee under Article 31.1 and he is obliged to pay Porsche after receiving of the invoice.

### 32. STATE OF THE MOTOR VEHICLE AND INSPECTION

- 32.1. The client is obliged to maintain the motor vehicle in a faultless condition in compliance with these terms and conditions so that at any time its market value should not be smaller than the outstanding part of the amount of financing.

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32.2. The client is obliged to notify Porsche immediately and in writing of any events, which may have a negative influence on the market value of the motor vehicle.

32.3. The client is obliged to have the motor vehicle maintained in a service shop specified by Porsche and if such is not specified - in the service shops of the official importer of the mark.

32.4. Porsche is entitled to inspect the motor vehicle at any time or to request the client to present it for inspection in order to ascertain its mileage and condition.

32.5. Should Porsche ascertain during an inspection that the motor vehicle has failures, which are not covered by an insurance indemnity, or it is in neglected or other bad condition, which decreases its market value, Porsche is entitled to unilaterally calculate anew and to decrease the residual value specified in the contract, to alter the repayment schedule and increase the leasing installments. The increase proceeds on the basis of expert opinion of the official importer of the trademark, who determines the value of the failures (wear and tear) and the decreased market value of the motor vehicle. The client accepts this procedure of evaluation and has no right to object to the expert opinion. The increase becomes binding for the client as of the moment the notice of increase is delivered to the last address indicated by the client to Porsche.

### 33. RESPONSIBILITY AND SANCTIONS

33.1. Should the client fail to fulfill its obligations for notification under p.31.2 and 32.2 or should the client fail to fulfill its obligations under the new repayment schedule, respectively the increase of the leasing installments under p.31.2 and 32.5 Porsche has the right to unilaterally cancel the contract through default and to request immediate return of the motor vehicle.

33.2. In the cases under the previous article the client is obliged with no further request within 3 days after termination of the contract to pay Porsche a penalty in the amount of the outstanding part of the amount of financing. After receiving the full amount of the penalty Porsche shall transfer the ownership of the vehicle to the client in the due legal form.

### 34. OPTIONS FOR ACQUISITION AFTER EXPIRY OF THE TERM OF THE CONTRACT

34.1. After expiry of the term of the contract the client is entitled to one of the following options:

34.1.1. To return the motor vehicle according to the procedure under p. 14 hereof;

34.1.2. To conclude a new leasing contract for the same motor vehicle under the conditions of financial leasing, unless otherwise agreed below, supposed that he is approved for the new leasing contract. The amount of financing under the new leasing contract equals the residual value of the motor vehicle according to the

residual value leasing contract preceding it, unless reasons for a new calculation of the residual value exist. The sum of the term of the new leasing contract in months plus the term of the previous leasing contract in months can not exceed 96 months for the same motor vehicle. After expiry of the term of the new leasing contract the client is entitled to acquire the motor vehicle under the procedure of p. 25 and p. 26 hereof. If the client chooses this p. 34.1.2. he shall be obliged to submit all the documents required by Porsche for concluding a new leasing contract and, if approved by Porsche, to conclude the new leasing contract within one month after the expiring of the previous leasing contract. Should the client omit this term Porsche acquires the right to decide unilaterally about choosing some of the other two options.

34.1.3. To exercise an option for acquisition of the motor vehicle if he in advance pays to Porsche the full amount of the residual value of the motor vehicle according to the last effective repayment schedule. This residual value is paid in full no later than the date of the notarial deal for transfer of ownership over the motor vehicle. An absolute precondition for the arising of this option at the moment of transferring the vehicle's ownership shall be the complete lack of due obligations of the client towards Porsche from the leasing contract or from any other leasing contract concluded between the client and Porsche. If all preconditions are fulfilled Porsche shall be obliged to transfer the vehicle to the client in the due legal form. All costs and taxes for the transferring shall be born by the client.

34.2. The client is obliged no later than within one month before expiry of the leasing contract to choose one of the three options under p. 34.1.1 or p.34.1.2 or 34.1.3. Should the client fail to fulfill this obligation within the term stipulated Porsche has the right after expiry of said term to make a choice at its own discretion and to address a unilateral written notice to the client in order to inform him about the choice of option. This choice becomes binding for the client as of the moment of delivery of the said notice to the address, which the client has specified in the contract.

34.3. Upon expiry of the contract term and provided that the client has chosen the options under p.34.1.1 or 34.1.2, an inspection of the motor vehicle has to be performed. The client is obliged without an express request to present the motor vehicle for inspection at least 7 days prior to the last day of the validity term of the contract.

Should an exceeding of the fixed total mileage for the entire term of the contract or failures or defects whatsoever, which could decrease the market value of the motor vehicle towards the agreed residual value be ascertained during the inspection, a compulsory re-

## Porsche Leasing BG EOOD

calculation of the residual value according to p.31.4, respectively p.32.5 shall be carried out.

In such case the client is obliged to pay to Porsche the difference between the agreed and the re-calculated residual value on the last day of the term of the residual value leasing contract at the latest.

In the hypothesis of p.34.1.2 the new leasing contract is concluded on the basis of the re-calculated residual value, which represents the amount of financing thereunder.

34.4. The client is not entitled to request an increase of the residual value under any circumstances whatsoever, including (but not only) if the motor vehicle has a mileage smaller than the mileage set out under art. 31.1 as of the end of a given period.

34.5. When the client chooses the returning of the vehicle as per p. 34.1.1., following rights and obligations shall arise for him:

34.5.1. If there are damages on the vehicle the client shall be obliged to have registered any damage with the insurer before returning the car, as well as to deliver to Porsche all documents about proving the registering and about the insurer assigning the authorized for the car's brand service with the repairing of the damages. If not fulfilling these obligations the client shall pay to Porsche a penalty amounting 500 BGN.

34.5.2. The car has to be returned completely cleaned inside and outside.

34.5.3. After the car is returned Porsche shall assign a licensed evaluator listed in the evaluators' list of the Sofia City court with evaluating the market price of the vehicle as per the returning date. The client shall be obliged to repay to Porsche all the costs related to the vehicle's selling including the evaluation, taxes, commissions etc.

34.5.4. If there is a difference between the market price ascertained through the evaluation from the previous point and the residual value from the cancelled leasing contract and this difference is positive, Porsche shall pay the amount of this difference to the client. If this difference is negative the client shall be obliged to pay the difference amount to Porsche reduced by the amounts the client already paid to Porsche for exceeded mileage limit as per p. 31.1.

34.5.5. If the client does not agree with the evaluation amount from the p. 34.5.4. the client shall be entitled within 14 days after he learned about the evaluation to offer to Porsche buyers for the vehicle who are ready to pay a price higher than the evaluation. In this case the rule from the previous point shall be applied equally whereby the price received by Porsche shall be taken as base for the calculation of the difference.



# Porsche Leasing BG EOOD

## Annex 1 to Lease Contract of Porsche Leasing BG EOOD General Tariff of Fees

No.	Description	Amount
1	One-off handling fee	1,5% of the motor vehicle price
2	Fee for examination of client's requests upon alteration of leasing contract, issuance of permissions or other documents pertaining to the contract, regardless of whether the requests were approved or not.	50 BGN
3	Lease Agreement alteration fee	250 BGN
4	Fee for premature cancelation of Lease Agreement according to art. 21.5.2 of the General Terms and Conditions	2,5% of the entire outstanding principal
5	Fee for payment of the insurance premium in installments The insurance premium is to be increased by the following percentages:	
	a) 2 installments	0,15 percentage from the insurance amount
	b) 3 installments	0,17 percentage from the insurance amount
	c) 4 installments	0,27 percentage from the insurance amount
	d) 12 installments	0,50 percentage from the insurance amount
6	Fee for an additional key /added to the key price/	50 BGN
7	Fee for issuing a letter of authorization by Porsche Leasing BG EOOD to the client	25 BGN/pc
	Fee for issuing a letter of authorization by Porsche Leasing BG EOOD for less than 3 days	40 BGN/pc
8	Fee for repeated sending of original exemplar of a document already issued (invoice, bill)	2 BGN/pc
9	Fee for registration of a motor vehicle before the Traffic Police + autose	295 BGN
	Additional fee for registration/re-registration of a motor vehicle with number chosen by the client	100 BGN
	Fee for re-registration of a motor vehicle upon alteration of ownership with no change of license plate	140 BGN
	Fee for re-registration of a motor vehicle owned by Porsche Leasing BG EOOD upon change of color, motor number	180 BGN
	Fee for re-registration of a motor vehicle owned by Porsche Leasing BG EOOD upon change of license plate, release for operation	240 BGN
	Termination of registration	100 BGN
	Fee for duplicate of registration certificate	90 BGN
	Temporary license plate	130 BGN
	Renewal of a temporary license plate	150 BGN
	Writing down a user into the certificate	90 BGN
10	Written check-up upon client's request about the balance of liabilities	20 BGN
11	Penalty fee upon non-transfer of ownership after expiring of the Lease Agreement term	50 BGN for each commenced month of delay
12	Fee for delivery of summons for payment according to art. 8.4.1, in connection with art. 8.1 of the General Terms and Conditions	
	a) for a first summons	10 EUR
	b) for a second summons	15 EUR
	c) for a third summons and any next summons or agreement termination warning/notice	20 EUR
13	Processing fee according to art. 9.4. of the General Terms and Conditions	100 EUR
14	Fee for locating and transportation according to art. 10.3.3 of the General Terms and Conditions	1560 BGN

- Prices are final and include VAT;
- Prices under p.12 of The General Terms and Conditions of Porsche Leasing BG EOOD are not VAT chargeable in compliance with the VAT Act;
- Prices in EUR are calculated in BGN according to the central exchange rate of the Bulgarian National Bank;