

BMW

Memo

To: Gary Scott
Company: DuPont

From: Walter Malec
Dept.: US -A-16

Date: 6/29/09

Re: **Paint Product Approvals for BMW NA**

Mr. Scott,

The official position of BMW NA for the U.S.A. market regarding Approved Paint Products for warranty repairs begins with the second paragraph in this letter. The official position for the Certified Collision Repair Center (CCRC) Program will be ColorSystem BMW Group products only for BMW repairs. The current CCRC's have been notified of this requirement. BMW National and Regional Offices are currently working with each CCRC on a conversion plan. Effective 10/10/07 any new body shops added to the CCRC Program are required to also use ColorSystem BMW Group products only for BMW repairs.

Paint finish is covered for defects in material or workmanship during the new vehicle warranty period. Damage due to stone chips, nicks, dents, acid rain, industrial fallout, other environmental influences, and normal deterioration, such as fading, discoloration, or loss of luster, as well as damage caused by lack of maintenance, excessive rubbing, the use of improper cleaners, polishes or waxes, are not a warranty matter. All paint repairs require prior Market Team inspection and authorization.

BMW approved paint materials used for refinishing, performed under the New Vehicle Limited Warranty, and applied by qualified personnel certified in the application process of these products, will be warranted against defects in material (of the paint itself) for the duration of the New Vehicle Limited Warranty or the ColorSystem BMW Group, Glasurit, Spies Hecker, and Standox 5 year warranties, whichever is longer. Neither warranty is applicable due to workmanship problems (on the part of the painter) from a previous repair.

ColorSystem BMW Group, Glasurit, Spies Hecker, Standox are the only approved refinishing products for use on BMW vehicles. BMW certified body shops will use the ColorSystem based on the agreement in place.

Paint training is a prerequisite for consideration under this paint warranty. Paint system training is available through the BMW NA National Training Department and through the BASF or DuPont Performance Coatings (DPC) Regional Training Centers. Independent body shops doing sublet work for BMW centers must also be trained. To maintain warranty eligibility, painters must continue to update their training to be concurrent with actual products and application methods.

For vehicles covered by the New Vehicle Limited Warranty, claims should be submitted through the BMW NA warranty system. Labor performed at a BMW center will be paid at the center's labor rate. Labor performed by an independent body shop will be paid at the labor rate of that shop.

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Sublet claims are reviewed on a case by case basis for reasonableness given the market conditions on the date of the repair. The acceptance of the sublet labor rate is dependent upon a comparison with the labor rate of the BMW center coordinating the repairs. Sublet reimbursement is based on actual center cost. All sublet claim comments must fully explain the details of the actual paint failure and any prior related paint repairs.

For repairs to previously refinished areas on a vehicle no longer covered under the New Vehicle Limited Warranty, claims should be submitted through the BMW NA warranty system or to BASF or Dupont Performance Coatings (DPC) as outlined in the BASF or DPC Warranty Statements.

For initial paint defects and repairs performed on vehicles still within the New Vehicle Limited Warranty, authorization is required from your Market Team only.

For any subsequent repair of the same area on vehicles still within the New Vehicle Limited Warranty, joint authorization is required from both your Market Team and your BASF or DPC representative.

Repairs to previously refinished areas on vehicles no longer covered under the New Vehicle Limited Warranty require the authorization of your Market team, BASF or DPC representative only.

Full documentation will be required for any consideration, including copies of the original (first) repair order documenting the use of BMW approved materials in the course of the repairs.

Always refer to the most recent Service Information Bulletin for all applicable coverage's and exclusions.