

Supplementary information on agenda item 9.3:

Currently existing Profit and Loss Transfer Agreement
between BMW AG and BMW Bank GmbH
as amended on 9 March 2021

Amendment Agreement to the Profit and Loss Transfer Agreement

between

Bayerische Motoren Werke Aktiengesellschaft with its registered office in Munich and entered in the Commercial Register of Munich District Court under HRB 42243,

– hereinafter referred to as the “Controlling Entity”

and

BMW Bank GmbH, with its registered office in Munich and entered in the Commercial Register of Munich District Court under HRB 82381,

– hereinafter referred to as the “Controlled Entity” –

– The Controlling Entity and the Controlled Entity are hereinafter also referred to individually as the “Party” or collectively to as the “Parties” –

Preamble

The Controlling Entity is the sole shareholder of the Controlled Entity. The Parties entered into a profit and loss transfer agreement (hereinafter referred to as the “Profit and Loss Transfer Agreement”) on 15 March 2010.

As a result of an amendment to Art. 28 (3) of EU Regulation No. 575/2013 (Capital Requirements Regulation (CRR) as well as an amendment to § 10 (5) of the German Banking Act (KWG), individual provisions of the Profit and Loss Transfer Agreement are to be adapted to the new legal situation. The consolidated version of the Profit and Loss Transfer Agreement resulting from the following amendments is attached to this agreement as an **Appendix**.

On this basis, the Parties agree on the following:

1. The preamble is amended to read as follows:

“The Controlling Entity is the sole shareholder of the Controlled Entity.”

2. Sections 1.3, 1.4 and 1.5 are amended to read as follows:

“1.3.

The Controlled Entity may allocate amounts from the net profit for the year to revenue reserves (§ 272 (3) HGB) – with the exception of the statutory reserves, to the extent relevant – (hereinafter “other revenue reserves”) or to the special item “Fund for general banking risks” pursuant to § 340g HGB, insofar as this is permissible under commercial law and, to the extent that the allocation to other revenue reserves is concerned, insofar as this is economically justified based on a reasonable commercial assessment or, to the extent that the allocation to the special item “Fund for general banking risks” is concerned, insofar as it is necessary based on a reasonable commercial assessment due to the special risks of its business sector as a credit institution.

1.4

Other revenue reserves formed during the term of the agreement must be dissolved at the request of the Controlling Entity and used to offset a net loss for the year or transferred as profit. However, the Controlled Entity is not obliged to dissolve other revenue reserves for the purpose of profit transfer pursuant to Sentence 1 if the requested profit transfer would result in the Controlled Entity no longer having sufficient equity. The transfer of pre-contractual capital and revenue reserves is excluded.

1.5

The claim to profit transfer shall become due with the adoption of the annual financial statements of the Controlled Entity.”

3. The existing Section 2.3 is deleted. The following is added as a new Section 2.3:

“2.3.

The claim to loss compensation shall become due on the balance sheet date of the Controlled Entity.”

4. Section 3 is amended to read as follows:

“3. Effective date and duration of the Agreement

3.1

This Agreement is concluded subject to the approval of the Annual General Meeting of the Controlling Entity and the approval of the shareholders’ meeting of the Controlled Entity. It becomes effective upon entry in the commercial register of the Controlled Entity and applies for the period from the beginning of the fiscal year of the entry.

3.2

The Agreement had a minimum term of five years, which expired on 31.12.2014. The Agreement shall be extended for further periods of one year each following the minimum term unless it is terminated by one Party at least six weeks before its expiry with effect from the end of a fiscal year of the Controlled Entity. The termination shall not affect the contractual obligations of the Parties, in particular the duty of the Controlling Entity to compensate losses, until the termination takes effect.”

5. In all other respects, the provisions of the Profit and Loss Transfer Agreement of 15 March 2010 shall continue to apply unchanged.

6. The Amendment Agreement is concluded subject to the approval of the Annual General Meeting of the Controlling Entity and the shareholders’ meeting of the Controlled Entity. It becomes effective upon entry in the commercial register of the Controlled Entity and applies for the period from the beginning of the fiscal year of the entry.

Munich, 9 March 2021

Bayerische Motoren Werke Aktiengesellschaft

[SIGNATURE]

Dr. Nicolas Peter

[SIGNATURE]

ppa. Jonathan Townsend

BMW Bank GmbH

[SIGNATURE]

Dr. Kathrin Kerls

[SIGNATURE]

Dr. Winfried Müller

Annex

Profit and Loss Transfer Agreement

(as amended on 9 March 2021)

between

Bayerische Motoren Werke Aktiengesellschaft with its registered office in Munich and entered in the Commercial Register of Munich District Court under HRB 42243,

– hereinafter referred to as the “Controlling Entity” –

and

BMW Bank GmbH, with its registered office in Munich and entered in the Commercial Register of Munich District Court under HRB 82381.

– hereinafter referred to as the “Controlled Entity” –

– The Controlling Entity and the Controlled Entity are hereinafter also referred to individually as the “Party” or collectively as the “Parties” –

Preamble

The Controlling Entity is the sole shareholder of the Controlled Entity.

1. Profit Transfer

1.1

The Controlled Entity undertakes to transfer its entire profit to the Controlling Entity. The provisions of § 301 of the German Stock Corporation Act (AktG) shall apply in full as amended from time to time.

1.2

Accordingly, subject to the formation or release of reserves pursuant to Sections 1.3 and 1.4 below – profit is the total annual net profit arising without the profit transfer, reduced by any loss carried forward from the previous year and reduced by the other deductions listed in § 301 AktG, as amended from time to time, insofar as they are applicable for the Controlled Entity.

1.3

The Controlled Entity may allocate amounts from the net profit for the year to revenue reserves (§ 272 (3) HGB) – with the exception of the statutory reserves, to the extent relevant – (hereinafter “other revenue reserves”) or to the special item “Fund for general banking risks” pursuant to § 340g HGB, insofar as this is permissible under commercial law and, to the extent that the allocation to other revenue reserves is concerned, insofar as this is economically justified based on a reasonable commercial assessment or, to the extent that the allocation to the special item “Fund for general banking risks” is concerned, insofar as it is necessary based on a reasonable commercial assessment due to the special risks of its business sector as a credit institution.

1.4

Other revenue reserves formed during the term of the agreement must be dissolved at the request of the Controlling Entity and used to offset a net loss for the year or transferred as profit. However, the Controlled Entity is not obliged to dissolve other revenue reserves for the purpose of profit transfer pursuant to Sentence 1 if the requested profit transfer would result in the Controlled Entity no longer having sufficient equity. The transfer of pre-contractual capital and revenue reserves is excluded.

1.5

The claim to profit transfer shall become due with the adoption of the annual financial statements of the Controlled Entity.

2. Loss compensation

2.1

The provisions of § 302 AktG shall apply in full as amended from time to time.

2.2

In particular, the Controlling Entity shall be obliged pursuant to § 302 (1) AktG to compensate any net loss for the year otherwise arising during the term of this agreement, unless such net loss is offset by withdrawing amounts from the other revenue reserves which were allocated to such other revenue reserves during the term of this agreement.

2.3

The claim to loss compensation shall become due on the balance sheet date of the Controlled Entity.

3. Effective date and duration of the Agreement

3.1

This Agreement is concluded subject to the approval of the Annual General Meeting of the Controlling Entity and the approval of the shareholders' meeting of the Controlled Entity. It becomes effective upon entry in the commercial register of the Controlled Entity and applies for the period from the beginning of the fiscal year of the entry.

3.2

The Agreement had a minimum term of five years, which expired on 31.12.2014. The Agreement shall be extended for further periods of one year each following the minimum term unless it is terminated by one Party at least six weeks before its expiry with effect from the end of a fiscal year of the Controlled Entity. The termination shall not affect the contractual obligations of the Parties, in particular the duty of the Controlling Entity to compensate losses, until the termination takes effect.

4. Final provisions

Should individual provisions of this Agreement be or become invalid, or should this Agreement contain loopholes, this shall not affect the validity of the remaining provisions.

In such a case, insofar as a supplementary interpretation of the Agreement is not possible, the Parties shall agree on the provision which would have been agreed taking into account the purpose of the Agreement if the ineffectiveness of the provision or the loophole had been known from the outset.