

### **Third Supplement dated 13 January 2025**

to the Base Prospectus dated 10 May 2024

relating to the EUR 50,000,000,000 Euro Medium Term Note Programme of BMW Group

*This document constitutes a supplement (the "**Third Supplement**") for the purpose of Article 8(10) and 23(1) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**") to the base prospectus for securities relating to the EUR 50,000,000,000 Euro Medium Term Note Programme for the issue of Notes of Bayerische Motoren Werke Aktiengesellschaft ("**BMW AG**"), BMW Finance N.V. ("**BMW Finance**"), BMW US Capital, LLC ("**BMW US Capital**"), BMW International Investment B.V. ("**BMW International Investment**") and BMW Japan Finance Corp. ("**BMW Japan**") (each an "**Issuer**", and, together, the "**Issuers**") and BMW AG in its capacity as guarantor (the "**Guarantor**") in respect of non-equity securities within the meaning of Article 2(c) of the Prospectus Regulation, as amended, as supplemented by the first supplement dated 5 August 2024 and the second supplement dated 12 September 2024 (the "**Base Prospectus**").*

**BMW  
GROUP**



**Bayerische Motoren Werke Aktiengesellschaft**

Munich, Federal Republic of Germany

**BMW Finance N.V.**

The Hague, the Netherlands

**BMW US Capital, LLC**

Wilmington, Delaware, USA

**BMW International Investment B.V.**

The Hague, the Netherlands

**BMW Japan Finance Corp.**

Minato-ku, Tokyo, Japan

**EUR 50,000,000,000**

**Euro Medium Term Note Programme**

unconditionally and irrevocably guaranteed by

**Bayerische Motoren Werke Aktiengesellschaft**

Munich, Federal Republic of Germany

This Third Supplement is supplemental to, and should only be distributed and read together with, the Base Prospectus. Terms defined in the Base Prospectus have the same meaning when used in this Third Supplement. To the extent that there is any inconsistency between (a) any statement in this Third Supplement and (b) any other statement prior to the date of this Third Supplement, the statements in (a) will prevail.

This Third Supplement has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") and will be published in electronic form on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)).

Each of the Issuers and the Guarantor has requested the CSSF in its capacity as competent authority under the Prospectus Regulation to approve this Third Supplement and to provide the competent authorities in the Federal Republic of Germany, the Republic of Austria and The Netherlands with a certificate of approval (a "**Notification**") attesting that this Third Supplement has been drawn up in accordance with the Prospectus Regulation. Any of the Issuers and/or the Guarantor may request the CSSF to provide competent authorities in additional Member States within the European Economic Area with a Notification.

By approving this Third Supplement, the CSSF shall give no undertaking as to the economic and financial soundness of the operation or the quality or solvency of any of the Issuers and the Guarantor in line with the provisions of Article 6(4) of the Luxembourg act relating to prospectuses for securities dated 16 July 2019 (*Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières et portant mise en oeuvre du règlement (UE) 2017/1129*).

The Issuers and the Guarantor are solely responsible for the information given in this Third Supplement. Each of the Issuers and the Guarantor hereby declares, having taken all reasonable care to ensure that such is the case, that to the best of its knowledge, the information contained in this Third Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than those contained in the Base Prospectus or this Third Supplement in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Guarantor, the Dealers or any of them.

This Third Supplement does not constitute an offer of, or an invitation by or on behalf of the Issuers, the Guarantor or the Dealers to subscribe for, or purchase, any Notes.

**IN ACCORDANCE WITH ARTICLE 23 (2) OF THE PROSPECTUS REGULATION, WHERE THE BASE PROSPECTUS RELATES TO AN OFFER OF NOTES TO THE PUBLIC, INVESTORS WHO HAVE ALREADY AGREED TO PURCHASE OR SUBSCRIBE FOR ANY NOTES BEFORE THE THIRD SUPPLEMENT IS PUBLISHED HAVE THE RIGHT, EXERCISABLE WITHIN THREE WORKING DAYS AFTER THE PUBLICATION OF THIS THIRD SUPPLEMENT, I.E. UNTIL 16 JANUARY 2025, TO WITHDRAW THEIR ACCEPTANCES, PROVIDED THAT THE SIGNIFICANT NEW FACTOR, MATERIAL MISTAKE OR MATERIAL INACCURACY AROSE OR WAS NOTED BEFORE THE FINAL CLOSING OF THE OFFER TO THE PUBLIC OR THE DELIVERY OF THE NOTES, WHICHEVER OCCURS FIRST. INVESTORS WISHING TO EXERCISE THEIR RIGHT OF WITHDRAWAL MAY CONTACT THE RELEVANT DEALER/INTERMEDIARY.**

The Issuers and the Guarantor announce the following changes with regard to the Base Prospectus:

## Part A – Amendments to the section DESCRIPTION OF BAYERISCHE MOTOREN WERKE AKTIENGESELLSCHAFT

1. In the section "*DESCRIPTION OF BAYERISCHE MOTOREN WERKE AKTIENGESELLSCHAFT*", the fourth paragraph of sub-section "*Legal Proceedings*" / "*Other Matters*" on page 252 of the Base Prospectus shall be replaced by the following:

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In the United Kingdom, there have been a number of complaints from motor finance customers concerning motor dealers and lenders, including BMW Financial Services (GB) Ltd ("**BMW FS UK**"). This also includes county court litigation and one group action. Customers are claiming compensation for alleged unfairness arising from the historical use of discretionary commission arrangements ("**DCA**") which may have resulted in the customer paying a higher annual percentage rate.

In three cases not involving BMW FS UK but brought against other lenders (all of which involved DCAs), the UK Court of Appeal ("**CoA**") handed down a single judgement on 25 October 2024. The CoA concluded that motor dealers owe both a disinterested duty and an ad hoc fiduciary duty to their customers (as borrowers) and therefore are obligated to disclose the amount and nature of any commission payments received and obtain informed customer consent for such payments. Where the payment of commission is not adequately disclosed, it is deemed "secret" and treated as a civil bribe, which constitutes a breach of a motor dealer's fiduciary duty.

While the motor dealer is responsible for disclosing the commission and obtaining informed consent, the CoA held that where there is no disclosure of commission, the lender is also directly liable to the customer on the basis that the lender knew or should have known that the commission payment was a civil bribe. In the case of a partial disclosure of commission, the lender is liable as an accessory to a claim for breach of fiduciary duty against the motor dealer.

As this ruling appears to conflict with known market practice, it could have far reaching consequences for the UK finance sector and potentially impact all of BMW FS UK's finance products involving a commission paid to a motor dealer.

Accordingly, an application for permission to appeal the judgment to the UK Supreme Court was made by the lenders involved in the CoA cases with the written support of BMW FS UK, various trade bodies, and the Financial Conduct Authority ("**FCA**"). That application has been granted and due to the significance for the UK finance sector, the expedited appeal is set to take place in April 2025.

The final remedies available, if any, will depend on the Supreme Court's decision. If the Supreme Court were to confirm all aspects of the CoA judgment, affected customers may e.g. be entitled to either a refund of all monies paid under the finance agreement less an amount equal to the benefit a customer received from the use of the vehicle, or a refund of the commission plus interest.

In view of this appeal process, BMW FS UK is applying for all DCA litigation cases it is involved in to be stayed until the Supreme Court has delivered its judgement.

In addition, the FCA is also reviewing historical motor finance commission arrangements but has announced that it will not make any material announcements about any potential redress scheme until it has considered the outcome of the Supreme Court appeal. BMW FS UK is one of eleven lenders that were selected by the FCA to provide information in the context of the FCA's review and has complied with such request.

The total potential negative financial impact on BMW Group can therefore not be assessed at this stage.

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