



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 Australia Finance Limited

Melbourne, Victoria, Commonwealth of Australia

ABN 78 007 101 715

BMW Japan Finance Corp.

Chiyoda-ku, Tokyo, Japan

EUR 35,000,000,000

Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed by

Bayerische Motoren Werke Aktiengesellschaft

Munich, Federal Republic of Germany

Arranger

Deutsche Bank

Dealers

BNP PARIBAS

Credit Suisse

**Barclays
Commerzbank**

J.P. Morgan

The Royal Bank of Scotland

Morgan Stanley

**Citigroup
Deutsche Bank
Société Générale
Corporate & Investment
Banking**

UniCredit Bank

Principal Paying Agent

Deutsche Bank

In relation to notes issued under this Programme (as defined in "General Description of the Programme – General"), application has been made to the *Commission de Surveillance du Secteur Financier* (the "CSSF") of the Grand-Duchy of Luxembourg ("Luxembourg") in its capacity as competent authority (the "Competent Authority") under the Luxembourg "Act on Securities Prospectuses" (*loi relative aux prospectus pour valeurs mobilières*) (the "Luxembourg Act"), as amended from time to time, for approval of this Prospectus (as defined in "General Description of the Programme – General"). This Prospectus constitutes a base prospectus with regard to each of the Issuers (as defined below) for purposes of Article 5(4) of Directive 2003/71/EC as amended, including the amendments made by Directive 2010/73/EU (the "Prospectus Directive").

In order to be able to conduct a public offer in relation to certain issues of Notes, Bayerische Motoren Werke Aktiengesellschaft ("BMW AG"), BMW Finance N.V. ("BMW Finance"), BMW US Capital, LLC ("BMW US Capital"), BMW Australia Finance Limited ("BMW Australia Finance"), and BMW Japan Finance Corp. ("BMW Japan") (each an "Issuer", and together, the "Issuers") have applied for a notification of this Prospectus into the Federal Republic of Germany ("Germany"), the United Kingdom, the Republic of Austria ("Austria"), and The Netherlands pursuant to Article 19 of the Luxembourg Act and the relevant Issuer will comply with such requirements, *inter alia*, as to filings and publications as may be necessary from time to time for an offer of such Notes in Germany, the United Kingdom, Austria and The Netherlands. The Issuers may apply for further notifications of this Prospectus as may be necessary for an issue of Notes from time to time.

By approving this Prospectus, the CSSF does not assume any responsibility as to the economic and financial soundness of any issue of Notes under the Programme and the quality or solvency of any of the Issuers and the Guarantor.

Prospectus dated 13 May 2014

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Important Notice

The Notes and the Guarantee (each as defined below) have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act.

Internal Revenue Service Circular 230 Disclosure

Pursuant to Internal Revenue Service Circular 230, attention is drawn to the fact that the description set forth herein with respect to U.S. federal tax issues was not intended or written to be used, and such description cannot be used, by any taxpayer for the purpose of avoiding any penalties that may be imposed on the taxpayer under the U.S. Internal Revenue Code. Such description was written in connection with the marketing of the Notes. Such description is limited to the U.S. federal tax issues described herein. It is possible that additional issues may exist that could affect the U.S. federal tax treatment of the Notes, or the matter that is the subject of the description noted herein, and such description does not consider or provide any conclusions with respect to any such additional issues. Taxpayers should seek advice based on the taxpayer’s particular circumstances from an independent tax advisor.

TABLE OF CONTENTS

	Page
GENERAL INFORMATION	6
Part A: Summary of the Prospectus and Risk Factors	8
A.I Summary of the Prospectus	8
Section A Introduction and Warnings.....	8
Section B Bayerische Motoren Werke Aktiengesellschaft	9
Section B BMW Finance N.V.....	12
Section B BMW US Capital, LLC	14
Section B BMW Australia Finance Limited	15
Section B BMW Japan Finance Corp.....	17
Section C The Securities.....	19
Section D Risks specific to Bayerische Motoren Werke Aktiengesellschaft.....	21
Section D Risks specific to BMW Finance N.V.....	22
Section D Risks specific to BMW US Capital, LLC.....	22
Section D Risks specific to BMW Australia Finance Limited	22
Section D Risks specific to BMW Japan Finance Corp.	22
Section D Risks specific to the Notes.....	23
Section E Offer	25
German translation of the Summary.....	26
Abschnitt A Einleitung und Warnhinweise.....	26
Abschnitt B Bayerische Motoren Werke Aktiengesellschaft.....	27
Abschnitt B BMW Finance N.V.....	31
Abschnitt B BMW US Capital, LLC.....	33
Abschnitt B BMW Australia Finance Limited.....	35
Abschnitt B BMW Japan Finance Corp.	37
Abschnitt C Die Wertpapiere	39
Abschnitt D Risiken, die Bayerische Motoren Werke Aktiengesellschaft eigen	42
Abschnitt D Risiken, die BMW Finance N.V. eigen sind	42
Abschnitt D Risiken, die BMW US Capital, LLC eigen sind	43
Abschnitt D Risiken, die BMW Australia Finance Limited eigen sind.....	43
Abschnitt D Risiken, die BMW Japan Finance Corp. eigen sind.....	43
Abschnitt D Risiken, die den Schuldverschreibungen eigen sind	43
Abschnitt E Angebot	46
A.II: Risk Factors	48
1. Risks relating to the Issuing Subsidiaries	48
2. Risks relating to BMW AG and BMW Group.....	54
3. Risks relating to the Notes	60
Part B: Part B: Responsibility Statement and Consent to the Use of the Prospectus	69
Part C: Part C: Documents Incorporated by Reference	71

Part D:	Part D: General Description of the Programme	75
Part E:	Part E: Terms and Conditions and Related Documents	81
E.I:	Issue Procedures	82
E.II:	Terms and Conditions of the Notes (German language version)	85
E.III:	Terms and Conditions of the Notes (English language version)	145
E.IV:	Form of Final Terms / Muster-Endgültige Bedingungen.....	197
E.V:	Text of the Guarantee / Text der Garantie	221
E.VI:	Text of the Declaration of Undertaking / Text der Verpflichtungserklärung	223
Part F:	Part F: Selling Restrictions	225
Part G:	Part G: Taxation	232
Part H:	Part H: Description of BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited, BMW Japan Finance Corp.	251
H.I:	Description of BMW Finance N.V	252
H.II:	Description of BMW US Capital, LLC	255
H.III:	Description of BMW Australia Finance Limited	259
H.IV:	Description of BMW Japan Finance Corp.	263
Part I:	Part I: Description of Bayerische Motoren Werke Aktiengesellschaft	267
ADDRESS LIST		296

GENERAL INFORMATION

Consent to the Use of the Prospectus

With respect to Article 3 (2) of the Prospectus Directive, the relevant Issuer may consent, to the extent and under the conditions, if any, indicated in the relevant Final Terms, to the use of the Prospectus for a certain period of time or as long as the Prospectus is valid in accordance with Article 11 (2) of the Luxembourg act relating to prospectuses for securities (*Loi relative aux prospectus pour valeurs mobilières*) which implements the Prospectus Directive and accepts responsibility for the content of the Prospectus also with respect to subsequent resale or final placement of Notes by any financial intermediary which was given consent to use the prospectus, if any. For further information, please refer below to the Part D (“General Description of the Programme”) of this Prospectus and the relevant Final Terms.

Requirements

This Prospectus contains as of the date hereof all such information as investors and their professional advisers would reasonably require, and reasonably expect to find, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuers and the Guarantor and of the rights attached to the relevant Notes.

Responsibility of the Dealers

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, whether expressed or implied, is made, and no responsibility is accepted, by the Dealers (in their capacity as Dealers) with respect to the accuracy or completeness of this Prospectus or any further information supplied in connection with the Programme. The Dealers accept no liability in relation to this Prospectus or its distribution or with regard to other information supplied by the Issuers or the Guarantor herein, save for mandatory provisions of law.

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions and may perform services for the Issuer and its affiliates in the ordinary course of business.

Exclusiveness

The Issuers and the Guarantor have not authorised the making or provision of any representation or information regarding the Issuers or the Notes other than as contained or incorporated by reference in this Prospectus, or any final terms the form of which is described in Part E.IV of this Prospectus (for each Tranche, the “Final Terms”, which document may also include information relating to the relevant Tranche of Notes other than the relevant Terms and Conditions (as defined below)) or as approved for such purpose by the Issuers. Any such representation or information should not be relied upon as having been authorised by any Issuer or Dealer or the Guarantor.

Significance of Delivery

Neither the delivery of this Prospectus and any Final Terms nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change in the financial situation of any Issuer or the Guarantor since the date hereof.

The delivery of this Prospectus or any Final Terms or the offering, sale or delivery of any Note does not at any time imply that the information contained herein concerning the Issuers and the Guarantor is correct at any time subsequent to the date thereof or that any other written information delivered in connection therewith is correct as at any time subsequent to the date indicated in the document containing the same.

Restriction on Distribution

The distribution of this Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuers, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus and other offering material relating to the Notes please refer to the Selling Restrictions set out in Part F of this Prospectus. In particular, the Notes and the Guarantee have not been and will not be registered under the Securities Act and may include Notes in

bearer form which are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes and the Guarantee may not be offered, sold or delivered within the United States or to, or for the account of, U.S. persons (as defined in Regulation S under the Securities Act).

Exclusion

This Prospectus on its own does not constitute an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by any Issuer, the Guarantor or any Dealer that any recipient of this Prospectus should subscribe for or purchase any Notes. Each recipient shall be taken to have made its own investigation and appraisal of the financial condition and affairs as well as of the creditworthiness of any Issuer and of the Guarantor. This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. This Prospectus is not intended to provide the basis of any credit or other evaluation.

Stabilisation

In connection with the issue and distribution of any Tranche of Notes under the Programme, the Dealer(s) who is/are specified in the relevant Final Terms as the stabilising manager(s) (or persons acting on its/their behalf) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that such Dealer(s) (or any person acting on its/their behalf) will undertake stabilisation action. Any stabilisation action may begin at any time after the adequate public disclosure of the Final Terms of the offer of the relevant Tranche of Notes and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date and 60 days after the date of the allotment of the relevant Tranche of Notes.

Any such stabilisation action so taken will be, in all material respects, permitted by or otherwise in accordance with all relevant requirements applicable to such actions in the jurisdictions where such actions are effected (including rules and other regulatory requirements governing any stock exchange where such Notes are listed).

Part A of the Prospectus
Summary of the Prospectus and Risk Factors
Part A.1 of the Prospectus
Summary of the Prospectus

SUMMARY OF THE PROSPECTUS

Summaries are made up of disclosure requirements known as “**Elements**”. These Elements are numbered in Sections A – E (A.1 – E.7).

This summary (the “**Summary**”) contains all the Elements required to be included in a summary for this type of Notes and Issuers. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the Summary because of the type of Notes and the relevant Issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the Summary with the mention of “not applicable”.

The Summary contains options, characterised by square brackets (other than the respective translations of specific legal terms), and placeholders regarding the Notes to be issued under the Programme. The summary of the individual issue of Notes will include the options relevant to this issue of Notes as determined by the applicable Final Terms and will contain the information, which had been left blank, as completed by the applicable Final Terms.

Element	Section A – Introduction and warnings
A.1	<p>Warning</p> <p>Warning that:</p> <ul style="list-style-type: none"> • this Summary should be read as an introduction to the Prospectus; • any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor; • where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus, before the legal proceedings are initiated; and • civil liability attaches only to the Issuers which have tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Notes.
A.2	<p>Consent to the use of the Prospectus</p> <p>Each of [●] [and/or each of [●] as financial intermediary] subsequently reselling or finally placing the Notes in [the Grand Duchy of Luxembourg] [.] [and] [the Republic of Austria] [.] [and] [the Federal Republic of Germany] [.] [and] [the United Kingdom of Great Britain and Northern Ireland] [.] [and] [The Netherlands] [.] [and] [insert other jurisdiction into which the Prospectus has been passported based on a supplement to this Prospectus] is entitled to use the Prospectus for the subsequent resale or final placement of the Notes during the offer period for the subsequent resale or final placement of the Notes from [●] to [●], provided however, that the Prospectus is still valid in accordance with Article 11 (2) of the Luxembourg act relating to prospectuses for securities (<i>Loi relative aux prospectus pour valeurs mobilières</i>) which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010).</p> <p>The Prospectus may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to the Prospectus is available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu).</p> <p>When using the Prospectus, each Dealer and/or relevant further financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.</p>

	In the event of an offer being made by a Dealer and/or a further financial intermediary, the Dealer and/or the further financial intermediary shall provide information to investors on the terms and conditions of the Notes at the time of that offer.
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Element	Section B – Bayerische Motoren Werke Aktiengesellschaft as [Issuer] [Guarantor]				
B.1	Legal and commercial name	Bayerische Motoren Werke Aktiengesellschaft (“BMW AG” and, together with its consolidated subsidiaries, “BMW Group”)			
B.2	Domicile / Legal form / Legislation / Country of incorporation	BMW AG is incorporated under the laws of the Federal Republic of Germany as a German stock corporation (<i>Aktiengesellschaft</i>). The company has its corporate seat in Munich, Germany.			
B.4b	Known trends affecting the Issuer and the industries in which it operates	The sovereign debt crisis in the euro zone and volatile economic conditions continue to exert an unsettling influence over both markets and consumers. Currency factors, high raw material prices and intense competition will also affect reported earnings in 2014.			
B.5	Description of the group and the Issuer’s position within the group	BMW AG is a stock corporation incorporated and organised under the laws of Germany and the ultimate parent company of BMW Group.			
B.9	Profit forecast or estimate	Not applicable. No profit forecast or estimate were made or communicated.			
B.10	Nature of any qualifications in the audit report on historical financial information	Not applicable. The audit report does not contain any qualification on the historical financial information.			
B.12	Selected historical key financial information The following table shows selected consolidated financial information for BMW AG (prepared in accordance with IFRS):				
		1 January to 31 March		1 January to 31 December	
	in Euro million	2014 (unaudited and unreviewed)	2013* (unaudited and unreviewed)	2013 (audited)	2012** (audited)
	Revenues	18,235	17,546	76,058	76,848
	Gross profit	3,864	3,578	15,274	15,494
	(Loss)/Profit before financial result	2,090	2,038	7,986	8,275
	(Loss)/Profit before tax	2,166	2,003	7,913	7,803
	Net (loss)/profit	1,462	1,312	5,340	5,111
	in Euro				
	Earnings per share of common stock in Euro	2.22	1.99	8.10	7.75
	Earnings per share of preferred stock in Euro	2.22	1.99	8.12	7.77

* Prior year's figures adjusted due to first-time application of IFRS 10, IFRS 11 and IFRS 12

** Prior year figures have been adjusted in accordance with the revised version of IAS 19.

Assets	31 March 2014	31 December 2013	31 December 2012*
in Euro million	<i>(unaudited and unreviewed)</i>	<i>(audited)</i>	<i>(audited)</i>
Non-current assets	86,921	86,194	81,305
Current assets	54,110	52,174	50,530
Total assets	141,031	138,368	131,835
Equity and liabilities	31 March 2014	31 December 2013	31 December 2012*
in Euro million	<i>(unaudited and unreviewed)</i>	<i>(audited)</i>	<i>(audited)</i>
Equity	36,957	35,643	30,606
Non-current provisions and liabilities	54,925	52,682	52,834
Current provisions and liabilities	49,149	50,043	48,395
Total equity and liabilities	141,031	138,368	131,835

* Prior year figures have been adjusted in accordance with the revised version of IAS 19.

	1 January to 31 March		1 January to 31 December	
	2014	2013*	2013	2012** ***
in Euro million	<i>(unaudited and unreviewed)</i>	<i>(unaudited and unreviewed)</i>	<i>(audited)</i>	<i>(audited)</i>
Cash inflow/outflow from operating activities	1,601	685	3,614	5,076
Cash inflow/outflow from investing activities	(1,414)	(1,595)	(6,981)	(5,433)
Cash inflow/outflow from financing activities	(338)	450	2,703	952
Effects of exchange rate on cash and cash equivalents	(21)	34	(89)	(14)
Effect of changes in composition of Group on cash and cash equivalents	2	-	47	13
Change in cash and cash equivalents	(170)	(426)	(706)	594

	Cash and cash equivalents at 1 January	7,671	8,374	8,370	7,776
	Cash and cash equivalents at 31 December	-	-	7,664	8,370
	Cash and cash equivalents at 31 March	7,501	7,948	-	-
	<p>* Prior year's figures adjusted due to first-time application of IFRS 10, IFRS 11 and IFRS 12.</p> <p>** Prior year figures have been adjusted in accordance with the revised version of IAS 19.</p> <p>*** Prior year figures have been adjusted in accordance with a change in presentation.</p>				
	<p>Trend information</p> <p>There has been no material adverse change in the prospects of BMW AG since the date of its published audited financial statements for the financial year ended 31 December 2013.</p>				
	<p>Significant change in the financial and trading position</p> <p>Not applicable. There has been no significant change in the financial or trading position of BMW AG since 31 March 2014.</p>				
B.13	Recent developments	Not applicable. There are no recent developments particular to BMW AG which are to a material extent relevant to BMW AG's solvency.			
B.14.	Statement of dependency upon other entities within the group	Not applicable. As ultimate parent company of BMW Group, BMW AG is not dependent upon other entities within BMW Group.			
B.15	Principal activities	<p>The activities of BMW Group are broken down into the operating segments Automobiles, Motorcycles, Financial Services and Other Entities.</p> <p>The Automobiles segment develops, manufactures, assembles and sells cars and off-road vehicles, under the brands BMW, MINI and Rolls-Royce as well as spare parts and accessories. BMW and MINI brand products are sold in Germany through branches of BMW AG and by independent, authorised dealers. Sales outside Germany are handled primarily by subsidiary companies and, in a number of markets, by independent import companies. Rolls-Royce brand vehicles are sold in the USA via a subsidiary company and elsewhere by independent, authorized dealers.</p> <p>The BMW Motorcycles segment develops, manufactures, assembles and sells BMW brand motorcycles as well as spare parts and accessories.</p> <p>The principal lines of business of the Financial Services segment are primarily on car leasing, fleet business, retail customer and dealer financing, customer deposit business and insurance activities.</p>			

B.16	Major shareholders		Direct share of voting rights (%)	Indirect share of voting rights (%)
		Stefan Quandt, Bad Homburg v.d.Höhe, Germany		17.4
		AQTON SE, Bad Homburg v.d.Höhe, Germany	17.4	
		Johanna Quandt, Bad Homburg v.d.Höhe, Germany	0.4	16.3
		Johanna Quandt GmbH, Bad Homburg v.d.Höhe, Germany		16.3
		Johanna Quandt GmbH & Co. KG für Automobilwerte, Bad Homburg v.d.Höhe, Germany	16.3	
		Susanne Klatten, Munich, Germany		12.6
		Susanne Klatten Beteiligungs GmbH, Bad Homburg v.d.Höhe, Germany	12.6	
B.17	Credit ratings of the issuer or its debt securities	<p>BMW AG has the following long term ratings:</p> <ul style="list-style-type: none"> - A2 by Moody's Investors Services Limited - A+ by Standard & Poor's Credit Market services Europe Limited <p>These rating agencies are established in the European Union and registered under Regulation (EC) No. 1060/2009 on 31 October 2011 by the relevant competent authority.</p> <p>Credit rating(s) of the Notes issued by BMW AG: [●][Not applicable. The Notes have not been rated].</p>		

[Element]	Section B – BMW Finance N.V. as Issuer	
B.1	Legal and commercial name	BMW Finance N.V.
B.2	Domicile / Legal form / Legislation / Country of incorporation	BMW Finance N.V. is incorporated under the laws of The Netherlands as a Dutch public company with limited liability (<i>naamloze vennootschap</i>). The company has its corporate seat in The Hague, The Netherlands.
B.4b	Known trends affecting the Issuer and the industries in which it operates	Uncertainties regarding the operating result for the year 2014 could arise from unexpected changes in market conditions.
B.5	Description of the group and the Issuer's position within the group	BMW Finance N.V. is a wholly owned subsidiary of BMW Holding B.V. who in turn is a wholly owned subsidiary of BMW Intec Beteiligungs GmbH, a wholly owned subsidiary of BMW AG.
B.9	Profit forecast or estimate	Not applicable. No profit forecast or estimate were made or communicated.
B.10	Nature of any qualifications in the audit report on historical financial information	Not applicable. The audit report does not contain any qualification on the historical financial information.

B.12	Selected historical key financial information																															
	The following table shows selected financial information for BMW Finance N.V. (prepared in accordance with IFRS):																															
	<table border="1"> <thead> <tr> <th>in Euro thousand</th> <th>31 December 2013</th> <th>31 December 2012</th> </tr> </thead> <tbody> <tr> <td>Total assets</td> <td>30,805,940</td> <td>29,858,859</td> </tr> <tr> <td>Equity</td> <td>260,959</td> <td>225,269</td> </tr> <tr> <td>Non-current liabilities</td> <td>16,985,796</td> <td>17,713,631</td> </tr> <tr> <td>Current liabilities</td> <td>13,559,185</td> <td>11,919,960</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>2013</td> <td>2012</td> </tr> <tr> <td>Interest margin</td> <td>13,471</td> <td>13,908</td> </tr> <tr> <td>Financial income/(Loss)</td> <td>33,887</td> <td>(82,410)</td> </tr> <tr> <td>Net income/(Loss)</td> <td>33,978</td> <td>(44,051)</td> </tr> </tbody> </table>		in Euro thousand	31 December 2013	31 December 2012	Total assets	30,805,940	29,858,859	Equity	260,959	225,269	Non-current liabilities	16,985,796	17,713,631	Current liabilities	13,559,185	11,919,960					2013	2012	Interest margin	13,471	13,908	Financial income/(Loss)	33,887	(82,410)	Net income/(Loss)	33,978	(44,051)
	in Euro thousand	31 December 2013	31 December 2012																													
	Total assets	30,805,940	29,858,859																													
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Not applicable. There has been no material adverse change in the financial or trading position of BMW Finance N.V. since the date of its audited financial statements for the financial year ended 31 December 2013.																																
B.13	Recent developments	Not Applicable. There are no recent developments particular to BMW Finance N.V. which are to a material extent relevant to BMW Finance N.V.'s solvency.																														
B.14	Statement of dependency upon other entities within the group	BMW Finance N.V. is a wholly owned subsidiary of BMW Holding B.V. who in turn is a wholly owned subsidiary of BMW Intec Beteiligungs GmbH, a wholly owned subsidiary of BMW AG. BMW Finance N.V. has one direct 100% subsidiary being BMW Espana Finance S.L., Madrid which owns fully or partially shares of BMW Group subsidiaries in Portugal as well as in Central and South America.																														
B.15	Principal activities	BMW Finance N.V.'s activities mainly consist of providing long term liquidity and intercompany funding for BMW Group companies.																														
B.16	Major shareholders	BMW Holding B.V.																														
B.17	Credit ratings of the issuer or its debt securities	Not Applicable. BMW Finance N.V. does not have a rating of its own. Through the guarantee given by BMW AG for the payment of interest on and principal of the Notes issued by BMW Finance N.V., BMW AG's external credit ratings continue to be a significant support for the creditworthiness of BMW Finance N.V. Credit rating(s) of the Notes issued by BMW Finance N.V.: [●][Not applicable. The Notes have not been rated]. Please see Bayerische Motoren Werke Aktiengesellschaft - B.17.																														
B.18	Nature and scope of the guarantee	BMW AG, Munich, Federal Republic of Germany assumes <i>vis-à-vis</i> the holders of Notes the unconditional and irrevocable Guarantee for the payment of principal, interest, if any, and additional amounts, if any, payable under any Notes issued and outstanding from time to time by BMW Finance N.V., The																														

		Hague, The Netherlands, under the Programme in accordance with the Terms and Conditions of the Notes.
B.19	Summary information about the guarantor	Please see B.1 to B.17 of Bayerische Motoren Werke Aktiengesellschaft]

[Element	Section B – BMW US Capital, LLC as Issuer																						
B.1	Legal and commercial name	BMW US Capital, LLC.																					
B.2	Domicile / Legal form / Legislation / Country of incorporation	BMW US Capital, LLC is formed under the laws of the State of Delaware, United States, as a limited liability company. The company has its corporate seat in Woodcliff Lake, NJ, United States.																					
B.4b	Known trends affecting the Issuer and the industries in which it operates	Uncertainties regarding the operating result for the year 2014 could arise from unexpected changes in market conditions and fair market values for financial derivatives.																					
B.5	Description of the group and the Issuer's position within the group	BMW US Capital, LLC's sole member is BMW (US) Holding Corp., which is ultimately owned by BMW AG.																					
B.9	Profit forecast or estimate	Not applicable. No profit forecast or estimate were made or communicated.																					
B.10	Nature of any qualifications in the audit report on historical financial information	Not applicable. The audit report does not contain any qualification on the historical financial information.																					
B.12	<p>Selected historical key financial information</p> <p>The following table shows selected financial information for BMW US Capital, LLC (prepared in accordance with IFRS):</p> <table border="1"> <thead> <tr> <th>in USD thousand</th> <th>31 December 2013</th> <th>31 December 2012*</th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td>20,580,391</td> <td>17,776,012</td> </tr> <tr> <td>Total Liabilities</td> <td>20,078,693</td> <td>17,352,835</td> </tr> <tr> <td>Equity</td> <td>501,698</td> <td>423,176</td> </tr> <tr> <td>Net interest revenue</td> <td>120,870</td> <td>57,999</td> </tr> <tr> <td>Profit for ordinary activities before income tax expense</td> <td>130,111</td> <td>41,521</td> </tr> <tr> <td>Net profit</td> <td>78,313</td> <td>24,990</td> </tr> </tbody> </table> <p>* After finalizing a technical review exercise, the Company has reclassified certain positions within the Statement of Position to more appropriately categorize activity pertaining to interest.</p> <p>Trend information</p> <p>There has been no material adverse change in the prospects of BMW US Capital, LLC since the date of its audited financial statements for the financial year ended 31 December 2013.</p>		in USD thousand	31 December 2013	31 December 2012*	Total Assets	20,580,391	17,776,012	Total Liabilities	20,078,693	17,352,835	Equity	501,698	423,176	Net interest revenue	120,870	57,999	Profit for ordinary activities before income tax expense	130,111	41,521	Net profit	78,313	24,990
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	Significant change in the financial and trading position	
	Not applicable. There has been no significant change in BMW US Capital, LLC's financial or trading position which has occurred since the date of its audited financial statements for the financial year ended 31 December 2013.	
B.13	Recent developments	Not Applicable. There are no recent developments particular to BMW US Capital, LLC which are to a material extent relevant to BMW US Capital, LLC's solvency.
B.14.	Statement of dependency upon other entities within the group	Effective 1 January 2001, BMW US Capital, LLC adopted a legal structure permitted under the Delaware Limited Liability Company Act, and became a limited liability company whose sole member is BMW (US) Holding Corp., which is ultimately owned by BMW AG. BMW US Capital, LLC has no subsidiaries.
B.15	Principal activities	The purpose of BMW US Capital, LLC is to assist via short- and long-term advances, the financing of the activities conducted by companies of the BMW AG and its affiliates, primarily in the United States, and to provide services in connection therewith, being the leader of the US Dollar cash pool and operating as the in-house bank for USD, CAD and MXN for BMW Group. The U.S. affiliates of BMW US Capital, LLC operate primarily in the automotive industry and derive their revenues across North America, primarily from the United States. Pursuant to the Limited Liability Company Agreement governing BMW US Capital, LLC, BMW US Capital, LLC is formed for the object and purpose of, and the nature of the business to be conducted and promoted by BMW US Capital, LLC is, engaging in all lawful activities for which limited liability companies may be formed under the Delaware Limited Liability Company Act.
B.16	Major shareholders	BMW (US) Holding Corp.
B.17	Credit ratings of the issuer or its debt securities	Not Applicable. BMW US Capital, LLC does not have a rating of its own. Through the guarantee given by BMW AG for the payment of interest on and principal of the Notes issued by BMW US Capital, LLC, BMW AG's external credit ratings continue to be a significant support for the creditworthiness of BMW US Capital, LLC. Credit rating(s) of the Notes issued by BMW US Capital, LLC: [●][Not applicable. The Notes have not been rated]. Please see Bayerische Motoren Werke Aktiengesellschaft - B.17.
B.18	Nature and scope of the guarantee	BMW AG, Munich, Federal Republic of Germany assumes <i>vis-à-vis</i> the holders of Notes the unconditional and irrevocable Guarantee for the payment of principal, interest, if any, and additional amounts, if any, payable under any Notes issued and outstanding from time to time by BMW US Capital, LLC, Wilmington, Delaware, under the Programme in accordance with the Terms and Conditions of the Notes.
B.19	Summary information about the guarantor	Please see B.1 to B.17 of Bayerische Motoren Werke Aktiengesellschaft]

[Element	Section B – BMW Australia Finance Limited as Issuer	
B.1	Legal and commercial name	BMW Australia Finance Limited.
B.2	Domicile / Legal form / Legislation /	BMW Australia Finance Limited is incorporated under the Laws of the Commonwealth of Australia as an Australian Public

	Country of incorporation	Company Limited by Shares. The company has its corporate seat in Mulgrave, Australia.																											
B.4b	Known trends affecting the Issuer and the industries in which it operates	Increased consumer lending protection laws, leading to additional operational costs in connection to updating and maintaining compliance with these changes.																											
B.5	Description of the group and the Issuer's position within the group	BMW Australia Finance Limited is a wholly owned subsidiary of BMW Holding B.V. which in turn is a wholly owned subsidiary of BMW Intec Beteiligungs GmbH, a wholly owned subsidiary of BMW AG.																											
B.9	Profit forecast or estimate	Not applicable. No profit forecast or estimate were made or communicated.																											
B.10	Nature of any qualifications in the audit report on historical financial information	Not applicable. The audit report does not contain any qualification on the historical financial information.																											
B.12	<p>Selected historical key financial information</p> <p>The following table shows selected financial information for BMW Australia Finance Limited (prepared in accordance with Australian Accounting Standard and in compliance with IFRS):</p> <table border="1"> <thead> <tr> <th>in AUD thousand</th> <th>31 December 2013</th> <th>31 December 2012</th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td>6,234,517</td> <td>5,546,652</td> </tr> <tr> <td>Total Liabilities</td> <td>5,746,686</td> <td>5,154,564</td> </tr> <tr> <td>Equity</td> <td>487,831</td> <td>392,088</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>2013</td> <td>2012</td> </tr> <tr> <td>Net interest revenue</td> <td>251,273</td> <td>223,036</td> </tr> <tr> <td>Profit for ordinary activities before income tax expense</td> <td>92,458</td> <td>118,733</td> </tr> <tr> <td>Net profit</td> <td>64,851</td> <td>86,004</td> </tr> </tbody> </table> <p>Trend information</p> <p>There has been no material adverse change in the prospects of BMW Australia Finance Limited since the date of its audited financial statements for the financial year ended 31 December 2013.</p> <p>Significant change in the financial and trading position</p> <p>Not applicable. There has been no material adverse change in the financial and trading position of BMW Australia Finance Limited since the date of its audited financial statements for the financial year ended 31 December 2013.</p>		in AUD thousand	31 December 2013	31 December 2012	Total Assets	6,234,517	5,546,652	Total Liabilities	5,746,686	5,154,564	Equity	487,831	392,088					2013	2012	Net interest revenue	251,273	223,036	Profit for ordinary activities before income tax expense	92,458	118,733	Net profit	64,851	86,004
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Net profit	64,851	86,004																											
B.13	Recent developments	Not Applicable. There are no recent developments particular to BMW Australia Finance Limited which are to a material extent relevant to BMW Australia Finance Limited's solvency.																											
B.14.	Statement of dependency upon other entities within the group	BMW Australia Finance Limited is a wholly owned subsidiary of BMW Holding B.V. who in turn is a wholly owned subsidiary of BMW Intec Beteiligungs GmbH, a wholly owned subsidiary of BMW AG. BMW Australia Finance Limited has one 100% direct subsidiary being BMW Financial Services New Zealand Ltd., Auckland.																											

B.15	Principal activities	The principal activities of BMW Australia Finance Limited during the course of a financial year are the provision of retail and wholesale financing facilities for prestige motor vehicles. These facilities are mainly in the form of chattel mortgage, finance and operating leasing, dealer floor plan, mortgage finance and insurance premium finance.
B.16	Major shareholders	BMW Holding B.V.
B.17	Credit ratings of the issuer or its debt securities	Not Applicable. BMW Australia Finance Limited does not have a rating of its own. Through the guarantee given by BMW AG for the payment of interest on and principal of the Notes issued by BMW Australia Finance Limited, BMW AG's external credit ratings continue to be a significant support for the creditworthiness of BMW Australia Finance Limited. Credit rating(s) of the Notes issued by BMW Australia Finance Limited: [●][Not applicable. The Notes have not been rated]. Please see Bayerische Motoren Werke Aktiengesellschaft - B.17.
B.18	Nature and scope of the guarantee	BMW AG, Munich, Federal Republic of Germany assumes <i>vis-à-vis</i> the holders of Notes the unconditional and irrevocable Guarantee for the payment of principal, interest, if any, and additional amounts, if any, payable under any Notes issued and outstanding from time to time by BMW Australia Finance Limited, Victoria, Commonwealth of Australia, under the Programme in accordance with the Terms and Conditions of the Notes.
B.19	Summary information about the guarantor	Please see B.1 to B.17 of Bayerische Motoren Werke Aktiengesellschaft]

[Element	Section B – BMW Japan Finance Corp. as Issuer	
B.1	Legal and commercial name	BMW Japan Finance Corp.
B.2	Domicile / Legal form / Legislation / Country of incorporation	BMW Japan Finance Corp. is incorporated under the laws of Japan as a Japanese stock corporation. The company has its corporate seat in Tokyo, Japan.
B.4b	Known trends affecting the Issuer and the industries in which it operates	The new measures by the government should enhance domestic economic growth. The industry is expected to benefit from positive sentiments among consumers upon the economic recovery.
B.5	Description of the group and the Issuer's position within the group	BMW Japan Finance Corp. is a wholly owned subsidiary of BMW Japan Corp. which, in turn, is indirectly owned at 100 per cent by BMW AG, Munich. BMW Japan Finance Corp. has no subsidiaries.
B.9	Profit forecast or estimate	Not applicable. No profit forecast or estimate were made or communicated.
B.10	Nature of any qualifications in the audit report on historical financial information	Not applicable. The audit report does not contain any qualification on the historical financial information.

B.12	Selected historical key financial information	
	The following table shows selected financial information for BMW Japan Finance Corp. (prepared in accordance with Japan GAAP):	
	In JPY thousand	31 December 2013 31 December 2012
	Total Assets	377,225,763 324,481,604
	Total Liability	338,490,275 290,132,251
	Total Shareholders' equity	38,735,488 34,349,352
		2013 2012
	Operating income	7,281,304 6,508,652
	Profit before tax	7,462,564 6,180,125
Net profit	4,386,136 3,692,808	
Trend information		
There has been no material adverse change in the prospects of BMW Japan Finance Corp. since the date of its audited financial statements for the financial year ended 31 December 2013.		
Significant change in the financial and trading position		
Not applicable. There has been no material adverse change in the financial or trading position of BMW Japan Finance Corp. since the date of its audited financial statements for the financial year ended 31 December 2013.		
B.13	Recent developments	Not Applicable. There are no recent developments particular to BMW Japan Finance Corp. which are to a material extent relevant to BMW Japan Finance Corp.'s solvency.
B.14.	Statement of dependency upon other entities within the group	BMW Japan Finance Corp. is a wholly owned subsidiary of BMW Japan Corp. which is a 100 per cent. indirectly owned subsidiary of BMW AG, Munich. BMW Japan Finance Corp. has no subsidiaries.
B.15	Principal activities	Principal activities of BMW Japan Finance Corp. are providing loans and lease products to BMW and MINI customers; financing BMW, MINI dealers and multimake franchise dealers for new cars and used cars; providing credit cards; and providing insurance coverage.
B.16	Major shareholders	BMW Japan Corp.
B.17	Credit ratings of the issuer or its debt securities	Not Applicable. BMW Japan Finance Corp. does not have a rating of its own. Through the guarantee given by BMW AG for the payment of interest on and principal of the Notes issued by BMW Japan Finance Corp., BMW AG's external credit ratings continue to be a significant support for the creditworthiness of BMW Japan Finance Corp. Credit rating(s) of the Notes issued by BMW Japan Finance Corp.: [●][Not applicable. The Notes have not been rated]. Please see Bayerische Motoren Werke Aktiengesellschaft - B.17.
B.18	Nature and scope of the guarantee	BMW AG, Munich, Federal Republic of Germany assumes <i>vis-à-vis</i> the holders of Notes the unconditional and irrevocable Guarantee for the payment of principal, interest, if any, and additional amounts, if any, payable under any Notes issued and outstanding from time to time by BMW Japan Finance Corp., Chiyoda-ku, Tokyo, Japan, under the Programme in accordance

		with the Terms and Conditions of the Notes.
B.19	Summary information about the guarantor	Please see B.1 to B.17 of Bayerische Motoren Werke Aktiengesellschaft]

Element	Section C – Securities	
C.1	Type and class of the Notes / Securities identification number(s)	<p>Type of the Notes: The Notes are debt instruments pursuant to §§ 793 et seqq. of the German Civil Code (<i>Bürgerliches Gesetzbuch, BGB</i>).</p> <p>Class of the Notes [Fixed Rate Notes.] [Floating Rate Notes.] [Zero Coupon Notes.]</p> <p>Securities Identification Number(s) ISIN: [•]. [Common Code: [•].] [WKN: [•].] [insert other]</p>
C.2	Currency	The Notes are issued in [Euro (“EUR”)] [U.S. dollars (“USD”)] [Japanese Yen (“JPY”)] [Chinese Renminbi (“CNY”)] [Australian dollars (“AUD”)] [Pounds Sterling (“GBP”)] [•].
C.5	Restrictions on free Transferability	Not applicable. The Notes are freely transferable.
C.8	Rights attached to the Notes (including limitations to those rights and ranking of the Notes)	<p>[Fixed Rate Notes] The Notes bear a fixed interest income throughout the entire term of the Notes.]</p> <p>[Floating Rate Notes] The Notes will bear interest at a rate determined [and as adjusted for [the applicable margin] [and] [the applicable participation rate (factor)]] on the basis of a [reference rate] [constant maturity swap rate] appearing on the agreed screen page of a commercial quotation service.]</p> <p>[Zero Coupon Notes] The Notes will be issued without the element of periodic interest payments. The Notes will be issued on [a discounted basis (i.e. under par value)] [par value] and interest accrued on the Notes will be included in the payment of the redemption amount at maturity.]</p>
		<p>Early redemption of the Notes The Notes can be redeemed prior to their stated maturity [at the option of the] [Issuer.] [and] [the holders of Notes.] for taxation reasons or upon the occurrence of an event of default.</p>

		<p>[Early Redemption at the option of the [Issuer] [and] [the holders of Notes] at specified redemption amount(s)]</p> <p>The Notes can be redeemed at the option of the [Issuer] [and][or] [the holders of Notes] upon giving notice within the specified notice period to [the holders of Notes] [or] [the Issuer], as the case may be,] on a date or dates specified prior to such stated maturity and at the specified redemption amount(s) [together with accrued interest to, but excluding, the relevant redemption date].]</p> <p>Early redemption for taxation reasons</p> <p>Early Redemption of the Notes for reasons of taxation will be permitted at their early redemption amount [together with accrued interest to, but excluding, the relevant redemption date], if as a result of any change in, or amendment to the laws or regulations (including any amendment to, or change in, an official interpretation or application of such laws or regulations), of [In the case of Notes issued by BMW Finance N.V.: The Netherlands or] [In the case of Notes issued by BMW US Capital, LLC: the United States or] [In the case of Notes issued by BMW Australia Finance Limited: the Commonwealth of Australia or] [In the case of Notes issued by BMW Japan Finance Corp.: Japan or] the Federal Republic of Germany, or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, the Issuer [In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp.: or the Guarantor.] will become obligated to pay additional amounts on the Notes.</p> <p>Early redemption in an event of default</p> <p>The Notes provide for events of default entitling holders of Notes to demand immediate redemption of Notes at their [principal amount] [early redemption amount] [together with accrued interest to, but excluding, the relevant redemption date].</p> <p>Status of the Notes</p> <p>The Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and (save for obligations in respect of national and local taxes, other statutory exceptions, requirements by applicable laws and any governmental requirements) rank equally with all its other unsecured and unsubordinated obligations.</p>
C.9		<p>Please see Element C.8.</p> <p>Interest rate</p> <p>[In the case of fixed rate Notes: [●]%.]</p> <p>[In the case of floating rate Notes: [insert reference rate] [insert CMS rate] [multiplied with [factor]] [[plus][minus] the margin of [●]%) for each interest period.]</p> <p>[Not applicable. The Notes do not feature periodic interest payments and, therefore, come without a pre-determined interest rate.]</p> <p>Interest commencement date</p> <p>[The issue date of the Notes.]</p> <p>[Not applicable. The Notes do not feature periodic interest payments and, therefore, come without an interest commencement date.]</p>

	Interest payment dates	[•]. [Not applicable. The Notes do not feature periodic interest payments.]
	Underlying on which interest rate is based	[Not applicable. The interest rate is not based on an underlying.] [[insert reference rate] [insert CMS rate].] [Not applicable.]
	Maturity date including repayment procedures	[[insert maturity date].] [The interest payment date falling in [insert redemption month and year].] Payment of principal in respect of Notes shall be made to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.
	Indication of yield	[[•] %.] [Not applicable. The yield of the Notes cannot be calculated as of the issue date.]
	Amortisation yield	[[•] %.] [Not applicable. No amortisation yield is calculated.]
	Name of representative of the Holders	Not applicable. No representative of the holders of Notes has been designated in the terms and conditions of the Notes.
C.10		Please see Element C.9.
	Explanation how the value of the investment is affected in the case the Notes have a derivative component in the interest payment	Not applicable. The interest payment has no derivative component.
C.11	Admission to listing and to trading on a regulated market or equivalent market	[Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit to trading such Notes on the Regulated Market of the Luxembourg Stock Exchange (<i>Bourse de Luxembourg</i>).] [The Notes will not be listed on any stock exchange.] [•]

Element	Section D – Risks	
	Risks specific to Bayerische Motoren Werke Aktiengesellschaft	
D.2	Key information on the key risks that are specific to the issuer or its industry	<p>As a globally operating organisation, BMW Group is exposed to a variety of risks, arising in part from the increasing internationalisation of business activities and greater competition.</p> <p>BMW AG is exposed to political and global economical risks worldwide.</p> <p>The car manufacturing industry worldwide is faced with the constant challenge of increasing efficiency of cars and raising safety standards at the same time. These requirements are increasingly accompanied by rules governing individual mobility in metropolitan areas.</p> <p>The major operational risks result from: production, purchasing, sales and marketing, competition and overcapacity, warranty risk and product liability claims, risks relating to pension</p>

		<p>obligations and information, data protection and IT risks.</p> <p>Major financial risks and those relating to the provision of financial services are: currency risks, raw materials price risks, liquidity risks, credit and counterparty default risk, residual value risk, interest rate risks and risks relating to financial services.</p> <p>Despite all measures taken by BMW Group in order to avoid breaches of laws (e.g. establishment of a compliance organisation), BMW Group is exposed to legal and compliance risks.</p>
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[Element	Section D – Risks	
	Risks specific to BMW Finance N.V.	
D.2	Key information on the key risks that are specific to the issuer or its industry	<p>BMW Finance N.V. is exposed to operational risks (such as risks resulting from use of computer systems and information technology) and financial risks (such as liquidity risks, the risk of an increase in credit spreads, currency risks, interest rate risks, credit risks and fair market value risks).</p> <p>For risk factors regarding BMW AG as guarantor of Notes issued by BMW Finance N.V., please refer to the separate section above.]</p>

[Element	Section D – Risks	
	Risks specific to BMW US Capital, LLC	
D.2	Key information on the key risks that are specific to the issuer or its industry	<p>BMW US Capital, LLC is exposed to operational risks (such as risks resulting from use of computer systems and information technology) and financial risks (such as liquidity risks, the risk of an increase in credit spreads, currency risks, interest rate risks, credit risks and fair market value risks).</p> <p>For risk factors regarding BMW AG as guarantor of Notes issued by BMW US Capital, LLC, please refer to the separate section above.]</p>

[Element	Section D – Risks	
	Risks specific to BMW Australia Finance Limited	
D.2	Key information on the key risks that are specific to the issuer or its industry	<p>BMW Australia Finance Limited is exposed to operational risks (such as risks resulting from use of computer systems and information technology) and financial risks (such as liquidity risks, the risk of an increase in credit spreads, interest rate risks, credit risks and fair market value risks).</p> <p>For risk factors regarding BMW AG as guarantor of Notes issued by BMW Australia Finance Limited, please refer to the separate section above.]</p>

[Element	Section D – Risks	
	Risks specific to BMW Japan Finance Corp.	
D.2	Key information on the key risks that are specific to the issuer or its industry	<p>BMW Japan Finance Corp. is exposed to operational risks (such as risks resulting from use of computer systems and information technology) and financial risks (such as liquidity risks, the risk of an increase in credit spreads, interest rate risks, credit risks and fair market value risks).</p> <p>For risk factors regarding BMW AG as guarantor of Notes</p>

		issued by BMW Japan Finance Corp., please refer to the separate section above.]
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Element	Section D – Risks specific to the Notes	
D.3	Key information on the key risks that are specific to the securities	<p>Independent Review and Advice</p> <p>Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that the acquisition of Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it.</p>
		<p>No active Secondary/Trading Market for the Notes</p> <p>Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market. If Notes are traded after their initial issuance, they may be traded at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the relevant Issuer and the Guarantor.</p> <p>Clearing Systems</p> <p>Because global notes representing the Notes are held by or on behalf of Clearstream Luxembourg or Euroclear or CBF or a Clearing System that has entered into a book entry agreement with the Issuer, investors will have to rely on their procedures for transfer, payment and communication with the relevant Issuer and/or the Guarantor</p> <p>Exchange Rates</p> <p>Prospective investors of the Notes should be aware that an investment in the Notes may involve exchange rate risks.</p> <p>Legality of Purchase</p> <p>A prospective purchaser may not rely on the Issuer, the Guarantor, the Dealers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes.</p> <p>Taxation</p> <p>Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions.</p> <p>FATCA</p> <p>Payments on Notes issued on or after 1 July 2014 to a foreign financial institution may, under certain circumstances, be subject to withholding of U.S. tax at a rate of 30.00% pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (“FATCA”) unless the foreign financial institution agrees, among other things, to disclose certain information on U.S. account holders at the institution (or the institution’s affiliates) and to annually report certain information about such accounts. In addition, payments on Notes issued on or after 1 July 2014 to a “non-financial foreign entity” may be subject to</p>

withholding under FATCA unless the non-financial foreign entity agrees to disclose certain information with respect to its substantial U.S. owners.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from any payments on the Notes as a result of a holder's failure to comply with FATCA, none of the Issuer, the Guarantor (if any), any paying agent or any other person would pursuant to the conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding of such tax.

Market Value

The market value of the Notes will be affected by the creditworthiness of the relevant Issuer and the Guarantor and a number of additional factors either related with the structure of the Note or with external factors influencing the economic situation or the capital markets and the stock exchanges on which the Notes are traded in general.

[Notes denominated in Renminbi

The Renminbi is not freely convertible, there are significant restrictions on the remittance of Renminbi into and outside the People's Republic of China. The government of the People's Republic of China continues to regulate conversion between the Renminbi and foreign currencies, including the Hong Kong dollar, despite the significant reduction over the years by the government of the People's Republic of China of control over routine foreign exchange transactions under current accounts such as payments for imported goods and salary payments.]

Early Redemption of Notes

A holder of Notes is exposed to the risk that due to an early redemption his investment will have a lower than expected yield.

Also, a holder of Notes may only be able to reinvest on less favourable conditions as compared to the original investment.

[Fixed Rate Notes

Investment in Notes which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche of Notes.]

[Floating Rate Notes

A holder of floating rate Notes is exposed to the risk of fluctuating [reference rate] [CMS rate] levels and uncertain interest income. Fluctuating [reference rate] [CMS rate] levels make it impossible to determine the yield of floating rate Notes in advance.

[The yield of floating rate Notes with a cap with respect to the interest payments may be lower than that of similar structured Notes without a cap. Furthermore, the market value of such Notes will develop differently than Notes without a cap.]

[The Notes are equipped with a feature that, for the calculation of interest payable on the Notes, an amount calculated on the basis of the interest provisions of the Notes will be multiplied by a participation rate (factor).

[If the participation rate (factor) is below 100 % (a factor smaller than 1): Holders of Notes usually participate less on a positive performance of the relevant reference rate(s) than this

	<p>would be the case in the event of a multiplication with a factor of 1 or if Notes are not equipped with a participation rate (factor). In other words, the variable interest rate payable on the Notes increases less than the relevant reference price(s).] [If the participation rate (factor) is above 100 % (a factor bigger than 1): Holders of Notes usually are exposed to the risk that, despite of the influence of other features, the accrual of interest will decrease more in the case of a negative performance of the relevant reference rate(s) than this would be the case in the event of a multiplication with a factor of 1 or if Notes are not equipped with a participation rate (factor).]</p> <p>[Zero Coupon Notes</p> <p>A Holder of Zero Coupon Notes is exposed to the risk that the price of such Zero Coupon Notes falls as a result of changes in the market interest rate. Prices of Zero Coupon Notes are more volatile than prices of, e.g., fixed rate Notes.]</p>
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Element	Section E – Offer	
E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks	[•]
E.3	A description of the terms and conditions of the offer	<p>[No public offer is being made or contemplated.]</p> <p>The total amount of the [issue] [offer] is [•].</p> <p>[insert issue price]</p> <p>[insert minimum subscription size]</p> <p>[insert type of distribution]</p> <p>[insert start and end of marketing or subscription period]</p> <p>[insert any underwriting or distribution by dealers or distributors]</p> <p>[insert other or further conditions to which the offer is subject]</p>
E.4	Any interest that is material to the issue/offer including conflicting interests	[•]
E.7	Estimated expenses charged to the investor by the issuer or the offeror	[•]

GERMAN TRANSLATION OF THE SUMMARY

Zusammenfassungen sind zusammengesetzt aus Offenlegungspflichten, die als “**Punkte**” bezeichnet sind. Diese Punkte sind in die Abschnitte A – E (A.1 – E.7) nummeriert.

Diese Zusammenfassung (die “**Zusammenfassung**”) enthält alle Punkte, die in eine Zusammenfassung für diese Art von Schuldverschreibungen und die Emittentinnen aufzunehmen sind. Da einige Punkte nicht zu berücksichtigen sind, kann die Nummerierung Lücken aufweisen.

Auch wenn ein Punkt wegen der Art der Schuldverschreibungen und der jeweiligen Emittentin in die Zusammenfassung aufgenommen werden muss, ist es möglich, dass bezüglich dieses Punktes keine relevante Information gegeben werden kann. In einem solchen Fall ist in der Zusammenfassung eine kurze Beschreibung des Punktes unter Bezeichnung als “nicht anwendbar” enthalten.

Die Zusammenfassung enthält durch eckige Klammern gekennzeichnete Optionen (mit Ausnahme der jeweiligen Übersetzungen spezifischer Rechtsbegriffe) und Leerstellen bezüglich der Schuldverschreibungen, die unter dem Programm begeben werden. Die Zusammenfassung der einzelnen Emission von Schuldverschreibungen wird die nur für diese Emission von Schuldverschreibungen relevanten Optionen, wie durch die maßgeblichen Endgültigen Bedingungen festgelegt, und die in den Leerstellen ausgelassenen Informationen, wie durch die maßgeblichen Endgültigen Bedingungen vervollständigt, beinhalten.

Punkt	Abschnitt A – Einleitung und Warnhinweise
A.1	<p>Warnhinweis</p> <p>Warnhinweis, dass</p> <ul style="list-style-type: none"> • die Zusammenfassung als Einleitung zum Prospekt verstanden werden sollte; • sich der Anleger bei jeder Entscheidung in die Schuldverschreibungen zu investieren, auf den Prospekt als Ganzen stützen sollte; • ein Anleger, der wegen der in dem Prospekt enthaltenen Angaben Klage einreichen will, nach den nationalen Rechtsvorschriften seines Mitgliedstaats möglicherweise für die Übersetzung des Prospekts aufkommen muss, bevor das Verfahren eingeleitet werden kann; und • zivilrechtlich nur die Emittentinnen haften, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung verglichen mit den anderen Teilen des Prospekts irreführend, unrichtig oder inkonsistent ist oder verglichen mit den anderen Teilen des Prospekts wesentliche Angaben, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen, vermissen lassen.
A.2	<p>Zustimmung zur Verwendung des Prospekts</p> <p>Jeder [•] [und/oder jeder [•] als Finanzintermediär], der die emittierten Schuldverschreibungen nachfolgend in [dem Großherzogtum Luxemburg] [.] [und] [der Republik Österreich] [.] [und] [der Bundesrepublik Deutschland] [.] [und] [dem Vereinigten Königreich von Großbritannien und Nordirland] [.] [und] [den Niederlanden] [.] [und] [andere Jurisdiktionen einfügen, in die der Prospekt auf der Grundlage eines Nachtrags notifiziert wurde] weiterverkauft oder endgültig platziert, ist berechtigt, den Prospekt für den späteren Weiterverkauf oder die endgültige Platzierung der Schuldverschreibungen während der Angebotsperiode für den späteren Weiterverkauf oder die endgültige Platzierung vom [•] bis [•] zu verwenden, vorausgesetzt jedoch, dass der Prospekt in Übereinstimmung mit Artikel 11 (2) des Luxemburger Wertpapierprospektgesetzes (<i>Loi relative aux prospectus pour valeurs mobilières</i>), welches die Richtlinie 2003/71/EG des Europäischen Parlaments und des Rates vom 4. November 2003 (geändert durch Richtlinie 2010/73/EU des Europäischen Parlaments und des Rates vom 24. November 2010) umsetzt, noch gültig ist.</p>

	<p>Der Prospekt darf potentiellen Investoren nur zusammen mit sämtlichen bis zur Übergabe veröffentlichten Nachträgen übergeben werden. Jeder Nachtrag zum Prospekt kann in elektronischer Form auf der Internetseite der Wertpapierbörse Luxemburg (www.bourse.lu) eingesehen werden.</p> <p>Bei der Nutzung des Prospektes hat jeder Platzeur und/oder jeweiliger weiterer Finanzintermediär sicherzustellen, dass er alle anwendbaren, in den jeweiligen Jurisdiktionen geltenden Gesetze und Rechtsvorschriften beachtet.</p>
	Für den Fall, dass ein Platzeur und/oder weiterer Finanzintermediär ein Angebot macht, informiert dieser Platzeur und/oder weiterer Finanzintermediär die Anleger zum Zeitpunkt der Angebotsvorlage über die Angebotsbedingungen der Schuldverschreibungen.

Punkt	Abschnitt B – Bayerische Motoren Werke Aktiengesellschaft als [Emittentin] [Garantin]				
B.1	Gesetzliche und kommerzielle Bezeichnung	Bayerische Motoren Werke Aktiengesellschaft ("BMW AG" und zusammen mit ihren konsolidierten Tochtergesellschaften, die ("BMW Gruppe").			
B.2	Sitz / Rechtsform / geltendes Recht/ Land der Gründung	BMW AG ist eine nach der Rechtsordnung der Bundesrepublik Deutschland gegründete Aktiengesellschaft. Die Gesellschaft hat ihren satzungsmäßigen Sitz in München, Deutschland.			
B.4b	Bereits bekannte Trends, die sich auf den Emittenten und die Branchen, in denen er tätig ist, auswirken	Die Staatsschuldenkrise in der Euro-Zone und volatile wirtschaftliche Bedingungen können sich weiterhin destabilisierend sowohl auf die Märkte als auch auf Konsumenten auswirken. Überdies werden in 2014 Währungsrisiken, hohe Rohstoffpreise sowie ein massiver Wettbewerb ebenfalls Einfluss auf die mitgeteilten Gewinne haben.			
B.5	Beschreibung der Gruppe und der Stellung des Emittenten innerhalb dieser Gruppe	BMW AG ist eine nach deutschem Recht gegründete und organisierte Aktiengesellschaft und ist die Konzernobergesellschaft der BMW Gruppe.			
B.9	Gewinnprognosen oder -schätzungen	Nicht anwendbar. Es wurden keine Gewinnprognosen oder Gewinnschätzungen gemacht oder mitgeteilt.			
B.10	Art etwaiger Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen	Nicht anwendbar. Der geprüfte Jahresabschluss enthält keinerlei Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen.			
B.12	Ausgewählte wesentliche historische Finanzinformationen				
	Die folgende Tabelle zeigt ausgewählte konsolidierte Finanzinformationen der Bayerische Motoren Werke Aktiengesellschaft (erstellt gemäß IFRS):				
		von 1. Januar bis 31. März		von 1. Januar bis 31. Dezember	
	in Mio. Euro	2014 (ungeprüft und ohne Review)	2013* (ungeprüft und ohne Review)	2013 (geprüft)	2012** (geprüft)
	Umsatzerlöse	18.235	17.546	76.058	76.848
	Bruttoergebnis	3.864	3.578	15.274	15.494

vom Umsatz				
Ergebnis vor Finanzergebnis	2.090	2.038	7.986	8.275
Ergebnis vor Steuern	2.166	2.003	7.913	7.803
Jahresüberschuss / - fehlbetrag	1.462	1.312	5.340	5.111
in Euro				
Ergebnis je Stammaktie in Euro	2,22	1,99	8,10	7,75
Ergebnis je Vorzugsaktie in Euro	2,22	1,99	8,12	7,77

* Die Angaben für das Vorjahr wurden aufgrund der erstmaligen Anwendung von IFRS 10, IFRS 11 und IFRS 12 angepasst.

** Die Angaben für das Vorjahr wurden im Einklang mit der überarbeiteten Fassung von IAS 19 angepasst.

Aktiva	31. März 2014	31. Dezember 2013	31. Dezember 2012*
in Mio. Euro	<i>(ungeprüft und ohne Review)</i>	<i>(geprüft)</i>	<i>(geprüft)</i>
Langfristige Vermögenswerte	86.921	86.194	81.305
Kurzfristige Vermögenswerte	54.110	52.174	50.530
Bilanzsumme	141.031	138.368	131.835
Eigenkapital und Passiva	31. März 2014	31. Dezember 2013	31. Dezember 2012*
in Mio. Euro	<i>(ungeprüft und ohne Review)</i>	<i>(geprüft)</i>	<i>(geprüft)</i>
Eigenkapital	36.957	35.643	30.606
Langfristige Rückstellungen und Verbindlichkeiten	54.925	52.682	52.834
Kurzfristige Rückstellungen und Verbindlichkeiten	49.149	50.043	48.395

Bilanzsumme	141.031	138.368	131.835	
* Die Angaben für das Vorjahr wurden im Einklang mit der überarbeiteten Fassung von IAS 19 angepasst.				
	von 1. Januar bis 31. März		von 1. Januar bis 31. Dezember	
	2014	2013*	2013	2012** ***
in Mio. Euro	<i>(ungeprüft und ohne Review)</i>	<i>(ungeprüft und ohne Review)</i>	<i>(geprüft)</i>	<i>(geprüft)</i>
Mittelzuflüsse / -abflüsse aus der betrieblichen Tätigkeit	1.601	685	3.614	5.076
Mittelzuflüsse / -abflüsse aus der Investitionstätigkeit	(1.414)	(1.595)	(6.981)	(5.433)
Mittelzuflüsse / -abflüsse aus der Finanzierungs- tätigkeit	(338)	450	2.703	952
Wechselkursbedingte Veränderungen der Zahlungsmittel und Zahlungsmitteläquivalente	(21)	34	(89)	(14)
Konsolidierungskreis- bedingte Veränderung der Zahlungsmittel und Zahlungsmitteläquivalente	2	-	47	13
Veränderungen der Zahlungsmittel und Zahlungsmitteläquivalente	(170)	(426)	(706)	594
Zahlungsmittel und Zahlungsmitteläquivalente am 1. Januar	7.671	8.374	8.370	7.776
Zahlungsmittel und Zahlungsmitteläquivalente am 31. Dezember	-	-	7.664	8.370
Zahlungsmittel und Zahlungsmitteläquivalente am 31. März	7.501	7.948	-	-
* Die Angaben für das Vorjahr wurden aufgrund der erstmaligen Anwendung von IFRS 10, IFRS 11 und IFRS 12 angepasst.				
** Die Angaben für das Vorjahr wurden im Einklang mit der überarbeiteten Fassung von IAS 19 angepasst.				
*** Die Angaben für das Vorjahr wurden im Einklang mit Änderungen in der Darstellung angepasst.				
Ausblick				
Es gab keine wesentlichen Veränderungen in den Aussichten der BMW AG seit dem Datum des veröffentlichten und geprüften Jahresabschlusses zum Ende des Geschäftsjahres am 31. Dezember 2013.				

	Signifikante Veränderungen in der Finanz- bzw. Handelsposition		
	Nicht anwendbar. Seit dem 31. März 2014 ist es zu keiner wesentlichen Veränderung der Finanzlage oder Ertragslage der BMW AG gekommen.		
B.13	Letzte Entwicklungen	Nicht anwendbar. Es gibt keine Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit der BMW AG, die für die Bewertung der Zahlungsfähigkeit der BMW AG in hohem Maße relevant sind.	
B.14	Angabe zur Abhängigkeit von anderen Unternehmen innerhalb der Gruppe	Nicht anwendbar. Als Konzernobergesellschaft der BMW Gruppe, ist die BMW AG von keinem anderen Unternehmen innerhalb der BMW Gruppe abhängig.	
B.15	Haupttätigkeiten	<p>Die Tätigkeiten der BMW Gruppe unterteilt sich in die operativen Segmente Automobile, Motorräder und Finanzdienstleistungen und andere Unternehmen.</p> <p>Das Automobilsegment entwickelt, fabriziert, montiert und verkauft Kraftfahrzeuge und Geländewagen sowie Ersatzteile und Zubehör hierfür unter den Marken BMW, MINI und Rolls-Royce.</p> <p>Die BMW und MINI Markenprodukte werden innerhalb Deutschlands durch Niederlassungen der BMW AG sowie unabhängigen, autorisierten Händlern vertrieben. Der Vertrieb außerhalb Deutschlands wird primär über verbundene Unternehmen und in einigen Märkten auch über unabhängige Importunternehmen abgewickelt. Die Markenfahrzeuge von Rolls-Royce werden in den Vereinigten Staaten von Amerika über ein verbundenes Unternehmen und ansonsten überall über unabhängige, autorisierte Händler vertrieben.</p> <p>Das BMW Motorradsegment entwickelt, fabriziert, montiert und verkauft BMW Motorräder sowie Ersatzteile und Zubehör hierfür.</p> <p>Die Hauptgeschäftstätigkeit des Finanzdienstleistungs-segments liegt im Wesentlichen im Bereich des Automobile Leasings, Flottengeschäfts, der Kleinkunden- und Händlerfinanzierung, des Kundendepotgeschäfts und anderer Versicherungstätigkeiten.</p>	
B.16	Hauptanteilseigner		
		unmittelbare Beteiligung an Stimmrechten (%)	mittelbare Beteiligung an Stimmrechten (%)
	Stefan Quandt, Bad Homburg v.d.Höhe, Deutschland		17,4
	AQTON SE, Bad Homburg v.d.Höhe, Deutschland	17,4	
	Johanna Quandt, Bad Homburg v.d.Höhe, Deutschland	0,4	16,3
	Johanna Quandt GmbH, Bad Homburg v.d.Höhe, Deutschland		16,3
	Johanna Quandt GmbH & Co. KG für Automobilwerte, Bad Homburg v.d.Höhe, Deutschland	16,3	
	Susanne Klatten, München, Deutschland		12,6
	Susanne Klatten Beteiligungs GmbH, Bad Homburg v.d.Höhe, Deutschland	12,6	

B.17	Kreditratings des Emittenten oder seiner Schuldtitel	<p>BMW AG hat die folgenden langfristigen Ratings:</p> <ul style="list-style-type: none"> - A2 von Moody's Investors Services Limited - A+ von Standard & Poor's Credit Market Services Europe Limited <p>Diese Rating Agenturen sind in der Europäischen Union ansässig und wurden gemäß der Verordnung vom 31. Oktober 2011 (EG) Nr. 1060/2009 bei der jeweils zuständigen Behörde registriert.</p> <p>Rating(s) der Schuldverschreibungen der BMW AG: [●][Nicht anwendbar. Die Schuldverschreibungen verfügen über kein Rating].</p>
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[Punkt]	Abschnitt B – BMW Finance N.V. als Emittentin													
B.1	Gesetzliche und kommerzielle Bezeichnung	BMW Finance N.V.												
B.2	Sitz / Rechtsform / geltendes Recht/ Land der Gründung	BMW Finance N.V. ist eine nach der Rechtsordnung der Niederlande gegründete holländische Aktiengesellschaft mit beschränkter Haftung (<i>naamloze vennootschap</i>). Die Gesellschaft hat ihren satzungsmäßigen Sitz in Den Haag, den Niederlanden.												
B.4b	Bereits bekannte Trends, die sich auf den Emittenten und die Branchen, in denen er tätig ist, auswirken	Unsicherheiten in Bezug auf das Betriebsergebnis für das Jahr 2014 könnten aus unvorhergesehenen Veränderungen der Marktbedingungen resultieren.												
B.5	Beschreibung der Gruppe und der Stellung des Emittenten innerhalb dieser Gruppe	BMW Finance N.V. ist eine hundertprozentige Tochtergesellschaft der BMW Holding B.V., die ihrerseits wiederum eine hundertprozentige Tochtergesellschaft der BMW Intec Beteiligungs GmbH, einer hundertprozentigen Tochtergesellschaft der BMW AG, ist.												
B.9	Gewinnprognosen oder -schätzungen	Nicht anwendbar. Es wurden keine Gewinnprognosen oder Gewinnschätzungen gemacht oder mitgeteilt.												
B.10	Art etwaiger Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen	Nicht anwendbar. Der geprüfte Jahresabschluss enthält keinerlei Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen.												
B.12	Ausgewählte wesentliche historische Finanzinformationen Die folgende Tabelle zeigt ausgewählte konsolidierte Finanzinformationen der BMW Finance N.V. (erstellt gemäß IFRS):													
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">in Tausend Euro</th> <th style="text-align: center;">31. Dezember 2013</th> <th style="text-align: center;">31. Dezember 2012</th> </tr> </thead> <tbody> <tr> <td>Bilanzsumme</td> <td style="text-align: right;">30.805.940</td> <td style="text-align: right;">29.858.859</td> </tr> <tr> <td>Eigenkapital</td> <td style="text-align: right;">260.959</td> <td style="text-align: right;">225.269</td> </tr> <tr> <td>Langfristige Rückstellungen und Verbindlichkeiten</td> <td style="text-align: right;">16.985.796</td> <td style="text-align: right;">17.713.631</td> </tr> </tbody> </table>		in Tausend Euro	31. Dezember 2013	31. Dezember 2012	Bilanzsumme	30.805.940	29.858.859	Eigenkapital	260.959	225.269	Langfristige Rückstellungen und Verbindlichkeiten	16.985.796	17.713.631
in Tausend Euro	31. Dezember 2013	31. Dezember 2012												
Bilanzsumme	30.805.940	29.858.859												
Eigenkapital	260.959	225.269												
Langfristige Rückstellungen und Verbindlichkeiten	16.985.796	17.713.631												

	Kurzfristige Rückstellungen und Verbindlichkeiten	13.559.185	11.919.960
		2013	2012
	Zinsmarge	13.471	13,908
	Finanzieller Gewinn / (Verlust)	33.887	(82.410)
	Jahresüberschuss / -fehlbetrag	33.978	(44.051)
	Ausblick Es gab keine wesentlichen Veränderungen in den Aussichten der BMW Finance N.V. seit dem Datum des veröffentlichten und geprüften Jahresabschlusses zum Ende des Geschäftsjahres am 31. Dezember 2013.		
	Signifikante Veränderungen in der Finanz- bzw. Handelsposition Nicht anwendbar. Seit dem Datum des veröffentlichten und geprüften Jahresabschlusses zum Ende des Geschäftsjahres am 31. Dezember 2013 ist es zu keiner wesentlichen Veränderung der Finanzlage oder Ertragslage der BMW Finance N.V. gekommen.		
B.13	Letzte Entwicklungen	Nicht anwendbar. Es gibt keine Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit der BMW Finance N.V., die für die Bewertung der Zahlungsfähigkeit der BMW Finance N.V. in hohem Maße relevant sind.	
B.14	Angabe zur Abhängigkeit von anderen Unternehmen innerhalb der Gruppe	BMW Finance N.V. ist eine hundertprozentige Tochtergesellschaft der BMW Holding B.V., die ihrerseits wiederum eine hundertprozentige Tochtergesellschaft der BMW Intec Beteiligungs GmbH, einer hundertprozentigen Tochtergesellschaft der BMW AG, ist. BMW Finance N.V. hat eine hundertprozentige Tochtergesellschaft BMW Espana Finance S.L., Madrid, die sämtliche oder einen Teil der Anteile der Tochtergesellschaften der BMW Gruppe in Portugal sowie in Zentral- und Südamerika hält.	
B.15	Haupttätigkeiten	BMW Finance N.V.'s Geschäftstätigkeit umfasst massgeblich die Zurverfügungstellung von langfristiger Liquidität und Finanzierungen zwischen Gesellschaften der BMW Gruppe.	
B.16	Hauptanteilseigner	BMW Holding B.V.	
B.17	Kreditratings des Emittenten oder seiner Schuldtitel	Nicht anwendbar. BMW Finance N.V. hat kein eigenes Rating. Durch die Garantie der BMW AG für die Zahlung des Kapitals und der Zinsen, welche aus den von BMW Finance N.V. begebenen Schuldverschreibungen resultieren, stellt das externe Kreditrating der BMW AG weiterhin eine wesentliche Unterstützung der Bonität der BMW Finance N.V. dar. Rating(s) der Schuldverschreibungen der BMW Finance N.V.: [●][Nicht anwendbar. Die Schuldverschreibungen verfügen über kein Rating]. Siehe Bayerische Motoren Werke Aktiengesellschaft - B.17.	
B.18	Art und Umfang der Garantie	Bayerische Motoren Werke Aktiengesellschaft, München, Bundesrepublik Deutschland übernimmt gegenüber den Inhabern der Schuldverschreibungen die unbedingte und unwiderrufliche Garantie für die Zahlung des Kapitals, der Zinsen und jedweder zusätzlicher Beträge, welche von Seiten der BMW Finance N.V., Den Haag, Niederlande nach den unter diesem Programm begebenen Schuldverschreibungen entsprechend der Bestimmungen der Emissionsbedingungen	

		geschuldet sind und noch nicht beglichen wurden.
B.19	Zusammenfassende Informationen in Bezug auf den Garanten	Siehe B.1 bis B.17 der Bayerische Motoren Werke Aktiengesellschaft]

[Punkt	Abschnitt B – BMW US Capital als Emittentin		
B.1	Gesetzliche und kommerzielle Bezeichnung	BMW US Capital, LLC.	
B.2	Sitz / Rechtsform / geltendes Recht/ Land der Gründung	BMW US Capital, LLC ist eine nach der Rechtsordnung des Staats Delaware, Vereinigte Staaten, gegründete Gesellschaft mit beschränkter Haftung. Die Gesellschaft hat ihren satzungsmäßigen Sitz in Woodcliff Lake, NJ, Vereinigte Staaten.	
B.4b	Bereits bekannte Trends, die sich auf den Emittenten und die Branchen, in denen er tätig ist, auswirken	Unsicherheiten in Bezug auf das Betriebsergebnis für das Jahr 2014 könnten aus einer unvorhergesehenen Veränderung der Marktbedingungen und des üblichen Marktpreises für Finanzderivate resultieren.	
B.5	Beschreibung der Gruppe und der Stellung des Emittenten innerhalb dieser Gruppe	Einzige Anteilseignerin der BMW US Capital, LLC ist die BMW (US) Holding Corp., die zu hundert Prozent im Besitz der BMW AG ist.	
B.9	Gewinnprognosen oder -schätzungen	Nicht anwendbar. Es wurden keine Gewinnprognosen oder Gewinnschätzungen gemacht oder mitgeteilt.	
B.10	Art etwaiger Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen	Nicht anwendbar. Der geprüfte Jahresabschluss enthält keinerlei Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen.	
B.12	Ausgewählte wesentliche historische Finanzinformationen Die folgende Tabelle zeigt ausgewählte konsolidierte Finanzinformationen der BMW US Capital (erstellt gemäß IFRS):		
	in Tausend USD	31. Dezember 2013	31. Dezember 2012*
	Bilanzsumme	20.580.391	17.776.012
	Summe der Verbindlichkeiten	20.078.693	17.352.835
	Eigenkapital	501.698	423.176
	Netto Zinserträge	120.870	57.999
	Gewinn aus herkömmlichen Aktivitäten vor Steuern	130.111	42.521
	Jahresüberschuss / - fehlbetrag	78.313	24.990

	<p>* Nach Abschluss einer technischen Überprüfung hat die Gesellschaft bestimmte Positionen innerhalb des "Statement of Position" neu gegliedert, um zinsbezogene Aktivitäten angemessener zu kategorisieren.</p>	
	<p>Ausblick</p> <p>Es gab keine wesentlichen Veränderungen in den Aussichten der BMW US Capital, LLC seit dem Datum des veröffentlichten und geprüften Jahresabschlusses zum Ende des Geschäftsjahres am 31. Dezember 2013.</p>	
	<p>Signifikante Veränderungen in der Finanz- bzw. Handelsposition</p> <p>Nicht anwendbar. Seit dem Datum des veröffentlichten und geprüften Jahresabschlusses zum Ende des Geschäftsjahres am 31. Dezember 2013 ist es zu keiner wesentlichen Veränderung der Finanzlage oder Handelsposition der BMW US Capital, LLC gekommen.</p>	
B.13	Letzte Entwicklungen	Nicht anwendbar. Es gibt keine Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit der BMW US Capital, LLC, die für die Bewertung der Zahlungsfähigkeit der BMW US Capital, LLC in hohem Maße relevant sind.
B.14	Angabe zur Abhängigkeit von anderen Unternehmen innerhalb der Gruppe	Mit Wirkung zum 1. Januar 2001 wechselte die BMW US Capital, LLC ihre Rechtsform, was nach dem Delaware Limited Liability Company Act erlaubt ist, und wurde zu einer Gesellschaft mit beschränkter Haftung, deren einzige Anteilseignerin die BMW (US) Holding Corp. ist, welche ihrerseits im hundertprozentigen Besitz der BMW AG steht. BMW US Capital, LLC hat keine Tochtergesellschaften.
B.15	Haupttätigkeiten	<p>Als leitende Einheit des U.S.-Dollar Cash-Pools und in ihrer Funktion als Hausbank für die Währungen USD, CAD und MXN für die BMW Gruppe ist es Zweck der BMW US Capital, LLC, die Finanzierung von Aktivitäten der BMW Gruppe und ihrer verbundenen Unternehmen, primär solche in den Vereinigten Staaten durch langfristige und kurzfristige Vorschüsse zu unterstützen und damit in Verbindung stehende Dienstleistungen zur Verfügung zu stellen.</p> <p>Die verbundenen Unternehmen der BMW US Capital, LLC in den Vereinigten Staaten sind hauptsächlich in der Automobilindustrie tätig und erwirtschaften ihre Erträge in Nordamerika, primär in den Vereinigten Staaten.</p> <p>Nach dem Gesellschaftsvertrag der BMW US Capital, LLC wurde die BMW US Capital, LLC zu dem Zweck gegründet, sich an allen rechtmäßigen Aktivitäten, zu deren Zweck Gesellschaften mit beschränkten Haftungen nach dem Delaware Limited Liability Company Act gegründet werden dürfen, zu beteiligen.</p>
B.16	Hauptanteilseigner	BMW (US) Holding Corp.
B.17	Kreditratings des Emittenten oder seiner Schuldtitel	<p>Nicht anwendbar. BMW US Capital, LLC hat kein eigenes Rating. Durch die Garantie der BMW AG für die Zahlung des Kapitals und der Zinsen, welche aus den von BMW US Capital, LLC begebenen Schuldverschreibungen resultieren, stellt das externe Kreditrating der BMW AG weiterhin eine wesentliche Unterstützung der Bonität der BMW US Capital, LLC dar.</p> <p>Rating(s) der Schuldverschreibungen der BMW US Capital, LLC: [●][Nicht anwendbar. Die Schuldverschreibungen verfügen über kein Rating].</p> <p>Siehe Bayerische Motoren Werke Aktiengesellschaft - B.17.</p>
B.18	Art und Umfang der Garantie	Bayerische Motoren Werke Aktiengesellschaft, München, Bundesrepublik Deutschland übernimmt gegenüber den Inhabern der Schuldverschreibungen die unbedingte und

		unwiderrufliche Garantie für die Zahlung des Kapitals, der Zinsen und jedweder zusätzlicher Beträge, welche von Seiten der BMW US Capital, LLC, Wilmington, Delaware, Vereinigte Staaten nach den unter diesem Programm begebenen Schuldverschreibungen entsprechend der Bestimmungen der Emissionsbedingungen geschuldet sind und noch nicht beglichen wurden.
B.19	Zusammenfassende Informationen in Bezug auf den Garanten	Siehe B.1 bis B.18]

[Punkt	Abschnitt B – BMW Australia Finance Limited als Emittentin																			
B.1	Gesetzliche und kommerzielle Bezeichnung	BMW Australia Finance Limited.																		
B.2	Sitz / Rechtsform / geltendes Recht/ Land der Gründung	BMW Australia Finance Limited ist eine nach der Rechtsordnung des Commonwealth von Australien gegründete Aktiengesellschaft. Die Gesellschaft hat ihren satzungsmäßigen Sitz in Mulgrave, Australien.																		
B.4b	Bereits bekannte Trends, die sich auf den Emittenten und die Branchen, in denen er tätig ist, auswirken	Die steigenden Verbraucherkreditschutzbestimmungen führen zu zusätzlichen Betriebskosten aufgrund der erforderlichen Aktualisierung und Anpassungen an diese Änderungen.																		
B.5	Beschreibung der Gruppe und der Stellung des Emittenten innerhalb dieser Gruppe	BMW Australia Finance Limited ist eine hundertprozentige Tochtergesellschaft der BMW Holding B.V., welche wiederum eine hundertprozentige Tochtergesellschaft der BMW Intec Beteiligungs GmbH, einer hundertprozentigen Tochtergesellschaft der BMW AG, ist.																		
B.9	Gewinnprognosen oder -schätzungen	Nicht anwendbar, Eine Gewinnprognose oder -schätzung wurde nicht gemacht oder mitgeteilt																		
B.10	Art etwaiger Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen	Nicht anwendbar. Der geprüfte Jahresabschluss enthält keinerlei Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen.																		
B.12	Ausgewählte wesentliche historische Finanzinformationen																			
	Die folgende Tabelle zeigt ausgewählte konsolidierte Finanzinformationen der BMW Australia Finance Limited (erstellt gemäß den Australischen Rechnungslegungsvorschriften und gemäß IFRS):																			
	<table border="1"> <thead> <tr> <th>in Tausend AUD</th> <th>31. Dezember 2013</th> <th>31. Dezember 2012</th> </tr> </thead> <tbody> <tr> <td>Bilanzsumme</td> <td>6.234.517</td> <td>5.546.652</td> </tr> <tr> <td>Summe der Verbindlichkeiten</td> <td>5.746.686</td> <td>5.154.564</td> </tr> <tr> <td>Eigenkapital</td> <td>487.831</td> <td>392.088</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>2013</td> <td>2012</td> </tr> </tbody> </table>		in Tausend AUD	31. Dezember 2013	31. Dezember 2012	Bilanzsumme	6.234.517	5.546.652	Summe der Verbindlichkeiten	5.746.686	5.154.564	Eigenkapital	487.831	392.088					2013	2012
in Tausend AUD	31. Dezember 2013	31. Dezember 2012																		
Bilanzsumme	6.234.517	5.546.652																		
Summe der Verbindlichkeiten	5.746.686	5.154.564																		
Eigenkapital	487.831	392.088																		
	2013	2012																		

	Netto Zinserträge	251.273	223.036
	Gewinn aus herkömmlichen Aktivitäten vor Steuern	92.458	118.733
	Jahrsüberschuss / -fehlbetrag	64.851	86.004
Ausblick			
Es gab keine wesentlichen Veränderungen in den Aussichten der BMW Australia Finance Limited seit dem Datum des veröffentlichten und geprüften Jahresabschlusses zum Ende des Geschäftsjahres am 31. Dezember 2013.			
Signifikante Veränderungen in der Finanz- bzw. Handelsposition			
Nicht anwendbar. Seit dem Datum des veröffentlichten und geprüften Jahresabschlusses zum Ende des Geschäftsjahres am 31. Dezember 2013 ist es zu keiner wesentlichen Veränderung der Finanzlage oder Ertragslage der BMW Australia Finance Limited, gekommen.			
B.13	Letzte Entwicklungen	Nicht anwendbar. Es gibt keine Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit der BMW Australia Finance Limited, die für die Bewertung der Zahlungsfähigkeit der BMW Australia Finance Limited in hohem Maße relevant sind.	
B.14	Angabe zur Abhängigkeit von anderen Unternehmen innerhalb der Gruppe	BMW Australia Finance Limited ist eine hundertprozentige Tochtergesellschaft der BMW Holding B.V, welche wiederum eine hundertprozentige Tochtergesellschaft der BMW Intec Beteiligungs GmbH, einer hundertprozentigen Tochtergesellschaft der BMW AG, ist. BMW Australia Finance Limited hat eine hundertprozentige Tochtergesellschaft, die BMW Financial Services New Zealand Ltd., Auckland.	
B.15	Haupttätigkeiten	Die Haupttätigkeit der BMW Australia Finance Limited besteht während der Dauer eines Geschäftsjahres in der Bereitstellung von Finanzierungsmöglichkeiten für Klein- und Großkunden von Luxus und anderen Kraftfahrzeugen. Diese Finanzierungen werden hauptsächlich in Form eines Pfandrechts, eines Finanzierungs- und Operating Leasings, einer Händlerbestandsfinanzierung, einer Grundschuldfinanzierung und einer Versicherungsbeitragsfinanzierung angeboten.	
B.16	Hauptanteilseigner	BMW Holding BV.	
B.17	Kreditratings des Emittenten oder seiner Schuldtitel	Nicht anwendbar. BMW Australia Finance Limited hat kein eigenes Rating. Durch die Garantie der BMW AG für die Zahlung des Kapitals und der Zinsen, welche aus den von BMW Australia Finance Limited begebenen Schuldverschreibungen resultieren, stellt das externe Kreditrating der BMW AG weiterhin eine wesentliche Unterstützung der Bonität der BMW Australia Finance Limited dar. Rating(s) der Schuldverschreibungen der BMW Australia Finance Limited: [●][Nicht anwendbar. Die Schuldverschreibungen verfügen über kein Rating]. Siehe Bayerische Motoren Werke Aktiengesellschaft - B.17.	
B.18	Art und Umfang der Garantie	Bayerische Motoren Werke Aktiengesellschaft, München, Bundesrepublik Deutschland übernimmt gegenüber den Inhabern der Schuldverschreibungen die unbedingte und unwiderrufliche Garantie für die Zahlung des Kapitals, der Zinsen und jedweder zusätzlicher Beträge, welche von Seiten der BMW Australia Finance Limited, Victoria, Commonwealth von Australien nach den unter diesem Programm begebenen Schuldverschreibungen entsprechend der Bestimmungen der	

		Emissionsbedingungen geschuldet sind und noch nicht beglichen wurden.
B.19	Zusammenfassende Informationen in Bezug auf den Garanten	Siehe B.1 bis B.17 der Bayerische Motoren Werke Aktiengesellschaft]

[Punkt	Abschnitt B – BMW Japan Finance Corp. als Emittentin		
B.1	Gesetzliche und kommerzielle Bezeichnung	BMW Japan Finance Corp.	
B.2	Sitz / Rechtsform / geltendes Recht/ Land der Gründung	BMW Japan Finance Corp. ist eine nach der Rechtsordnung Japans gegründete japanische Aktiengesellschaft. Die Gesellschaft hat ihren satzungsmäßigen Sitz in Tokyo, Japan.	
B.4b	Bereits bekannte Trends, die sich auf den Emittenten und die Branchen, in denen er tätig ist, auswirken	Die jüngsten Maßnahmen der Regierung sollten das inländische Wirtschaftswachstum verstärken. Es wird erwartet, dass die Industrie von der positiven Stimmung unter den Konsumenten aufgrund des Wirtschaftsaufschwungs profitiert.	
B.5	Beschreibung der Gruppe und der Stellung des Emittenten innerhalb dieser Gruppe	BMW Japan Finance Corp. ist eine hundertprozentige Tochtergesellschaft der BMW Japan Corp., welche wiederum zu 100 Prozent von BMW AG, München besitzt wird. BMW Japan Finance Corp. hat keine Tochtergesellschaften.	
B.9	Gewinnprognosen oder - schätzungen	Nicht anwendbar. Eine Gewinnprognose oder Gewinnschätzung wurde nicht gemacht oder mitgeteilt.	
B.10	Art etwaiger Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen	Nicht anwendbar. Der geprüfte Jahresabschluss enthält keinerlei Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen.	
B.12	Ausgewählte wesentliche historische Finanzinformationen		
	Die folgende Tabelle zeigt ausgewählte konsolidierte Finanzinformationen der BMW Japan Finance Corp. (erstellt gemäß japanischem GAAP):		
	in Tausend JPY	31. Dezember 2013	31. Dezember 2012
	Bilanzsumme	377.225.763	324.481.604
	Summe der Verbindlichkeiten	338.490.275	290.132.251
	Eigenkapital	38.735.488	34.349.352
		2013	2012
	Betriebseinkommen	7.281.304	6.508.652
	Ergebnis vor Steuern	7.462.564	6.180.125
	Jahresüberschuss / - fehlbetrag	4.386.136	3.692.808

	<p>Ausblick</p> <p>Es gab keine wesentlichen Veränderungen in den Aussichten der BMW Japan Finance Corp. seit dem Datum des veröffentlichten und geprüften Jahresabschlusses zum Ende des Geschäftsjahres am 31. Dezember 2013.</p>	
	<p>Signifikante Veränderungen in der Finanz- bzw. Handelsposition</p> <p>Nicht anwendbar. Seit dem Datum des veröffentlichten und geprüften Jahresabschlusses zum Ende des Geschäftsjahres am 31. Dezember 2013 ist es zu keiner wesentlichen Veränderung der Finanzlage oder Ertragslage der BMW Japan Finance Corp. gekommen.</p>	
B.13	Letzte Entwicklungen	Nicht anwendbar. Es gibt keine Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit der BMW Japan Finance Corp., die für die Bewertung der Zahlungsfähigkeit der BMW Japan Finance Corp. in hohem Maße relevant sind.
B.14	Angabe zur Abhängigkeit von anderen Unternehmen innerhalb der Gruppe	BMW Japan Finance Corp. ist eine hundertprozentige Tochtergesellschaft der BMW Japan Corp., welche eine zu 100 Prozent mittelbare Tochtergesellschaft der BMW AG, München ist. BMW Japan Finance Corp. hat keine Tochtergesellschaften.
B.15	Haupttätigkeiten	Die Haupttätigkeit der BMW Japan Finance Corp. ist das Bereitstellen von Darlehens- und Leasingprodukten an BMW und MINI Kunden, die Finanzierung von BMW und Mini Händlern, das Anwerben von Franchise-Händlern für Neu- und Gebrauchtwagen, der Ausgabe von Kreditkarten und der Bereitstellung von Versicherungsschutz.
B.16	Hauptanteilseigner	BMW Japan Corp.
B.17	Kreditratings des Emittenten oder seiner Schuldtitel	<p>Nicht anwendbar. BMW Japan Finance Corp. hat kein eigenes Rating. Durch die Garantie der BMW AG für die Zahlung des Kapitals und der Zinsen, welche aus den von BMW Japan Finance Corp. begebenen Schuldverschreibungen resultieren, stellt das externe Kreditrating der BMW AG weiterhin eine wesentliche Unterstützung der Bonität der BMW Japan Finance Corp. dar.</p> <p>Rating(s) der Schuldverschreibungen der BMW Japan Finance Corp.: [●][Nicht anwendbar. Die Schuldverschreibungen verfügen über kein Rating].</p> <p>Siehe Bayerische Motoren Werke Aktiengesellschaft - B.17.</p>
B.18	Art und Umfang der Garantie	Bayerische Motoren Werke Aktiengesellschaft, München, Bundesrepublik Deutschland übernimmt gegenüber den Inhabern der Schuldverschreibungen die unbedingte und unwiderrufliche Garantie für die Zahlung des Kapitals, der Zinsen und jedweder zusätzlicher Beträge, welche von Seiten der BMW Japan Finance Corp., Chiyoda-ku, Tokio, Japan nach den unter diesem Programm begebenen Schuldverschreibungen entsprechend der Bestimmungen der Emissionsbedingungen geschuldet sind und noch nicht beglichen wurden.
B.19	Zusammenfassende Informationen in Bezug auf den Garanten	Siehe B.1 bis B.17 der Bayerische Motoren Werke Aktiengesellschaft]

Punkt	Abschnitt C – Wertpapiere	
C.1	Art und Gattung der Schuldverschreibungen / Wertpapierkennnummer(n)	<p>Art der Schuldverschreibungen: Die Schuldverschreibungen sind Schuldinstrumente gemäß §§ 793 ff. BGB.</p> <p>Gattung der Schuldverschreibungen: [Festverzinsliche Schuldverschreibungen.] [Variabel verzinsliche Schuldverschreibungen.] [Nullkupon Schuldverschreibungen.]</p> <p>Wertpapierkennnummer(n) ISIN: [SI]. [Common Code: [•].] [WKN: [•].] [andere einfügen]</p>
C.2	Währung	<p>Die Schuldverschreibungen sind in [Euro (“EUR”)] [U.S. Dollar (“USD”)] [Japanische Yen (“JPY”)] [Chinesische Renminbi (“CNY”)] [Australische Dollar (“AUD”)] [Pfund Sterling („GBP”)] [•] begeben.</p>
C.5	Beschränkungen der freien Übertragbarkeit	<p>Nicht anwendbar. Die Schuldverschreibungen sind frei übertragbar.</p>
C.8	Rechte, die mit den Schuldverschreibungen verbunden sind (einschließlich Beschränkungen dieser Rechte und Rang der Schuldverschreibungen)	<p>[Festverzinsliche Schuldverschreibungen] Die Schuldverschreibungen verbriefen einen festen Zinsertrag über die gesamte Laufzeit der Schuldverschreibungen.]</p> <p>[Variabel verzinsliche Schuldverschreibungen] Die Schuldverschreibungen werden mit einem Zinssatz verzinst [angepasst um [die anwendbare Marge] [und] [den anwendbaren Partizipationsfaktor (Hebel)]], der auf der Basis eines [Referenzzinssatzes] [Constant Maturity Swap Satzes] bestimmt wird, der auf der vereinbarten Bildschirmseite eines Kursdienstes angezeigt wird.]</p> <p>[Nullkupon-Schuldverschreibungen] Die Schuldverschreibungen werden ohne periodische Zinszahlungen begeben. Die Schuldverschreibungen werden [auf einer abgezinsten Basis (d.h. unter dem Nennwert)] [zu ihrem Nennwert] begeben und Zinsen auf die Schuldverschreibungen sind in der Zahlung des Rückzahlungsbetrags zum Laufzeitende enthalten.]</p> <p>Vorzeitige Rückzahlung der Schuldverschreibungen Die Schuldverschreibungen sind vor Ablauf ihrer festgelegten Laufzeit [nach Wahl] [der Emittentin] [und] [der Anleihegläubiger.] aus steuerlichen Gründen oder eines Kündigungsereignisses rückzahlbar.</p>

[Vorzeitige Rückzahlung nach Wahl der [Emittentin] [und] [der Anleihegläubiger] zu dem(n) festgelegten Rückzahlungsbetrag(-beträgen)]

Die Schuldverschreibungen sind nach Wahl der [Emittentin] [und][oder] [der Anleihegläubiger] unter Einhaltung der festgelegten Kündigungsfrist durch Kündigung gegenüber [den Anleihegläubigern] [oder] [der Emittentin] rückzahlbar, und zwar zu dem(n) festgelegten Zeitpunkt(en) vor der angegebenen Fälligkeit und zu dem(n) festgelegten Rückzahlungsbetrag(-beträgen) [nebst etwaigen bis zum jeweiligen Rückzahlungstag (ausschließlich) aufgelaufener Zinsen].]

Vorzeitige Rückzahlung aus Steuergründen

Die vorzeitige Rückzahlung der Schuldverschreibungen zu ihrem vorzeitigen Rückzahlungsbetrag [nebst etwaigen bis zum jeweiligen Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen] aus steuerlichen Gründen ist zulässig, falls als Folge einer Änderung oder Ergänzung der Gesetze oder Vorschriften (einschließlich einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze oder Vorschriften) **[Falls Schuldverschreibungen von BMW Finance N.V. begeben werden: der Niederlande] [Falls Schuldverschreibungen von BMW US Capital, LLC begeben werden: den Vereinigten Staaten] [Falls Schuldverschreibungen von BMW Australia Finance Limited begeben werden: dem Commonwealth von Australien] [Falls Schuldverschreibungen von BMW Japan Finance Corp. begeben werden: Japan oder] der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden, die Emittentin [Im Falle von Schuldverschreibungen, die von BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. begeben werden: oder die Garantin] zur Zahlung zusätzlicher Beträge auf die Schuldverschreibungen verpflichtet ist.**

Vorzeitige Rückzahlung bei Eintritt eines Kündigungsereignisses

Die Schuldverschreibungen sehen Kündigungsgründe vor, die die Anleihegläubiger berechtigen, die unverzügliche Rückzahlung ihrer Schuldverschreibungen zum [Nennbetrag] [vorzeitigen Rückzahlungsbetrag] [nebst etwaigen bis zum jeweiligen Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen] zu verlangen.

Status der Schuldverschreibungen

Die Schuldverschreibungen stellen direkte, unbedingte, nicht nachrangige und nicht besicherte Verbindlichkeiten der Emittentin dar, die gleichen Rang (ausgenommen Verbindlichkeiten aufgrund von nationalen oder lokalen Steuervorschriften, anderen gesetzlichen Ausnahmeregelungen, gesetzlichen Vorschriften und Verwaltungsvorschriften) mit allen anderen unbesicherten und nicht nachrangigen Verbindlichkeiten haben.

C.9		Bitte siehe Element C.8.
	Zinssatz	<p>[Im Falle von festverzinslichen Schuldverschreibungen: [•]%.]</p> <p>[Im Falle von variabel verzinslichen Schuldverschreibungen: der [Referenzzinssatz einfügen] [CMS-Satz einfügen] [multipliziert mit [Faktor]] [[zuzüglich][abzüglich] der Marge in Höhe von [•]%) für jede Zinsperiode.]</p> <p>[Nicht anwendbar. Die Schuldverschreibungen sehen keine periodischen Zinszahlungen vor und verfügen daher auch nicht über einen festgelegten Zinssatz.]</p>
	Verzinsungsbeginn	<p>[Begebungstag der Schuldverschreibungen.]</p> <p>[Nicht anwendbar. Die Schuldverschreibungen sehen keine periodischen Zinszahlungen vor und verfügen daher auch nicht über einen Verzinsungsbeginn.]</p>
	Zinszahlungstage	<p>[•]</p> <p>[Nicht anwendbar. Die Schuldverschreibungen sehen keine periodischen Zinszahlungen vor und verfügen daher auch nicht über Zinszahlungstage.]</p>
	Basiswert auf dem der Zinssatz basiert	<p>[Nicht anwendbar. Der Zinssatz basiert nicht auf einem Basiswert.]</p> <p>[[Referenzzinssatz einfügen][CMS-Satz einfügen].]</p> <p>[Nicht anwendbar.]</p>
	Fälligkeitstag einschließlich Rückzahlungsverfahren	<p>[[Fälligkeitstag einfügen].]</p> <p>[Der in den [Rückzahlungsmonat und Jahr einfügen] fallende Zinszahlungstag.]</p> <p>Zahlungen auf Kapital in Bezug auf die Schuldverschreibungen erfolgen an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.</p>
	Rendite	<p>[[•]%.]</p> <p>[Nicht anwendbar. Die Rendite kann am Begebungstag nicht berechnet werden.]</p>
	Amortisationsrendite	<p>[[•] %.]</p> <p>[Nicht anwendbar. Es wird keine Amortisationsrendite berechnet.]</p>
Name des Vertreters der Inhaber der Schuldverschreibungen	<p>[Nicht anwendbar. Es ist kein gemeinsamer Vertreter in den Emissionsbedingungen der Schuldverschreibungen bestellt.]</p>	
C.10		Bitte siehe Element C.9.
	Erläuterung wie der Wert der Anlage beeinflusst wird, falls die Schuldverschreibungen eine derivative Komponente bei der Zinszahlung aufweisen	<p>Nicht anwendbar. Die Zinszahlung weist keine derivative Komponente auf.</p>

C.11	Zulassung zur Börsennotierung und Einführung in einen regulierten Markt oder einen gleichwertigen Markt	[Ein Antrag auf Zulassung der Schuldverschreibungen an der <i>Official List</i> der Luxemburger Börse und auf Zulassung zum Handel der Schuldverschreibungen am regulierten Markt der Luxemburger Börse (<i>Bourse de Luxembourg</i>) wurde gestellt.] [Die Schuldverschreibungen werden an keiner Börse zugelassen.] [●]
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Punkt	Abschnitt D – Risiken	
	Risiken, die Bayerische Motoren Werke Aktiengesellschaft eigen sind	
D.2	Zentrale Angaben zu den zentralen Risiken, die dem Emittenten eigen sind	<p>Als eine global agierende Organisation ist die BMW Gruppe einer Vielzahl von Risiken ausgesetzt, die zum Teil aus der steigenden Internationalisierung der Unternehmenstätigkeit und dem größeren Wettbewerb herrühren.</p> <p>BMW AG ist weltweit politischen und global wirtschaftlichen Risiken ausgesetzt.</p> <p>Die Automobilherstellerindustrie sieht sich weltweit der konstanten Herausforderung einer steigenden Effizienz von Kraftfahrzeugen und gleichzeitig steigender Sicherheitsanforderungen gegenüber gestellt. Diese Anforderungen werden zunehmend von den Rahmenbedingungen individueller Mobilität in Ballungsräumen begleitet.</p> <p>Das Hauptgeschäftsrisiko resultiert aus: Produktion, Kauf, Verkauf und Marketing, Wettbewerbs- und Überkapazitätsrisiko, Gewährleistungsrisiko und Produkthaftungsansprüchen, Risiken in Bezug auf Pensionsverpflichtungen, Informations- und Datenschutz und IT Risiken.</p> <p>Die größten finanziellen Risiken und die Risiken im Zusammenhang mit der Erbringung von Finanzdienstleistungen sind: Währungsrisiko, Rohstoffpreisrisiko, Liquiditätsrisiko, Kreditausfall- und Kontrahentenausfallrisiko, Restwertrisiko, Zinsrisiken und Risiken in Bezug auf Finanzdienstleistungen.</p> <p>Trotz aller von der BMW Gruppe getroffenen Maßnahmen, um Gesetzesverstöße zu vermeiden (wie beispielsweise der Etablierung einer Compliance Einrichtung), ist die BMW Gruppe rechtlichen und Compliance Risiken ausgesetzt.</p>

[Punkt	Abschnitt D – Risiken	
	Risiken, die BMW Finance N.V. eigen sind	
D.2	Zentrale Angaben zu den zentralen Risiken, die dem Emittenten eigen sind	<p>BMW Finance N.V. ist Geschäftsrisiken (wie beispielsweise solchen Risiken, die aus der Benutzung von Computersystemen und Informationstechnologien resultieren) und finanziellen Risiken (wie beispielsweise Liquiditätsrisiken, das Risiko einer Erweiterung von Kreditspannen, Währungsrisiken, Zinssatzrisiken, Kreditrisiken und Marktpreisrisiken) ausgesetzt.</p> <p>Im Hinblick auf die Risikofaktoren bezüglich der BMW AG als Garantin der von BMW Finance N.V. begebenen Schuldverschreibungen wird auf den vorherigen Abschnitt Bezug genommen.]</p>

[Punkt	Abschnitt D – Risiken	
	Risiken, die BMW US Capital, LLC eigen sind	
D.2	Zentrale Angaben zu den zentralen Risiken, die dem Emittenten eigen sind	<p>BMW US Capital, LLC ist Geschäftsrisiken (wie beispielsweise solchen Risiken, die aus der Benutzung von Computersystemen und Informationstechnologien resultieren) und finanziellen Risiken (wie beispielsweise Liquiditätsrisiken, das Risiko einer Erweiterung von Kreditspannen, Währungsrisiken, Zinssatzrisiken, Kreditrisiken und Marktpreisrisiken) ausgesetzt.</p> <p>Im Hinblick auf die Risikofaktoren bezüglich der BMW AG als Garantin der von BMW US Capital, LLC begebenen Schuldverschreibungen wird auf den vorherigen Abschnitt Bezug genommen.]</p>

[Punkt	Abschnitt D – Risiken	
	Risiken, die BMW Australia Finance Limited eigen sind	
D.2	Zentrale Angaben zu den zentralen Risiken, die dem Emittenten eigen sind	<p>BMW Australia Finance Limited ist Geschäftsrisiken (wie beispielsweise solchen Risiken, die aus der Benutzung von Computersystemen und Informationstechnologien resultieren) und finanziellen Risiken (wie beispielsweise Liquiditätsrisiken, das Risiko einer Erweiterung von Kreditspannen, Währungsrisiken, Zinssatzrisiken, Kreditrisiken und Marktpreisrisiken) ausgesetzt.</p> <p>Im Hinblick auf die Risikofaktoren bezüglich der BMW AG als Garantin der von BMW Australia Finance Limited begebenen Schuldverschreibungen wird auf den vorherigen Abschnitt Bezug genommen.]</p>

[Punkt	Abschnitt D – Risiken	
	Risiken, die BMW Japan Finance Corp. eigen sind	
D.2	Zentrale Angaben zu den zentralen Risiken, die dem Emittenten eigen sind	<p>BMW Japan Finance Corp. ist Geschäftsrisiken (wie beispielsweise solchen Risiken, die aus der Benutzung von Computersystemen und Informationstechnologien resultieren) und finanziellen Risiken (wie beispielsweise Liquiditätsrisiken, das Risiko einer Erweiterung von Kreditspannen, Währungsrisiken, Zinssatzrisiken, Kreditrisiken und Marktpreisrisiken) ausgesetzt.</p> <p>Im Hinblick auf die Risikofaktoren bezüglich der BMW AG als Garantin der von BMW Japan Finance Corp. begebenen Schuldverschreibungen wird auf den vorherigen Abschnitt Bezug genommen.]</p>

Punkt	Abschnitt D – Risiken, die den Schuldverschreibungen eigen sind	
D.3	Zentrale Angaben zu den zentralen Risiken, die den Wertpapieren eigen sind	<p>Unabhängige Einschätzung und Beratung</p> <p>Jeder potentielle Erwerber von Schuldverschreibungen muss auf der Grundlage seiner eigenen unabhängigen Einschätzung und der den Umständen entsprechenden professionellen Beratung entscheiden, ob der Kauf der Schuldverschreibungen seinen eigenen finanziellen Möglichkeiten, Zielen und Umständen entspricht, mit allen geltenden Anlageprinzipien, Richtlinien und Einschränkungen übereinstimmt und sich als</p>

		<p>geeignete, angemessene und zulässige Investition darstellt.</p> <p>Kein aktiver Sekundärmarkt/Handelsmarkt für die Schuldverschreibungen</p> <p>Die unter dem Programm begebenen Schuldverschreibungen sind neue Schuldverschreibungen, die keine weite Verbreitung besitzen und für die gegenwärtig kein aktiver Handelsmarkt besteht. Sofern Schuldverschreibungen nach ihrer erstmaligen Emission gehandelt werden, kann der Handel zu einem geringeren als ihrem anfänglichen Emissionspreis stattfinden, abhängig von vorherrschenden Zinssätzen, dem Markt für gleiche Wertpapiere, allgemeinen wirtschaftlichen Bedingungen und der finanziellen Situation der jeweiligen Emittentin und der Garantin.</p> <p>Clearing Systeme</p> <p>Da Globalurkunden, welche die Schuldverschreibungen verbriefen, von oder namens Clearstream Luxembourg oder Euroclear oder CBF oder einem Clearing System, das ein Book-entry Agreement mit der Emittentin abgeschlossen hat, gehalten werden können, gelten für Investoren die dort maßgeblichen Verfahren für Übertragungen, Zahlungen und die Kommunikation mit der Emittentin und/oder der Garantin.</p> <p>Wechselkurse</p> <p>Zukünftige Investoren von Schuldverschreibungen sollten beachten, dass eine Investition in die Schuldverschreibungen Wechselkursrisiken beinhalten kann.</p> <p>Wirksamkeit des Erwerbs</p> <p>Ein potentieller Käufer kann sich nicht auf die Einschätzungen der Emittentin, der Garantin, der Platzeure oder ihrer jeweils verbundenen Unternehmen in Bezug auf die Wirksamkeit des Erwerbs der Schuldverschreibungen verlassen.</p> <p>Besteuerung</p> <p>Potentielle Käufer und Verkäufer der Schuldverschreibungen sollten sich vergegenwärtigen, dass sie gegebenenfalls verpflichtet sind, Steuern oder andere Gebühren oder Abgaben nach Maßgabe der Gesetze und Verordnungen des Landes zu zahlen, in das die Schuldverschreibungen übertragen werden, oder sonstiger Rechtsordnungen.</p> <p>FATCA</p> <p>Zahlungen auf am oder nach dem 1. Juli 2014 begebene Schuldverschreibungen an „ausländische Finanzinstitute“ können, unter bestimmten Umständen, Gegenstand einer U.S. Quellensteuer in Höhe von 30 % unterliegen gemäß dem U.S. Internal Revenue Code of 1986 in der jeweils gültigen Fassung und den darunter erlassenen Rechtsakten („FATCA“), es sei denn, das beteiligte ausländische Finanzinstitut erklärt sich damit einverstanden, bestimmte Informationen über U.S. Kontoinhaber bei dem Finanzinstitut (oder die verbundenen Unternehmen des Finanzinstituts) offenzulegen und auf jährlicher Basis bestimmte Informationen über solche Konten mitzuteilen.</p> <p>Im Übrigen können auch Zahlungen auf am oder nach dem 1. Juli 2014 begebene Schuldverschreibungen an „ausländische Nicht-Finanzinstitute“ unter bestimmten</p>
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Umständen Gegenstand einer U.S. Quellensteuer nach FATCA sein, es sei denn, das ausländische Nicht-Finanzinstitut erklärt sich bereit, bestimmte Informationen in Bezug auf wesentliche Beteiligungen von U.S.-Bürgern an ihr offenzulegen.

Sofern ein Betrag aufgrund der U.S. Quellensteuer von einer auf die Schuldverschreibungen zu leistenden Zahlung abzuziehen oder einzubehalten ist und dies darauf zurückgeht, dass ein Inhaber die Regeln von FATCA nicht einhält, wären weder die Emittentin noch die Garantin (sofern vorhanden), eine Zahlstelle oder eine sonstige Person nach den Bedingungen der Schuldverschreibungen verpflichtet, zusätzliche Beträge aufgrund des Abzugs oder der Einbehaltung solcher Steuern zu zahlen.

Marktwert

Der Marktwert von Schuldverschreibungen wird durch die Bonität der jeweiligen Emittentin und der Garantin sowie einer Vielzahl von zusätzlichen Faktoren beeinflusst, die entweder mit der Struktur der Schuldverschreibungen verknüpft sind oder mit externen Faktoren, die die wirtschaftliche Lage oder die Kapitalmärkte und die Börsen, an denen die Schuldverschreibungen gehandelt werden, im Allgemeinen betreffen.

[In Renminbi begebene Schuldverschreibungen

Der Renminbi ist nicht frei umtauschbar, es gibt erhebliche Einschränkungen für Überweisungen von Renminbi in die oder aus der Volksrepublik China heraus. Trotz der Reduzierung der Kontrolle über gängige Devisengeschäfte in Kontokorrent Transaktionen, wie zum Beispiel Zahlungen für importierte Güter oder Gehaltszahlungen, reguliert die Regierung der Volksrepublik China weiterhin den Umtausch von Renminbi in andere Währungen, inklusive den Hongkong Dollar.]

Vorzeitige Rückzahlung der Schuldverschreibungen

Ein Gläubiger von Schuldverschreibungen ist dem Risiko ausgesetzt, dass infolge der vorzeitigen Rückzahlung seine Kapitalanlage eine geringere Rendite als erwartet aufweisen wird.

Außerdem kann der Gläubiger von Schuldverschreibungen in der Lage sein, Reinvestitionen nur zu ungünstigeren Konditionen tätigen zu können, verglichen mit der ursprünglichen Investition.

[Festverzinsliche Schuldverschreibungen

Investitionen in festverzinsliche Schuldverschreibungen beinhalten das Risiko, dass nachträgliche Änderungen in Marktzinssätzen den Wert der jeweiligen Tranche von Schuldverschreibungen nachteilig beeinflussen.]

[Variabel verzinsliche Schuldverschreibungen

Der Gläubiger von variabel verzinslichen Schuldverschreibungen ist dem Risiko schwankender [Referenzzinssätze] [CMS-Sätze] und ungewisser Zinserträge ausgesetzt. Ein schwankendes [Referenzzinssatzniveau] [Niveau der CMS-Sätze] macht es unmöglich, die Rendite von variabel verzinslichen Schuldverschreibungen im Voraus zu bestimmen.

[Die Rendite von variabel verzinslichen

		<p>Schuldverschreibungen, die mit einer Obergrenze in Bezug auf Zinszahlungen ausgestattet sind, kann niedriger ausfallen als bei ähnlich strukturierten Schuldverschreibungen ohne Obergrenze. Des Weiteren wird sich der Marktwert dieser Schuldverschreibungen anders entwickeln als der von Schuldverschreibungen ohne Obergrenze.]</p> <p>Die Schuldverschreibungen sind mit einem Merkmal ausgestattet, dass bei der Berechnung der Verzinsung der Schuldverschreibungen ein nach den Zinsregelungen ermittelter Wert mit einem Partizipationsfaktor (Hebel) multipliziert wird.</p> <p>[Bei einem Partizipationsfaktor (Hebel) von unter 100% (Faktor kleiner 1): Der Gläubiger partizipiert an einer eventuellen positiven Wertentwicklung regelmäßig in geringerem Maße als bei einem Faktor von 1 oder wenn die Schuldverschreibungen ohne Partizipationsfaktor (Hebel) ausgestattet sind, d.h. dass die variable Verzinsung der Schuldverschreibungen nur in geringerem Maße ansteigt als der Kurs des bzw. der Referenzwerte.] [Bei einem Partizipationsfaktor (Hebel) von über 100% (Faktor größer 1): Der Gläubiger ist regelmäßig dem Risiko ausgesetzt, dass sich, vorbehaltlich der Wertbeeinflussung durch weitere Ausstattungsmerkmale, die Verzinsung bei einer für den Gläubiger ungünstigen Werteentwicklung des bzw. der Referenzwerte in höherem Maße reduziert als bei einem Faktor von 1, oder wenn die Schuldverschreibungen ohne Partizipationsfaktor (Hebel) ausgestattet sind.]]</p> <p>[Nullkupon-Schuldverschreibungen</p> <p>Der Gläubiger einer Nullkupon-Schuldverschreibung ist dem Risiko ausgesetzt, dass der Kurs einer solchen Schuldverschreibung infolge von Veränderungen des Marktzinssatzes fällt. Kurse von Nullkupon-Schuldverschreibungen sind volatiliter als Kurse von z.B. festverzinslichen Schuldverschreibungen.]</p>
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Punkt	Abschnitt E – Angebot	
E.2b	Gründe für das Angebot und Zweckbestimmung der Erlöse, sofern diese nicht in der Gewinnerzielung und/oder der Absicherung bestimmter Risiken liegen	[•]

E.3	Beschreibung der Angebotskonditionen	<p>[Ein öffentliches Angebot findet nicht statt und wird nicht in Betracht gezogen.]</p> <p>Die Gesamtsumme [der Emission] [des Angebots] beträgt [•].</p> <p>[Verkaufskurs einfügen]</p> <p>[Mindestzeichnung einfügen]</p> <p>[Art des Verkaufes einfügen]</p> <p>[Verkaufsbeginn und Verkaufsende einfügen]</p> <p>[Emissionsübernahme und/oder Platzierung durch andere Institute einfügen]</p> <p>[weitere besondere Angaben der Angebotskonditionen einfügen]</p>
E.4	Beschreibung aller für die Emission/das Angebot wesentlichen, auch kollidierenden Interessen	[•]
E.7	Schätzung der Ausgaben, die dem Anleger vom Emittenten oder Anbieter in Rechnung gestellt werden	[•]

RISK FACTORS

The information in this section “Risk Factors” includes risk factors relating to

1. BMW Finance N.V. (“BMW Finance”) and its business and operations, BMW US Capital, LLC (“BMW US Capital”) and its business and operations, BMW Australia Finance Limited (“BMW Australia Finance”) and its business and operations, and BMW Japan Finance Corp. (“BMW Japan”) and its business and operations (together, the “Issuers” or “Issuing Subsidiaries”);
2. BMW Motoren Werke Aktiengesellschaft (“BMW AG”) and its business and operations; and
3. risks typically associated with the issue of Notes.

The following is a general discussion of certain risks typically associated with the Issuing Subsidiaries and BMW AG and the acquisition and ownership of Notes. It does not purport to be a comprehensive description of all risks which may be relevant to a decision to purchase Notes. In particular, it does not consider an investor’s specific knowledge and/or understanding about risks typically associated with the Issuing Subsidiaries and BMW AG and the acquisition and ownership of Notes, whether obtained through experience, training or otherwise, or the lack of such specific knowledge and/or understanding, or circumstances that may apply to a particular investor.

Prospective purchasers of Notes should carefully consider the following information about these risks, together with the other information in this Prospectus, before buying any Notes. Prospective purchasers of Notes are also advised to consult their own tax advisors, legal advisors, accountants or other relevant advisors as to the risks associated with, and consequences of, the purchase, ownership and disposition of Notes, including the effect of any laws of each country of which they are residents.

1. Risks relating to the Issuing Subsidiaries

(i) BMW Finance

The risk exposure of BMW Finance can be broken down into the following two main categories: non-financial and financial risks.

Non-financial Risks

Operating Risks

Non-financial risks could arise from operating risks. Risks mainly result from the use of computer systems and information technology. BMW Finance uses computer systems to monitor financial positions and daily cash flows and to process payments to internal and external counterparties. System failures can, therefore, lead to delays in payment processes. Further operating risks can arise in connection with the settlement of financial transactions. The management of daily cash flows at BMW Finance depends on the timely receipt of funds from external institutions who act as counterparties to financial transactions, such as bonds, swaps or other derivative financial instruments. To avoid negative impacts of system failures, all key systems are set up in parallel and/or backup facilities or available within BMW Group.

Financial Risks

The formal procedures and policies operated by BMW Finance to cover banking, foreign exchange and other treasury matters are consistent with objectives and policies for financial risk management within BMW Group. BMW Finance’s policy is not to trade or speculate in financial instruments.

Financial risks arise mainly from liquidity risk, the risk of an increase in credit spreads, currency risk, interest rate risk, credit risk and fair market value risk.

Liquidity Risk

Liquidity risk refers to potential negative impacts on the operations of BMW Finance as a result of the inability to generate sufficient funds to pay liabilities when due and to finance BMW Group companies and participations.

To manage the liquidity, BMW Finance depends mainly on the issuance of term debt, principally in the European capital markets. Therefore, BMW Finance depends on broad access to these capital markets and investors. Changes in demand for term debt instruments on capital markets could limit the ability of BMW Finance to fund operations. The participation of BMW Finance in the EUR 35.0 billion Euro Medium Term Note Programme established by BMW AG, BMW Finance, BMW US Capital, BMW Australia Finance and BMW Japan, as well as the participation in the EUR 5.0 billion Multi-Currency Commercial Paper Programme established by BMW AG, BMW Finance and BMW Malta Finance Limited support flexible and broad access to capital markets. Since May 2006, BMW Finance acts as an issuer under the EUR 2.0 billion French Commercial Paper (*Billets de Trésorerie*) Programme established by BMW Finance. Debt issuances under these programs have unconditional and irrevocable guarantees from BMW AG. The removal of the guarantees from these programs could limit access to certain investors and investor groups.

Furthermore, BMW Finance uses committed and uncommitted credit lines with banks and bank loans to cover liquidity needs. In this context BMW Finance depends on the willingness of banks to provide credit lines or loans. In the light of the financial crisis, banks have become more selective in providing credit lines or loans to the interbank and corporate sector. In order to reduce and minimise the dependence on banks, BMW Finance has taken measures to maintain access to capital markets. Besides local committed and uncommitted credit lines BMW Finance can draw under a EUR 6.0 billion Multi-Currency Revolving Credit Facility (including a EUR 2.0 billion Swingline Option).

Risk of an Increase in Credit Spreads

Increases in the credit spreads could negatively affect the cost of borrowing and, therefore, the operating results of BMW Finance. Increases in credit spreads could arise from changes in demand for term debt instruments on capital markets, the removal of the unconditional and irrevocable guarantees of BMW AG from the above-mentioned debt issuance programs in which BMW Finance participates, a weakening credit profile of BMW Group and a decreasing willingness of banks to provide credit lines and loans.

Currency Risk

Currency risk or exchange rate risk refers to potential changes of value in financial assets, liabilities or derivatives in response to fluctuations in exchange rates. Changes in exchange rates can have adverse effects on the financial position and operating result of BMW Finance. In order to mitigate the impact of currency risk arising from operational, financing and investment activities, BMW Finance continually assesses its exposure to this risk. Currency risk is managed and hedged through the use of derivative financial instruments, such as forward contracts, options and cross currency swaps. When deemed appropriate, there might be un-hedged positions.

Interest Rate Risk

Interest rate risk refers to potential changes of value in financial assets, liabilities or derivatives in response to fluctuations in interest rates. BMW Finance holds a substantial volume of interest rate sensitive financial assets, liabilities and derivatives for operational, financing and investment activities. Changes in interest rates can have adverse effects on the financial position and operating result of BMW Finance. In order to mitigate the impact of interest rate risk, BMW Finance continually assesses its exposure to this risk. Interest rate risk is managed and hedged through the use of derivative financial instruments, such as interest rate swaps and forward rate agreements. When deemed appropriate, there might be un-hedged positions.

Credit Risk

Credit risk results from the risk of default of internal or external counterparties. The amount recognised in the balance sheet of BMW Finance for financial assets is, ignoring any collateral received, the maximum credit risk in the case that counterparties are unable to fulfil their contractual obligations. In the case of derivative financial instruments, BMW Finance is also exposed to credit risk, which results from the non-performance of contractual agreements on the part of the counterparty. This credit risk is mitigated by entering into such contracts only with parties of first-class credit standing. Furthermore,

BMW Finance participates in a Group wide limit system that continually assesses and limits the credit exposure to any single external counterparty.

Fair Market Value Risk

IAS 39, *Financial Instruments Recognition and Measurement*, requires that all derivative instruments be recorded on the balance sheet at their respective fair values. In the case that hedge accounting is applied and that a hedge is a fair value hedge, the results of the fair value measurement of the derivative financial instrument and of the related hedged item are recognised in the income statement. Furthermore, if, contrary to the normal case within BMW Finance, hedge accounting cannot be applied, the gains and losses from the fair value measurement of derivative financial instruments are recognised immediately in the income statement. This can lead to significant fluctuations in the position "Net balance of fair value measurement of financial instruments" on the income statement.

(ii) BMW US Capital

The risk exposure of BMW US Capital can be broken down into the following two main categories: non-financial risks and financial risks.

Non-financial Risks

Operating Risks

Non-financial risks could arise from operating risks. Risks mainly result from the use of computer systems and information technology. BMW US Capital uses computer systems to monitor financial positions and daily cash flows and to process payments to internal and external counterparties. System failures can therefore lead to delays in payment processes, or the evaluation or settlement of financial transactions.

Financial Risks

The formal procedures and policies operated by BMW US Capital to cover banking, foreign exchange and other treasury matters are consistent with the objectives and policies for financial risk management within BMW Group. BMW US Capital's policy is not to trade or speculate in financial instruments.

Financial risks arise mainly from volatility relating to liquidity, credit spreads, interest rates, currency, credit and fair market value evaluations of derivative instruments.

Liquidity Risk

Liquidity risk refers to potential negative impacts on the operations of BMW US Capital resulting from the inability to generate sufficient funds to pay liabilities when due and to extend short- and long-term advances to support the financing activities of the companies of BMW Group and its affiliates.

To manage liquidity, BMW US Capital depends mainly on the issuance of overnight and term debt, principally in the European and US capital markets. Changes in demand for term debt instruments on capital markets could limit the ability of BMW US Capital to fund operations. The participation of BMW US Capital in the EUR 35.0 billion Euro Medium Term Note Programme established by BMW AG, BMW Finance, BMW US Capital, BMW Australia Finance and BMW Japan, as well as the participation in the USD 7.0 billion US Commercial Paper Programme established by BMW US Capital support flexible and broad access to capital markets. Debt issuances under both programs have unconditional and irrevocable guarantees from BMW AG. The removal of the guarantees from these programs could limit access to certain investors and investor groups.

Furthermore, BMW US Capital uses committed and uncommitted credit lines with banks and bank loans to cover liquidity needs. In this context BMW US Capital depends on the willingness of banks to provide credit lines or loans. In the light of the financial crisis, banks have become more selective in providing credit lines or loans to the interbank and corporate sector. In order to reduce and minimise the dependence on banks, BMW US Capital has taken measures to maintain access to capital markets. Besides local committed and uncommitted credit lines, BMW US Capital can draw under a EUR 2.0 billion Multi-Currency Revolving Credit Facility (including a EUR 2.0 billion Swingline Option).

Risk of an Increase in Credit Spreads

Increases in the credit spreads could negatively affect the cost of borrowing and, therefore, the operating results of BMW US Capital. Increases in credit spreads could arise from changes in demand

for term debt instruments on capital markets, the removal of the unconditional and irrevocable guarantees of BMW AG from the above-mentioned debt issuance programs in which BMW US Capital participates, a weakening credit profile of BMW Group and from a decreasing willingness of banks to provide credit lines and loans.

Currency Risk

Currency risk or exchange risk refers to potential changes of value in financial assets, liabilities or derivatives in response to fluctuations in exchange rates. Changes in exchange rates can have adverse effects on the financial position and operating result of BMW US Capital. In order to mitigate the impact of foreign exchange risk arising from operational, financing and investment activities, BMW US Capital continually assesses its exposure to this risk. Currency exchange risk is managed through the use of derivative financial instruments, such as forward contracts, options and cross currency swaps. When deemed appropriate, there might be un-hedged positions.

Interest Rate Risk

Interest rate risk refers to potential changes of value in financial assets, liabilities or derivatives in response to fluctuations in interest rates. BMW US Capital holds a substantial volume of interest rate sensitive financial assets, liabilities and derivatives from operational, financing and investment activities. Changes in interest rates can have adverse effects on the financial position and operating result of BMW US Capital. In order to mitigate the impact of interest rate risk, BMW US Capital continually assesses its exposure to this risk. Interest rate risk is managed by matching maturities and through the use of derivative financial instruments, such as interest rate swaps and forward rate agreements. When deemed appropriate, there might be un-hedged positions.

Credit Risk

Credit risk results from the risk of default of internal or external counterparties. The amount recognised in the statement of financial position of BMW US Capital for financial assets is, ignoring any collateral received, the maximum credit risk in the case that counterparties are unable to fulfil their contractual obligations. In the case of derivative financial instruments, BMW US Capital is also exposed to credit risk, which results from the non-fulfilment of contractual agreements on the part of the counterparty. This credit risk is mitigated by entering into such contracts only with parties of investment grade credit standing. Furthermore, BMW US Capital participates in a Group-wide limit system that continually assesses and limits the credit exposure to any single external counterparty.

Fair Market Value Risk

IAS 39, *Financial Instruments Recognition and Measurement*, requires that all derivative instruments be recorded on the statement of financial position at their respective fair values. With respect to fair value hedges, the results of the fair value measurement of the derivative financial instrument and of the related hedged item are recognised in the statement of comprehensive income. Furthermore, if, contrary to the normal case within BMW US Capital, hedge accounting cannot be applied, the gains and losses from the fair value measurement of derivative financial instruments are recognised immediately in the statement of comprehensive income. This can lead to significant fluctuations in the positions "Gain/Loss on financial instruments" on the Statements of Comprehensive Income for BMW US Capital.

(iii) BMW Australia Finance

The risk exposure of BMW Australia Finance can be broken down into two main categories: non-financial and financial risks.

Non-financial risks

Operating risks

Non-financial risks could arise from operating risks. Risks mainly result from the use of computer systems and information technology. BMW Australia Finance uses computer systems to monitor financial positions and daily cash flows and to process payments to external counterparties. System failures can, therefore, lead to delays in payment processes, further operating risks can arise in connection with the settlement of financial transactions. The management of daily cash flows at BMW Australia Finance depends on the timely receipt of funds from external parties for retail and wholesale business as well as financial transactions, such as loans, bonds and swaps.

Financial Risks

The formal procedures and policies operated by BMW Australia Finance to cover banking and other treasury matters are consistent with objectives and policies for financial risk management within BMW Group. BMW Australia Finance's policy is not to trade or speculate in financial instruments.

Financial risks arise mainly from liquidity risk, risk of an increase in credit spreads, credit risk and interest rate risk.

Liquidity Risk

Liquidity risk refers to potential negative impacts on the operations of BMW Australia Finance as a result of the inability to generate sufficient funds to pay liabilities when due.

BMW Australia Finance uses bank loans, inter-company debt and un-committed credit lines with banks to cover short-term liquidity needs. In this context, BMW Australia Finance depends on the willingness of banks to provide credit lines or loans. These settings are based on the sound profitability of BMW Australia Finance and BMW Group.

In order to reduce and minimise possible risk of decrease in credit line availability, BMW Australia Finance makes regular contacts with the banks to be always updated of their recent credit stances in addition to development of financial, especially lending, markets. Furthermore BMW Group Capital Markets Division is involved in a broad range of banking activities of BMW subsidiaries.

For sound and diversified funding, BMW Australia Finance is engaged in long-term funding sources, such as loans, bonds, private placements and Asset-Backed Securities (ABS). The participation of BMW Australia Finance in the EUR 35.0 billion Euro Medium Term Note Programme established by BMW AG, BMW US Capital, BMW Australia Finance, BMW Japan and BMW Finance supports flexible and broad access to capital markets. Debt issuance under this program has unconditional and irrevocable guarantees by BMW AG. The removal of the guarantees from these programs could limit access to certain investors and investor groups.

Risk of an Increase in Credit Spreads

Increase in the credit spreads could negatively affect the cost of borrowing and, therefore, the operating results of BMW Australia Finance. Increase in credit spreads could arise from changes in demand from creditors, such as banks for short-term loans and institutional investors for long-term loans or bonds and from a weakening credit profile of BMW Group.

Interest Rate Risk

Interest rate risk refers to potential changes in value of financial assets, liabilities or derivatives in response to fluctuations in interest rates. BMW Australia Finance holds a substantial volume of interest rate sensitive liabilities for financing activities. Changes in interest rates can have adverse effects on the financial position and operating result of BMW Australia Finance. In order to mitigate the impact of interest rate risk, BMW Australia Finance continually assesses and manages its exposure to this risk and hedges those liabilities through the use of derivative financial instruments, such as interest rate swaps.

Credit Risk

Credit risk results from the risk of default in retail and wholesale business. The credit risk from loan business, other retail business and wholesale business risks has been closely monitored and adequately provided for.

In the case of derivative financial instruments, BMW Australia Finance is also exposed to credit risk, which results from the non-performance of contractual agreements on the part of the counterparty. This credit risk is mitigated by entering into such contracts only with parties of first-class credit standing. Furthermore, BMW Australia Finance is participating in a Group wide limit system that continually assesses and limits the credit exposure to any single external counterparty.

Residual value risks resulting out of BMW Australia Finance's portfolio are controlled through conservative settings and timely monitoring of market residual values.

Fair Market Value Risk

IAS 39, *Financial Instruments Recognition and Measurement*, requires that all derivative instruments be recorded on the balance sheet at their respective fair values. With respect to fair value hedges, the results of the fair value measurement of the derivative financial instrument and of the related hedged

item are recognised in the Income Statement. Furthermore, if, contrary to the normal case within BMW Australia Finance, hedge accounting cannot be applied, the gains and losses from the fair value measurement of derivative financial instruments are recognised immediately in the Income Statement. This can lead to significant fluctuations in the Income Statement for BMW Australia Finance.

Residual Value Risk

BMW Australia Finance faces residual value risk as it has residual value risk bearing products in its portfolio.

(iv) BMW Japan

The risk exposure of BMW Japan can be broken down into the following two main categories: non-financial and financial risks.

Non-financial risks

Operating risks

Non-financial risks could arise from operating risks. Risks mainly result from the use of computer systems and modern information technology. BMW Japan uses computer systems to monitor financial positions and daily cash flows and to process payments to external counterparties. System failures can, therefore, lead to delays in payment processes. Further operating risks can arise in connection with the settlement of financial transactions. The management of daily cash flows at BMW Japan depends on the timely receipt of funds from external parties for retail and wholesale business as well as financial transactions, such as loans, bonds and swaps. Operating risks are mitigated through constant monitoring and improving of operational processes, development of back-up scenarios and assuring of adequate IT resources.

Financial Risks

The formal procedures and policies operated by BMW Japan to cover banking and other treasury matters are consistent with objectives and policies for financial risk management within BMW Group. BMW Japan's policy is not to trade or speculate in financial instruments.

Financial risks arise mainly from liquidity risk, risk of an increase in credit spreads, credit risk and interest rate risk.

Liquidity Risk

Liquidity risk refers to potential negative impacts on the operations of BMW Japan as a result of the inability to generate sufficient funds to pay liabilities when due.

BMW Japan uses bank loans and uncommitted credit lines with banks to cover short-term liquidity needs. In this context, BMW Japan depends on the willingness of banks to provide credit lines or loans. These settings are based on the sound profitability of BMW Japan and BMW Group.

In order to reduce and minimise possible risk of decrease in credit line availability, BMW Japan makes regular contacts to the banks to be always updated of their recent credit stances in addition to development of financial, especially lending, markets. Furthermore BMW Group Capital Markets Division is involved in a broad range of banking activities of BMW subsidiaries.

For sound and diversified funding, BMW Japan is engaged in long-term funding sources, such as loans, bonds and Asset Backed Securities (ABS). The participation of BMW Japan in the EUR 35.0 billion Euro Medium Term Note Programme established by BMW AG, BMW Finance, BMW US Capital, BMW Australia Finance and BMW Japan supports flexible and broad access to capital markets. Debt issuance under this program has unconditional and irrevocable guarantees by BMW AG. The removal of the guarantees from these programs could limit access to certain investors and investor groups.

Risk of an Increase in Credit Spreads

Increases in the credit spreads could negatively affect the cost of borrowing and, therefore, the operating results of BMW Japan. Increases in credit spreads could arise from changes in demand from creditors, such as banks for short-term loans and institutional investors for long-term loans or bonds.

Interest Rate Risk

Interest rate risk refers to potential changes of value in financial assets, liabilities or derivatives in response to fluctuations in interest rates. BMW Japan holds a substantial volume of interest rate sensitive liabilities for financing activities. Changes in interest rates can have adverse effects on the financial position and operating result of BMW Japan. In order to mitigate the impact of interest rate risk, BMW Japan continually assesses and manages its exposure to this risk and hedges those liabilities through the use of derivative financial instruments, such as interest rate swaps.

Credit Risk

Credit risk results from the risk of default in retail and wholesale business. Some part of the credit risk stemming from loan business is covered by a comprehensive agreement in place with a service provider while the rest of loan business written since September 2012 and the other retail business as well as wholesale business risks have been closely monitored and adequately provided for.

In the case of derivative financial instruments, BMW Japan is also exposed to credit risk, which results from the non-performance of contractual agreements on the part of the counterparty. This credit risk is mitigated by entering into such contracts only with parties of first-class credit standing. Furthermore, BMW Japan is participating in a Group wide limit system that continually assesses and limits the credit exposure to any single external counterparty.

Residual Value Risk

BMW Japan faces residual value risk as it has residual value risk bearing products in its portfolio.

2. Risks relating to BMW AG and BMW Group

Overview

In the industry sector and overall environment in which it operates, BMW Group is regularly exposed to known as well as potentially new risks.

Should any of these risks, whether known or new, materialise, this could have a materially adverse effect on BMW Group's outlook, its competitive and/or overall financial position. Risks are typically assessed over a period of two years. In specific cases, for the purposes of additional transparency, the assessment is made for individual risks for a shorter period of less than a year. All potential risks of losses (individual and accumulated risks) are constantly being monitored.

As a globally operating organisation, BMW Group is also exposed to political and global economic risks worldwide, including risks arising from an increasing globalisation of business activities and greater competition.

The following lists certain risks which may have a materially adverse effect on BMW Group's business, net assets, financial position and results of operations.

Political and global economic risks

BMW Group's business is dependent on general global economic conditions. A significant deterioration in these conditions, such as a continued economic slowdown, recession or sustained decrease of consumer confidence and consumer demand, could trigger a decline (including decreasing production and reduction of capacity) in industries in which BMW Group operates and, therefore, have a materially adverse effect on BMW Group's result of operations.

The pending sovereign debt crisis in the euro zone and volatile economic conditions continue to exert an unsettling influence over both markets and consumers. A slowdown in European economies could have an adverse effect on BMW Group's business.

In addition, BMW Group may be adversely affected by political and economic developments in any of the countries in which BMW Group operates. BMW Group's operations are also subject to a variety of other risks and uncertainties related to trading in numerous foreign countries, including political or economic upheaval and the imposition of any import, investment or currency restrictions, including tariffs and import quotas or any restrictions on the repatriation of earnings and capital.

In particular, a slowdown of economic momentum in China, one of BMW Group's principal markets could result in lower demand for the products and services BMW Group offers.

Any escalation of political conflicts and terrorist activities, natural disasters or possible pandemics could have a negative impact on the world economy and international capital markets in general and

could have a materially adverse effect on BMW Group's net assets, financial position and results of operations.

Strategic and sector specific risks

As part of its strategy, the pursuit of innovative products and development of new technologies exposes BMW Group to associated risks.

Accordingly, BMW Group depends on its continued ability to develop new, improved, or more cost-effective materials, methods, technologies, other products or to produce the same in a cost-effective manner and then to commercialise and distribute new products successfully. Competitors may develop new types of materials or technologies with favourable characteristics as well, especially for regulatory purposes, or may improve on existing products and technologies. In addition, the market for a newly developed product may unexpectedly decline or could even disappear. Further, technological developments or improvements in processes may permit competitors to offer products at lower prices than BMW Group. For example, if BMW Group's competitors develop more innovative and economically efficient production processes, the value of BMW Group's proprietary production processes could be significantly reduced.

In order to keep the pace with new trends and market developments, BMW Group is investing in new business areas. These activities usually imply high uncertainty and risks. For example, a product risk could materialise as the products concerned may have little or no track record in the markets as they are largely untested and usually have high obsolescence rates.

At the same time, the technical challenges involved in reducing fuel consumption and emission, are constantly on the rise. These requirements are set in an increasingly difficult regulatory environment, particularly governing individual mobility in metropolitan areas. New regulations and rising fuel and energy prices also exert an influence on customer behaviour. One significant risk for the car industry is the possibility that laws and regulations could be tightened at short notice, thus triggering the need for significantly higher levels of investment. In some cases, changes in customer behaviour are not only brought on by new regulations, but also through changes of opinion, values and environmental issues. Among other factors, global climate change is having an effect on legislation, regulations and consumer behaviour.

Medium- and long-term targets have already been put in place in Europe, North America, Japan, China and other countries to minimise fuel consumption and CO₂ emissions. Europe has set a target of achieving an average of 130 g CO₂ / km for all new vehicles by 2015. EU regulations set targets for CO₂ emissions based on vehicle weight. For BMW Group, this means a target of under 140 g CO₂ / km per vehicle. The average for new car fleets in Europe has been set for 2020 at 95 g CO₂ / km. Fuel economy targets have now been fixed in the United States up to the year 2025. Beginning with a gradual reduction for 2012 models, the new car fleets of all manufacturers are required to achieve an average emission value of 250 g CO₂ / mile (155 g CO₂ / km) by model year 2016 and by 2025 an average value of 163 g CO₂ / mile (101 g CO₂ / km). Japan has also announced ambitious targets for reducing fuel consumption. The regulations for individual vehicles and fleets have been implemented jointly in China.

Similar to the statutory requirements being imposed on car manufacturers to reduce fuel consumption and emissions, the rules for car safety are also becoming continuously tougher, such as crash specifications in the United States. The specifications demanded of vehicles are changing quite comprehensively that there is no option but to develop new technologies to improve both active and passive safety systems. Active safety systems such as suspension regulation and driver assistance systems make an essential contribution to the prevention of accidents, while passive safety systems help to reduce the consequences of accidents.

If BMW Group were not able to comply with regulatory requirements, or maintain a competitive position in relation to new trends and market as well as product developments, this could have a materially adverse effect on BMW Group's net assets, financial position and results of operations.

Operational risks

Production

BMW Group is exposed to risks of interruptions in operation, quality problems and unexpected technical difficulties as well as to product safety and occupational safety risks.

Production stoppages and downtimes – in particular due to fire, but also those attributable to manufacturing equipment breakdowns, logistical disruptions or new vehicle production line start-ups – represent significant operational risks which BMW Group faces.

These risks may also be caused by external factors which BMW Group is unable to influence, such as natural disasters, war, acts of terrorism, strikes, official orders, technical interruptions or material defects, and accidents or other mistakes in internal procedures such as fire, explosion, release of toxic or hazardous substances.

In all of these cases, humans, third party property or the environment may sustain damages resulting in material financial liabilities for BMW Group. Damage of this kind may entail civil or criminal law consequences as well as the drop out of the relevant production site.

Purchasing

Close cooperation between carmakers and automotive suppliers generates economic benefits on the one hand, but also raises levels of dependency. The increasing trend towards modular-based production with a set of common architectures covering various models and product lines intensifies the consequences of a timely receipt of supplies or the loss of a supplier generally.

While raw materials management procedures are in place to mitigate the risk of a production interruption due to shortages of supplies of critical raw materials, and the supply risk is reduced by developing and implementing systems governing minimum inventory levels, significant variations in the cost and availability of semi-finished products, raw materials and energy may reduce BMW Group's operating results.

The availability and prices of semi-finished products, raw materials and energy vary with market conditions and may be highly volatile. There may be periods during which BMW Group may not be able to pass semi-finished product or raw material price increases on to customers. Even in periods during which semi-finished product or raw material prices decrease, BMW Group may suffer decreasing operating profit margins if the prices of semi-finished products or raw materials decrease more slowly than the selling prices of BMW Group's products.

In addition, supply interruptions of production materials, resulting from shortages, labour strikes or supplier insolvencies or other factors, could have a negative effect as well.

Sales and marketing

Changes in global economic conditions and increasingly protectionist trends are among the factors that could result in lower demand as well as fluctuations in the regional spread and the composition of sales of vehicles and mobility services.

Risks relating to these developments can be reduced with the aid of flexible selling and production processes. Increased competition on the world's markets, particularly in Western Europe, the United States and China, requires constant analysis of selling prices and margins. Selling price and margin risks are determined on the basis of past experience and changing global economic conditions, with risk exposures measured using a cash-flow-at-risk model.

If BMW Group were not able to assess these developments correctly and/or in a timely fashion, this could have a negative impact on its overall sales and hence a materially adverse effect on BMW Group's net assets, financial position and results of operations.

Competition and overcapacity

BMW Group faces competition from a number of international companies as well as local and regional companies in the countries in which it operates. Increased competition and unanticipated actions by competitors or customers as well as overcapacity in certain industries could lead to downward pressure on prices and/or a decline in BMW Group's market share, which would adversely affect its results and hinder its growth potential.

Intense competition exists in particular with regard to prices, product quality as well as the development and launch periods of newly-developed products carrying a higher profit risk due to marketing risks and high expenses for the market development, product launch and market penetration. There exists the risk of new developments and new expertise on the part of the competitors, *i.e.* if one of the competitors was able to outperform BMW Group with respect to advances in technological development, BMW Group might lose its current market position and could thus suffer significant losses in turnover.

Warranty risk and product liability claims

BMW Group's future profitability depends on the ability to offer competitive prices while maintaining a high level of quality. A shrinking product quality could severely damage BMW Group's image as a manufacturer and thereby negatively affect its future sales and, as a consequence, its future operative results. Additionally, component parts or assembly defects could require BMW Group or its customers, in particular in the automotive sector, to undertake service actions and recall campaigns.

Product defects could lead to liability risks and the need for costly replacement measures. Therefore, it might be necessary for BMW Group to take appropriate insurance policies and other precautionary measures. Due in particular to difficulties in predicting the outcome of proceedings in the United States, where first-instance decisions are generally made by layperson juries, there is no assurance that individual product liability claims will not exceed the related provisions.

Potential damages claimed by customers, delayed deliveries, or BMW Group's failure to perform quality requirements could negatively affect the market acceptance of other products of BMW Group and its market reputation in various market segments. The realisation of any of these risks could have a material adverse effect on BMW Group's business, financial position and results of operations.

Risks relating to pension obligations

BMW Group's pension obligations to its employees resulting from defined benefit plans are measured on the basis of actuarial reports. Future pension payments are discounted by reference to market yields on high quality corporate bonds. These yields are subject to market fluctuation and therefore influence the level of pension obligations. Changes in other parameters, such as rises in inflation and longer life expectancy, also impact pension obligations and payments.

Most of BMW Group's pension obligations are administered in external pension funds or trust arrangements and the related assets are kept separate from its assets. The amount of funds required to finance pension payments out of operations in the future is therefore substantially reduced, since most of the Group's pension obligations are settled out of pension fund assets.

The pension assets of BMW Group comprise interest-bearing securities, equities, real estate and other investment classes. Pension fund assets are monitored continuously and managed on a risk-and-yield basis. A broad spread of investments also helps to reduce risk. In order to reduce fluctuations in pension funding shortfalls, investments are structured to coincide with the timing of pension payments and the expected pattern of pension obligations.

Information, data protection and IT risks

BMW Group attaches great importance to the protection of business secrets and employee and customer information against unauthorised access and / or misuse. Data and information security, based on International Security Standard ISO / IEC 27001, is an integral component of all business processes. Staff, process design and information technology each play a key role in BMW Group's overall risk and security concept.

Standardised requirements, documented in guidelines and manuals, are applicable group-wide. All employees are required to treat confidential information (such as customer and employee data) in an appropriate way, ensure that information systems are properly used and that risks pertaining to information technology are handled with transparency. Regular communication, awareness-raising activities and training measures promote a high degree of security and risk awareness among the employees involved.

In the case of cooperation arrangements and business partner relationships, BMW Group protects its intellectual property as well as its customer and employee data by stipulating clear instructions with regard to data protection and the use of information technology. Information pertaining to key areas of expertise is subject to particularly stringent security measures.

In order to secure its operability, BMW Group's standard technical data protection procedures in constant use include virus scanners, firewall systems, access controls at both operating system and application level, internal testing procedures and the regular backing up of data. Additional measures (e.g. data encryption) are in place to protect highly confidential information, such as corporate strategies. A high level of protection is afforded by regular analyses, detailed up-front controls (such as compliance with mandatory data protection requirements) and rigorous security management.

If an interruption or breakdown of BMW Group's servers or data processing systems occurs affecting the operation of one or more business activities of BMW Group, this may have a negative impact on the asset, financial and profit situation of BMW Group as well as its general business activities.

BMW Group is, *inter alia*, subject to the Federal Data Protection Act (*Bundesdatenschutzgesetz*) and similar regulations. Unauthorised access to information stored by BMW Group by a third party may cause damage to BMW Group's reputation, constitute infringements of administrative and criminal law and grant the affected persons a right to damage claims against BMW Group. Events of this kind may have a negative impact on the asset, financial and profit situation of BMW Group as well as its general business activities.

Financial risks and risks relating to the use of financial instruments

Currency risks

As an internationally operating enterprise, BMW Group conducts business in a variety of currencies, thus exposing itself to currency risks. Since a substantial portion of BMW Group's revenues is generated outside the euro-zone (particularly in China and the United States) and the procurement of production materials and funding is also organised on a worldwide basis, the currency risk is an extremely important factor for BMW Group earnings.

BMW Group manages currency risks both at a strategic level (medium and long term) and at an operating level (short and medium term). Medium- and long-term measures include increasing production volumes in non-euro-region countries (natural hedging) and increasing purchase volumes denominated in foreign currencies. Constructing new plants in countries such as the United States, China or Brazil have also helped reduce foreign currency exposures.

Currency risks are managed in the short to medium term and for operational purposes by means of hedging. Hedging transactions are entered into only with financial partners of good credit standing. Counterparty risk management procedures are carried out continuously in order to monitor the creditworthiness of business partners.

If the relevant recognition criteria are fulfilled, derivatives used by BMW Group are accounted for as hedging relationships.

If currency-related risks, associated operational and/or financial risks were to occur, this could have an adverse impact on BMW Group's liquidity.

Raw materials price risks

The availability of raw materials and the related price risks are monitored on the basis of a set of well-defined management procedures. Price risks relating to precious metals (platinum, palladium), non-ferrous metals (aluminium, copper, lead) and, to some extent, steel and steel ingredients (iron ore, coke / coal) are hedged using financial derivatives. Purchase contracts with fixed pricing arrangements are also in place.

Changes in the price of crude oil, as an important basic material in the manufacture of components, have an indirect impact on production costs. The price of crude oil, combined with exchange rate fluctuations, also has an impact on fuel prices, which, in turn, directly influence the purchasing behaviour of BMW Group's customers and hence the overall demand for vehicles. BMW Group counters this risk by developing and selling highly efficient, low-consumption engines and by developing alternative drive technologies.

A high level of risk in the short term is attached to raw material risks. The level of risk rises in the medium term, due to the lower number of hedge transactions entered into for this period.

BMW Group may suffer decreasing operating profit margins if the prices of raw materials decrease more slowly than the selling prices of BMW Group's products. In addition, supply interruptions of production materials, resulting from shortages, labour strikes or supplier insolvencies or other factors, could similarly have a negative effect.

Liquidity risks

Access to liquid funds by BMW Group entities is ensured by a broad diversification of re-financing sources. The liquidity position is monitored continuously both at group level and at the level of each individual entity and managed by means of a cash flow requirements and sourcing forecast system in place throughout BMW Group.

Liquidity risks can arise in the form of rising re-financing costs on the one hand and restricted access to funds on the other. If BMW Group were not able to assess its liquidity requirements correctly and/or in a timely fashion, this could have a negative impact on its operations and hence a materially adverse effect on BMW Group's net assets, financial position and results of operations.

Credit and counterparty default risk

Credit and counterparty default risks arise if a contractual partner (i. e. a customer or dealer) either becomes unable or only partially able to fulfil its contractual obligations, such that lower income is generated or losses incurred. Credit risks are managed at the time of the initial credit decision, based on a calculation of the present value of standard risk costs and subsequently, during the term of the credit, by using a range of risk provisioning techniques to cover risks emanating from changes in customer creditworthiness. In this context, individual customers are classified by category each month on the basis of their current contractual status, and appropriate levels of allowance recognised in accordance with that classification.

If BMW Group were not able to assess its exposure to counterparty default risk correctly and/or in a timely fashion, this could have a negative impact on its operations and hence a materially adverse effect on BMW Group's net assets, financial position and results of operations.

Residual value risk

A related residual value risk exists if the expected market value of a vehicle at the end of the contractual term is lower than its residual value calculated at the date the contract is entered into. Each vehicle's market value is forecast on the basis of historical external and internal data and used to predict the expected market value of the vehicle at the end of the contractual period. As part of the process of managing residual value risks, a calculation is performed at the inception of each contract to determine the present value of risk costs. Market developments are observed throughout the contractual period and the risk assessment is updated appropriately.

High levels of risk are attached to residual value risks in the short and medium term. If BMW Group were not able to assess its exposure to residual value risks correctly and/or in a timely fashion, this could have a negative impact on its operations and hence a materially adverse effect on BMW Group's net assets, financial position and results of operations.

Interest rate risks

Interest rate risks relate to potential losses caused by changes in market interest rates and can arise when fixed interest rate periods for assets and liabilities recognised in the balance sheet do not match. Interest rate risks are managed by raising refinancing funds with matching maturities and by employing interest rate derivatives. Interest rate risks are also managed on the basis of a value-at-risk approach and stipulated limits. Limits are set using a benchmark oriented approach that focuses on interest rate arrangements contained in the original contracts.

If BMW Group were not able to assess its interest rate risks correctly and/or in a timely fashion, this could have a negative impact on its operations and hence a materially adverse effect on BMW Group's net assets, financial position and results of operations.

Risks relating to the provision of financial services

The main categories of risks relating to the provision of financial services are credit and counterparty risk, residual value risk, interest rate risk, liquidity risk and operational risk. In order to evaluate and manage these risks, a variety of internal methods has been developed based on regulatory environment requirements (such as Basel II / III) and which comply with both national and international standards.

A set of strategic principles and rules derived from regulatory requirements serves as the basis for risk management within the Financial Services segment. At the heart of the risk management process is a clear division between front- and back-office activities and a comprehensive internal control system.

The key risk management tool employed within the Financial Services segment is aimed at ensuring that the Group's risk-bearing capacity is not exceeded. In this context, all risks defined as "unexpected losses" must be covered at all times by an appropriate asset cushion in the form of equity capital. Unexpected losses are measured using a variety of value-at-risk techniques adapted to each relevant risk category. Risks are aggregated after taking account of correlation effects. The total sum of risks calculated in this way is then compared with the resources available to cover risks (asset cushion). The segment's risk-bearing capacity is monitored continuously with the aid of an integrated limit system which also differentiates between the various risk categories.

If BMW Group were not able to assess its risk-bearing capacity correctly and/or in a timely fashion, this could have a negative impact on its operations and hence a materially adverse effect on BMW Group's net assets, financial position and results of operations.

Legal risks

Like all internationally operating enterprises, BMW Group is confronted with legal disputes relating, among other things, to warranty claims, product liability, infringements of protected rights, or proceedings initiated by government agencies. Any of these matters could, among other outcomes, have an adverse impact on the Group's reputation. Such proceedings are typical for the sector and can arise as a consequence of realigning product or purchasing strategies to suit changed market conditions. Particularly in the United States, class action lawsuits and product liability risks can have substantial financial consequences and cause damage to BMW Group's public image.

BMW Group recognises appropriate levels of provision for lawsuits. A part of these risks, especially where the North American market is concerned, is insured where this makes business sense. Some risks, however, cannot be assessed in full or completely defy assessment. It cannot be ruled out that losses from damages could arise which are either not covered or not fully covered by insurance policies or provisions. The high quality of BMW Group's products, which is ensured by regular quality audits and on ongoing improvement measures, helps to reduce this risk.

Changes in the regulatory environment may significantly influence sales volume, revenues and earnings performance in specific markets or economic regions.

Should legal risks materialise, they could have a significantly adverse effect on BMW Group's financial condition. Likewise, it cannot be ruled out that new legal risks, as yet unidentified, could materialise and have a significant adverse effect on BMW Group's financial condition.

Compliance risks

Compliance with applicable law is essential for the success of BMW Group. Applicable law provides the binding framework for BMW Group's various business activities around the world. The growing international scale of operations of BMW Group, the complexity of the business world and the whole range of complex legal regulations increase the risk of laws not being adhered to.

BMW Group has established a compliance organisation aimed at ensuring that its representative bodies, managers and staff act in a lawful manner at all times. The requirement to apply uniform standards across BMW Group is embedded in BMW Group's core principles and documented in detailed working instructions.

Despite having taken all appropriate measures (including regular training, communication, monitoring and audit activities), there is still a risk that employees may not act in compliance with applicable statutory provisions (including antitrust provisions or anti-corruption laws) and the risk that penalties or liabilities could be imposed on BMW Group.

3. Risks relating to the Notes

General Risks Relating to the Notes

Independent Review and Advice

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A prospective investor may not rely on the Issuers, the Guarantor or the Dealer(s) or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

There is no active Secondary/Trading Market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the relevant Issuer and the Guarantor. Although, in

relation to Notes issued under this Programme application may be made to the Luxembourg Stock Exchange for such Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, or to other or further stock exchanges as may be, agreed between the relevant Issuer and the relevant Dealer(s) in relation to each Tranche, as specified in the relevant Final Terms, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

Because Global Notes representing the Notes are held by or on behalf of Clearstream Luxembourg or Euroclear or CBF or a Clearing System that has entered into a book entry agreement with the Issuer (a “Specified Clearing System”), investors will have to rely on their procedures for transfer, payment and communication with the relevant Issuer and/or the Guarantor

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a Common Depository for Clearstream Luxembourg and/or Euroclear and/or a Specified Clearing System or with a Common Safekeeper for Clearstream Luxembourg and/or Euroclear and/or a Specified Clearing System, as the case may be, or will be deposited directly with CBF or any other Specified Clearing System, as the case may be. Except in the limited circumstances described in the applicable Final Terms, investors whose Notes are deposited with CBF and/or a Specified Clearing System will not be entitled to receive definitive Notes. Clearstream Luxembourg and Euroclear and CBF and each Specified Clearing System will maintain records of the co-ownership participations in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their coownership participations only through Clearstream Luxembourg and/or Euroclear and/or CBF and/or a Specified Clearing System, as the case may be.

While the Notes are represented by one or more Global Notes the Issuer and the Guarantor will discharge their payment obligations under the Notes by making payments to the Common Depository for Clearstream Luxembourg and Euroclear or to the Common Safekeeper for Clearstream Luxembourg and/or Euroclear and/or the Specified Clearing System, as the case may be, or to CBF or to a Specified Clearing System (through the Principal Paying Agent) for distribution to their account holders. A holder of a co-ownership participation in a Global Note must rely on the procedures of Clearstream Luxembourg and Euroclear and CBF and any Specified Clearing System to receive payments under the relevant Notes. The Issuer and the Guarantor have no responsibility or liability for the records relating to, or payments made in respect of, the co-ownership participations in the Global Notes.

Holders of co-ownership participations in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Clearstream Luxembourg and Euroclear and CBF and such Specified Clearing System to appoint appropriate proxies.

Exchange Rates

Prospective investors of the Notes should be aware that an investment in the Notes may involve exchange rate risks. The reference assets or the Notes may be denominated in a currency other than the currency of the purchaser’s home jurisdiction; and/or the reference assets or the Notes may be denominated in a currency other than the currency in which a purchaser wishes to receive funds. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro-economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Notes or the reference assets.

Legality of Purchase

None of the Issuers, the Guarantor, the Dealer(s) or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

Taxation

General

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial notes such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this document and/or in the Final Terms but to ask for their own tax advisers' advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with Part G ("Taxation") of this Prospectus.

Payments under the Notes may be subject to withholding tax pursuant to FATCA

Payments of interest, as of 1 July 2014, as well as the gross proceeds from the sale, exchange or redemption of the Notes, as of 1 January 2017, to "foreign financial institutions" with respect to Notes issued after 30 June 2014 (the "Grandfathering Date") by BMW US Capital may, under certain circumstances, be subject to withholding of U.S. tax at a rate of 30.00% pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder ("FATCA") unless the payee foreign financial institution enters into an agreement with the U.S. Internal Revenue Service or other relevant taxing authority to, among other things, disclose the identity of certain U.S. account holders at the institution (or the institution's affiliates), annually report certain information about such accounts and comply with certain rules or laws relating to an applicable intergovernmental agreement implementing FATCA in a specific jurisdiction or otherwise deemed compliant with FATCA. A foreign financial institution is defined broadly under FATCA to include non-U.S. banks, non-U.S. custodians and certain non-U.S. investment vehicles engaged in investing, reinvesting or trading in financial assets. Payments of the foregoing amounts made to certain other foreign entities that do not disclose certain information about any substantial U.S. owners (or certify that they do not have any substantial U.S. owners) may also be subject to withholding at the rate of 30.00% under FATCA.

With respect to Notes issued after the latest of (i) 30 June 2014 and (ii) the date that is six months after the date that final U.S. treasury regulations decline the term "foreign passthru payment" (the "Passthru Payment Grandfathering Date") of any Issuer other than BMW US Capital, the Issuer may under certain circumstances, be required under FATCA to withhold, as of 1 January 2017 (at the earliest), U.S. tax at a rate of 30.00% on all or a portion of payments of principal and interest which are treated as "passthru payments" made to certain holders that do not comply with certain information requests and to foreign financial institutions unless the payee foreign financial institution enters into an agreement with the U.S. Internal Revenue Service or other relevant taxing authority to, among other things, disclose the identity of certain U.S. account holders at the institution (or the institution's affiliates), annually report certain information about such accounts and comply with certain rules or laws relating to an applicable intergovernmental agreement implementing FATCA in a specific jurisdiction or otherwise deemed compliant with FATCA.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "IGA"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country which is in compliance with applicable legal requirements could be treated as a "Reporting FI" generally not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold on foreign passthru payments and payments that it makes to holders that do not provide the requisite information. Under each Model IGA, regardless of any withholding performed, a Reporting FI would be required to report certain information in respect of its account holders and investors to the relevant IGA signatory country or to the U.S. Internal Revenue Service, as applicable. The Federal Republic of Germany and the Netherlands have each entered into an IGA with the United States based largely on the Model 1 IGA. Japan has entered into an IGA with the United States based largely on the Model 2 IGA. In April 2014, the Australian government signed an IGA with the United States government based largely on the Model 1 IGA. The Australian government is now required to

pass legislation to impose the IGA obligations under Australian law. The implications of the FATCA regime in Australia will depend on the final form of this implementing legislation and associated guidance. There can be no assurance that any Issuer will be treated as a Reporting FI or that it would not be required to withhold under FATCA or pursuant to an applicable relevant IGA.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of a holder's failure to comply with FATCA, none of the Issuer, the Guarantor (if any), any paying agent or any other person would pursuant to the conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding of such tax.

If, on or after the Grandfathering Date or the Passthru Payment Grandfathering Date, as the case may be, pursuant to § 10 in the Terms and Conditions of the Notes, a New Issuer is substituted for the Issuer of Notes outstanding on the Grandfathering Date or the Passthru Payment Grandfathering Date, as the case may be, and if such substitution results in a deemed exchange of the Notes for U.S. federal income tax purposes, then such Notes would not be treated as outstanding as of the Grandfathering Date or the Passthru Payment Grandfathering Date, as the case may be, and would become subject to withholding under FATCA.

In addition, if on or after the Grandfathering Date or the Passthru Payment Grandfathering Date, as the case may be pursuant to § 11 in the Terms and Conditions of the Notes, the Issuer issues additional Notes, such Notes would not be treated as outstanding as of the Grandfathering Date or the Passthru Payment Grandfathering Date, as the case may be, unless they are issued pursuant to a "qualified reopening" for U.S. federal income tax purposes. If such additional Notes are not issued in a "qualified reopening", such additions and the Notes would become subject to withholding under FATCA.

EU Savings Tax Directive

Under measures implemented in order to comply with European Union Council Directive 2003/48/EC (modified by Directive 2014/48/EU) on the taxation of savings income (the "**EU Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest and other similar income paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Austria and Luxembourg are instead required to operate a withholding system in relation to such payments. With effect as from 1 January 2016 Luxembourg and Austria will be required to also provide for an automatic exchange of information. The Luxembourg government has announced to elect out of the withholding system in favour of an automatic exchange of information already with effect as from 1 January 2015. A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures. In addition, the EU Member States have decided on certain measures to extend the scope of the information exchange under the EU Savings Directive.

Market Value of the Notes

The market value of the Notes will be affected by the creditworthiness of the relevant Issuer and the Guarantor and a number of additional factors, including, but not limited to, the interest structure of the Notes (including caps relating to interest payments), reference rates, market interest and yield rates and the time remaining to the maturity date.

The value of the Notes or reference rates depends on a number of interrelated factors, including economic, financial and political events in the Federal Republic of Germany or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a Noteholder (as defined below) will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, to the issue price or the purchase price paid by such purchaser. The historical market prices of the reference rates should not be taken as an indication of the reference rates' performance during the term of any Note.

Change of Law

The Terms and Conditions of the Notes are based on German law in effect as of the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to German law or administrative practice after the date of this Prospectus.

Issues of Notes denominated in Renminbi

The Renminbi is not freely convertible; there are significant restrictions on the remittance of Renminbi into and outside the People's Republic of China ("PRC")

If the specified currency of the Notes is Renminbi, they are denominated in a currency which is not freely convertible at present. The PRC government continues to regulate conversion between the Renminbi and foreign currencies, including the Hong Kong dollar, despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current accounts such as payments for imported goods and salary payments. Participating banks in Hong Kong have been permitted to engage in the settlement of Renminbi trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in August 2011 to cover all provinces and cities in the PRC and to make Renminbi trade and other current account settlements available in all countries worldwide. The Renminbi trade settlements under the pilot scheme have become one of the most significant sources of Renminbi funding in Hong Kong.

Depending on the size and nature of the transaction, a foreign investor is required to obtain the approval of the Ministry of Commerce of the PRC ("MOFCOM") and registration with the State Administration of Foreign Exchange of the PRC ("SAFE") and The People's Bank of China ("PBOC") or their respective local counterparts for any investment in the PRC using offshore Renminbi. Such investments include any establishment of a new enterprise, any increase in the registered capital of an existing enterprise, any acquisition of a PRC onshore entity and any extension of a loan.

On 25 February 2011, MOFCOM promulgated the Circular on Issues concerning Foreign Investment Management (商务部关于外商投资管理有关问题的通知) (the "MOFCOM Circular"). The MOFCOM Circular states that if a foreign investor intends to make investments in the PRC (whether by way of establishing a new enterprise, increasing the registered capital of an existing enterprise, acquiring an onshore enterprise or providing loan facilities) with Renminbi that it has generated from cross-border trade settlement or that is lawfully obtained by it outside the PRC, MOFCOM's prior written consent is required. In addition, to facilitate Renminbi inbound direct investments by foreign investors, on 12 October 2011, MOFCOM promulgated a circular, the Circular on Issues Concerning Cross-Border RMB Direct Investment (the "New MOFCOM Circular").

According to the New MOFCOM Circular, the local counterparts of MOFCOM are authorised to review and approve cross-border Renminbi direct investments in accordance with the administrative regulations on foreign investments currently in force and the authorities granted under these regulations; however, for investments in the amount of Renminbi 300 million or more and investments relating to (i) financial guarantee, finance lease, micro-financing, auction and similar businesses, (ii) foreign-invested investment companies, foreign-invested venture capital investment or equity investment enterprises, and (iii) cement, iron and steel, electrolytic aluminum, shipbuilding and similar industries that are subject to macro-control measures, the provincial level counterparts of MOFCOM must submit the application documents to MOFCOM for review and approval before issuing the official approval. To the extent that any provisions in previous rules are inconsistent with the provisions in the New MOFCOM Circular, the provisions in the New MOFCOM Circular should prevail. According to the PBOC Measures, foreign investors, foreign-invested enterprises or their Chinese shareholders may submit applications to domestic banks to open Renminbi bank settlement accounts for deposit and settlement of Renminbi funds remitted into the PRC in accordance with the Administrative Measures on RMB Bank Settlement Accounts for Foreign Institutions and the Administrative Measures on RMB Bank Settlement Accounts. After examining the approval or filing documents issued by MOFCOM, its local counterparts or other relevant regulatory authorities in relation to cross-border Renminbi direct investments, domestic banks are permitted to process foreign investors' requests for remittance of offshore Renminbi funds into the PRC. To the extent that any provisions in previous rules are inconsistent with the provisions in the PBOC Measures, the provisions in the PBOC Measures shall prevail.

On 7 April 2011, SAFE issued the Circular on Issues concerning Regulation of Cross-border CNY Capital Items Operations (国家外汇管理局综合司关于规范跨境人民币资本项目业务操作有关问题的通知) (the "SAFE Circular"), according to which the enterprise to be invested in is required to conduct registration with SAFE's local branch if the investment is to be made with offshore Renminbi. Also, approval from the competent approval authority is to be specified as a condition precedent to such registration.

On 3 June 2011, PBOC promulgated the Circular on Clarifying Issues concerning Cross-border Renminbi Settlement (the "PBOC Circular"). The PBOC Circular provided instructions to local PBOC authorities on procedures for the approval of settlement activities for non-financial Renminbi foreign direct investment into the PRC. According to the PBOC Circular, the domestic settlement banks of foreign investors or foreign invested enterprises in the PRC are required to submit written applications to the relevant local PBOC authorities which include, *inter alia*, requisite approval letters issued by the relevant MOFCOM authorities. The PBOC Circular applies to all non-financial Renminbi foreign direct investments into the PRC. Such investments include the following activities: establishing a new enterprise, acquiring a PRC onshore enterprise, transferring shares, increasing the registered capital of an existing enterprise or providing loan facilities in Renminbi.

On 13 October 2011, the PBOC promulgated the Administrative Measures on Renminbi Settlement for Foreign Direct Investment (the "PBOC Measures"). The PBOC Measures provide instructions to banking institutions on the procedures for the remittance and settlement activities for Renminbi foreign direct investment into the PRC. According to the PBOC Measures, capital account items in the form of cross-border transfers of capital and direct investments are generally not subject to the approval of the PRC authorities provided that MOFCOM's prior written consent is obtained and the relevant registration and verification processes are completed prior to the remittance of capital.

Subject to obtaining all necessary approvals from and registration with the relevant PRC government authorities, the Issuer may decide to remit the proceeds into the PRC in Renminbi. However, there is no assurance that the necessary approvals from and registration with the relevant PRC government authorities will be obtained on a timely basis, or at all or, if obtained, they will not be revoked or amended in the future. See also "Remittance of Renminbi into and outside the PRC".

As the MOFCOM Circular, the New MOFCOM Circular, the PBOC Circular, the PBOC Measures and other relevant PRC regulations and guidelines are relatively new promulgations, they will be subject to interpretation and application by the relevant PRC authorities. Further, there is no assurance that the PRC government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the pilot scheme introduced in July 2009 will not be discontinued, or that new PRC regulations will not be promulgated in the future, which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC.

If the specified currency of the Notes is Renminbi, the Issuer will be required to source Renminbi outside of the PRC to finance its obligations under the Notes, and the Issuer's ability to do so will be subject to the overall availability of Renminbi outside the PRC. If it becomes impossible to convert Renminbi from/to another freely convertible currency, or transfer Renminbi between accounts in Hong Kong, or the general Renminbi exchange market in Hong Kong becomes illiquid, any payment of Renminbi under the Notes may be delayed or the Issuer may make such payments in US dollars at the prevailing spot exchange rate.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Notes and the Issuer's ability to source Renminbi outside the PRC to service the Notes

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited.

Since February 2004, in accordance with arrangements between the PRC central government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and designated business customers. The PBOC has also established a Renminbi clearing and settlement mechanism for participating banks in Hong Kong. On 19 July 2010, further amendments were made to the Settlement Agreement on the Clearing of Renminbi Business (the "Settlement Agreement") between the PBOC and Bank of China (Hong Kong) Limited (the "Renminbi Clearing Bank") to further expand the scope of Renminbi business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open CNY accounts in Hong Kong; there is no longer any limit (other than as provided in the following paragraph) on the ability of corporations to convert Renminbi; and there will no longer be any restriction on the transfer of CNY funds between different accounts in Hong Kong. However, individual customers continue to be limited in their ability to convert Renminbi to the amount of CNY 20,000 per person per day via his/her deposit account. Since July 2010, a number of banks incorporated outside of Hong Kong have entered into bilateral clearing agreement with the Renminbi Clearing Bank to become participating banks.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. As of 30 November 2012, the total amount of Renminbi deposit held by institutions authorised to engage in Renminbi banking business in Hong Kong amounted to approximately CNY 571 billion. In addition, participating banks are also required by the Hong Kong Monetary Authority ("HKMA") to maintain a total amount of Renminbi (in the form of, its settlement account balance and/or fiduciary account balance with the Renminbi Clearing Bank) of no less than 25 per cent. of their Renminbi deposits, which further limits the availability of Renminbi that participating banks can utilise for conversion services for its customers. The HKMA will, as an outstanding arrangement, provide Renminbi business participating banks with a Renminbi fund of CNY 2 billion through its currency swap arrangement with the PBOC for cross-border trade settlements. However, such Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. They are only allowed to square their open positions with the Renminbi Clearing Bank after consolidating the Renminbi trade position of banks outside Hong Kong that are in the same bank group of the participating banks concerned with their own trade position, and the Renminbi Clearing Bank only has access to onshore liquidity support from the PBOC through the China Foreign Exchange Trading System in Shanghai to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations in relation to cross-border trade settlement subject to annual quotas imposed by the PBOC and for individual customers of up to CNY 20,000 per person per day and for the designated business customers relating to the Renminbi received in providing their services. The Renminbi Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions. There is no assurance that existing measures put in place by the PRC government, or changes to those measures, will not adversely affect the amount of Renminbi available outside the PRC, or that such amounts will be sufficient to satisfy liquidity requirements.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreement will not be terminated or amended in the future, which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service the Notes, there is no assurance that it will be able to source such Renminbi on satisfactory terms, if at all.

Investment in the Notes is subject to exchange rate risks

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. In addition, although the Issuer's primary obligation is to make all payments of interest and principal with respect to the Notes in Renminbi, in the event access to Renminbi deliverable in Hong Kong becomes restricted to the extent that, by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is unable, or it is impracticable for it, to make payments in Renminbi in Hong Kong, the terms of the Notes allow the Issuer to make payments in U.S. dollars at the prevailing spot rate of exchange, all as provided for in more detail in the Terms and Conditions of the Notes. As a result, the value of these Renminbi payments may vary with the prevailing exchange rates in the marketplace. If the value of the Renminbi depreciates against the USD or other foreign currencies, the value of a Holder's investment in USD or other applicable foreign currency terms will decline.

Investment in the Notes is subject to interest rate risks

The PRC government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. If the Notes carry a fixed interest rate, the market price of the Notes may vary with the fluctuations in the Renminbi interest rates. If an investor sells the Notes before their maturity, it may receive an offer that is less than the original amount invested.

Payments in respect of the Notes will only be made to investors in the manner specified in the Notes

All payments to holders of interests in respect of the Notes will be made solely by (i) when the Notes are represented by the Global Note, transfer to a Renminbi bank account maintained in Hong Kong, in accordance with prevailing rules and procedures of the relevant Clearing System, or (ii) when the Notes are in definitive registered form, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. Neither the Issuer nor the Fiscal Agent, nor the

Paying Agent can be required to make payment by any other means (including in bank notes, by cheque or draft, or by transfer to a bank account in the PRC).

Risks relating to specific types of Notes

The Programme allows for different types of Notes to be issued. Accordingly, each Tranche of Notes may carry varying risks for potential investors depending on the specific features of such Notes such as, *inter alia*, the provisions for computation of periodic interest payments, if any, redemption and issue price.

The Notes may be redeemed prior to Maturity

Unless in the case of any particular Tranche of Notes the relevant Final Terms specify otherwise, in the event that the Issuer or the Guarantor would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the country of domicile (or residence for tax purposes) by the relevant Issuer, or on behalf of the Federal Republic of Germany, or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specify that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. During a period when the Issuer may elect, or has elected, to redeem Notes, such Notes may feature a market value not substantially above the price at which they can be redeemed. In such circumstances, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Fixed Rate Notes

Investment in Notes which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche of Notes.

Floating Rate Notes

Investment in Notes which bear interest at a floating rate comprise (i) a reference rate (such as EURIBOR or LIBOR) or a constant maturity swap rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three months or six months) which itself will fluctuate in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.

Notes with a Cap

Floating Rate Notes may be equipped with a cap with respect to the interest payment. In that case the amount of interest will never rise above and beyond the predetermined cap, so that the Noteholder will not be able to benefit from any actual favourable development beyond the cap. The yield of these Notes could therefore be lower than that of similarly structured Notes without a cap. The market value of such Notes may decrease or fluctuate over their term to a higher extent than comparable interest structured Notes without a cap.

Notes with a participation rate (factor)

Floating Rate Notes may be equipped with a feature that for the calculation of interest payable on the Notes, an amount calculated on the basis of the interest provisions of the Notes will be multiplied by a participation rate (factor).

In the case of a participation rate (factor) which is below 100 per cent. (a factor smaller than 1), Noteholders usually participate less on a positive performance of the relevant reference rate(s) than this would be the case in the event of a multiplication with a factor of 1 or if Notes are not equipped with a participation rate (factor). In other words, the variable interest rate payable on the Notes increases less than the relevant reference price(s). However, in the case of a participation rate (factor) which is above 100 per cent. (a factor bigger than 1), the Noteholders usually are exposed to the risk

that, despite of the influence of other features, the accrual of interest will decrease more in the case of a negative performance of the relevant reference rate(s) than this would be the case in the event of a multiplication with a factor of 1 or if Notes are not equipped with a participation rate (factor).

Zero Coupon Notes

Investment in Notes which do not bear current interest but are issued at a discount from their nominal value or at their nominal value, bear the risk that the market values of such Notes issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

***Part B of the Prospectus
Responsibility Statement and Consent to the Use of the Prospectus***

RESPONSIBILITY OF THE ISSUERS AND THE GUARANTOR

Each of the Issuers and BMW AG in its capacity as guarantor for Notes issued by any of the Issuers other than BMW AG (the “Guarantor”) accept responsibility for the information contained in, or incorporated into, this Prospectus (including the information contained in the description for each Issuer (each a “Description”). Each of the Issuers and the Guarantor declares that, having taken all reasonable care to ensure that such is the case, the information contained in, or incorporated into, this Prospectus (including the information contained in the Description for each Issuer) is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Issuers and the Guarantor have confirmed to the Dealers (as defined herein) that the information contained in this Prospectus (including the information contained in the Description for each Issuer (as set out in Parts F and G, respectively, of this Prospectus)) is true and accurate in all material respects and not misleading; that the opinions and intentions expressed herein are honestly held and that there are no other facts in relation to the information contained or incorporated by reference herein the omission of which would, in the context of the issue of the Notes contemplated herein, make any statement herein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing.

CONSENT TO THE USE OF THE PROSPECTUS

With respect to Article 3 (2) of the Prospectus Directive, the relevant Issuer may consent, to the extent and under the conditions, if any, indicated in the relevant Final Terms, to the use of the Prospectus for (i) a certain offer period (as specified in the relevant Final Terms) or (ii) as long as the Prospectus is valid in accordance with Article 11 (2) of the Luxembourg act relating to prospectuses for securities (*Loi relative aux prospectus pour valeurs mobilières*) which implements the Prospectus Directive and accepts responsibility for the content of the Prospectus also with respect to subsequent resale or final placement of Notes by any financial intermediary which was given consent to use the prospectus, if any.

Such consent may be given to one or more (individual consent) specified Dealer(s) and/or financial intermediary/intermediaries, as stated in the Final Terms, and, next to the Grand Duchy of Luxembourg, for the following member states, into which the Prospectus has been passported and which will be indicated in the relevant Final Terms: the Republic of Austria and/or the Federal Republic of Germany and/or the United Kingdom of Great Britain and Northern Ireland and/or The Netherlands and/or any other jurisdiction into which the Prospectus has been passported in accordance with the respective legal requirements.

Such consent by the relevant Issuer is subject to each Dealer and/or financial intermediary complying with the terms and conditions described in this Prospectus and the relevant Final Terms as well as any applicable selling restrictions. The distribution of this Prospectus, any supplement to this Prospectus, if any, and the relevant Final Terms as well as the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law.

Each Dealer and/or each financial intermediary, if any, and/or each person into whose possession this Prospectus, any supplement to this Prospectus, if any, and the relevant Final Terms come are required to inform themselves about and observe any such restrictions. The Issuers reserve the right to withdraw its consent to the use of this Prospectus in relation to certain Dealers and/or each financial intermediary. A withdrawal, if any, may require a supplement to this Prospectus.

The Prospectus may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to the Prospectus is available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu).

When using the Prospectus, each Dealer and/or relevant further financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.

In the case of an offer being made by a Dealer and/or financial intermediary, this Dealer and/or financial intermediary will provide information to investors on the terms and conditions of the Notes and the offer thereof, at the time such offer is made.

If the Final Terms state that the consent to use the prospectus is given to one or more specified Dealer(s) and/or financial intermediary/intermediaries (individual consent), any new information with respect to financial intermediaries unknown at the time of the approval of the Prospectus or the filing of the Final Terms will be published pursuant to the following two options: (i) on the internet page "http://www.bmwgroup.com/bmwgroup_prod/d/0_0_www_bmwgroup_com/investor_relations/fremdkapital_und_rating/_pdf/Zustimmung_zur_Prospektnutzung.pdf" or (ii) by way of publication as determined by § 12 of the Terms and Conditions of the Notes. Which of such two options applies will be determined by the relevant Final Terms.

Any Dealer and/or a further financial intermediary using the Prospectus shall state on its website that it uses the Prospectus in accordance with this consent and the conditions attached to this consent.

**Part C of the Prospectus
Documents Incorporated by Reference**

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Prospectus:

Document	Page Reference
“BMW Group Geschäftsbericht 2012” containing the consolidated financial statements of BMW AG at 31 December 2012 (the “BMW Group Financial Statements 2012”)	
Gewinn- und Verlust-Rechnungen.....	78 through 79
Konzernbilanz und Segmentbilanzen.....	80 through 81
Kapitalflussrechnungen	82 through 83
Entwicklung des Konzerneigenkapitals.....	84 through 85
Konzernanhang.....	86 through 149
Bestätigungsvermerk	151
Corporate Governance	152 through 177
Sonstige Informationen*	178 through 187
“BMW Group Geschäftsbericht 2013” containing the consolidated financial statements of BMW AG at 31 December 2013 (the “BMW Group Financial Statements 2013”)	
Gewinn- und Verlust-Rechnungen.....	88 through 89
Konzernbilanz und Segmentbilanzen.....	90 through 91
Kapitalflussrechnungen	92 through 93
Entwicklung des Konzerneigenkapitals.....	94 through 95
Konzernanhang.....	96 through 165
Corporate Governance	166 through 193
Versicherung der gesetzlichen Vertreter	194
Bestätigungsvermerk	195
Weitere Informationen*	196 through 205
“BMW Group Quartalsbericht zum 31. März 2014” containing the interim Group financial statements at 31 March 2014 (unaudited and unreviewed)	
Gewinn- und Verlust-Rechnungen.....	24 through 25
Konzernbilanz und Segmentbilanzen.....	26 through 27
Kapitalflussrechnungen	28 through 29
Entwicklung des Konzerneigenkapitals.....	30 through 31
Konzernanhang zum Quartalsabschluss zum 31. März 2014	32 through 49
BMW AG Financial Statements 2012 as of 31 December 2012*	
BMW AG in Zahlen	2
Jahresabschluss	3
Bilanz zum 31. Dezember.....	4
Gewinn-und-Verlust-Rechnung	5
Anhang	6 through 25
Versicherung der gesetzlichen Vertreter	26
Bestätigungsvermerk	27
BMW AG Financial Statements 2013 as of 31 December 2013*	
BMW AG in Zahlen	2
Jahresabschluss	3
Bilanz zum 31. Dezember.....	4
Gewinn-und-Verlust-Rechnung	5
Anhang	6 through 25

Versicherung der gesetzlichen Vertreter	26
Bestätigungsvermerk	27

* Such information is not required pursuant to annex IV of Regulation 809/2004 EC and is therefore incorporated for information purposes only.

BMW Finance Annual Report 2012 containing the financial statements for BMW Finance at 31 December 2012

Director's Report	4 through 6
Consolidated Statement of comprehensive income	7
Statement of comprehensive income	41
Consolidated Statement of financial position	8
Statement of financial position	42 through 43
Consolidated Statement of cash flows	9
Statements of cash flows	44
Consolidated Statement of changes in equity	10
Statement of changes in equity	45
Notes to the Consolidated Financial Statements	11 through 40
Notes to the Financial Statements	46 through 53
Auditor's Report	56

BMW Finance Annual Report 2013 containing the financial statements for BMW Finance at 31 December 2013

Director's Report	4 through 6
Consolidated Statement of comprehensive income	7
Statement of comprehensive income	43
Consolidated Statement of financial position	8
Statement of financial position	44 through 45
Consolidated Statement of cash flows	9
Statements of cash flows	46
Consolidated Statement of changes in equity	10
Statement of changes in equity	47
Notes to the Consolidated Financial Statements	11 through 42
Notes to the Financial Statements	49 through 55
Auditor's Report	58

BMW US Capital Financial Statements 2012 containing the financial statements for BMW US Capital at 31 December 2012

Independent Auditors' Report	6
Statements of Financial Position	7
Statements of Comprehensive Income	8
Statements of Changes of Member's Capital	9
Statements of Cash Flows	10
Notes to the Financial Statements	11 through 23

BMW US Capital Financial Statements 2013 containing the financial statements for BMW US Capital at 31 December 2013

Independent Auditors' Report	8
Statements of Financial Position	9
Statements of Comprehensive Income	10
Statements of Changes of Member's Capital	11
Statements of Cash Flows	12
Notes to the Financial Statements	13 through 27

BMW Australia Finance Financial Statements 2012 containing the financial statements for BMW Australia Finance at 31 December 2012

Director's Report	3 through 5
Independence Declaration	6

Statement of income and Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Financial Position	9
Statement of Cash Flows.....	10
Notes to the Financial Statements.....	11 through 36
Director's Declaration	37
Auditor's Report	39 through 40
 BMW Australia Finance Financial Statements 2013 containing the financial statements for BMW Australia Finance at 31 December 2013	
Director's Report.....	4 through 6
Independence Declaration.....	7
Statement of income and Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Financial Position	10
Statement of Cash Flows.....	11
Notes to the Financial Statements.....	12 through 37
Director's Declaration	38
Auditor's Report	40 through 41
 BMW Japan Financial Statements 2012 containing the financial statements of BMW Japan at 31 December 2012	
Balance Sheets.....	9 through 10
Statements of profit and loss	11
Statement of Shareholders' Equity and others.....	12 through 13
Statements of cash flows.....	14
Notes.....	15 through 25
Independent Auditor's Report.....	31
 BMW Japan Financial Statements 2013 containing the financial statements of BMW Japan at 31 December 2013	
Balance Sheets.....	11 through 12
Statements of profit and loss	13
Statement of Shareholders' Equity and others.....	14 through 15
Statements of cash flows.....	16
Notes.....	17 through 27
Independent Auditor's Report.....	33
 Terms and Conditions of the Notes of the Prospectus dated 8 May 2013 relating to the EUR 35,000,000,000 Euro Medium Term Note Programme of Bayerische Motoren Werke Aktiengesellschaft, BMW Finance N.V., BMW US Capital LLC, BMW Australia Finance Limited and BMW Japan Finance Corp.	
	78 through 134 136 through 183
 Part I of the Form of Final Terms of the Prospectus dated 8 May 2013 relating to the EUR 35,000,000,000 Euro Medium Term Note Programme of Bayerische Motoren Werke Aktiengesellschaft, BMW Finance N.V., BMW US Capital LLC, BMW Australia Finance Limited and BMW Japan Finance Corp.	
	186 through 196

Any document incorporated by reference into this Prospectus (as specified in the table above under "Documents Incorporated by Reference") and this Prospectus and any supplement thereto will be available for inspection at the specified offices of the relevant Issuer, at the specified office of the Luxembourg Paying Agent, during normal business hours, as long as any of the Notes are outstanding and on the website of the Luxembourg Stock Exchange under "www.bourse.lu".

For the avoidance of doubt, such parts of the documents relating to the Issuers for the years 2012 and 2013, respectively, which are not explicitly listed in the table above (if any), are not incorporated by reference into this Prospectus. Information contained in such parts is either of no relevance for an investor or covered in other parts of this Prospectus.

The following documents shall be deemed to be incorporated in, and to form part of, this Prospectus for information purposes only:

Document	Page Reference
BMW Group Annual Report 2012 (non-binding English translation of the German language version) containing the consolidated financial statements of BMW AG at 31 December 2012	
Income Statements.....	78 through 79
Balance Sheets	80 through 81
Cash Flow Statements	82 through 83
Statement of Changes in Equity	84 through 85
Notes to the Group Financial Statements.....	86 through 149
Auditor's Report.....	151
Corporate Governance	152 through 177
Other Information.....	178 through 187
BMW Group Annual Report 2013 (non-binding English translation of the German language version) containing the consolidated financial statements of BMW AG at 31 December 2013	
Income Statements.....	88 through 89
Balance Sheets	90 through 91
Cash Flow Statements	92 through 93
Statement of Changes in Equity	94 through 95
Notes to the Group Financial Statements.....	96 through 165
Corporate Governance	166 through 193
Responsibility Statement by the Company's Legal Representatives	194
Auditor's Report	195
Other Information.....	196 through 205
.....	
BMW AG Financial Statements 2012 as of 31 December 2012*	
BMW AG in figures	2 through 3
Balance Sheet at 31 December	4
Income Statement	5
Notes to the Financial Statements	6 through 25
Responsibility Statement by the Company's Legal Representatives	26
Auditor's Report.....	27
.....	
BMW AG Financial Statements 2013 as of 31 December 2013*	
BMW AG in figures	2 through 3
Balance Sheet at 31 December	4
Income Statement	5
Notes to the Financial Statements	6 through 25
Responsibility Statement by the Company's Legal Representatives	26
Auditor's Report.....	27
.....	
BMW Group Interim Report to 31 March 2014 (non-binding English translation of the German language version) containing the interim Group financial statements at 31 March 2014 (unaudited and unreviewed)	
Income Statements.....	24 through 25
Balance Sheets.....	26 through 27
Cash Flow Statements	28 through 29
Statement of Changes in Equity.....	30 through 31
Notes to the interim Group Financial Statements to 31 March 2014.....	32 through 49

* Such information is not required pursuant to annex IV of Regulation 809/2004 EC and is therefore incorporated for information purposes only.

GENERAL DESCRIPTION OF THE PROGRAMME

General

Notes will be issued in tranches ("Tranches") one or more of which shall comprise a series ("Series").

Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer(s) (as defined below) and as indicated in the applicable final terms (the "Final Terms") save that the minimum denomination of the Notes will be, if in euro, EUR 1,000, and, if in any currency other than euro, an amount in such other currency nearly equivalent to EUR 1,000 at the time of the issue of Notes. Subject to any applicable legal or regulatory restrictions, and requirements of relevant central banks, Notes may be issued in euro or any other currency.

In addition to the above paragraph, Notes issued by BMW US Capital with a maturity at issuance of 183 days or less will have a minimum denomination of USD 500,000 or its equivalent in other specified foreign currencies at the date of issue.

Under the the Luxembourg Act which implements the Prospectus Directive, prospectuses relating to notes having a maturity at issue of less than 12 months are not subject to the approval provisions of Part II of the Luxembourg Act.

Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited and BMW Japan Finance Corp. will have the benefit of a guarantee (the "Guarantee") given by BMW AG (the "Guarantor"). The Guarantee constitutes an irrevocable, unsecured and unsubordinated obligation of the Guarantor ranking equally with all other unsecured and unsubordinated obligations of the Guarantor (other than statutory preferred indebtedness).

Notes may be issued with such maturities as may be agreed between the Issuer and the relevant Dealer(s), subject to a minimum maturity of 30 days, as indicated in the applicable Final Terms (except in any case, such other minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency (as defined in the Terms and Conditions of the Notes)).

Notes may be issued at an issue price, which is at par or at a discount to, or premium over, par, as stated in the relevant Final Terms. The issue price for Notes to be issued will be determined at the time of pricing on the basis of a yield which will be determined on the basis of the orders of the investors which are received by the Dealers during the offer period. Orders will specify a minimum yield and may only be confirmed at or above such yield. The resulting yield will be used to determine an issue price, all to correspond to the yield.

The yield for Notes with fixed interest rates will be calculated by the use of the ICMA method, which determines the effective interest rate of notes taking into account accrued interest on a daily basis.

Notes may be offered to qualified investors and/or retail investors as further specified in the relevant Final Terms.

Issuers

Bayerische Motoren Werke Aktiengesellschaft, Munich, Germany
BMW Finance N.V., The Hague, The Netherlands
BMW US Capital, LLC, Wilmington, Delaware, USA
BMW Australia Finance Limited, Melbourne, Victoria, Commonwealth of Australia
BMW Japan Finance Corp., Chiyoda-ku, Tokyo, Japan

BMW Finance, BMW US Capital, BMW Australia Finance and BMW Japan, together, shall be referred to as the "Issuers" or the "Issuing Subsidiaries". The Issuing Subsidiaries, together with all other BMW group companies, shall be referred to as "BMW Group" or "BMW".

Guarantor

Bayerische Motoren Werke Aktiengesellschaft

Arranger

Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany

Dealers

Barclays Bank PLC, London, United Kingdom
BNP Paribas, London, United Kingdom
Citigroup Global Markets Limited, London, United Kingdom
Commerzbank Aktiengesellschaft, Frankfurt am Main, Germany
Credit Suisse Securities (Europe) Limited, London, United Kingdom
Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany
J.P. Morgan Securities plc, London, United Kingdom
Morgan Stanley & Co. International plc, London, United Kingdom
Société Générale, Paris, France
The Royal Bank of Scotland plc, London, United Kingdom
UniCredit Bank AG, Munich, Germany

Notes may be issued from time to time to one or more of the Dealers specified above (the “Dealers” and each a “Dealer”), which expression shall include any additional Dealer appointed under the Programme and which appointment may be for a specific issue or on an on-going basis.

Principal Paying Agent

Deutsche Bank Aktiengesellschaft

Luxembourg Listing and Paying Agent

BNP Paribas Securities Services, Luxembourg Branch

Authorisations

The amendment and restatement of the Programme and the issue of Notes under the Programme have been duly authorised by resolutions of the relevant Board of Management, namely by BMW Finance passed on 31 March 2014; by BMW US Capital passed on 31 March 2014; by BMW Australia Finance passed on 31 March 2014; and by BMW Japan passed on 7 March 2014. In line with applicable German law and in the absence of a specific requirement to that extent set out in its Articles of Association, BMW AG did not pass a specific board resolution in relation to the amendment and restatement of the Programme and issues of Notes thereunder. Accordingly, issues of Notes by BMW AG are properly authorised by virtue of an execution thereof by signatories, and such number of signatories, duly authorised to act on behalf of BMW AG. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuers under the laws of Germany, The Netherlands, the United States of America, the Commonwealth of Australia and Japan, respectively, have been given for the issue of Notes and for the Issuers to undertake and perform their obligations under the dealer agreement dated 13 May 2014 (the “Dealer Agreement”), the agency agreement dated 13 May 2014 (the “Agency Agreement”), the declaration of undertaking dated 13 May 2014 (the “Declaration of Undertaking”), the Notes and, in the case of the Guarantor, under the guarantee dated 13 May 2014 (the “Guarantee”).

Clearstream Luxembourg, Euroclear and CBF

The Notes have been accepted for clearance through Clearstream Banking, société anonyme, and Euroclear Bank SA/NV and Clearstream Banking AG, Frankfurt am Main, and may be accepted in the future for clearance through any Specified Clearing System and through other clearing systems in relation to a particular Tranche, as the case may be. The appropriate common code and ISIN for each Tranche, and each other securities code which may be obtained in relation to a particular Tranche, as the case may be, will be contained in the relevant Final Terms.

Interim Reports

As at the date of this Prospectus, neither BMW Australia Finance nor BMW Japan publish interim reports.

Documents Available for Inspection

Throughout the life of the Programme, copies of the following documents concerning the relevant Issuer and the Guarantor will be available for inspection, and copies thereof will be available free of charge, during normal business hours at the offices of the respective Issuer and the Guarantor, the

offices of the Principal Paying Agent at Deutsche Bank Aktiengesellschaft, Taunusanlage 12, 60325 Frankfurt am Main, Germany and the offices of the listing agent in relation to a particular Tranche, being in relation to Listed Notes at the offices of BNP Paribas Securities Services, Luxembourg Branch, 33, rue de Gasperich, Howald-Hesperange, 2085 Luxembourg, Luxembourg:

- (i) the Articles of Association or By-Laws, and the Memorandum of Association (if any), respectively, of the Issuers and the Guarantor in the English language or together with an English translation;
- (ii) the excerpts from the Register of Commerce pertaining to BMW AG in the German language, the excerpts from the Register of Commerce pertaining to BMW Finance, BMW Australia Finance and BMW Japan either in the English language or together with an English translation, a Certificate of Good Standing pertaining to BMW US Capital in the English language;
- (iii) the audited consolidated financial statements (in English and German) of BMW AG and the audited unconsolidated financial statements of BMW AG (in English) in respect of the financial years ended 31 December 2012 and 31 December 2013, respectively; and audited financial statements (in English) in respect of the financial years ended 31 December 2012 and 31 December 2013, respectively, of BMW Finance, BMW US Capital, BMW Australia Finance and BMW Japan, respectively;
- (iv) the most recent publicly available audited financial statements (in English) of each of the Issuers and the most recently available published consolidated interim financial statements of BMW AG (in English together with a German version thereof), and the most recently available published interim financial statements of BMW Finance and BMW US Capital, respectively, and, should another Issuer publish interim financial statements in accordance with applicable law, such interim financial statements of the relevant Issuer;
- (v) the Dealer Agreement, the Agency Agreement, the Declaration of Undertaking in executed form;
- (vi) this Prospectus;
- (vii) any future prospectuses, offering circulars, base prospectuses and/or supplements thereto, if any, and Final Terms (save that Final Terms relating to any Tranche of unlisted Notes will only be available for inspection by a holder of Notes (each a "Noteholder" and, together, the "Noteholders") and such Noteholder(s) must produce evidence satisfactory to the relevant paying agent as to his ownership), any other document referred to therein; and
- (viii) in the case of Listed Notes subscribed pursuant to a syndication agreement, the syndication agreement (or equivalent document).

Documents referred to under (iii), (vi) and (vii) above, will also be published on the website of the Luxembourg Stock Exchange under "www.bourse.lu".

Programme Amount

The aggregate principle amount of all outstanding Notes or the Euro equivalent in the relevant foreign currency on the respective Trade Dates thereof at any one time shall not exceed EUR 35,000,000,000 or such increased amount as may be agreed by the Dealers, the Issuers and the Guarantor (the "Programme Amount") in accordance with the provisions of the Dealer Agreement.

This Prospectus and any supplement thereto will only be valid for listing Notes on the regulated market of the Luxembourg Stock Exchange and any other regulated market of any other stock exchange, if any, in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed EUR 35,000,000,000. For the purpose of calculating the Euro equivalent of the aggregate amount of Notes issued under the Programme from time to time:

- (a) the Euro equivalent of Notes denominated in another issue currency shall be determined by the relevant Issuer on the trade date specified in the Final Terms of such Notes (the "Trade Date") according to the reference rate determined by the European System of Central Banks on 2:15 p.m. (central European time) and published by the European Central Bank in Frankfurt am Main on such date; and
- (b) the Euro equivalent of Zero Coupon Notes (as defined in Parts B.II and B.III ("Terms and Conditions of the Notes") of this Prospectus) issued at a discount or premium shall be calculated in the manner specified above by reference to the net proceeds received by the relevant Issuer for the relevant issue.

Approval of the Prospectus and Notification

Approval of this Prospectus pursuant to Art. 13 of the Luxembourg Act has only been sought from the Competent Authority and from no other competent authority in any other Member State of the European Union or any other State which has or will implement the Prospectus Directive.

As at the date of this Prospectus, in order to be able to conduct a public offer in relation to certain issues of Notes, the Issuers have applied for a notification of this Prospectus into Germany, the United Kingdom, Austria and The Netherlands pursuant to Article 19 of the Luxembourg Act and the relevant Issuer will comply with such requirements, *inter alia*, as to filings and publications as may be necessary from time to time for an offer of such Notes in Germany, the United Kingdom, Austria and The Netherlands. The Issuers may apply for further notifications of this Prospectus as may be necessary for an issue of Notes from time to time. No public or other offer of the Notes will be made in the United States.

Language of the Prospectus

This Prospectus has been drafted in the English language and, subject to the following paragraph, the English language shall be the prevailing language of this Prospectus.

Where parts of this Prospectus are drafted in a bilingual format reflecting both an English language version and a German language version, for purposes of reading and construing the contents of this Prospectus, the English language version shall prevail, provided, however, that certain parts of this Prospectus reflect documents which have been, or will be, executed as separate documents with the German language version being the prevailing version thereof.

Currency Restrictions

Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time. The relevant Issuer shall ensure that such Notes have the maturities and denominations as required by such laws, regulations and guidelines.

Use of Proceeds

The net proceeds of the Notes will be used to assist in the general business of BMW Group.

Distribution

Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies

Subject to any applicable legal or regulatory restrictions, Notes may be issued in any currencies as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms). In this Prospectus, all references to “€”, “EUR” or “Euro” are to the single currency which was introduced on 1 January 1999 with the start of the third stage of European Economic and Monetary Union, references to “GBP” are to the currency of the United Kingdom, references to “USD” are to the currency of the United States of America, references to “AUD” are to the currency of the Commonwealth of Australia, references to “CNY” are to the currency of the People’s Republic of China and references to “Yen” are to the currency of Japan.

Unless otherwise permitted by then current laws and regulations, Notes in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom will have a minimum denomination of GBP 100,000 (or its equivalent in other currencies), unless such Notes may not be redeemed until on or after the first anniversary of their issue date.

Rating

Notes issued under the Programme may be rated or unrated. In case Notes are rated, such rating will be disclosed in the relevant Final Terms within the item “Rating”. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Ratings are based on current information furnished to the rating agencies by BMW AG and information obtained by the rating agencies from

other sources. Because ratings may be changed, superseded or withdrawn as a result of changes in, or unavailability of, such information, a prospective purchaser should verify the current long-term and short-term ratings of BMW AG before purchasing the Notes.

Based on the provisions of Regulation (EC) No. 1060/2009 on rating agencies, as amended (the "Rating Regulation"), certain institutions as further determined pursuant to Article 4 (1) of the Rating Regulation which are established in the European Union (the "Regulated Institutions") are subject to certain restrictions with regard to the use of ratings for regulatory purposes. Pursuant to Article 4 (1) of the Rating Regulation, Regulated Institutions may use credit ratings for regulatory purposes only if such credit ratings are issued by credit rating agencies established in the European Union and registered in accordance with the Rating Regulation (or for which the relevant registration procedure is still pending). If the relevant Issuer and/or the Guarantor and/or the Notes are rated, the relevant Final Terms, as set out within the item "Rating", will state whether the relevant rating agencies are established in the European Union or have relevant subsidiaries which are established in the European Union or not and whether they have been registered in accordance with the Rating Regulation. The current version of the list of credit rating agencies registered in accordance with the Rating Regulation may be retrieved from the website of the European Commission at http://ec.europa.eu/internal_market/securities/agencies/index_en.htm. In accordance with Article 18 (3) of the Rating Regulation, such list is updated within 30 days, as soon as the registering competent authority of a home member state has informed the Commission of any amendment as regards the registered credit rating agencies.

Admission of the Programme and Listing of the Notes

In relation to Notes issued under this Programme, application has been made to the CSSF in its capacity as Competent Authority under the Luxembourg Act for approval of this Prospectus.

In this Prospectus, references to "Listed Notes" (and all related references) shall mean that the Competent Authority has given its approval of this Prospectus and that the relevant Notes have been admitted by the Luxembourg Stock Exchange to trading on the regulated market of the Luxembourg Stock Exchange.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set forth in the relevant Final Terms which, with respect to Listed Notes will be delivered to the Luxembourg Stock Exchange and/or the Competent Authority. In relation to Listed Notes issued under the Programme, copies of this Prospectus and the relevant Final Terms will be available for inspection during normal business hours at the offices of the Principal Paying Agent and the Luxembourg Paying Agent, at whose office copies thereof can also be obtained free of charge (see "Address List" at the end of this Prospectus), and a copy of this Prospectus or any further prospectuses, or any supplements thereto, and the relevant Final Terms may also be accessed through the website of the Luxembourg Stock Exchange at "www.bourse.lu".

The Programme allows for Notes to be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealer(s). Notes not listed on any stock exchange may also be issued.

The relevant Issuer will notify the Noteholders of any material adverse change in its financial condition and will publish details thereof in accordance with Condition 12 of the Terms and Conditions of the Notes. If the terms of the Programme are modified or amended in a manner which would make the Prospectus, as supplemented, inaccurate or misleading, a new or supplement to the Prospectus will be prepared.

If an Issuer is substituted by a New Issuer pursuant to Condition 10 (Substitution) of the Terms and Conditions of the Notes and such New Issuer is not an Issuer under the Programme already, a new Prospectus will be prepared if so required under applicable laws.

Undertaking referring to the Luxembourg Stock Exchange

Each of the Issuers and the Guarantor has undertaken, in connection with the listing of Notes on the regulated market of the Luxembourg Stock Exchange, that if, while Notes are outstanding and listed on the regulated market of the Luxembourg Stock Exchange, there shall occur any material adverse change in the business, financial position or otherwise of any of the Issuers or the Guarantor, as the case may be, that is material in the context of issuance under the Programme which is not reflected in

this Prospectus (or any of the documents incorporated by reference in this Prospectus), it will prepare or procure the preparation of a supplement to this Prospectus or, as the case may be, publish a new prospectus for use in connection with any subsequent offering of Notes to be listed on the regulated market of the Luxembourg Stock Exchange.

Listing and Admission to Trading

Application may be made to list Notes issued under the Programme on the official list of the Luxembourg Stock Exchange and to admit to trading such Notes on the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) or on the Euro MTF market. The Programme provides that Notes may be listed on other or further stock exchanges, as may be agreed between the relevant Issuer and the relevant Dealer(s) in relation to each Tranche, as specified in the relevant Final Terms. Notes may further be issued under the Programme without being listed on any stock exchange. References to “regulated market” within this Prospectus means a regulated market as defined in Article 2(1)(j) of the Prospectus Directive in connection with Article 4(1) No.14 of Directive 2004/39/EC.

**TERMS AND CONDITIONS OF THE NOTES
AND RELATED DOCUMENTS**

The information in this part “Terms and Conditions of the Notes and Related Documents” includes the following parts relating to the terms and conditions of the Notes:

- (i) the “Issue Procedures”;
(Part E.I. of this Prospectus);
- (ii) the “Terms and Conditions of the Notes” (German Language Version)
(Part E.II. of this Prospectus);
- (iii) the “Terms and Conditions of the Notes” (English Language Version)
(Part E.III. of this Prospectus);
- (iv) the “Form of Final Terms / Muster-Endgültige Bedingungen”
(Part E.IV. of this Prospectus);
- (v) the “Text der Garantie / Text of the Guarantee”
(Part E.V. of this Prospectus); and
- (vi) the “Text der Verpflichtungserklärung / Text of the Declaration of Undertaking”
(Part E.VI. of this Prospectus).

ISSUE PROCEDURES

General

The relevant Issuer and the relevant Dealer(s) will agree on the terms and conditions applicable to each particular Tranche of Notes (the “**Conditions**”). The Conditions will be constituted by the relevant set of Terms and Conditions of the Notes set forth below (the “**Terms and Conditions**”) as further specified by the Final Terms (the “**Final Terms**”) as described below.

Options for sets of Terms and Conditions

A separate set of Terms and Conditions applies to each type of Notes, as set forth below. The Final Terms provide for the relevant Issuer to choose between the following Options:

- Option I – Terms and Conditions for Notes with fixed interest rates;
- Option II – Terms and Conditions for Notes with floating interest rates;
- Option III – Terms and Conditions for Zero Coupon Notes.

Documentation of the Conditions

The relevant Issuer may document the Conditions of an individual issue of Notes in either of the following ways:

- The Final Terms shall be completed as set out therein. The Final Terms shall determine which of the Option I, Option II or Option III, including certain further options contained therein, respectively, shall be applicable to the individual issue of Notes by replicating the relevant provisions and completing the relevant placeholders of the relevant set of Terms and Conditions as set out in the Prospectus in the Final Terms. The replicated and completed provisions of the set of Terms and Conditions alone shall constitute the Conditions, which will be attached to each global note representing the Notes of the relevant Tranche. This type of documentation of the Conditions will be required where the Notes are publicly offered, in whole or in part, or are to be initially distributed, in whole or in part, to non-qualified investors.
- Alternatively, the Final Terms shall determine which of Option I, Option II or Option III and of the respective further options contained in each of Option I, Option II and Option III are applicable to the individual issue by referring to the relevant provisions of the relevant set of Terms and Conditions as set out in the Prospectus only. The Final Terms will specify that the provisions of the Final Terms and the relevant set of Terms and Conditions as set out in the Prospectus, taken together, shall constitute the Conditions. Each global note representing a particular Tranche of Notes will have the Final Terms and the relevant set of Terms and Conditions as set out in the Prospectus attached.

Determination of Options / Completion of Placeholders

The Final Terms shall determine which of the Option I, Option II or Option III shall be applicable to the individual issue of Notes. Each of the sets of Terms and Conditions of Option I, Option II or Option III contains also certain further options (characterised by indicating the respective optional provision through instructions and explanatory notes set out in square brackets within the text of the relevant set of Terms and Conditions as set out in the Prospectus) as well as placeholders (characterised by square brackets which include the relevant items) which will be determined by the Final Terms as follows:

Determination of Options

The relevant Issuer will determine which options will be applicable to the individual issue either by replicating the relevant provisions in the Final Terms or by reference of the Final Terms to the respective sections of the relevant set of Terms and Conditions as set out in the Prospectus. If the Final Terms do not refer to an alternative or optional provision or such alternative or optional provision is not replicated therein it shall be deemed to be deleted from the Conditions.

Completion of Placeholders

The Final Terms will specify the information with which the placeholders in the relevant set of Terms and Conditions will be completed. In the case the provisions of the Final Terms and the relevant set of Terms and Conditions, taken together, shall constitute the Conditions the relevant set of Terms and Conditions shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the placeholders of such provisions.

All instructions and explanatory notes and text set out in square brackets in the relevant set of Terms and Conditions and any footnotes and explanatory text in the Final Terms will be deemed to be deleted from the Conditions.

Controlling Language

As to the controlling language of the respective Conditions, the following applies:

- In the case of Notes (i) publicly offered, in whole or in part, in the Federal Republic of Germany, or (ii) initially distributed, in whole or in part, to non-qualified investors in the Federal Republic of Germany, German will be the controlling language.
- In other cases the relevant Issuer will elect either German or English to be the controlling language.

In addition to the specification of the controlling language for the respective Conditions, the Final Terms will specify whether a non-binding English/German language translation, as the case may be, will be prepared for convenience purposes.

**TERMS AND CONDITIONS OF THE NOTES
(GERMAN LANGUAGE VERSION)**

Die Emissionsbedingungen (die "Emissionsbedingungen") der Schuldverschreibungen sind nachfolgend in drei Optionen aufgeführt:

Option I umfasst den Satz der Emissionsbedingungen, der auf Tranchen von Schuldverschreibungen mit fester Verzinsung Anwendung findet.

Option II umfasst den Satz der Emissionsbedingungen, der auf Tranchen von Schuldverschreibungen mit variabler Verzinsung Anwendung findet.

Option III umfasst den Satz der Emissionsbedingungen, der auf Tranchen von Nullkupon-Schuldverschreibungen Anwendung findet.

Der Satz von Emissionsbedingungen für jede dieser Optionen enthält bestimmte weitere Optionen, die entsprechend gekennzeichnet sind, indem die jeweilige optionale Bestimmung durch Instruktionen und Erklärungen in eckigen Klammern innerhalb des Satzes der Emissionsbedingungen bezeichnet wird.

In den Endgültigen Bedingungen wird die Emittentin festlegen, welche der Option I, Option II oder Option III (einschließlich der jeweils enthaltenen bestimmten weiteren Optionen) für die einzelne Emission von Schuldverschreibungen Anwendung findet, indem entweder die betreffenden Angaben wiederholt werden oder auf die betreffenden Optionen verwiesen wird.

Soweit weder die Emittentin noch die Garantin zum Zeitpunkt der Billigung des Prospektes Kenntnis von bestimmten Angaben hatte, die auf eine einzelne Emission von Schuldverschreibungen anwendbar sind, enthält dieser Prospekt Leerstellen in eckigen Klammern, die die maßgeblichen durch die Endgültigen Bedingungen zu vervollständigenden Angaben enthalten.

[Im Fall, dass die Endgültigen Bedingungen, die für eine einzelne Emission anwendbar sind, nur auf die weiteren Optionen verweisen, die im Satz der Emissionsbedingungen der Option I, Option II oder Option III enthalten sind, ist folgendes anwendbar: Die Bestimmungen dieser Emissionsbedingungen gelten für diese Schuldverschreibungen so, wie sie durch die Angaben der beigefügten endgültigen Bedingungen (die "Endgültigen Bedingungen") vervollständigt werden. Die Leerstellen in den auf die Schuldverschreibungen anwendbaren Bestimmungen dieser Emissionsbedingungen gelten als durch die in den Endgültigen Bedingungen enthaltenen Angaben ausgefüllt, als ob die Leerstellen in den betreffenden Bestimmungen durch diese Angaben ausgefüllt wären; alternative oder wählbare Bestimmungen dieser Emissionsbedingungen, deren Entsprechungen in den Endgültigen Bedingungen nicht ausgefüllt oder gestrichen sind, gelten als aus diesen Emissionsbedingungen gestrichen; sämtliche auf die Schuldverschreibungen nicht anwendbaren Bestimmungen dieser Emissionsbedingungen (einschließlich der Anweisungen, Anmerkungen und der Texte in eckigen Klammern) gelten als aus diesen Emissionsbedingungen gestrichen, so dass die Bestimmungen der Endgültigen Bedingungen Geltung erhalten. Kopien der Endgültigen Bedingungen sind kostenlos bei der bezeichneten Geschäftsstelle der Emissionsstelle und bei der Hauptgeschäftsstelle der Emittentin erhältlich; bei nicht an einer Börse notierten Schuldverschreibungen sind Kopien der betreffenden Endgültigen Bedingungen allerdings ausschließlich für die Inhaber (wie in § 1 (5) definiert) solcher Schuldverschreibungen erhältlich.]

OPTION I:

EMISSIONSBEDINGUNGEN FÜR FESTVERZINSLICHE SCHULDVERSCHREIBUNGEN

§ 1

WÄHRUNG, STÜCKELUNG, FORM, EIGENTUM, DEFINITIONEN

(1) *Währung, Stückelung.* Diese Tranche **[Tranchen-Nummer]** von Schuldverschreibungen (die "Schuldverschreibungen") **[der Bayerische Motoren Werke Aktiengesellschaft] [der BMW Finance N.V.] [der BMW US Capital, LLC] [der BMW Australia Finance Limited] [der BMW Japan Finance Corp.]**, die für sich oder mit einer oder mehreren Tranchen gemeinsam eine "Serie" bilden kann, wird in **[festgelegte Währung]** (die "festgelegte Währung") im Gesamtnennbetrag von **[Gesamtnennbetrag]** (in Worten: **[Gesamtnennbetrag in Worten]**) in Stückelungen von **[festgelegte Stückelungen]** (die "festgelegten Stückelungen") begeben.

[Im Fall einer Zusammenfassung der Tranche mit einer bestehenden Serie, einfügen: Diese Tranche **[Tranchen-Nummer]** wird mit der Serie **[Seriennummer]**, ISIN **[•]** / WKN **[•]**, Tranche 1 begeben am **[Tag der Begebung der ersten Tranche]** [und der Tranche **[Tranchen-Nummer]** begeben am **[Tag der Begebung der zweiten Tranche]** dieser Serie] [und der Tranche **[Tranchen-Nummer]** begeben am **[Tag der Begebung der dritten Tranche]** dieser Serie] konsolidiert und formt mit dieser eine einheitliche Serie **[Seriennummer]**. Der Gesamtnennbetrag der Serie **[Seriennummer einfügen]** lautet **[Gesamtnennbetrag der gesamten konsolidierten Serie [Seriennummer]].**]

(2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber[.] **[Im Falle einer Emission der BMW US Capital, LLC mit einer Laufzeit von mehr als 183 Tagen, einfügen (wobei das maßgebliche Clearing System CBF oder ein Festgelegtes Clearing System sein muss und somit die Schuldverschreibungen Gegenstand eines book-entry Agreements sind):** wobei die Schuldverschreibungen jedoch für Zwecke des Bundeseinkommenssteuerrechts der Vereinigten Staaten wie Namenspapiere (*registered notes*) behandelt werden.]

[Bei Schuldverschreibungen der BMW US Capital, LLC (wobei das maßgebliche Clearing System CBF oder ein Festgelegtes Clearing System sein muss und somit die Schuldverschreibungen Gegenstand eines book-entry Agreements sind), einfügen:

(3) *Dauerglobalurkunde.*

- (a) Die Schuldverschreibungen sind durch eine Dauerglobalurkunde (die "Dauerglobalurkunde" oder "Globalurkunde") ohne Zinsscheine verbrieft. Die Dauerglobalurkunde trägt die eigenhändigen oder faksimilierten Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und ist von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.
- (b) Das Eigentum von Rechten an der Globalurkunde und die Übertragung des Eigentums von solchen Rechten wird ausschließlich nachgewiesen und erfolgt nur durch die Unterlagen des Festgelegten Clearing Systems (wie nachstehend definiert).

Außer unter den nachstehend beschriebenen Umständen kann das Festgelegte Clearing System eine Globalurkunde nicht anders als durch Übertragung der Globalurkunde auf eine nachfolgende Verwahrstelle übertragen, und Rechte an dieser Globalurkunde können nicht gegen Schuldverschreibungen in effektiver, in Einzelurkunden verbriefter Form ausgetauscht werden.]

[Bei Schuldverschreibungen der Bayerische Motoren Werke Aktiengesellschaft, der BMW Finance N.V., der BMW Australia Finance Limited oder der BMW Japan Finance Corp., einfügen:

(3) *Vorläufige Globalurkunde – Austausch.*

- (a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "Vorläufige Globalurkunde") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen in den festgelegten Stückelungen, die durch eine Dauerglobalurkunde (die "Dauerglobalurkunde") ohne Zinsscheine verbrieft sind, ausgetauscht. Die vorläufige Globalurkunde und die Dauerglobalurkunde (jeweils eine "Globalurkunde") tragen

jeweils die eigenhändigen oder faksimilierten Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

- (b) Die vorläufige Globalurkunde wird an einem Tag gegen die Dauerglobalurkunde ausgetauscht, der nicht weniger als 40 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde liegen darf. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß Absatz (b) dieses § 1 (3) auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten (wie in § 4 (3) definiert) zu liefern.]

(4) *Clearing System.*

- [(a)] [Die][Jede] [vorläufige] Globalurkunde [(falls diese nicht ausgetauscht wird) und/oder jede Dauerglobalurkunde] wird solange von einem oder im Namen eines Clearing Systems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. "Clearing System" bedeutet **[Bei mehr als einem Clearing System einfügen: jeweils Folgendes: [Clearstream Banking AG, Frankfurt am Main ("CBF")] [Clearstream Banking, société anonyme, Luxembourg ("CBL")] [Euroclear Bank SA/NV ("Euroclear")] [CBL und Euroclear jeweils ein "ICSD" und zusammen die "ICSDs"] [,] [und] [anderes Clearing System angeben] oder jeder Funktionsnachfolger, der die Funktionen [Bei mehr als einem Clearing System einfügen: jedes der Clearing Systeme] [Falls ein Clearing System, einfügen: des Clearing Systems] übernimmt.**

[Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden, einfügen:

[Falls die Globalurkunde eine NGN ist, einfügen (ausgenommen im Fall einer Emission von Schuldverschreibungen durch die BMW Australia Finance Limited): Die Schuldverschreibungen werden in Form einer new global note ("NGN") ausgegeben und von einer gemeinsamen Sicherheitsverwahrstelle (*common safekeeper*) im Namen beider ICSDs verwahrt.]

[Falls die Globalurkunde eine CGN ist, einfügen:

Die Schuldverschreibungen werden in Form einer classical global note ("CGN") ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt.]

[Bei Schuldverschreibungen der BMW US Capital, LLC (wobei das maßgebliche Clearing System CBF oder ein Festgelegtes Clearing System sein muss und somit die Schuldverschreibungen Gegenstand eines book-entry Agreements sind), einfügen:

- (b) "Festgelegtes Clearing System" bezeichnet ein Clearing System, das ein book-entry Agreement mit der Emittentin hinsichtlich der Schuldverschreibungen abgeschlossen hat, wobei dieses book-entry Agreement solche Vorschriften vorsieht, die es ermöglichen, dass die Schuldverschreibungen für Zwecke der U.S. Bundeseinkommensteuergesetze als Verbindlichkeiten in Form von Namensschuldverschreibungen angesehen werden. Zur Klarstellung: CBF ist ein Festgelegtes Clearing System, jedoch können auch andere Clearing Systeme in der Zukunft zu Festgelegten Clearing Systemen werden.]

- (5) *Inhaber von Schuldverschreibungen.* "Inhaber" bezeichnet jeden Inhaber eines Miteigentumsanteils oder anderen Rechts an den Schuldverschreibungen.

[Falls die Globalurkunde eine NGN ist, einfügen:

- (6) *Register der ICSDs.* Der Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für

seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis über den Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen, und eine zu diesen Zwecken von einem ICSD jeweils ausgestellte Bestätigung mit dem Gesamtnennbetrag der so verbrieften Schuldverschreibungen ist ein schlüssiger Nachweis über den Inhalt des Registers des jeweiligen ICSD zu diesem Zeitpunkt.

Bei Rückzahlung oder Zahlung einer Rate oder einer Zinszahlung bezüglich der durch die Globalurkunde verbrieften Schuldverschreibungen bzw. bei Kauf und Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen stellt die Emittentin sicher, dass die Einzelheiten über Rückzahlung und Zahlung bzw. Kauf und Löschung bezüglich der Globalurkunde *pro rata* in die Unterlagen der ICSDs eingetragen werden, und dass nach dieser Eintragung vom Gesamtnennbetrag der in die Register der ICSDs aufgenommenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Gesamtnennbetrag der zurückgekauften bzw. gekauften und entwerteten Schuldverschreibungen bzw. der Gesamtbetrag der so gezahlten Raten abgezogen wird.]

[Falls die vorläufige Globalurkunde eine NGN ist, einfügen: Bei Austausch eines Anteils von ausschließlich durch eine vorläufige Globalurkunde verbrieften Schuldverschreibungen wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs *pro rata* in die Aufzeichnungen der ICSDs aufgenommen werden.]]

[(6)][(7)] *Eigentum.*

- (a) Der Inhaber gilt (soweit nicht zwingende Gesetzes- oder Verwaltungsbestimmungen entgegenstehen) in jeder Hinsicht als Alleineigentümer (ob fällig oder nicht fällig, und unabhängig von irgendwelchen Mitteilungen bezüglich des Eigentums, möglichen Treuhandschaften oder anderen Ansprüchen hieran oder hieraus, etwaigen Vermerken auf der Urkunde oder einem Diebstahl oder Verlust) und niemand kann dafür verantwortlich gemacht werden, dass er den Inhaber als Alleineigentümer angesehen hat.
- (b) Die Übertragung des Eigentums an Schuldverschreibungen geschieht durch Einigung der beteiligten Parteien über den Eigentumsübergang und durch die Übergabe oder auf andere Weise in Übereinstimmung mit den jeweils anzuwendenden Gesetzen und Vorschriften einschließlich der Regeln beteiligter Clearing Systeme. Bezugnahmen in diesen Emissionsbedingungen auf "Inhaber" von Schuldverschreibungen sind Bezugnahmen auf die Inhaber solcher Schuldverschreibungen.

[(7)][(8)] *Geschäftstag.* In diesen Emissionsbedingungen bezeichnet "Geschäftstag"

[Falls die festgelegte Währung nicht Renminbi ist, einfügen: einen Tag (außer einem Samstag oder Sonntag), an dem (i) das Clearing System und (ii) **[Falls die festgelegte Währung Euro ist, einfügen:** TARGET2 (wie nachstehend definiert) **[und Geschäftsbanken und Devisenmärkte in [sämtliche relevanten Finanzzentren]]** **[Falls die festgelegte Währung nicht Euro ist, einfügen:** Geschäftsbanken und Devisenmärkte in **[sämtliche relevanten Finanzzentren]]** Zahlungen abwickeln.]

[Falls die festgelegte Währung Renminbi ist, einfügen: einen Tag (außer einem Samstag, Sonntag oder Feiertag), an dem Geschäftsbanken und Devisenmärkte am jeweiligen Vorlegungsort für den Geschäftsverkehr geöffnet sind, sowie einen Tag, an dem Geschäftsbanken in Hongkong (wie nachstehend definiert) für den Geschäftsverkehr und die Abwicklung von Zahlungen in Renminbi geöffnet sind, und einen Tag, an dem Geschäftsbanken in Hongkong für den Geschäftsverkehr geöffnet sind.]

[Falls die festgelegte Währung Euro ist, einfügen: "TARGET2" bedeutet das *Trans-European Automated Real-time Gross Settlement Express Transfer*-Zahlungssystem oder jedes Nachfolgesystem.]

§ 2

STATUS, VERPFLICHTUNGSERKLÄRUNG, GARANTIE

(1) *Status.* Die Schuldverschreibungen stellen direkte, unbedingte, nicht nachrangige und nicht besicherte Verbindlichkeiten der Emittentin dar, die gleichen Rang (ausgenommen Verbindlichkeiten aufgrund von nationalen oder lokalen Steuervorschriften, anderen gesetzlichen Ausnahmeregelungen, gesetzlichen Vorschriften und Verwaltungsvorschriften) mit allen anderen unbesicherten und nicht nachrangigen Verbindlichkeiten haben.

(2) *Verpflichtungserklärung der Emittentin.* Die Emittentin hat sich in einer separaten Erklärung (im Folgenden die "Verpflichtungserklärung" genannt) gegenüber den Inhabern verpflichtet, solange bis Kapital, etwaige Zinsen und etwaige zusätzliche Beträge gemäß § 7 (1) im vollen Umfang bei der jeweiligen Zahlstelle oder einer anderen gemäß § 6 ernannten Zahlstelle bereitgestellt worden sind, keine gegenwärtigen oder zukünftigen Verbindlichkeiten (einschließlich Verbindlichkeiten aus Garantien oder Sicherheiten) aus anderen internationalen Kapitalmarktverbindlichkeiten (wie nachfolgend definiert) durch irgendwelche Grund- oder Mobiliarpfandrechte an ihrem gegenwärtigen oder zukünftigen Grundbesitz oder Vermögenswerten sicherzustellen oder sicherstellen zu lassen, es sei denn, dass diese Schuldverschreibungen zu gleicher Zeit und im gleichen Rang anteilig an dieser Sicherstellung teilnehmen. Ausgenommen hiervon sind Grund- oder Mobiliarpfandrechte und andere Besicherungen von Verbindlichkeiten aufgrund von nationalen oder lokalen Steuervorschriften, anderen gesetzlichen Ausnahmeregelungen, gesetzlichen Vorschriften und Verwaltungsvorschriften. Im Falle einer Besicherung dieser Schuldverschreibungen durch die Emittentin gemäß dieses § 2 (2) sind zugunsten der Inhaber die Sicherheiten mit den üblichen Rechten und Pflichten zu bestellen. Wenn ein Inhaber nach Eintritt eines der in § 9 aufgeführten Kündigungsgründe, die die Inhaber zur Kündigung berechtigen, wegen des Kapitals von nicht schon aus anderen Gründen fälligen Schuldverschreibungen eine für die Schuldverschreibungen gegebene Sicherheit in Anspruch nimmt, gelten die betreffenden Schuldverschreibungen in jeder Beziehung als fällig.

(3) *Sicherheiten für Asset-Backed-Securities.* Um etwaige Zweifel zu vermeiden, die in diesem § 2 enthaltene Verpflichtung gilt nicht in Bezug auf Sicherheiten, die in Zusammenhang mit asset-backed-securities (strukturierte Wertpapiere, die mit Vermögenswerten besichert sind) gestellt werden, die von einer Zweckgesellschaft begeben werden, und bei denen die Emittentin die ursprüngliche Inhaberin der zugrunde liegenden Vermögenswerte ist.

(4) *Internationale Kapitalmarktverbindlichkeit.* Für die Zwecke dieser Emissionsbedingungen bedeutet "internationale Kapitalmarktverbindlichkeit" jede Emission von Schuldverschreibungen mit einer ursprünglichen Laufzeit von mehr als einem Jahr.

[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:

(5) *Garantie.* Die Bayerische Motoren Werke Aktiengesellschaft (die "Garantin") hat gegenüber den Inhabern die unbedingte und unwiderrufliche Garantie für die ordnungsgemäße und pünktliche Zahlung des Kapitals und etwaiger Zinsen einschließlich gegebenenfalls gemäß § 7 (1) zusätzlich erforderlicher Beträge in Übereinstimmung mit diesen Emissionsbedingungen übernommen (die "Garantie"). Die Garantie gibt jedem Inhaber das Recht, Erfüllung der in der Garantie übernommenen Verpflichtungen unmittelbar von der Garantin zu verlangen und diese Verpflichtungen unmittelbar gegen die Garantin durchzusetzen.

(6) *Verpflichtungserklärung der Garantin.* Die Garantin hat sich in der Verpflichtungserklärung gegenüber den Inhabern verpflichtet, solange bis Kapital und etwaige Zinsen sowie etwaige zusätzliche Beträge gemäß § 7 (1) bei der jeweiligen Zahlstelle oder einer anderen gemäß § 6 ernannten Zahlstelle bereitgestellt worden sind, keine gegenwärtigen oder zukünftigen Verbindlichkeiten (einschließlich Verbindlichkeiten aus Garantien oder Sicherheiten) aus anderen internationalen Kapitalmarktverbindlichkeiten durch irgendwelche Grund- oder Mobiliarpfandrechte an ihrem gegenwärtigen oder zukünftigen Grundbesitz oder Vermögenswerten sicherzustellen oder sicherstellen zu lassen, es sei denn, dass diese Schuldverschreibungen zu gleicher Zeit und im gleichen Rang anteilig an dieser Sicherstellung teilnehmen. Ausgenommen hiervon sind Grund- oder Mobiliarpfandrechte und andere Besicherungen aufgrund von nationalen oder lokalen Steuervorschriften, anderen gesetzlichen Ausnahmeregelungen, gesetzlichen Vorschriften und Verwaltungsvorschriften. Im Falle einer Besicherung dieser Schuldverschreibungen durch die Garantin gemäß dieses § 2 (6) sind zugunsten der Inhaber die Sicherheiten mit den üblichen Rechten und Pflichten zu bestellen. Wenn ein Inhaber nach Eintritt eines der in § 9 aufgeführten Kündigungsgründe, die die Inhaber zur Kündigung berechtigen, wegen des Kapitals von nicht schon aus anderen Gründen fälligen Schuldverschreibungen eine für die Schuldverschreibungen gegebene Sicherheit in Anspruch nimmt, gelten die betreffenden Schuldverschreibungen in jeder Beziehung als fällig.

(7) *Sicherheiten für Asset-Backed-Securities.* Um etwaige Zweifel zu vermeiden, die in diesem § 2 enthaltene Verpflichtung gilt nicht in Bezug auf Sicherheiten, die in Zusammenhang mit asset-backed-securities (strukturierte Wertpapiere, die mit Vermögenswerten besichert sind) gestellt werden, die von

einer Zweckgesellschaft begeben werden, und bei denen die Garantin die ursprüngliche Inhaberin der zugrunde liegenden Vermögenswerte ist.]

§ 3 ZINSEN

(1) *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden in Höhe ihres Nennbetrages verzinst, und zwar vom **[Verzinsungsbeginn]** (der "Verzinsungsbeginn") (einschließlich) bis zum Fälligkeitstag (wie in § 5 (1) definiert) (ausschließlich) mit jährlich **[Zinssatz]**%.

Die Zinsen sind nachträglich am **[Festzinstermine]** eines jeden Jahres, vorbehaltlich einer Anpassung gemäß § 4 (5), zahlbar (jeweils ein "Zinszahlungstag"). Die erste Zinszahlung erfolgt am **[ersten Zinszahlungstag]**) vorbehaltlich einer Anpassung gem. § 4 (5) **[Im Falle eines ersten kurzen/langen Kupons, einfügen:** und beläuft sich auf **[anfänglichen Bruchteilszinsbetrag pro festgelegte Stückelung]** je festgelegte Stückelung]. **[Im Falle eines letzten kurzen/langen Kupons einfügen:** Die Zinsen für den Zeitraum vom **[den letzten dem Fälligkeitstag vorausgehenden Festzinstermine]** (einschließlich) bis zum Fälligkeitstag (ausschließlich) belaufen sich auf **[abschließenden Bruchteilszinsbetrag pro festgelegte Stückelung]** je festgelegte Stückelung].

[Im Fall von Actual/Actual (ICMA) einfügen: Die Anzahl der Feststellungstermine im Kalenderjahr (jeweils ein "Feststellungstermin") beträgt **[Anzahl der regulären Zinszahlungstage im Kalenderjahr]**].

(2) *Zinslauf.* Der Zinslauf der Schuldverschreibungen endet an dem Tag, der dem Tag vorangeht, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, endet die Verzinsung des ausstehenden Nennbetrages der Schuldverschreibungen nicht an dem Tag, der dem Tag der Fälligkeit vorangeht, sondern erst an dem Tag, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen vorangeht. Weitergehende Ansprüche der Inhaber bleiben unberührt.

(3) *Unterjährige Berechnung der Zinsen.* Sofern Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachstehend definiert).]

(4) *Zinstagequotient.* "Zinstagequotient" bezeichnet im Hinblick auf die Berechnung des Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "Zinsberechnungszeitraum"):

[Im Fall von Actual/Actual (ICMA) einfügen:

1. Im Falle von Schuldverschreibungen, bei denen die Anzahl der Tage in der betreffenden Periode ab dem letzten Zinszahlungstag (oder, wenn es keinen solchen gibt, ab dem Verzinsungsbeginn) (jeweils einschließlich desselben) bis zum betreffenden Zahlungstag (ausschließlich desselben) (der "Zinsberechnungszeitraum") kürzer ist als die Feststellungsperiode in die das Ende des Zinsberechnungszeitraumes fällt oder ihr entspricht, die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum geteilt durch das Produkt (1) der Anzahl der Tage in der Feststellungsperiode und (2) der Anzahl der Feststellungstermine (wie in § 3 (1) angegeben) in einem Kalenderjahr; oder

2. Im Falle von Schuldverschreibungen, bei denen der Zinsberechnungszeitraum länger ist als die Feststellungsperiode, in die das Ende des Zinsberechnungszeitraumes fällt, die Summe der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in welcher der Zinsberechnungszeitraum beginnt, geteilt durch das Produkt (1) der Anzahl der Tage in der Feststellungsperiode und (2) der Anzahl der Feststellungstermine (wie in § 3 (1) angegeben) in einem Kalenderjahr; und

der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die nächste Feststellungsperiode fallen, geteilt durch das Produkt (1) der Anzahl der Tage in dieser Feststellungsperiode und (2) der Anzahl der Feststellungstermine (wie in § 3 (1) angegeben) in einem Kalenderjahr.

"Feststellungsperiode" ist die Periode ab einem Zinszahlungstag oder, wenn es keinen solchen gibt, ab dem Verzinsungsbeginn (jeweils einschließlich desselben) bis zum nächsten oder ersten Zinszahlungstag (ausschließlich desselben).]

[Im Fall von 30/360 einfügen: die Anzahl von Tagen in der Periode ab dem letzten Zinszahlungstag (oder wenn es keinen solchen gibt, ab dem Verzinsungsbeginn) (jeweils einschließlich desselben) bis

zum betreffenden Zahlungstag (ausschließlich desselben) (wobei die Zahl der Tage auf der Basis von 12 Monaten zu jeweils 30 Tagen berechnet wird), geteilt durch 360.]

[Im Fall von Actual/365 (Fixed) und im Fall von Schuldverschreibungen, deren festgelegte Währung Renminbi ist, einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365.]

[Im Fall von 30E/360 oder Eurobond Basis einfügen: die Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des Datums des ersten oder letzten Tages des Zinsberechnungszeitraums, es sei denn, der Fälligkeitstag des letzten Zinsberechnungszeitraums ist der letzte Tag des Monats Februar, wobei in diesem Fall der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln ist).]

§ 4 ZÄHLUNGEN

(1) (a) *Zahlungen auf Kapital.* Zahlungen von Kapital auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems gegen Vorlage und (außer im Fall von Teilzahlungen) Einreichung der Schuldverschreibungen zum Zeitpunkt der Zahlung verbrieften Globalurkunde bei der bezeichneten Geschäftsstelle der Emissionsstelle außerhalb der Vereinigten Staaten.

(b) *Zahlungen von Zinsen.* Die Zahlung von Zinsen auf Schuldverschreibungen erfolgt nach Maßgabe von Absatz 2 an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

[Bei Zinszahlungen auf eine vorläufige Globalurkunde einfügen: Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von Absatz (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1 (3) (b).]

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der frei handelbaren und konvertierbaren Währung, die am entsprechenden Fälligkeitstag die Währung des Staates der festgelegten Währung ist **[Im Fall von Schuldverschreibungen, deren festgelegte Währung Renminbi ist, einfügen:** oder im USD-Gegenwert (wie in § 4 (7) definiert) durch Überweisung nach Maßgabe der Emissionsbedingungen der Schuldverschreibungen].

(3) *Vereinigte Staaten.* Für die Zwecke des **[Im Fall von Schuldverschreibungen, deren festgelegte Währung Renminbi ist, einfügen:** § 4 (7)[.], [und] des] **[Im Falle einer Emission von Schuldverschreibungen durch die BMW US Capital, LLC, einfügen:** § 1 [(2)][(3)] und des] Absatzes 1 dieses § 4 bezeichnet "Vereinigte Staaten" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des "District of Columbia") sowie deren Territorien (einschließlich Puerto Ricos, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands) und Besitzungen und sonstigen ihrer Jurisdiktion unterliegenden Gebiete[.] **[Bei Schuldverschreibungen der Bayerische Motoren Werke Aktiengesellschaft, der BMW Finance N.V., der BMW Australia Finance Limited oder der BMW Japan Finance Corp., einfügen:** und "U.S.-Personen" bezeichnet alle Staatsangehörigen oder Gebietsansässigen der Vereinigten Staaten von Amerika, einschließlich Kapitalgesellschaften (oder anderen Rechtsgebilden, die im Sinne der Bundes-Einkommensteuer der Vereinigten Staaten als Kapitalgesellschaften behandelt werden) oder Personengesellschaften, die in den Vereinigten Staaten oder einer ihrer Gebietskörperschaften oder nach deren Recht gegründet oder organisiert sind, Erbmassen, deren Einkünfte unabhängig von der Quelle ihrer Einkünfte der Bundes-Einkommensteuer der Vereinigten Staaten unterliegen und Treuhandvermögen (Trust), wenn ein Gericht der Vereinigten Staaten imstande ist, die primäre Aufsicht über die Verwaltung des Treuhandvermögens auszuüben und eine oder mehrere U.S.-Personen die Befugnis haben, alle wesentlichen Entscheidungen des Treuhandvermögens zu kontrollieren; und unter "U.S.-Steuerausländern" sind alle Personen oder juristische Personen zu verstehen, die im Sinne der Bundes-Einkommensteuer der Vereinigten Staaten ausländische Kapitalgesellschaften, gebietsfremde ausländische natürliche Personen, ausländische Erbmassen oder Treuhandvermögen, die der Besteuerung gem. Section 1441 oder 1442 des Internal Revenue Code von 1986, in der jeweils gültigen Fassung, unterliegen, oder

ausländische Personengesellschaften sind, letztere unter der Voraussetzung, dass ein oder mehrere Gesellschafter im Sinne der Bundes-Einkommensteuer der Vereinigten Staaten ausländische Kapitalgesellschaften, gebietsfremde ausländische natürliche Personen oder ausländische Erbmassen oder Treuhandvermögen sind, die der Besteuerung gem. Section 1441 oder 1442 des Internal Revenue Code von 1986, in der jeweils gültigen Fassung, unterliegen.]

(4) *Erfüllung.* Die Emittentin **[Im Fall einer Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** bzw. die Garantin] wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

(5) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann

[Bei Anwendung der Folgender Geschäftstag-Konvention einfügen: hat der Inhaber keinen Anspruch auf Zahlung vor dem nachfolgenden Zahltag und ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund einer solchen Verschiebung zu verlangen (*unadjusted*).]

[Bei Anwendung der Modifizierte Folgender Geschäftstag-Konvention einfügen: hat der Inhaber keinen Anspruch auf Zahlung vor dem nächstfolgenden Zahltag, es sei denn jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen. Der Inhaber ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund einer solchen Verschiebung zu verlangen (*unadjusted*).]

Für diese Zwecke bezeichnet "Zahltag" einen Geschäftstag.

(6) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen; den vorzeitigen Rückzahlungsbetrag der Schuldverschreibungen; **[Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen aus anderen als steuerlichen Gründen vorzeitig zurückzahlen, einfügen:** den Wahl-Rückzahlungsbetrag (Call) der Schuldverschreibungen;] **[Falls der Inhaber ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen:** den Wahl-Rückzahlungsbetrag (Put) der Schuldverschreibungen;] sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge. Bezugnahmen in diesen Emissionsbedingungen auf Zinsen auf Schuldverschreibungen schließen, soweit anwendbar, sämtliche gemäß § 7 zahlbaren zusätzlichen Beträge ein.

[Im Falle von Schuldverschreibungen, deren festgelegte Währung Renminbi ist, einfügen:

(7) *Zahlungen auf Schuldverschreibungen, deren festgelegte Währung Renminbi ist.* Ist die Emittentin unbeschadet des Vorstehenden aufgrund Fehlender Konvertierbarkeit, Fehlender Übertragbarkeit oder Illiquidität nicht in der Lage, Zahlungen von Kapital und Zinsen auf die Schuldverschreibungen bei Fälligkeit in Renminbi in Hongkong zu leisten, kann sie die jeweilige Zahlung in USD am jeweiligen Fälligkeitstag als einen dem jeweiligen auf Renminbi lautenden Betrag entsprechenden Gegenwert in USD leisten. Nach der Feststellung, dass ein Fall der Fehlenden Konvertierbarkeit, Fehlenden Übertragbarkeit oder Illiquidität vorliegt, hat die Emittentin spätestens um 10.00 Uhr (Hongkonger Zeit) zwei Geschäftstage vor dem Kurs-Feststellungstag die Emissionsstelle, die Berechnungsstelle und das Clearing System davon zu unterrichten. Zusätzlich wird die Emittentin den Inhabern sobald wie möglich von der Feststellung gemäß § 12 Mitteilung machen. Der Empfang einer solchen Mitteilung ist kein Erfordernis für Zahlungen in USD.

In diesem Falle erfolgen etwaige Zahlungen in USD per Überweisung auf ein auf USD lautendes Konto, das von dem Zahlungsempfänger bei einer Bank in New York City, Vereinigte Staaten unterhalten wird, oder durch einen auf eine Bank in New York City, Vereinigte Staaten ausgestellten auf USD lautenden Scheck, oder nach Wahl des Inhabers durch Überweisung auf ein auf USD lautendes Konto, das vom Inhaber bei einer Bank in New York City, Vereinigte Staaten unterhalten wird, und "Zahltag" bezeichnet für die Zwecke von § 4 (5) einen Tag, an dem Banken und Devisenmärkte für den allgemeinen Geschäftsverkehr am jeweiligen Vorlegungsort, London und New York City, Vereinigte Staaten, geöffnet sind.

Für die Zwecke dieser Emissionsbedingungen gelten folgende Begriffsbestimmungen:

"Berechnungsstelle" bezeichnet **[Name der Berechnungsstelle].**

“Kurs-Feststellungs-Geschäftstag” bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken für den allgemeinen Geschäftsverkehr (einschließlich Devisengeschäften) in **[relevante(s) Finanzzentrum(en)]** geöffnet sind.

“Kurs-Feststellungstag” bezeichnet den Tag, der fünf Kurs-Feststellungs-Geschäftstage vor dem Fälligkeitstag der Zahlung des jeweiligen Betrags gemäß dieser Emissionsbedingungen liegt.

“Staatliche Stelle” bezeichnet alle de facto oder de jure staatlichen Regierungen (einschließlich der dazu gehörenden Behörden oder Organe), Gerichte, rechtsprechenden, verwaltungsbehördlichen oder sonstigen staatlichen Stellen und alle sonstigen (privatrechtlichen oder öffentlich-rechtlichen) Personen (einschließlich der jeweiligen Zentralbank), die mit Aufsichtsfunktionen über die Finanzmärkte in Hongkong betraut sind.

“Hongkong” bezeichnet die Sonderverwaltungszone Hongkong der VRC.

“Illiquidität” bezeichnet die Illiquidität des allgemeinen Renminbi-Devisenmarkts in Hongkong, infolgedessen die Emittentin nicht die ausreichende Menge an Renminbi zur Erfüllung ihrer Zins- oder Kapitalzahlungen (ganz oder teilweise) in Bezug auf die Schuldverschreibungen erhalten kann, wie von der Emittentin nach Treu und Glauben und in wirtschaftlich angemessener Weise nach Konsultation mit zwei Renminbi-Händlern festgelegt.

“Fehlende Konvertierbarkeit” bezeichnet den Eintritt eines Ereignisses, das die Umwandlung eines fälligen Betrags in Bezug auf die Schuldverschreibungen in Renminbi durch die Emittentin am allgemeinen Renminbi-Devisenmarkt in Hongkong unmöglich macht, sofern diese Unmöglichkeit nicht ausschließlich auf eine Nichteinhaltung von Gesetzen, Verordnungen oder Vorschriften einer Staatlichen Stelle seitens der Emittentin zurückzuführen ist (es sei denn, die betreffenden Gesetze, Verordnungen oder Vorschriften werden nach dem Begebungstag verabschiedet bzw. erlassen und ihre Einhaltung ist der Emittentin aufgrund eines außerhalb ihres Einflussbereichs liegenden Ereignisses nicht möglich).

“Fehlende Übertragbarkeit” bezeichnet den Eintritt eines Ereignisses, das eine Überweisung von Renminbi zwischen Konten innerhalb Hongkongs oder von einem Konto in Hongkong auf ein Konto außerhalb Hongkongs und der VRC oder von einem Konto außerhalb Hongkongs und der VRC auf ein Konto innerhalb Hongkongs durch die Emittentin unmöglich macht, sofern diese Unmöglichkeit nicht ausschließlich auf eine Nichteinhaltung von Gesetzen, Verordnungen oder Vorschriften einer Staatlichen Stelle seitens der Emittentin zurückzuführen ist (es sei denn, die betreffenden Gesetze, Verordnungen oder Vorschriften werden nach dem Begebungstag verabschiedet bzw. erlassen und ihre Einhaltung ist der Emittentin aufgrund eines außerhalb ihres Einflussbereichs liegenden Ereignisses nicht möglich).

“VRC” bezeichnet die Volksrepublik China, wobei dieser Begriff für Zwecke dieser Emissionsbedingungen Hongkong, die Sonderverwaltungszone Macao der Volksrepublik China und Taiwan ausschließt.

“Renminbi-Händler” bezeichnet einen unabhängigen Devisenhändler mit internationalem Renomme, der auf dem Renminbi-Devisenmarkt in Hongkong tätig ist.

“Kassakurs” bezeichnet den CNY/USD-Kassakurs für den Kauf von USD mit Renminbi über den außerbörslichen Renminbi-Devisenmarkt in Hongkong zur Abwicklung in zwei Geschäftstagen, wie von der Berechnungsstelle um oder gegen 11.00 Uhr (Hongkonger Zeit) an einem solchen Tag (i) auf Lieferbasis unter Bezugnahme auf die Reuters-Bildschirmseite TRADCNY3 oder (ii) falls kein Kurs verfügbar ist, auf einer Nichtlieferbasis durch Bezugnahme auf die Reuters-Bildschirmseite TRADNDF festgestellt oder (iii) falls keiner der vorgenannten Kurse verfügbar ist, den aktuellsten verfügbaren amtlichen CNY/USD-Kurs für die Abwicklung in zwei Geschäftstagen, der von der *“the State Administration of Foreign Exchange”* der VRC festgestellt und auf der Reuters-Bildschirmseite CNY=SAEC angezeigt wird, fest. Eine Bezugnahme auf eine Seite auf dem Reuters-Bildschirm bedeutet die bei Reuters Monitor Money Rate Service (oder eines Nachfolgedienstes) so bezeichnete Anzeigeseite oder eine andere Seite, die diese Anzeigeseite zum Zwecke der Anzeige eines vergleichbaren Devisenkurses ersetzt.

Falls keiner der vorstehend unter (i) bis (iii) genannten Kurse verfügbar ist, soll die Emittentin den Kassakurs nach ihrem eigenen vernünftigen Ermessen und in einer wirtschaftlich vernünftigen Art und Weise und unter Berücksichtigung der jeweiligen Marktpraxis bestimmen.

“USD” bedeutet die offizielle Währung der Vereinigten Staaten.

“USD-Gegenwert” eines Renminbi-Betrags bezeichnet den in USD anhand des Kassakurses für den jeweiligen Kurs-Feststellungstag umgewandelten jeweiligen Renminbi-Betrag, wie von der Berechnungsstelle um oder ungefähr um 11.00 Uhr (Hongkonger Zeit) an dem Kurs-Feststellungstag bestimmt und der Emittentin und der Zahlstelle unverzüglich angezeigt.

Alle Mitteilungen, Auffassungen, Feststellungen, Bescheinigungen, Berechnungen, Kursnotierungen und Entscheidungen, die für die Zwecke der Bestimmungen dieses § 4 (7) von der Berechnungsstelle oder der Emittentin abgegeben, zum Ausdruck gebracht, vorgenommen oder eingeholt werden, sind (außer in Fällen von Vorsatz, Arglist oder offenkundigen Fehlern) für die Emittentin und alle Inhaber verbindlich.]

§ 5 RÜCKZAHLUNG

(1) *Rückzahlung bei Endfälligkeit.*

Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am **[Fälligkeitstag]** (der “Fälligkeitstag”) zurückgezahlt. Der Rückzahlungsbetrag in Bezug auf jede Schuldverschreibung entspricht dem Nennbetrag der Schuldverschreibungen.

(2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Die Schuldverschreibungen können insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 Tagen gegenüber der Emissionsstelle und gemäß § 12 gegenüber den Inhabern vorzeitig gekündigt und zu ihrem vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden, falls die Emittentin als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und –vorschriften der Bundesrepublik Deutschland **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., einfügen: oder der Niederlande] [Im Fall der Emission von Schuldverschreibungen durch BMW US Capital, LLC einfügen: oder der Vereinigten Staaten] [Im Fall der Emission von Schuldverschreibungen durch BMW Australia Finance Limited, einfügen: oder des Commonwealth von Australien] [Im Fall der Emission von Schuldverschreibungen durch BMW Japan Finance Corp., einfügen: oder Japans]** oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt diese Änderung oder Ergänzung wird am oder nach dem Tag, an dem die letzte Tranche dieser Serie von Schuldverschreibungen begeben wird, wirksam) am nächstfolgenden Zinszahlungstag (wie in § 3 (1) definiert) zur Zahlung von zusätzlichen Beträgen gemäß § 7 (1) verpflichtet sein wird.

Eine solche Kündigung hat gemäß § 12 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

[Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzahlen, einfügen:

(3) *Vorzeitige Rückzahlung nach Wahl der Emittentin.*

(a) Die Emittentin kann, unter Einhaltung einer Ankündigungsfrist von 15 Geschäftstagen gegenüber der Emissionsstelle und nachdem sie gemäß Absatz (b) gekündigt hat, die Schuldverschreibungen **[insgesamt] [oder] [teilweise] [am Wahl-Rückzahlungstag] [an den Wahl-Rückzahlungstagen]** (Call) **[zum Wahl-Rückzahlungsbetrag] [zu den Wahl-Rückzahlungsbeträgen]** (Call), wie nachstehend angegeben, nebst etwaigen bis zum betreffenden Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen. **[Bei Geltung eines Mindestrückzahlungsbetrages oder eines erhöhten Rückzahlungsbetrages einfügen:** Eine solche Rückzahlung muss in Höhe eines Nennbetrages von **[mindestens [Mindestrückzahlungsbetrag]] [erhöhter Rückzahlungsbetrag]** erfolgen.]

Wahl-Rückzahlungstag(e) (Call)

Wahl-Rückzahlungsbetrag/-beträge (Call)

[Wahl-Rückzahlungstag(e) (Call)]

[Wahl-Rückzahlungsbetrag/-beträge (Call)]

[Falls der Inhaber ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen: Der Emittentin steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Inhaber in Ausübung seines Wahlrechts nach Absatz [(4)] dieses § 5 verlangt hat.]

- (b) Die Kündigung ist den Inhabern durch die Emittentin gemäß § 12 bekanntzugeben. Sie beinhaltet die folgenden Angaben:
- (i) die zurückzuzahlende Tranche bzw. Serie von Schuldverschreibungen;
 - (ii) eine Erklärung, ob diese Tranche bzw. Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen;
 - (iii) den Wahl-Rückzahlungstag (Call), der nicht weniger als **[Mindestkündigungsfrist]** und nicht mehr als **[Höchstkündigungsfrist]** Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Inhabern liegen darf; und
 - (iv) den Wahl-Rückzahlungsbetrag (Call), zu dem Schuldverschreibungen zurückgezahlt werden.
- (c) Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die zurückzuzahlenden Schuldverschreibungen nach den Regeln des betreffenden Clearing Systems ausgewählt. **[Im Fall einer Emission von Schuldverschreibungen in NGN Form, einfügen:** und eine solche Rückzahlung wird nach freiem Ermessen von CBL und Euroclear entweder als Pool Faktor (*pool factor*) oder als Reduzierung des Gesamtnennbetrages in den Aufzeichnungen von CBL und/oder Euroclear reflektiert.]

[Falls der Inhaber ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen:

[(3)][(4)] *Vorzeitige Rückzahlung nach Wahl des Inhabers.*

- (a) Die Emittentin hat eine Schuldverschreibung nach Ausübung des entsprechenden Wahlrechts durch den Inhaber [am Wahl-Rückzahlungstag] [an den Wahl-Rückzahlungstagen] (Put) [zum Wahl-Rückzahlungsbetrag] [zu den Wahl-Rückzahlungsbeträgen] (Put), wie nachstehend angegeben, nebst etwaigen bis zum Wahl-Rückzahlungstag (Put) (ausschließlich) aufgelaufener Zinsen zurückzuzahlen.

Wahl-Rückzahlungstag(e) (Put)

Wahl-Rückzahlungsbetrag/-beträge (Put)

[Wahl-Rückzahlungstag(e) (Put)]

[Wahl-Rückzahlungsbetrag/-beträge (Put)]

Dem Inhaber steht das Recht zur vorzeitigen Rückzahlung oder das Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung die Emittentin zuvor in Ausübung ihres Wahlrechts nach diesem § 5 verlangt hat.

- (b) Um dieses Wahlrecht auszuüben, hat der Inhaber nicht weniger als **[Mindestkündigungsfrist]** Tage und nicht mehr als **[Höchstkündigungsfrist]** Tage vor dem Wahl-Rückzahlungstag (Put), an dem die Rückzahlung gemäß der Ausübungserklärung (wie nachstehend definiert) erfolgen soll, bei der bezeichneten Geschäftsstelle der Emissionsstelle während der normalen Geschäftszeiten eine ordnungsgemäß ausgefüllte Mitteilung zur vorzeitigen Rückzahlung, ("Ausübungserklärung"), wie sie von der bezeichneten Geschäftsstelle der Emissionsstelle erhältlich ist, zu hinterlegen. Die Ausübung des Wahlrechts kann nicht widerrufen werden. Um das Recht, Rückzahlung verlangen zu können, auszuüben, muss der Inhaber dann, wenn die Schuldverschreibungen über Euroclear oder CBL gehalten werden, innerhalb der Kündigungsfrist die Emissionsstelle über eine solche Rechtsausübung in Übereinstimmung mit den Richtlinien von Euroclear und CBL in einer für Euroclear und CBL im Einzelfall akzeptablen Weise in Kenntnis setzen (wobei diese Richtlinien vorsehen können, dass die Emissionsstelle auf Weisung des Inhabers von Euroclear oder CBL oder einer gemeinsamen Verwahrstelle in elektronischer Form über die Rechtsausübung in Kenntnis gesetzt wird). Weiterhin ist für die Rechtsausübung erforderlich, dass zur Vornahme entsprechender Vermerke der Inhaber im Einzelfall die Globalurkunde der Emissionsstelle vorlegt bzw. die Vorlegung der Globalurkunde veranlasst.]

[(3)][(4)][(5)] *Vorzeitiger Rückzahlungsbetrag.*

Für die Zwecke von Absatz 2 dieses § 5 und § 9, entspricht der vorzeitige Rückzahlungsbetrag einer Schuldverschreibung dem Rückzahlungsbetrag.

§ 6 DIE EMISSIONSSTELLE [UND] [,] DIE ZAHLSTELLE[N] [UND DIE BERECHNUNGSSTELLE]

(1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Emissionsstelle [,] [und] die Zahlstelle[n] [und die Berechnungsstelle] und deren anfänglich bezeichneten Geschäftsstellen lauten wie folgt:

Emissionsstelle und Zahlstelle:

Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Taunusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland

Zahlstelle:

BNP Paribas Securities Services, Luxembourg Branch
33, rue de Gasperich, Howald-Hesperange
L-2085 Luxembourg

[andere Zahlstellen und bezeichnete Geschäftsstellen]

[Berechnungsstelle:

Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Taunusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland]

Die Emissionsstelle[,] [und] die Zahlstelle[n] [und die Berechnungsstelle] behalten sich das Recht vor, jederzeit die bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle in derselben Stadt zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Emissionsstelle oder einer Zahlstelle [oder der Berechnungsstelle] zu ändern oder zu beenden und eine andere Emissionsstelle oder zusätzliche oder andere Zahlstellen [oder eine andere Berechnungsstelle] zu bestellen. Die Emittentin wird jederzeit (i) eine Emissionsstelle unterhalten [,] [und] [(ii)] eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle in einer kontinentaleuropäischen Stadt unterhalten] **[Im Fall der Emission von Schuldverschreibungen durch die Bayerische Motoren Werke Aktiengesellschaft einfügen: [,] [und] [(iii)] eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle innerhalb der Bundesrepublik Deutschland unterhalten] [Im Fall von Schuldverschreibungen, die an der Luxemburger Börse notiert sind, einfügen: [,] [und] [(iv)] solange die Schuldverschreibungen an der Luxemburger Börse notiert sind, eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle in Luxemburg und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse verlangen] [Im Fall von Zahlungen in U.S.-Dollar einfügen: [,] [und] [(v)] falls Zahlungen bei den oder durch die Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten (wie in § 4 (3) definiert) aufgrund der Einführung von Devisenbeschränkungen oder ähnlichen Beschränkungen hinsichtlich oder vollständigen Zahlung oder des Empfangs der entsprechenden Beträge in U.S.-Dollar widerrechtlich oder tatsächlich ausgeschlossen werden, eine Zahlstelle mit bezeichneter Geschäftsstelle in New York City unterhalten] [Falls eine Berechnungsstelle bestellt werden soll, einfügen: [,] [und] [(vi)] eine Berechnungsstelle [Falls die Berechnungsstelle eine bezeichnete Geschäftsstelle an einem vorgeschriebenen Ort zu unterhalten hat, einfügen: mit bezeichneter Geschäftsstelle in [vorgeschriebenen Ort]] unterhalten]. Eine Änderung, Abberufung, Bestellung oder ein sonstiger**

Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Inhaber hierüber gemäß § 12 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

(3) *Beauftragte der Emittentin.* Die Emissionsstelle[,] [und] die Zahlstelle[n] [und die Berechnungsstelle] handeln ausschließlich als Beauftragte der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Inhabern; es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Inhabern begründet.

§ 7 STEUERN

(1) *Steuern.* Alle in Bezug auf die Schuldverschreibungen zu zahlenden Beträge (Kapital, Zinsen und zusätzliche Beträge) sind ohne Einbehalt an der Quelle oder Abzug an der Quelle von irgendwelchen gegenwärtigen oder zukünftigen Steuern, Gebühren oder Abgaben gleich welcher Art, die von oder **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V. einfügen:** in den Niederlanden oder den Vereinigten Staaten von Amerika oder im Fall von Zahlungen auf die Garantie] **[Im Fall der Emission von Schuldverschreibungen durch BMW US Capital, LLC einfügen:** in den Vereinigten Staaten oder im Fall von Zahlungen auf die Garantie] **[Im Fall der Emission von Schuldverschreibungen durch BMW Australia Finance Limited einfügen:** im Commonwealth von Australien ("Australien") oder den Vereinigten Staaten von Amerika oder im Fall von Zahlungen auf die Garantie] **[Im Fall der Emission von Schuldverschreibungen durch BMW Japan Finance Corp. einfügen:** in Japan oder den Vereinigten Staaten von Amerika oder im Fall von Zahlungen auf die Garantie] **[Im Fall der Emission von Schuldverschreibungen durch die Bayerische Motoren Werke Aktiengesellschaft einfügen:** in der Bundesrepublik Deutschland oder irgendeiner ihrer Gebietskörperschaften oder Behörden mit Steuerhoheit oder den Vereinigten Staaten von Amerika] **[Im Fall der Emission von Schuldverschreibungen durch die BMW Finance N.V., die BMW US Capital, LLC, die BMW Australia Finance Limited oder die BMW Japan Finance Corp. einfügen:** von oder in der Bundesrepublik Deutschland oder irgendeiner ihrer Gebietskörperschaften oder Behörden mit Steuerhoheit] erhoben werden ("Quellensteuer"), zu zahlen, es sei denn, die Quellensteuer ist kraft Gesetzes oder einer sonstigen Rechtsvorschrift oder aufgrund eines Vertrages zwischen der Emittentin und der maßgeblichen Jurisdiktion abzuziehen oder einzubehalten und an die zuständigen Behörden abzuführen. In diesem Fall trägt die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** oder gegebenenfalls die Garantin] vorbehaltlich des Absatzes 2 diejenigen zusätzlichen Beträge, die erforderlich sind, dass die von jedem Inhaber zu empfangenden Nettobeträge nach einem solchen Abzug oder Einbehalt von Quellensteuer den Beträgen entsprechen, die der Inhaber ohne einen solchen Abzug oder Einbehalt von Quellensteuer erhalten hätte. Die seit dem 1. Januar 2009 in der Bundesrepublik Deutschland bestehende Abgeltungsteuer, der darauf zu erhebende Solidaritätszuschlag und, sofern einschlägig, die darauf erhobene individuelle Kirchensteuer, sind keine Quellensteuern im oben genannten Sinn.

(2) *Keine zusätzlichen Beträge.* Die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** oder gegebenenfalls die Garantin] ist jedoch zur Zahlung zusätzlicher Beträge wegen solcher Steuern, Gebühren oder Abgaben nicht verpflichtet:

- (a) denen der Inhaber aus irgendeinem anderen Grund als der bloßen Tatsache unterliegt, dass er Inhaber ist und zwar insbesondere, wenn der Inhaber aufgrund einer persönlichen unbeschränkten oder beschränkten Steuerpflicht derartigen Steuern, Gebühren oder Abgaben unterliegt; oder
- (b) die auf andere Weise als durch Einbehalt an der Quelle oder Abzug an der Quelle aus Zahlungen von Kapital oder etwaigen Zinsen zu entrichten sind; oder
- (c) denen der Inhaber deshalb unterliegt, weil er Einwohner der Bundesrepublik Deutschland **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V. einfügen:** oder der Niederlande] **[Im Fall der Emission von Schuldverschreibungen durch BMW US Capital, LLC einfügen:** oder der Vereinigten Staaten] **[Im Fall der Emission von Schuldverschreibungen durch BMW Australia Finance Limited einfügen:** oder von Australien] **[Im Fall der Emission von Schuldverschreibungen durch BMW Japan Finance Corp. einfügen:** oder von Japan] oder weil er andere persönliche oder geschäftliche

Verbindungen zu diesen Ländern hat und nicht lediglich aufgrund der Tatsache, dass Zahlungen gemäß diesen Emissionsbedingungen aus **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V. einfügen: den Niederlanden]** **[Im Fall der Emission von Schuldverschreibungen durch BMW US Capital, LLC einfügen: oder der Vereinigten Staaten]** **[Im Fall der Emission von Schuldverschreibungen durch BMW Australia Finance Limited einfügen: Australien]** **[Im Fall einer Emission von Schuldverschreibungen durch BMW Japan Finance Corp. einfügen: Japan]** oder der Bundesrepublik Deutschland stammen oder steuerlich so behandelt werden; oder

- (d) wenn irgendwelche Steuern, Gebühren oder Abgaben nur deshalb erhoben oder an der Quelle abgezogen werden, weil der Inhaber oder der aus einer Schuldverschreibung wirtschaftlich Berechtigte es versäumt hat, irgendwelche Anforderungen (einschließlich die Verpflichtung zur Beibringung notwendiger Formulare und/oder anderer Unterlagen) aus einem Gesetz, einem Vertrag, einer Bestimmung oder einer administrativen Regelung der Steuergesetzgebung, aufgrund dessen er einen Anspruch auf Erlass der gesamten Steuer, Gebühr oder Abgabe oder eines Teils davon gehabt hätte, zu erfüllen, soweit eine solche Erfüllung als eine Vorbedingung vorausgesetzt wird, um von solchen Steuern, Gebühren, Pflichten, einem solchen Bescheid oder Abgabe abgeholfen oder befreit zu werden; oder
- (e) wo ein solcher Einbehalt oder Abzug gemäß den Abschnitten 1471 bis 1474 des Internal Revenue Code der Vereinigten Staaten von 1986 in der geltenden Fassung (*United States Internal Revenue Code of 1986, as amended*) (oder einer geänderten Fassung oder eines vergleichbaren Nachfolgegesetzes) (das „Gesetz“) und einer gegenwärtigen oder zukünftigen Verordnung oder offiziellen Verwaltungspraxis dazu oder eines Vertrages dazu (“FATCA”) oder aufgrund jedes Abkommens, Gesetzes, jeder Regelung oder anderen offiziellen Empfehlung, die in den **[Falls Schuldverschreibungen von BMW Finance N.V. begeben werden, einfügen: Niederlanden oder]****[Falls Schuldverschreibungen von BMW Australia Finance Limited begeben werden, einfügen: Australien oder]****[Falls Schuldverschreibungen von BMW Japan Finance Corp. begeben werden: Japan]** oder der Bundesrepublik Deutschland in Umsetzung der FATCA erlassen wurden, oder jede Vereinbarung zwischen der Emittentin und/oder der Garantin und den Vereinigten Staaten oder einer ihrer Behörden zur Umsetzung der FATCA erfolgt; oder

[Bei Schuldverschreibungen der Bayerische Motoren Werke Aktiengesellschaft, der BMW Finance N.V., der BMW Australia Finance Limited oder der BMW Japan Finance Corp., einfügen:

- (f) die auf Grundlage der EU-Zinsrichtlinie betreffend die Einführung des EU-weiten Informationsaustauschs und die Besteuerung von Zinseinkünften in der vom Rat der Europäischen Union am 3. Juni 2003 erlassenen Fassung, oder aufgrund irgendeines Gesetzes oder einer Rechtsvorschrift, welche(s) diese Richtlinie beziehungsweise die in der Sitzung des ECOFIN-Rates vom 13. Dezember 2001 erzielten Ergebnisse umsetzt oder deren Anforderungen erfüllt, oder welches erlassen wird, um dieser Richtlinie zu entsprechen, auf eine Zahlung an eine natürliche Person erhoben werden; oder]

[Im Fall der Emission von Schuldverschreibungen durch BMW US Capital, LLC einfügen:

- [(f)]** wenn irgendwelche Steuern, Gebühren oder Abgaben durch die Vereinigten Staaten deshalb erhoben werden, weil der frühere oder gegenwärtige Status des Inhabers oder des aus einer Schuldverschreibung wirtschaftlich Berechtigten (i) einer passiven ausländischen Investmentgesellschaft; (ii) einer Gesellschaft, die zum Zwecke der Vermeidung von Bundessteuern der USA auf das Einkommen Gewinne einbehält; (iii) einer aus Sicht der Vereinigten Staaten ausländisch beherrschten Gesellschaft, die mit der Emittentin aufgrund einer Aktienbeteiligung verbunden ist; (iv) einer privaten Stiftung oder einer anderen in den Vereinigten Staaten steuerbefreiten Organisation; (v) einer Beteiligung von 10 Prozent bezogen auf die Emittentin im Sinne von Paragraph 871(h)(3)(B) oder 881(c)(3)(B) des Internal Revenue Code der Vereinigten Staaten von 1986 in der jeweils gültigen Fassung (der „Code“) oder (vi) einer Zinsen erhaltenden Bank wie in Paragraph 881(c)(3)(A) des Code beschrieben ist; oder
- [(g)]** wenn irgendwelche Steuern, Gebühren oder Abgaben auf Zahlungen aus den Schuldverschreibungen von einem Inhaber erhoben werden, der ein Treuhänder oder eine Personengesellschaft ist, oder jemand anders als der wirtschaftlich Berechtigte aus einer solchen Zahlung ist, sofern der Begünstigte oder der die Zahlung Erhaltende in Bezug auf eine

solche Treuhandgesellschaft oder ein Gesellschafter einer Personengesellschaft oder ein wirtschaftlich Berechtigter keinen Anspruch auf eine Zahlung zusätzlicher Beträge gehabt hätte, wenn der Begünstigte, der die Zahlung Erhaltende, der Gesellschafter oder der wirtschaftlich Berechtigte seinen ihm zustehenden oder ausgeschütteten Anteil direkt erhalten hätte; oder

[(h)] die von der Emittentin zu entrichten sind, wenn ein solcher Abzug oder Einbehalt von Quellensteuern durch den vollständigen Nachweis durch den Inhaber einer Ausnahme von der Verpflichtung zum Abzug oder Einbehalt von Quellensteuern (einschließlich der Möglichkeit einer Beibringung eines Formulars W-8BEN (oder Nachfolgeformular) oder W-9 (oder Nachfolgeformular)) hätte vermieden werden können; oder

[(i)] die von den Vereinigten Staaten einem Inhaber auferlegt werden hinsichtlich einer Zahlung unter einer Schuldverschreibung, die nicht von einem festgelegten Clearing System verwahrt wird oder die ansonsten anders als "in registered form" nach dem Gesetz behandelt wird (wobei der Terminus "in registered form" die Bedeutung aus dem Gesetz hat).]

Im Fall der Emission von Schuldverschreibungen durch BMW Australia Finance Limited einfügen:

[(g)] die zahlbar sind aus Gründen, die in der Person des Inhabers liegen oder weil es sich bei der Person, die an den Schuldverschreibungen ein Interesse hat (ob unmittelbar oder mittelbar) um eine verbundene Person der Emittentin im Sinne des Abschnitts 128F(9) des Income Tax Assessment Act 1936 of Australia, in seiner geänderten Fassung (das "Australische Steuergesetz") handelt und entweder:

(i) die verbundene Person eine in Australien nicht ansässige Person ist und die Schuldverschreibung oder das Interesse an der Schuldverschreibung wurde nicht oder wäre nicht von der verbundenen Person im Rahmen ihrer Geschäftstätigkeit in Australien oder eines dauerhaften Sitzes der verbundenen Person in diesem Land erworben worden, oder

(ii) die verbundene Person ist in Australien ansässig und die Schuldverschreibung oder das Interesse an der Schuldverschreibung wurde oder wäre von der verbundenen Person im Rahmen ihrer Geschäftstätigkeit in Australien oder eines dauerhaften Sitzes der verbundenen Person in Australien erworben, und

die Schuldverschreibung oder das Interesse an der Schuldverschreibung wurde nicht oder wäre nicht von der verbundenen Person in ihrer Tätigkeit als Dealer, Manager oder Übernehmender hinsichtlich der Platzierung der Schuldverschreibung oder des Interesses an der Schuldverschreibung oder in ihrer Tätigkeit als Clearingstelle (*clearing house*), Verwahrer (*custodian*), Fondsmanager (*fund manager*) oder als eine für eine eingetragene Stelle (*registered scheme*) verantwortliche Person (diese Begriffe sind im Australischen Steuergesetz definiert) erworben, oder

[(h)] die von oder für einen Inhaber zahlbar sind hinsichtlich dessen diese Steuern gefordert oder einbehalten, abgezogen oder gezahlt werden, für den Fall, dass ein solcher Einbehalt, Abzug oder Zahlung hinsichtlich von gezahlten Zinsen oder einer Gutschrift hinsichtlich der Schuldverschreibung erfolgte und der Inhaber ist entweder in Australien ansässig und übt selber oder durch eine dauerhafte Einrichtung eine Geschäftstätigkeit außerhalb von Australien aus (einschließlich von Einwohnern) oder der Inhaber ist nicht in Australien ansässig und übt selber oder durch eine dauerhafte Einrichtung eine Geschäftstätigkeit außerhalb von Australien aus, oder

[(i)] für den Fall, dass die Pflicht zur Zahlung der maßgeblichen Steuer durch ein Fehlverhalten des Inhabers begründet wird, einer Zertifizierung, Identifizierung, Information, Dokumentation oder anderen Melde- oder vergleichbaren Pflichten hinsichtlich der Nationalität des Inhabers, des Aufenthaltsortes, der Identität oder einem Zusammenhang zu Australien (einschließlich aber nicht abschließend der maßgeblichen Vorschriften über die australische Steuernummer des Inhabers, die australische Geschäftsnummer oder Ausnahmeregelungen) nachzukommen, der auf australischen Gesetzen, Vorschriften oder Marktgepflogenheiten beruht oder einer politischen Unterabteilung oder einer Steuerbehörde als eine Vorbedingung von solchen Steuern abzuwehren oder zu befreien, oder]

[(g)] [(j)] jede Kombination der Absätze (a), (b), (c), (d), (e) [,] [und] (f), [,] [und] (g) [,] [(h)] [und] [(i)].

(3) *Maßgeblicher Tag.* Der "maßgebliche Tag" im Sinne dieser Emissionsbedingungen ist der Tag, an dem eine solche Zahlung zuerst fällig wird. Wenn jedoch die betreffende Zahlstelle die volle Summe der zu zahlenden Beträge nicht am oder vor dem jeweiligen Zahltag ordnungsgemäß erhalten hat, dann ist der maßgebliche Tag der Tag, an dem die betreffende Zahlstelle die volle Summe der zu zahlenden Beträge erhalten hat und eine Mitteilung hierüber gemäß § 12 an die Inhaber ordnungsgemäß übermittelt wurde.

[Im Fall einer Emission von Schuldverschreibungen durch die BMW Japan Finance Corp. einfügen:

(4) Zinszahlungen auf Schuldverschreibungen, die an einen Einwohner Japans oder an eine japanische Gesellschaft ausgegeben werden (mit Ausnahme eines ausgewählten japanischen Finanzinstituts, das die Erfordernisse des japanischen Sonderbesteuerungsgesetzes erfüllt) oder an eine Person, die kein Einwohner Japans ist oder an eine ausländische Gesellschaft, die eine juristische Person ist, die ein bestimmtes Verhältnis, wie im Kabinettsbeschluss in Bezug auf das Sonderbesteuerungsgesetz (der „Kabinettsbeschluss“) spezifiziert, zur Emittentin hat („eine Person mit einem bestimmten Verhältnis“ („special related person“)), sind Gegenstand von japanischer Einkommensteuer in Höhe der in den folgenden Unterabsätzen (a) und (b) festgelegten Beträge:

- (a) falls Zinsen an einen Einwohner Japans oder an eine japanische Gesellschaft (mit Ausnahme der Bestimmung im folgenden Unterabsatz (b)), gezahlt werden, in der Höhe des Zinsbetrages; oder
- (b) falls Zinsen an eine Aktiengesellschaft, ein Finanzinstitut oder ein Wertpapierdienstleistungsunternehmen (die die Erfordernisse der japanischen Steuerbefreiung erfüllen) durch ihren Zahlungsbeauftragten in Japan, wie in Artikel 2-2, Absatz 2 des Kabinettsbeschlusses hinsichtlich des Sonderbesteuerungsgesetzes (der „Kabinettsbeschluss“) festgelegt, gezahlt werden, in der Höhe dieses Zinsbetrages abzüglich des Betrages, der während des Zeitraumes aufgelaufen ist, während dessen die Schuldverschreibungen ohne Unterbrechung von der Gesellschaft gehalten wurden.]

§ 8

HINTERLEGUNG, VORLEGUNGSFRIST, VERJÄHRUNGSFRIST

(1) *Hinterlegung.* Die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited, BMW Japan Finance Corp. einfügen:** bzw. die Garantin] kann die von Inhabern innerhalb von zwölf Monaten nach Fälligkeit nicht geltend gemachten Beträge an Kapital und etwaigen Zinsen auf Gefahr und Kosten dieser Inhaber beim Amtsgericht Frankfurt am Main unter Verzicht auf das Recht der Rücknahme hinterlegen, auch wenn die Inhaber sich nicht in Annahmeverzug befinden. Mit der Hinterlegung unter Verzicht auf das Recht der Rücknahme erlischt jeglicher Anspruch dieser Inhaber gegen die Emittentin und für die Erfüllung von deren Verbindlichkeiten haftende Dritte **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited, BMW Japan Finance Corp. einfügen:**, insbesondere der Garantin].

(2) *Vorlegungsfrist.* Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 BGB wird auf zehn Jahre verkürzt.

§ 9

KÜNDIGUNGSGRÜNDE

(1) *Kündigungsgründe.* Jeder Inhaber ist berechtigt, seine sämtlichen Forderungen aus den Schuldverschreibungen durch Kündigung gegenüber der Emissionsstelle fällig zu stellen und Rückzahlung eines gemäß § 5 errechneten Rückzahlungsbetrages zuzüglich etwaiger bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, wenn

- (a) die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited, BMW Japan Finance Corp. einfügen:** oder Garantin], gleichgültig aus welchen Gründen, Kapital oder etwaige Aufgelder oder etwaige Zinsen aus den Schuldverschreibungen einschließlich etwaiger gemäß § 7 Absatz 1 zu zahlender zusätzlicher Beträge, innerhalb von 30 Tagen nach dem betreffenden Fälligkeitstag nicht zahlt; oder
- (b) die Emittentin, gleichgültig aus welchen Gründen, mit der Erfüllung einer anderen Verpflichtung aus diesen Schuldverschreibungen, insbesondere aus § 2 (2) **[Im Fall der Emission von**

Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:, oder die Garantin mit der Erfüllung von irgendwelchen Verpflichtungen aus der Garantie] länger als 90 Tage nach Erhalt einer schriftlichen Mitteilung von der Emissionsstelle in Rückstand kommt; oder

- (c) gegen die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited, BMW Japan Finance Corp. einfügen:** oder Garantin] ein Insolvenzverfahren oder ein dem Insolvenzverfahren vergleichbares Verfahren in einer anderen Rechtsordnung eröffnet worden ist, und diese Entscheidung nicht innerhalb von 60 Tagen aufgehoben oder ausgesetzt worden ist, oder die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited, BMW Japan Finance Corp. einfügen:** oder die Garantin] von sich aus ein solches Verfahren beantragt oder einen Vergleich mit Inhabern anbietet oder durchführt; oder
 - (d) die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** oder die Garantin] aufgelöst oder liquidiert wird oder irgendeine Maßnahme zum Zwecke der Liquidation trifft, es sei denn, dass eine solche Liquidation im Zusammenhang mit einer Verschmelzung, Konsolidierung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft erfolgt und diese Gesellschaft **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limiteds oder BMW Japan Finance Corp. einfügen:** – im Falle der Emittentin –] alle Verpflichtungen aus diesen Emissionsbedingungen **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** und – im Falle der Garantin – alle Verpflichtungen aus der Garantie] und der Verpflichtungserklärung übernimmt; oder
 - (e) die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** oder die Garantin] die Zahlungen ganz oder ihre Geschäftstätigkeit einstellt.
- (2) *Übermittlung.* Eine derartige Kündigung zur Rückzahlung ist durch eingeschriebenen Brief an die Emissionsstelle zu richten und wird mit Zugang bei dieser wirksam. Die Fälligkeit tritt ein am 30. Tag nach Zugang der Kündigung, es sei denn, dass im Falle des Absatzes (1)(a) oder (1)(b) die Verpflichtung vorher erfüllt worden ist.

§ 10 SCHULDNERERSETZUNG

- (1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Inhaber **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** die Garantin oder] eine andere Gesellschaft, die als Emittentin unter diesem Programm ernannt wurde, als Emittentin (die "Neue Emittentin") hinsichtlich aller Verpflichtungen aus oder in Verbindung mit den Schuldverschreibungen an die Stelle der Emittentin zu setzen, sofern:
- (a) die Neue Emittentin alle Verpflichtungen der Emittentin aus oder in Verbindung mit den Schuldverschreibungen übernimmt;
 - (b) die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** die Garantin] und die Neue Emittentin alle etwa notwendigen Genehmigungen von den zuständigen Behörden erhalten hat, wonach die Neue Emittentin alle Beträge, die zur Erfüllung der aus oder in Verbindung mit den Schuldverschreibungen entstehenden Zahlungsverpflichtungen erforderlich sind, in der festgelegten Währung oder einer anderen erforderlichen Währung ohne Einbehalt an der Quelle oder Abzug an der Quelle von irgendwelchen Steuern, Gebühren oder Abgaben in dem Land, in dem die Neue Emittentin ansässig ist, an die jeweilige Zahlstelle transferieren darf;
 - (c) die **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** Garantin, soweit sie nicht selbst die Neue Emittentin ist,] **[Im Fall der Emission von Schuldverschreibungen durch Bayerische Motoren Werke Aktiengesellschaft einfügen:**

Emittentin] in einer nach Form und Inhalt gleichen Art wie in der ursprünglichen Garantie durch die Garantin, unbeding und unwiderruflich die Verpflichtungen der Neuen Emittentin garantiert.

(2) *Bezugnahmen.* Im Falle einer solchen Schuldnerersetzung gilt jede in diesen Emissionsbedingungen enthaltene Bezugnahme auf die Emittentin fortan als auf die Neue Emittentin bezogen, und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz hat, gilt fortan als auf das Land, in dem die Neue Emittentin ihren Sitz hat, bezogen, und, soweit hierbei ein Unterschied gemacht werden muss, auf das Land, in dem die Neue Emittentin für steuerliche Zwecke als gebietsansässig betrachtet wird.

(3) *Mitteilung.* Eine Schuldnerersetzung gemäß Absatz 1 dieses § 10 ist für die Inhaber bindend und ist ihnen mit einer Frist von mindestens 15 Geschäftstagen vor Inkrafttreten der Schuldnerersetzung gemäß § 12 öffentlich bekannt zu machen.

§ 11

BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, RÜCKKAUF UND ENTWERTUNG

(1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin behält sich vor, ohne Zustimmung der Inhaber weitere Schuldverschreibungen in der Weise zu begeben, dass sie mit den Schuldverschreibungen dieser Tranche zusammengefasst werden, eine einheitliche Emission (Serie) mit ihnen bilden und ihren Gesamtnennbetrag erhöhen. Die Schuldverschreibungen einer Serie haben identische Emissionsbedingungen und Ausstattungsmerkmale mit Ausnahme (im Fall von mehr als einer Tranche) des Begebungstages, des Verzinsungsbeginns und des Emissionspreises. Bezugnahmen auf "*Schuldverschreibungen*" gelten in gleicher Weise als Bezugnahmen auf solche Tranchen oder Serien.

(2) *Rückkauf und Entwertung.* Der Emittentin **[Im Fall einer Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:]**, der Garantin] und jeder ihrer [jeweiligen] Tochtergesellschaften ist es erlaubt, Schuldverschreibungen im Markt oder auf andere Weise zurückzukaufen. Zurückgekaufte oder auf andere Weise von der Emittentin **[Im Fall einer Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:]**, der Garantin] oder jeweiligen Tochtergesellschaft erworbene Schuldverschreibungen können gehalten, wiederverkauft oder nach Wahl der Emittentin **[Im Fall einer Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:]**, der Garantin] bzw. der betreffenden Tochtergesellschaft der jeweiligen Zahlstelle zur Entwertung überlassen werden.

§ 12

MITTEILUNGEN

[Im Fall von Schuldverschreibungen, die an der Luxemburger Börse notiert sind, einfügen:

[(1)] *Bekanntmachung.* Soweit gesetzlich erforderlich, sind alle die Schuldverschreibungen betreffenden Mitteilungen im elektronischen Bundesanzeiger [sowie in einer führenden Tageszeitung mit allgemeiner Verbreitung in Luxemburg, voraussichtlich **[Luxemburger Wort]** **[Tageblatt]**] in deutscher oder englischer Sprache zu veröffentlichen und werden darüber hinaus über die Website der Luxemburger Börse unter "www.bourse.lu" veröffentlicht. Jede derartige Mitteilung gilt mit dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen mit dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.]

[(2)] *Mitteilung an das Clearing System.*

[Im Fall von Schuldverschreibungen, die nicht notiert sind, einfügen: Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearing System zur Weiterleitung an die Inhaber übermitteln. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Inhabern mitgeteilt.]

[Im Fall von Schuldverschreibungen, die an der Luxemburger Börse notiert sind, einfügen:

Solange Schuldverschreibungen an der Luxemburger Börse notiert sind, findet Absatz 1 Anwendung. Soweit dies Mitteilungen über den Zinssatz betrifft und die Regeln der Luxemburger Börse bzw. anwendbare Gesetze dies zulassen, kann die Emittentin eine Veröffentlichung nach Absatz 1 durch eine Mitteilung an das Clearing System zur Weiterleitung an die Inhaber ersetzen; jede derartige

Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Inhabern mitgeteilt.]

§ 13

ANWENDBARES RECHT, ERFÜLLUNGORT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen, der Globalurkunde(n), der Garantie und der Verpflichtungserklärung sowie alle sich daraus ergebenden Rechte und Pflichten bestimmen sich ausschließlich nach dem Recht der Bundesrepublik Deutschland.

[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:

(2) *Erfüllungsort.* Erfüllungsort und ausschließlicher Gerichtsstand für alle Rechtsstreitigkeiten mit der Garantin, die sich aus den in der Garantie oder der Verpflichtungserklärung geregelten Rechtsverhältnissen ergeben, ist München, Bundesrepublik Deutschland.]

[(2)][(3)] *Gerichtsstand.* Für alle Rechtsstreitigkeiten, die sich aus den in diesen Emissionsbedingungen geregelten Rechtsverhältnissen ergeben, sind die Inhaber berechtigt, ihre Ansprüche nach ihrer Entscheidung entweder vor den zuständigen Gerichten in dem Land des Sitzes der Emittentin oder vor dem zuständigen Gericht in München, Bundesrepublik Deutschland, geltend zu machen. Alle anderen Gerichtsstände sind ausgeschlossen. Es gilt als vereinbart, dass diese Gerichte ausschließlich das Recht der Bundesrepublik Deutschland anwenden sollen.

[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:

[(3)][(4)] *Ernennung eines Zustellungsbevollmächtigten.* Für Rechtsstreitigkeiten zwischen den Inhabern und der Emittentin, die gegebenenfalls vor Gerichte in der Bundesrepublik Deutschland gebracht werden, ernennt die Emittentin die Bayerische Motoren Werke Aktiengesellschaft, Petuelring 130, 80788 München, Bundesrepublik Deutschland, als Zustellungsbevollmächtigte.]

[(3)][(4)][(5)] *Gerichtliche Geltendmachung.* Jeder Inhaber ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Inhaber und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Inhabers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; oder (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing System oder des Verwahrers des Clearing System bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "Depotbank" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Inhaber ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Inhaber seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land, in dem der Rechtsstreit eingeleitet wird, prozessual zulässig ist.

[(4)][(5)][(6)] *Kraftloserklärung.* Die deutschen Gerichte sind ausschließlich zuständig für die Kraftloserklärung abhanden gekommener oder vernichteter Globalurkunden.

§ 14

SPRACHE

[Falls die Emissionsbedingungen in deutscher Sprache mit einer Übersetzung in die englische Sprache abgefasst sind, einfügen: Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigelegt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen in englischer Sprache mit einer Übersetzung in die deutsche Sprache abgefasst sind, einfügen: Diese Emissionsbedingungen sind in englischer Sprache

abgefasst. Eine Übersetzung in die deutsche Sprache ist beigefügt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen ausschließlich in deutscher Sprache abgefasst sind, einfügen: Diese Emissionsbedingungen sind ausschließlich in deutscher Sprache abgefasst.]

[Falls die Emissionsbedingungen ausschließlich in englischer Sprache abgefasst sind, einfügen: Diese Emissionsbedingungen sind ausschließlich in englischer Sprache abgefasst.]

OPTION II:

EMISSIONSBEDINGUNGEN FÜR VARIABEL VERZINSLICHE SCHULDVERSCHREIBUNGEN

§ 1

WÄHRUNG, STÜCKELUNG, FORM, EIGENTUM, DEFINITIONEN

(1) *Währung, Stückelung.* Diese Tranche **[Tranchen-Nummer]** von Schuldverschreibungen (die "Schuldverschreibungen") **[der Bayerische Motoren Werke Aktiengesellschaft] [der BMW Finance N.V.] [der BMW US Capital, LLC] [der BMW Australia Finance Limited] [der BMW Japan Finance Corp.]**, die für sich oder mit einer oder mehreren Tranchen gemeinsam eine "Serie" bilden kann, wird in **[festgelegte Währung]** (die "festgelegte Währung") im Gesamtnennbetrag von **[Gesamtnennbetrag]** (in Worten: **[Gesamtnennbetrag in Worten]**) in Stückelungen von **[festgelegte Stückelungen]** (die "festgelegten Stückelungen") begeben.

[Im Fall einer Zusammenfassung der Tranche mit einer bestehenden Serie, einfügen: Diese Tranche **[Tranchen-Nummer]** wird mit der Serie **[Seriennummer]**, ISIN **[•]** / WKN **[•]**, Tranche 1 begeben am **[Tag der Begebung der ersten Tranche]** [und der Tranche **[Tranchen-Nummer]** begeben am **[Tag der Begebung der zweiten Tranche]** dieser Serie] [und der Tranche **[Tranchen-Nummer]** begeben am **[Tag der Begebung der dritten Tranche]** dieser Serie] konsolidiert und formt mit dieser eine einheitliche Serie **[Seriennummer]**. Der Gesamtnennbetrag der Serie **[Seriennummer einfügen]** lautet **[Gesamtnennbetrag der gesamten konsolidierten Serie [Seriennummer]].]**

(2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber[.] **[Im Falle einer Emission der BMW US Capital, LLC mit einer Laufzeit von mehr als 183 Tagen, einfügen (wobei das maßgebliche Clearing System CBF oder ein Festgelegtes Clearing System sein muss und somit die Schuldverschreibungen Gegenstand eines book-entry Agreements sind):** wobei die Schuldverschreibungen jedoch für Zwecke des Bundeseinkommensteuerrechts der Vereinigten Staaten wie Namenspapiere (*registered notes*) behandelt werden.]

[Bei Schuldverschreibungen der BMW US Capital, LLC (wobei das maßgebliche Clearing System CBF oder ein Festgelegtes Clearing System sein muss und somit die Schuldverschreibungen Gegenstand eines book-entry Agreements sind), einfügen:

(3) *Dauerglobalurkunde.*

(a) Die Schuldverschreibungen sind durch eine Dauerglobalurkunde (die "Dauerglobalurkunde" oder "Globalurkunde") ohne Zinsscheine verbrieft. Die Dauerglobalurkunde trägt die eigenhändigen oder faksimilierten Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und ist von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

(b) Das Eigentum von Rechten an der Globalurkunde und die Übertragung des Eigentums von solchen Rechten wird ausschließlich nachgewiesen und erfolgt nur durch die Unterlagen des Festgelegten Clearing Systems (wie nachstehend definiert).

Außer unter den nachstehend beschriebenen Umständen kann das Festgelegte Clearing System eine Globalurkunde nicht anders als durch Übertragung der Globalurkunde auf eine nachfolgende Verwahrstelle übertragen, und Rechte an dieser Globalurkunde können nicht gegen Schuldverschreibungen in effektiver, in Einzelurkunden verbriefter Form ausgetauscht werden.]

[Bei Schuldverschreibungen der Bayerische Motoren Werke Aktiengesellschaft, der BMW Finance N.V., der BMW Australia Finance Limited oder der BMW Japan Finance Corp., einfügen:

(3) *Vorläufige Globalurkunde – Austausch.*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "Vorläufige Globalurkunde") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen in den festgelegten Stückelungen, die durch eine Dauerglobalurkunde (die "Dauerglobalurkunde") ohne Zinsscheine verbrieft sind, ausgetauscht. Die vorläufige Globalurkunde und die Dauerglobalurkunde (jeweils eine "Globalurkunde") tragen

jeweils die eigenhändigen oder faksimilierten Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelkunden und Zinsscheine werden nicht ausgegeben.

- (b) Die vorläufige Globalurkunde wird an einem Tag gegen die Dauerglobalurkunde ausgetauscht, der nicht weniger als 40 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde liegen darf. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß Absatz (b) dieses § 1 (3) auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten (wie in § 4 (3) definiert) zu liefern.]

(4) *Clearing System.*

- [(a)] [Die][Jede] [vorläufige] Globalurkunde [(falls diese nicht ausgetauscht wird) und/oder jede Dauerglobalurkunde] wird solange von einem oder im Namen eines Clearing Systems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. "Clearing System" bedeutet **[Bei mehr als einem Clearing System einfügen: jeweils Folgendes: [Clearstream Banking AG, Frankfurt am Main ("CBF")] [Clearstream Banking, société anonyme, Luxembourg ("CBL")] [Euroclear Bank SA/NV ("Euroclear")] [CBL und Euroclear jeweils ein "ICSD" und zusammen die "ICSDs"] [,] [und] [anderes Clearing System angeben] oder jeder Funktionsnachfolger, der die Funktionen [Bei mehr als einem Clearing System einfügen: jedes der Clearing Systeme] [Falls ein Clearing System, einfügen: des Clearing Systems] übernimmt.**

[Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden, einfügen:

[Falls die Globalurkunde eine NGN ist, einfügen (ausgenommen im Fall einer Emission von Schuldverschreibungen durch die BMW Australia Finance Limited): Die Schuldverschreibungen werden in Form einer new global note ("NGN") ausgegeben und von einer gemeinsamen Sicherheitsverwahrstelle (*common safekeeper*) im Namen beider ICSDs verwahrt.]

[Falls die Globalurkunde eine CGN ist, einfügen:

Die Schuldverschreibungen werden in Form einer classical global note ("CGN") ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt.]

[Bei Schuldverschreibungen der BMW US Capital, LLC (wobei das maßgebliche Clearing System CBF oder ein Festgelegtes Clearing System sein muss und somit die Schuldverschreibungen Gegenstand eines book-entry Agreements sind), einfügen:

- (b) "Festgelegtes Clearing System" bezeichnet ein Clearing System, das ein book-entry Agreement mit der Emittentin hinsichtlich der Schuldverschreibungen abgeschlossen hat, wobei dieses book-entry Agreement solche Vorschriften vorsieht, die es ermöglichen, dass die Schuldverschreibungen für Zwecke der U.S. Bundeseinkommensteuergesetze als Verbindlichkeiten in Form von Namensschuldverschreibungen angesehen werden. Zur Klarstellung: CBF ist ein Festgelegtes Clearing System, jedoch können auch andere Clearing Systeme in der Zukunft zu Festgelegten Clearing Systemen werden.]

- (5) *Inhaber von Schuldverschreibungen.* "Inhaber" bezeichnet jeden Inhaber eines Miteigentumsanteils oder anderen Rechts an den Schuldverschreibungen.

[Falls die Globalurkunde eine NGN ist, einfügen:

- (6) *Register der ICSDs.* Der Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen

Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis über den Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen, und eine zu diesen Zwecken von einem ICSD jeweils ausgestellte Bestätigung mit dem Gesamtnennbetrag der so verbrieften Schuldverschreibungen ist ein schlüssiger Nachweis über den Inhalt des Registers des jeweiligen ICSD zu diesem Zeitpunkt.

Bei Rückzahlung oder Zahlung einer Rate oder einer Zinszahlung bezüglich der durch die Globalurkunde verbrieften Schuldverschreibungen bzw. bei Kauf und Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen stellt die Emittentin sicher, dass die Einzelheiten über Rückzahlung und Zahlung bzw. Kauf und Löschung bezüglich der Globalurkunde *pro rata* in die Unterlagen der ICSDs eingetragen werden, und dass nach dieser Eintragung vom Gesamtnennbetrag der in die Register der ICSDs aufgenommenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Gesamtnennbetrag der zurückgekauften bzw. gekauften und entwerteten Schuldverschreibungen bzw. der Gesamtbetrag der so gezahlten Raten abgezogen wird.]

[Falls die vorläufige Globalurkunde eine NGN ist, einfügen: Bei Austausch eines Anteils von ausschließlich durch eine vorläufige Globalurkunde verbrieften Schuldverschreibungen wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs *pro rata* in die Aufzeichnungen der ICSDs aufgenommen werden.]]

[(6)][(7)] *Eigentum.*

- (a) Der Inhaber gilt (soweit nicht zwingende Gesetzes- oder Verwaltungsbestimmungen entgegenstehen) in jeder Hinsicht als Alleineigentümer (ob fällig oder nicht fällig, und unabhängig von irgendwelchen Mitteilungen bezüglich des Eigentums, möglichen Treuhandschaften oder anderen Ansprüchen hieran oder hieraus, etwaigen Vermerken auf der Urkunde oder einem Diebstahl oder Verlust) und niemand kann dafür verantwortlich gemacht werden, dass er den Inhaber als Alleineigentümer angesehen hat.
- (b) Die Übertragung des Eigentums an Schuldverschreibungen geschieht durch Einigung der beteiligten Parteien über den Eigentumsübergang und durch die Übergabe oder auf andere Weise in Übereinstimmung mit den jeweils anzuwendenden Gesetzen und Vorschriften einschließlich der Regeln beteiligter Clearing Systeme. Bezugnahmen in diesen Emissionsbedingungen auf "Inhaber" von Schuldverschreibungen sind Bezugnahmen auf die Inhaber solcher Schuldverschreibungen.

[(7)][(8)] *Geschäftstag.* In diesen Emissionsbedingungen bezeichnet "Geschäftstag"

[Falls die festgelegte Währung nicht Renminbi ist, einfügen: einen Tag (außer einem Samstag oder Sonntag), an dem (i) das Clearing System und (ii) **[Falls die festgelegte Währung Euro ist, einfügen:** TARGET2 (wie nachstehend definiert) **[und Geschäftsbanken und Devisenmärkte in [sämtliche relevanten Finanzzentren]]** **[Falls die festgelegte Währung nicht Euro ist, einfügen:** Geschäftsbanken und Devisenmärkte in **[sämtliche relevanten Finanzzentren]]** Zahlungen abwickeln.]

[Falls die festgelegte Währung Renminbi ist, einfügen: einen Tag (außer einem Samstag, Sonntag oder Feiertag), an dem Geschäftsbanken und Devisenmärkte am jeweiligen Vorlegungsort für den Geschäftsverkehr geöffnet sind, sowie einen Tag, an dem Geschäftsbanken in Hongkong (wie nachstehend definiert) für den Geschäftsverkehr und die Abwicklung von Zahlungen in Renminbi geöffnet sind, und einen Tag, an dem Geschäftsbanken in Hongkong für den Geschäftsverkehr geöffnet sind.]

[Falls die festgelegte Währung Euro ist, einfügen: "TARGET2" bedeutet das *Trans-European Automated Real-time Gross Settlement Express Transfer*-Zahlungssystem oder jedes Nachfolgesystem.]

§ 2

STATUS, VERPFLICHTUNGSERKLÄRUNG, GARANTIE

(1) *Status.* Die Schuldverschreibungen stellen direkte, unbedingte, nicht nachrangige und nicht besicherte Verbindlichkeiten der Emittentin dar, die gleichen Rang (ausgenommen Verbindlichkeiten aufgrund von nationalen oder lokalen Steuervorschriften, anderen gesetzlichen Ausnahmeregelungen, gesetzlichen Vorschriften und Verwaltungsvorschriften) mit allen anderen unbesicherten und nicht nachrangigen Verbindlichkeiten haben.

(2) *Verpflichtungserklärung der Emittentin.* Die Emittentin hat sich in einer separaten Erklärung (im Folgenden die "Verpflichtungserklärung" genannt) gegenüber den Inhabern verpflichtet, solange bis Kapital, etwaige Zinsen und etwaige zusätzliche Beträge gemäß § 7 (1) im vollen Umfang bei der jeweiligen Zahlstelle oder einer anderen gemäß § 6 ernannten Zahlstelle bereitgestellt worden sind, keine gegenwärtigen oder zukünftigen Verbindlichkeiten (einschließlich Verbindlichkeiten aus Garantien oder Sicherheiten) aus anderen internationalen Kapitalmarktverbindlichkeiten (wie nachfolgend definiert) durch irgendwelche Grund- oder Mobiliarpfandrechte an ihrem gegenwärtigen oder zukünftigen Grundbesitz oder Vermögenswerten sicherzustellen oder sicherstellen zu lassen, es sei denn, dass diese Schuldverschreibungen zu gleicher Zeit und im gleichen Rang anteilig an dieser Sicherstellung teilnehmen. Ausgenommen hiervon sind Grund- oder Mobiliarpfandrechte und andere Besicherungen von Verbindlichkeiten aufgrund von nationalen oder lokalen Steuervorschriften, anderen gesetzlichen Ausnahmeregelungen, gesetzlichen Vorschriften und Verwaltungsvorschriften. Im Falle einer Besicherung dieser Schuldverschreibungen durch die Emittentin gemäß dieses § 2 (2) sind zugunsten der Inhaber die Sicherheiten mit den üblichen Rechten und Pflichten zu bestellen. Wenn ein Inhaber nach Eintritt eines der in § 9 aufgeführten Kündigungsgründe, die die Inhaber zur Kündigung berechtigen, wegen des Kapitals von nicht schon aus anderen Gründen fälligen Schuldverschreibungen eine für die Schuldverschreibungen gegebene Sicherheit in Anspruch nimmt, gelten die betreffenden Schuldverschreibungen in jeder Beziehung als fällig.

(3) *Sicherheiten für Asset-Backed-Securities.* Um etwaige Zweifel zu vermeiden, die in diesem § 2 enthaltene Verpflichtung gilt nicht in Bezug auf Sicherheiten, die in Zusammenhang mit asset-backed-securities (strukturierte Wertpapiere, die mit Vermögenswerten besichert sind) gestellt werden, die von einer Zweckgesellschaft begeben werden, und bei denen die Emittentin die ursprüngliche Inhaberin der zugrunde liegenden Vermögenswerte ist.

(4) *Internationale Kapitalmarktverbindlichkeit.* Für die Zwecke dieser Emissionsbedingungen bedeutet "internationale Kapitalmarktverbindlichkeit" jede Emission von Schuldverschreibungen mit einer ursprünglichen Laufzeit von mehr als einem Jahr.

[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:

(5) *Garantie.* Die Bayerische Motoren Werke Aktiengesellschaft (die "Garantin") hat gegenüber den Inhabern die unbedingte und unwiderrufliche Garantie für die ordnungsgemäße und pünktliche Zahlung des Kapitals und etwaiger Zinsen einschließlich gegebenenfalls gemäß § 7 (1) zusätzlich erforderlicher Beträge in Übereinstimmung mit diesen Emissionsbedingungen übernommen (die "Garantie"). Die Garantie gibt jedem Inhaber das Recht, Erfüllung der in der Garantie übernommenen Verpflichtungen unmittelbar von der Garantin zu verlangen und diese Verpflichtungen unmittelbar gegen die Garantin durchzusetzen.

(6) *Verpflichtungserklärung der Garantin.* Die Garantin hat sich in der Verpflichtungserklärung gegenüber den Inhabern verpflichtet, solange bis Kapital und etwaige Zinsen sowie etwaige zusätzliche Beträge gemäß § 7 (1) bei der jeweiligen Zahlstelle oder einer anderen gemäß § 6 ernannten Zahlstelle bereitgestellt worden sind, keine gegenwärtigen oder zukünftigen Verbindlichkeiten (einschließlich Verbindlichkeiten aus Garantien oder Sicherheiten) aus anderen internationalen Kapitalmarktverbindlichkeiten durch irgendwelche Grund- oder Mobiliarpfandrechte an ihrem gegenwärtigen oder zukünftigen Grundbesitz oder Vermögenswerten sicherzustellen oder sicherstellen zu lassen, es sei denn, dass diese Schuldverschreibungen zu gleicher Zeit und im gleichen Rang anteilig an dieser Sicherstellung teilnehmen. Ausgenommen hiervon sind Grund- oder Mobiliarpfandrechte und andere Besicherungen aufgrund von nationalen oder lokalen Steuervorschriften, anderen gesetzlichen Ausnahmeregelungen, gesetzlichen Vorschriften und Verwaltungsvorschriften. Im Falle einer Besicherung dieser Schuldverschreibungen durch die Garantin gemäß dieses § 2 (6) sind zugunsten der Inhaber die Sicherheiten mit den üblichen Rechten und Pflichten zu bestellen. Wenn ein Inhaber nach Eintritt eines der in § 9 aufgeführten Kündigungsgründe, die die Inhaber zur Kündigung berechtigen, wegen des Kapitals von nicht schon aus anderen Gründen fälligen Schuldverschreibungen eine für die Schuldverschreibungen gegebene Sicherheit in Anspruch nimmt, gelten die betreffenden Schuldverschreibungen in jeder Beziehung als fällig.

(7) *Sicherheiten für Asset-Backed-Securities.* Um etwaige Zweifel zu vermeiden, die in diesem § 2 enthaltene Verpflichtung gilt nicht in Bezug auf Sicherheiten, die in Zusammenhang mit asset-backed-securities (strukturierte Wertpapiere, die mit Vermögenswerten besichert sind) gestellt werden, die von

einer Zweckgesellschaft begeben werden, und bei denen die Garantin die ursprüngliche Inhaberin der zugrunde liegenden Vermögenswerte ist.]

§ 3 ZINSEN

- (1) *Zinszahlungstage.*
- (a) Die Schuldverschreibungen werden in Höhe ihres Nennbetrags ab dem **[Verzinsungsbeginn]** (der "Verzinsungsbeginn") (einschließlich) bis zum nachstfolgenden Zinszahlungstag (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nachstfolgenden Zinszahlungstag (ausschließlich) verzinst. Zinsen auf die Schuldverschreibungen sind an jedem Zinszahlungstag zahlbar.
- (b) "Zinszahlungstag" bedeutet, vorbehaltlich einer Anpassung gemäß § 4 (5),
[Im Fall von festgelegten Zinszahlungstagen einfügen: jeder [festgelegte Zinszahlungstage].]

[Im Fall von festgelegten Zinsperioden einfügen: (soweit diese Emissionsbedingungen keine abweichenden Bestimmungen vorsehen) jeweils der Tag, der **[Zahl]** **[Wochen]** **[Monate]** **[andere festgelegte Zeiträume]** nach dem vorausgehenden Zinszahlungstag liegt, oder im Falle des ersten Zinszahlungstages, nach dem Verzinsungsbeginn.]

- (2) *Zinssatz.*

[Im Falle von variabel verzinslichen Schuldverschreibungen, die nicht Constant Maturity Swap ("CMS") variabel verzinsliche Schuldverschreibungen sind, einfügen: Der Zinssatz (der "Zinssatz") für jede Zinsperiode (wie nachstehend definiert) ist, sofern nachstehend nichts Abweichendes bestimmt wird, entweder:

- (a) der **[relevante Laufzeit]-[Referenzzinssatz]** Angebotssatz (ausgedrückt als Prozentsatz *per annum*) für Einlagen in der festgelegten Währung (wenn nur ein Angebotssatz auf der Bildschirmseite (wie nachstehend definiert) angezeigt ist), oder
- (b) das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein **[Falls Rundung auf Tausendstel Prozent, einfügen:** Tausendstel Prozent, wobei 0,0005] **[Falls Rundung auf Hunderttausendstel Prozent, einfügen:** Hunderttausendstel Prozent, wobei 0,000005] aufgerundet wird) der Angebotssätze, (ausgedrückt als Prozentsatz *per annum*) für Einlagen in der festgelegten Währung für die jeweilige Zinsperiode, der bzw. die auf der Bildschirmseite am Zinsfestlegungstag (wie nachstehend definiert) gegen 11.00 Uhr (**[Brüsseler]** **[Londoner]** **[zutreffenden anderen Ort]** Ortszeit) angezeigt werden **[Im Fall einer Marge einfügen:** **[zuzüglich]** **[abzüglich]** der Marge (wie nachstehend definiert)], wobei alle Festlegungen durch die Berechnungsstelle erfolgen.]

[Im Fall von CMS variabel verzinslichen Schuldverschreibungen einfügen: Der Zinssatz (der "Zinssatz") für jede Zinsperiode (wie nachstehend definiert) ist, sofern nachstehend nichts Abweichendes bestimmt wird, der **[maßgebliche Anzahl von Jahren]-Jahres-Euro/[andere Währung]-Swapsatz** (der "**[maßgebliche Anzahl von Jahren]-Jahres-Swapsatz**"), der auf der Bildschirmseite am Zinsfestlegungstag (wie nachstehend definiert) gegen 11.00 Uhr (**[Frankfurter]** **[zutreffenden anderen Ort]** Ortszeit) angezeigt wird, **[Im Fall eines Faktors einfügen:** multipliziert mit **[Faktor].]** **[Im Fall einer Marge einfügen:** **[zuzüglich]** **[abzüglich]** der Marge (wie nachstehend definiert),] wobei alle Festlegungen durch die Berechnungsstelle erfolgen.]

"Zinsperiode" bezeichnet den Zeitraum von dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw. von jedem Zinszahlungstag (einschließlich) bis zum jeweils darauffolgenden Zinszahlungstag (ausschließlich).

"Zinsfestlegungstag" bezeichnet den **[zweiten]** **[zutreffende andere Zahl von Tagen]** **[TARGET-]** **[Londoner]** **[zutreffende andere Bezugnahmen]** Geschäftstag vor Beginn **[ersten [Londoner]** **[zutreffenden anderen Ort]** Geschäftstag] der jeweiligen Zinsperiode. **[Im Fall eines TARGET-Geschäftstages einfügen:** "TARGET-Geschäftstag" bezeichnet einen Tag, an dem TARGET2 (wie nachstehend definiert) betriebsbereit ist. **[Im Fall eines anderen Geschäftstages als ein TARGET-Geschäftstages einfügen:** "**[Londoner]** **[zutreffenden anderen Ort]** Geschäftstag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken in **[London]** **[zutreffenden anderen Ort]** für Geschäfte (einschließlich Devisen- und Sortengeschäfte) geöffnet sind.]

[Im Fall eines TARGET-Geschäftstages einfügen: "TARGET2" bedeutet das *Trans-European Automated Real-time Gross Settlement Express Transfer*-Zahlungssystem oder jedes Nachfolgesystem.]

[Im Fall einer Marge einfügen: Die "Marge" beträgt **[maßgeblichen Betrag]**% *per annum*.]

"Bildschirmseite" bedeutet **[Bildschirmseite]**.

Wenn im vorstehenden Fall (b) auf der maßgeblichen Bildschirmseite fünf oder mehr Angebotssätze angezeigt werden, werden der höchste (falls mehr als ein solcher Höchstsatz angezeigt wird, nur einer dieser Sätze) und der niedrigste (falls mehr als ein solcher Niedrigstsatz angezeigt wird, nur einer dieser Sätze) von der Berechnungsstelle für die Bestimmung des arithmetischen Mittels der Angebotssätze (das wie vorstehend beschrieben auf- oder abgerundet wird) außer Acht gelassen; diese Regel gilt entsprechend für diesen gesamten Absatz (2).

[Im Fall von variabel verzinslichen Schuldverschreibungen, die nicht CMS variabel verzinsliche Schuldverschreibungen sind, einfügen:

Sollte die maßgebliche Bildschirmseite nicht zur Verfügung stehen, oder wird im Fall von (a) kein Angebotssatz, oder werden im Fall von (b) weniger als drei Angebotssätze angezeigt (dort jeweils zur genannten Zeit), wird die Berechnungsstelle von den **[Londoner] [zutreffenden anderen Ort]** Hauptniederlassungen jeder der Referenzbanken (wie nachstehend definiert) **[in der Euro-Zone]** deren jeweilige Angebotssätze (jeweils als Prozentsatz *per annum* ausgedrückt) für Einlagen in der festgelegten Währung für die betreffende Zinsperiode gegenüber führenden Banken im **[Londoner] [zutreffenden anderen Ort]** Interbanken-Markt **[in der Euro-Zone]** um ca. 11.00 Uhr (**[Brüsseler] [Londoner] [zutreffenden anderen Ort]** Ortszeit) am Zinsfestlegungstag anfordern. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Zinssatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein **[Falls Rundung auf Tausendstel Prozent, einfügen:** Tausendstel Prozent, wobei 0,0005] **[Falls Rundung auf Hunderttausendstel Prozent, einfügen:** Hunderttausendstel Prozent, wobei 0,000005] aufgerundet wird) dieser Angebotssätze **[Im Fall einer Marge einfügen:** **[zuzüglich] [abzüglich]** der Marge], wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Falls an einem Zinsfestlegungstag nur eine oder keine der Referenzbanken der Berechnungsstelle solche im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Zinssatz für die betreffende Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein **[Falls Rundung auf Tausendstel Prozent, einfügen:** Tausendstel Prozent, wobei 0,0005] **[Falls Rundung auf Hunderttausendstel Prozent, einfügen:** Hunderttausendstel Prozent, wobei 0,000005] aufgerundet wird) der Angebotssätze ermittelt, die die Referenzbanken bzw. zwei oder mehrere von ihnen der Berechnungsstelle auf deren Anfrage als den jeweiligen Satz nennen, zu dem ihnen um ca. 11.00 Uhr (**[Brüsseler] [Londoner] [zutreffenden anderen Ort]** Ortszeit) an dem betreffenden Zinsfestlegungstag Einlagen in der festgelegten Währung für die betreffende Zinsperiode von führenden Banken im **[Londoner] [zutreffenden anderen Ort]** Interbanken-Markt **[in der Euro-Zone]** angeboten werden **[Im Fall einer Marge einfügen:** **[zuzüglich] [abzüglich]** der Marge]; falls weniger als zwei der Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, dann ist der Zinssatz für die betreffende Zinsperiode der Angebotssatz für Einlagen in der festgelegten Währung für die betreffende Zinsperiode oder das arithmetische Mittel (gerundet wie oben beschrieben) der Angebotssätze für Einlagen in der festgelegten Währung für die betreffende Zinsperiode, den bzw. die eine oder mehrere Banken (die nach Ansicht der Berechnungsstelle und der Emittentin für diesen Zweck geeignet sind) der Berechnungsstelle als Sätze bekannt geben, die sie an dem betreffenden Zinsfestlegungstag gegenüber führenden Banken am **[Londoner] [zutreffenden anderen Ort]** Interbanken-Markt **[in der Euro-Zone]** nennen (bzw. den diese Banken gegenüber der Berechnungsstelle nennen) **[Im Fall einer Marge einfügen:** **[zuzüglich] [abzüglich]** der Marge]. Für den Fall, dass der Zinssatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Zinssatz der Angebotssatz oder das arithmetische Mittel der Angebotssätze auf der Bildschirmseite, wie vorstehend beschrieben, an dem letzten Tag vor dem Zinsfestlegungstag, an dem diese Angebotssätze angezeigt wurden **[Im Fall einer Marge einfügen:** **[zuzüglich] [abzüglich]** der Marge (wobei jedoch, falls für die relevante Zinsperiode eine andere Marge als für die unmittelbar vorhergehende Zinsperiode gilt, die relevante Marge an die Stelle der Marge für die vorhergehende Zinsperiode tritt)].

"Referenzbanken" bezeichnen **[Falls in den Endgültigen Bedingungen keine anderen Referenzbanken bestimmt werden, einfügen:** im vorstehenden Fall (a) diejenigen Niederlassungen

von vier derjenigen Banken, deren Angebotssätze zur Ermittlung des maßgeblichen Angebotssatzes zu dem Zeitpunkt benutzt wurden, als solch ein Angebot letztmals auf der maßgeblichen Bildschirmseite angezeigt wurde, und im vorstehenden Fall (b) diejenigen Banken, deren Angebotssätze zuletzt zu dem Zeitpunkt auf der maßgeblichen Bildschirmseite angezeigt wurden, als nicht weniger als drei solcher Angebotssätze angezeigt wurden] **[Falls in den Endgültigen Bedingungen andere Referenzbanken bestimmt werden, sind sie hier einzufügen.]**

[Im Fall von CMS variabel verzinslichen Schuldverschreibungen einfügen:

Sollte die maßgebliche Bildschirmseite nicht zur Verfügung stehen oder wird zu der genannten Zeit kein **[maßgebliche Anzahl von Jahren]**-Jahres-Swapsatz angezeigt, wird die Berechnungsstelle von den Referenzbanken (wie nachstehend definiert) deren jeweilige **[maßgebliche Anzahl von Jahren]**-Jahres-Swapsätze gegenüber führenden Banken im Interbanken-Swapmarkt in der Euro-Zone (um ca. 11.00 Uhr ([Frankfurter] **[zutreffenden anderen Ort]** Ortszeit) am Zinsfestlegungstag anfordern. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche **[maßgebliche Anzahl von Jahren]**-Jahres-Swapsätze nennen, ist der Zinssatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent, wobei 0,0005 aufgerundet wird) dieser **[maßgebliche Anzahl von Jahren]**-Jahres-Swapsätze **[Im Falle eines Faktors einfügen:** multipliziert mit **[Faktor]** **[Im Fall einer Marge einfügen:** [zuzüglich][abzüglich] der Marge], wobei alle Festlegungen durch die Berechnungsstelle erfolgen. Falls an einem Zinsfestlegungstag nur eine oder keine der Referenzbanken der Berechnungsstelle solche im vorstehenden Absatz beschriebenen **[maßgebliche Anzahl von Jahren]**-Jahres-Swapsätze nennt, ist der Zinssatz für die betreffende Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent, wobei 0,0005 aufgerundet wird) der **[maßgebliche Anzahl von Jahren]**-Jahres-Swapsätze ermittelt, die die Referenzbanken bzw. zwei oder mehrere von ihnen der Berechnungsstelle auf deren Anfrage als den jeweiligen Satz nennen, zu dem ihnen um ca. 11.00 Uhr ([Frankfurter] **[zutreffenden anderen Ort]** Ortszeit) an dem betreffenden Zinsfestlegungstag von führenden Banken im Interbanken-Swapmarkt in der Euro-Zone angeboten werden, **[Im Falle eines Faktors einfügen:** multipliziert mit **[Faktor]** **[Im Falle einer Marge einfügen:** [zuzüglich] [abzüglich] der Marge.]; falls weniger als zwei der Referenzbanken der Berechnungsstelle solche **[maßgebliche Anzahl von Jahren]**-Jahres-Swapsätze nennen, dann soll der Zinssatz für die betreffende Zinsperiode der **[maßgebliche Anzahl von Jahren]**-Jahres-Swapsatz oder das arithmetische Mittel (gerundet wie oben beschrieben) der **[maßgebliche Anzahl von Jahren]**-Jahres-Swapsätze sein, den bzw. die eine oder mehrere Banken (die nach Ansicht der Berechnungsstelle und der Emittentin für diesen Zweck geeignet sind) der Berechnungsstelle als Sätze bekannt geben, die sie an dem betreffenden Zinsfestlegungstag gegenüber führenden Banken am Interbanken-Swapmarkt in der Euro-Zone nennen (bzw. den diese Banken gegenüber der Berechnungsstelle nennen), **[Im Falle eines Faktors einfügen:** multipliziert mit **[Faktor]** **[Im Fall einer Marge einfügen:**[zuzüglich] [abzüglich] der Marge]. Für den Fall, dass der Zinssatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Zinssatz der **[maßgebliche Anzahl von Jahren]**-Jahres-Swapsatz oder das arithmetische Mittel der **[maßgebliche Anzahl von Jahren]** Jahres-Swapsätze auf der Bildschirmseite, wie vorstehend beschrieben, an dem letzten Tag vor dem Zinsfestlegungstag, an dem die **[maßgebliche Anzahl von Jahren]**-Jahres-Swapsätze angezeigt wurden, **[Im Falle eines Faktors einfügen:** multipliziert mit **[Faktor]** **[Im Falle einer Marge: einfügen** [zuzüglich] [abzüglich] der Marge].

“Referenzbanken” bezeichnen diejenigen Niederlassungen von mindestens vier derjenigen Banken im Swapmarkt, deren **[maßgebliche Anzahl von Jahren]**-Jahres-Swapsätze zur Ermittlung des maßgeblichen **[maßgebliche Anzahl von Jahren]**-Jahres-Swapsatz zu dem Zeitpunkt benutzt wurden, als solch ein **[maßgebliche Anzahl von Jahren]**-Jahres-Swapsatz letztmals auf der maßgeblichen Bildschirmseite angezeigt wurde.]

[Im Fall des Interbanken-Marktes in der Euro-Zone einfügen: “Euro-Zone” bezeichnet das Gebiet derjenigen Mitgliedstaaten der Europäischen Union, die gemäß dem Vertrag über die Gründung der Europäischen Gemeinschaft (unterzeichnet in Rom am 25. März 1957), geändert durch den Vertrag über die Europäische Union (unterzeichnet in Maastricht am 7. Februar 1992) und den Amsterdamer Vertrag vom 2. Oktober 1997, in seiner jeweiligen Fassung, eine einheitliche Währung eingeführt haben oder jeweils eingeführt haben werden.]

[Falls ein Mindest- und/oder Höchstzinssatz gilt, einfügen:

(3) *[Mindest-] [und] [Höchst-] Zinssatz.*

[Falls ein Mindestzinssatz gilt, einfügen: Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz niedriger ist als **[Mindestzinssatz]**, so ist der Zinssatz für diese Zinsperiode **[Mindestzinssatz].**

[Falls ein Höchstzinssatz gilt: Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz höher ist als **[Höchstzinssatz]**, so ist der Zinssatz für diese Zinsperiode **[Höchstzinssatz].**

[(3)][(4)] *Zinsbetrag.* Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zeitpunkt, an dem der Zinssatz zu bestimmen ist, den auf die Schuldverschreibungen zahlbaren Zinsbetrag in Bezug auf jede festgelegte Stückelung (der "Zinsbetrag") für die entsprechende Zinsperiode berechnen. Der Zinsbetrag wird ermittelt, indem der Zinssatz und der Zinstagequotient (wie nachstehend definiert) auf jede festgelegte Stückelung angewendet werden, wobei der resultierende Betrag **[Falls die festgelegte Währung Euro ist einfügen:** auf den nächsten Euro 0,01 auf oder abgerundet wird, wobei Euro 0,005 aufgerundet werden] **[Falls die festgelegte Währung nicht Euro ist, einfügen:** auf die kleinste Einheit der festgelegten Währung auf- oder abgerundet wird, wobei 0,5 solcher Einheiten aufgerundet werden].

[(4)][(5)] *Mitteilungen von Zinssatz und Zinsbetrag.* Die Berechnungsstelle wird veranlassen, dass der Zinssatz, der Zinsbetrag für die jeweilige Zinsperiode, die jeweilige Zinsperiode und der relevante Zinszahlungstag der Emittentin und den Inhabern gemäß § 12 baldmöglichst, aber keinesfalls später als am vierten auf die Berechnung jeweils folgenden **[Falls die Berechnungsstelle eine bezeichnete Geschäftsstelle an einem vorgeschriebenen Ort zu unterhalten hat, einfügen:** Geschäftstag, am Ort der bezeichneten Geschäftsstelle der Berechnungsstelle ist,] **[Falls die Berechnungsstelle keine bezeichnete Geschäftsstelle an einem vorgeschriebenen Ort zu unterhalten hat, einfügen:** **[TARGET-] [Londoner] Geschäftstag]** und jeder Börse, an der die betreffenden Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, umgehend, aber keinesfalls später als zu Beginn der jeweiligen Zinsperiode mitgeteilt werden. Im Falle einer Verlängerung oder Verkürzung der Zinsperiode können der mitgeteilte Zinsbetrag und Zinszahlungstag ohne Vorankündigung nachträglich angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt notiert sind, sowie den Inhabern gemäß § 12 mitgeteilt.

[(5)][(6)] *Verbindlichkeit der Festsetzungen.* Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses § 3 gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Emissionsstelle, die Zahlstellen und die Inhaber bindend.

[(6)][(7)] *Zinslauf.* Der Zinslauf der Schuldverschreibungen endet an dem Tag, der dem Tag vorangeht, an dem sie zur Rückzahlung fällig werden. Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, endet die Verzinsung des ausstehenden Nennbetrags der Schuldverschreibungen nicht an dem Tag, der dem Fälligkeitstag vorangeht, sondern erst an dem Tag, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen vorangeht. Der jeweils geltende Zinssatz wird gemäß diesem § 3 bestimmt. Weitergehende Ansprüche der Inhaber bleiben unberührt.

[(7)][(8)] *Zinstagequotient.* "Zinstagequotient" bezeichnet im Hinblick auf die Berechnung des Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "Zinsberechnungszeitraum"):

[Im Fall von Actual/Actual (Actual/365) einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365 (oder falls ein Teil des Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe von (A) der tatsächlichen Anzahl von Tagen in dem Teil des Zinsberechnungszeitraumes, die in das Schaltjahr fallen, dividiert durch 366 und (B) die tatsächliche Anzahl von Tagen in dem Teil des Zinsberechnungszeitraumes, die nicht in ein Schaltjahr fallen, dividiert durch 365).]

[Im Fall von Actual/365 (Fixed) und im Fall von Schuldverschreibungen, deren festgelegte Währung Renminbi ist, einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365.]

[Im Fall von Actual/360 einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360.]

§ 4 ZÄHLUNGEN

(1) (a) *Zahlungen auf Kapital.* Zahlungen von Kapital auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems gegen Vorlage und (außer im Fall von Teilzahlungen) Einreichung der Schuldverschreibungen zum Zeitpunkt der Zahlung verbriefenden Globalurkunde bei der bezeichneten Geschäftsstelle der Emissionsstelle außerhalb der Vereinigten Staaten.

(b) *Zahlungen von Zinsen.* Die Zahlung von Zinsen auf Schuldverschreibungen erfolgt nach Maßgabe von Absatz 2 an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

[Bei Zinszahlungen auf eine vorläufige Globalurkunde einfügen: Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von Absatz (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1 (3) (b).]

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der frei handelbaren und konvertierbaren Währung, die am entsprechenden Fälligkeitstag die Währung des Staates der festgelegten Währung ist **[Im Fall von Schuldverschreibungen, deren festgelegte Währung Renminbi ist, einfügen:** oder im USD-Gegenwert (wie in § 4 (7) definiert) durch Überweisung nach Maßgabe der Emissionsbedingungen der Schuldverschreibungen].

(3) *Vereinigte Staaten.* Für die Zwecke des **[Im Fall von Schuldverschreibungen, deren festgelegte Währung Renminbi ist, einfügen:** § 4 (7).] [und] des **[Im Falle einer Emission von Schuldverschreibungen durch die BMW US Capital, LLC, einfügen:** § 1 [(2)][(3)] und des] Absatzes 1 dieses § 4 bezeichnet "Vereinigte Staaten" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des "District of Columbia") sowie deren Territorien (einschließlich Puerto Ricos, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands) und Besitzungen und sonstigen ihrer Jurisdiktion unterliegenden Gebiete. **[Bei Schuldverschreibungen der Bayerische Motoren Werke Aktiengesellschaft, der BMW Finance N.V., der BMW Australia Finance Limited oder der BMW Japan Finance Corp., einfügen:** und "U.S.-Personen" bezeichnet alle Staatsangehörigen oder Gebietsansässigen der Vereinigten Staaten von Amerika, einschließlich Kapitalgesellschaften (oder anderen Rechtsgebilden, die im Sinne der Bundes-Einkommensteuer der Vereinigten Staaten als Kapitalgesellschaften behandelt werden) oder Personengesellschaften, die in den Vereinigten Staaten oder einer ihrer Gebietskörperschaften oder nach deren Recht gegründet oder organisiert sind, Erbmassen, deren Einkünfte unabhängig von der Quelle ihrer Einkünfte der Bundes-Einkommensteuer der Vereinigten Staaten unterliegen und Treuhandvermögen (Trust), wenn ein Gericht der Vereinigten Staaten imstande ist, die primäre Aufsicht über die Verwaltung des Treuhandvermögens auszuüben und eine oder mehrere U.S.-Personen die Befugnis haben, alle wesentlichen Entscheidungen des Treuhandvermögens zu kontrollieren; und unter "U.S.-Steuerausländern" sind alle Personen oder juristische Personen zu verstehen, die im Sinne der Bundes-Einkommensteuer der Vereinigten Staaten ausländische Kapitalgesellschaften, gebietsfremde ausländische natürliche Personen, ausländische Erbmassen oder Treuhandvermögen, die der Besteuerung gem. Section 1441 oder 1442 des Internal Revenue Code von 1986, in der jeweils gültigen Fassung, unterliegen, oder ausländische Personengesellschaften sind, letztere unter der Voraussetzung, dass ein oder mehrere Gesellschafter im Sinne der Bundes-Einkommensteuer der Vereinigten Staaten ausländische Kapitalgesellschaften, gebietsfremde ausländische natürliche Personen oder ausländische Erbmassen oder Treuhandvermögen sind, die der Besteuerung gem. Section 1441 oder 1442 des Internal Revenue Code von 1986, in der jeweils gültigen Fassung, unterliegen.]

(4) *Erfüllung.* Die Emittentin **[Im Fall einer Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** bzw. die Garantin] wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

(5) *Zahltag*. Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann:

[Bei Anwendung der Modifizierte Folgender Geschäftstag-Konvention einfügen: hat der Inhaber keinen Anspruch auf Zahlung vor dem nächstfolgenden Zahltag, es sei denn jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.]

[Bei Anwendung der FRN-Konvention einfügen: hat der Inhaber keinen Anspruch auf Zahlung vor dem nächstfolgenden Zahltag, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall (i) wird der Zahltag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen und (ii) ist jeder nachfolgende Zahltag der jeweils letzte Geschäftstag des Monats, der **[[Zahl] Monate] [andere festgelegte Zeiträume]** nach dem vorausgehenden anwendbaren Zahltag liegt.]

[Bei Anwendung der Folgender Geschäftstag-Konvention einfügen: hat der Inhaber keinen Anspruch auf Zahlung vor dem nachfolgenden Zahltag.]

[Bei Anwendung der Vorangegangener Geschäftstag-Konvention einfügen: wird der Zahltag auf den unmittelbar vorausgehenden Zahltag vorgezogen.]

[Falls der Zinsbetrag nicht angepasst (*unadjusted*) wird, einfügen: Der Inhaber ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund einer solchen Verschiebung zu verlangen (*unadjusted*).]

Für diese Zwecke bezeichnet "Zahltag" einen Geschäftstag.

(6) *Bezugnahmen auf Kapital und Zinsen*. Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen; den vorzeitigen Rückzahlungsbetrag der Schuldverschreibungen; **[Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen aus anderen als steuerlichen Gründen vorzeitig zurückzahlen, einfügen:** den Wahl-Rückzahlungsbetrag (Call) der Schuldverschreibungen;] **[Falls der Inhaber ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen:** den Wahl-Rückzahlungsbetrag (Put) der Schuldverschreibungen;] sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge. Bezugnahmen in diesen Emissionsbedingungen auf Zinsen auf Schuldverschreibungen schließen, soweit anwendbar, sämtliche gemäß § 7 zahlbaren zusätzlichen Beträge ein.

[Im Falle von Schuldverschreibungen, deren festgelegte Währung Renminbi ist, einfügen:

(7) *Zahlungen auf Schuldverschreibungen, deren festgelegte Währung Renminbi ist*. Ist die Emittentin unbeschadet des Vorstehenden aufgrund Fehlender Konvertierbarkeit, Fehlender Übertragbarkeit oder Illiquidität nicht in der Lage, Zahlungen von Kapital und Zinsen auf die Schuldverschreibungen bei Fälligkeit in Renminbi in Hongkong zu leisten, kann sie die jeweilige Zahlung in USD am jeweiligen Fälligkeitstag als einen dem jeweiligen auf Renminbi lautenden Betrag entsprechenden Gegenwert in USD leisten. Nach der Feststellung, dass ein Fall der Fehlenden Konvertierbarkeit, Fehlenden Übertragbarkeit oder Illiquidität vorliegt, hat die Emittentin spätestens um 10.00 Uhr (Hongkonger Zeit) zwei Geschäftstage vor dem Kurs-Feststellungstag die Emissionsstelle, die Berechnungsstelle und das Clearing System davon zu unterrichten. Zusätzlich wird die Emittentin den Inhabern sobald wie möglich von der Feststellung gemäß § 12 Mitteilung machen. Der Empfang einer solchen Mitteilung ist kein Erfordernis für Zahlungen in USD.

In diesem Falle erfolgen etwaige Zahlungen in USD per Überweisung auf ein auf USD lautendes Konto, das von dem Zahlungsempfänger bei einer Bank in New York City, Vereinigte Staaten unterhalten wird, oder durch einen auf eine Bank in New York City, Vereinigte Staaten ausgestellten auf USD lautenden Scheck, oder nach Wahl des Inhabers durch Überweisung auf ein auf USD lautendes Konto, das vom Inhaber bei einer Bank in New York City, Vereinigte Staaten unterhalten wird, und "Zahltag" bezeichnet für die Zwecke von § 4 (5) einen Tag, an dem Banken und Devisenmärkte für den allgemeinen Geschäftsverkehr am jeweiligen Vorlegungsort, London und New York City, Vereinigte Staaten, geöffnet sind.

Für die Zwecke dieser Emissionsbedingungen gelten folgende Begriffsbestimmungen:

"Berechnungsstelle" bezeichnet **[Name der Berechnungsstelle]**.

“Kurs-Feststellungs-Geschäftstag” bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken für den allgemeinen Geschäftsverkehr (einschließlich Devisengeschäften) in **[relevante(s) Finanzzentrum(en)]** geöffnet sind.

“Kurs-Feststellungstag” bezeichnet den Tag, der fünf Kurs-Feststellungs-Geschäftstage vor dem Fälligkeitstag der Zahlung des jeweiligen Betrags gemäß dieser Emissionsbedingungen liegt.

“Staatliche Stelle” bezeichnet alle de facto oder de jure staatlichen Regierungen (einschließlich der dazu gehörenden Behörden oder Organe), Gerichte, rechtsprechenden, verwaltungsbehördlichen oder sonstigen staatlichen Stellen und alle sonstigen (privatrechtlichen oder öffentlich-rechtlichen) Personen (einschließlich der jeweiligen Zentralbank), die mit Aufsichtsfunktionen über die Finanzmärkte in Hongkong betraut sind.

“Hongkong” bezeichnet die Sonderverwaltungszone Hongkong der VRC.

“Illiquidität” bezeichnet die Illiquidität des allgemeinen Renminbi-Devisenmarkts in Hongkong, infolgedessen die Emittentin nicht die ausreichende Menge an Renminbi zur Erfüllung ihrer Zins- oder Kapitalzahlungen (ganz oder teilweise) in Bezug auf die Schuldverschreibungen erhalten kann, wie von der Emittentin nach Treu und Glauben und in wirtschaftlich angemessener Weise nach Konsultation mit zwei Renminbi-Händlern festgelegt.

“Fehlende Konvertierbarkeit” bezeichnet den Eintritt eines Ereignisses, das die Umwandlung eines fälligen Betrags in Bezug auf die Schuldverschreibungen in Renminbi durch die Emittentin am allgemeinen Renminbi-Devisenmarkt in Hongkong unmöglich macht, sofern diese Unmöglichkeit nicht ausschließlich auf eine Nichteinhaltung von Gesetzen, Verordnungen oder Vorschriften einer Staatlichen Stelle seitens der Emittentin zurückzuführen ist (es sei denn, die betreffenden Gesetze, Verordnungen oder Vorschriften werden nach dem Begebungstag verabschiedet bzw. erlassen und ihre Einhaltung ist der Emittentin aufgrund eines außerhalb ihres Einflussbereichs liegenden Ereignisses nicht möglich).

“Fehlende Übertragbarkeit” bezeichnet den Eintritt eines Ereignisses, das eine Überweisung von Renminbi zwischen Konten innerhalb Hongkongs oder von einem Konto in Hongkong auf ein Konto außerhalb Hongkongs und der VRC oder von einem Konto außerhalb Hongkongs und der VRC auf ein Konto innerhalb Hongkongs durch die Emittentin unmöglich macht, sofern diese Unmöglichkeit nicht ausschließlich auf eine Nichteinhaltung von Gesetzen, Verordnungen oder Vorschriften einer Staatlichen Stelle seitens der Emittentin zurückzuführen ist (es sei denn, die betreffenden Gesetze, Verordnungen oder Vorschriften werden nach dem Begebungstag verabschiedet bzw. erlassen und ihre Einhaltung ist der Emittentin aufgrund eines außerhalb ihres Einflussbereichs liegenden Ereignisses nicht möglich).

“VRC” bezeichnet die Volksrepublik China, wobei dieser Begriff für Zwecke dieser Emissionsbedingungen Hongkong, die Sonderverwaltungszone Macao der Volksrepublik China und Taiwan ausschließt.

“Renminbi-Händler” bezeichnet einen unabhängigen Devisenhändler mit internationalem Renomme, der auf dem Renminbi-Devisenmarkt in Hongkong tätig ist.

“Kassakurs” bezeichnet den CNY/USD-Kassakurs für den Kauf von USD mit Renminbi über den außerbörslichen Renminbi-Devisenmarkt in Hongkong zur Abwicklung in zwei Geschäftstagen, wie von der Berechnungsstelle um oder gegen 11.00 Uhr (Hongkonger Zeit) an einem solchen Tag (i) auf Lieferbasis unter Bezugnahme auf die Reuters-Bildschirmseite TRADCNY3 oder (ii) falls kein Kurs verfügbar ist, auf einer Nichtlieferbasis durch Bezugnahme auf die Reuters-Bildschirmseite TRADNDF festgestellt oder (iii) falls keiner der vorgenannten Kurse verfügbar ist, den aktuellsten verfügbaren amtlichen CNY/USD-Kurs für die Abwicklung in zwei Geschäftstagen, der von der *“the State Administration of Foreign Exchange”* der VRC festgestellt und auf der Reuters-Bildschirmseite CNY=SAEC angezeigt wird, fest. Eine Bezugnahme auf eine Seite auf dem Reuters-Bildschirm bedeutet die bei Reuters Monitor Money Rate Service (oder eines Nachfolgedienstes) so bezeichnete Anzeigeseite oder eine andere Seite, die diese Anzeigeseite zum Zwecke der Anzeige eines vergleichbaren Devisenkurses ersetzt.

Falls keiner der vorstehend unter (i) bis (iii) genannten Kurse verfügbar ist, soll die Emittentin den Kassakurs nach ihrem eigenen vernünftigen Ermessen und in einer wirtschaftlich vernünftigen Art und Weise und unter Berücksichtigung der jeweiligen Marktpraxis bestimmen.

“USD” bedeutet die offizielle Währung der Vereinigten Staaten.

“USD-Gegenwert” eines Renminbi-Betrags bezeichnet den in USD anhand des Kassakurses für den jeweiligen Kurs-Feststellungstag umgewandelten jeweiligen Renminbi-Betrag, wie von der Berechnungsstelle um oder ungefähr um 11.00 Uhr (Hongkonger Zeit) an dem Kurs-Feststellungstag bestimmt und der Emittentin und der Zahlstelle unverzüglich angezeigt.

Alle Mitteilungen, Auffassungen, Feststellungen, Bescheinigungen, Berechnungen, Kursnotierungen und Entscheidungen, die für die Zwecke der Bestimmungen dieses § 4 (7) von der Berechnungsstelle oder der Emittentin abgegeben, zum Ausdruck gebracht, vorgenommen oder eingeholt werden, sind (außer in Fällen von Vorsatz, Arglist oder offenkundigen Fehlern) für die Emittentin und alle Inhaber verbindlich.]

§ 5 RÜCKZAHLUNG

(1) *Rückzahlung bei Endfälligkeit.*

Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am in den **[Rückzahlungsmonat und -jahr]** fallenden Zinszahlungstag (der “Fälligkeitstag”) zurückgezahlt. Der Rückzahlungsbetrag in Bezug auf jede Schuldverschreibung entspricht dem Nennbetrag der Schuldverschreibungen.

(2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Die Schuldverschreibungen können insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 Tagen gegenüber der Emissionsstelle und gemäß § 12 gegenüber den Inhabern vorzeitig gekündigt und zu ihrem vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden, falls die Emittentin als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und –vorschriften der Bundesrepublik Deutschland **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., einfügen: oder der Niederlande] [Im Fall der Emission von Schuldverschreibungen durch BMW US Capital, LLC einfügen: oder der Vereinigten Staaten] [Im Fall der Emission von Schuldverschreibungen durch BMW Australia Finance Limited, einfügen: oder des Commonwealth von Australien] [Im Fall der Emission von Schuldverschreibungen durch BMW Japan Finance Corp., einfügen: oder Japans]** oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt diese Änderung oder Ergänzung wird am oder nach dem Tag, an dem die letzte Tranche dieser Serie von Schuldverschreibungen begeben wird, wirksam) am nächstfolgenden Zinszahlungstag (wie in § 3 (1) definiert) zur Zahlung von zusätzlichen Beträgen gemäß § 7 (1) verpflichtet sein wird.

Eine solche Kündigung hat gemäß § 12 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

[Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen, einfügen:

(3) *Vorzeitige Rückzahlung nach Wahl der Emittentin.*

(a) Die Emittentin kann, unter Einhaltung einer Ankündigungsfrist von 15 Geschäftstagen gegenüber der Emissionsstelle und nachdem sie gemäß Absatz (b) gekündigt hat, die Schuldverschreibungen **[insgesamt] [oder] [teilweise] [am Wahl-Rückzahlungstag] [an den Wahl-Rückzahlungstagen] (Call) [zum Wahl-Rückzahlungsbetrag] [zu den Wahl-Rückzahlungsbeträgen] (Call),** wie nachstehend angegeben, nebst etwaigen bis zum betreffenden Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen. **[Bei Geltung eines Mindestrückzahlungsbetrages oder eines erhöhten Rückzahlungsbetrages einfügen:** Eine solche Rückzahlung muss in Höhe eines Nennbetrages von **[mindestens [Mindestrückzahlungsbetrag]] [erhöhter Rückzahlungsbetrag]** erfolgen.]

Wahl-Rückzahlungstag(e) (Call)

Wahl-Rückzahlungsbetrag/-beträge (Call)

[Wahl-Rückzahlungstag(e) (Call)]

[Wahl-Rückzahlungsbetrag/-beträge (Call)]

[Falls der Inhaber ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen: Der Emittentin steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Inhaber in Ausübung seines Wahlrechts nach Absatz [(4)] dieses § 5 verlangt hat.]

- (b) Die Kündigung ist den Inhabern durch die Emittentin gemäß § 12 bekanntzugeben. Sie beinhaltet die folgenden Angaben:
- (i) die zurückzuzahlende Tranche bzw. Serie von Schuldverschreibungen;
 - (ii) eine Erklärung, ob diese Tranche bzw. Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen;
 - (iii) den Wahl-Rückzahlungstag (Call), der nicht weniger als **[Mindestkündigungsfrist]** und nicht mehr als **[Höchstkündigungsfrist]** Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Inhabern liegen darf; und
 - (iv) den Wahl-Rückzahlungsbetrag (Call), zu dem Schuldverschreibungen zurückgezahlt werden.
- (c) Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die zurückzuzahlenden Schuldverschreibungen nach den Regeln des betreffenden Clearing Systems ausgewählt. **[Im Fall einer Emission von Schuldverschreibungen in NGN Form, einfügen:** und eine solche Rückzahlung wird nach freiem Ermessen von CBL und Euroclear entweder als Pool Faktor (*pool factor*) oder als Reduzierung des Gesamtnennbetrages in den Aufzeichnungen von CBL und/oder Euroclear reflektiert.]

[Falls der Inhaber ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen:

[(3)][(4)] *Vorzeitige Rückzahlung nach Wahl des Inhabers.*

- (a) Die Emittentin hat eine Schuldverschreibung nach Ausübung des entsprechenden Wahlrechts durch den Inhaber [am Wahl-Rückzahlungstag] [an den Wahl-Rückzahlungstagen] (Put) [zum Wahl-Rückzahlungsbetrag] [zu den Wahl-Rückzahlungsbeträgen] (Put), wie nachstehend angegeben, nebst etwaigen bis zum Wahl-Rückzahlungstag (Put) (ausschließlich) aufgelaufener Zinsen zurückzuzahlen.

Wahl-Rückzahlungstag(e) (Put)

Wahl-Rückzahlungsbetrag/-beträge (Put)

[Wahl-Rückzahlungstag(e) (Put)]

[Wahl-Rückzahlungsbetrag/-beträge (Put)]

Dem Inhaber steht das Recht zur vorzeitigen Rückzahlung oder das Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung die Emittentin zuvor in Ausübung ihres Wahlrechts nach diesem § 5 verlangt hat.

- (b) Um dieses Wahlrecht auszuüben, hat der Inhaber nicht weniger als **[Mindestkündigungsfrist]** Tage und nicht mehr als **[Höchstkündigungsfrist]** Tage vor dem Wahl-Rückzahlungstag (Put), an dem die Rückzahlung gemäß der Ausübungserklärung (wie nachstehend definiert) erfolgen soll, bei der bezeichneten Geschäftsstelle der Emissionsstelle während der normalen Geschäftszeiten eine ordnungsgemäß ausgefüllte Mitteilung zur vorzeitigen Rückzahlung, ("Ausübungserklärung"), wie sie von der bezeichneten Geschäftsstelle der Emissionsstelle erhältlich ist, zu hinterlegen. Die Ausübung des Wahlrechts kann nicht widerrufen werden. Um das Recht, Rückzahlung verlangen zu können, auszuüben, muss der Inhaber dann, wenn die Schuldverschreibungen über Euroclear oder CBL gehalten werden, innerhalb der Kündigungsfrist die Emissionsstelle über eine solche Rechtsausübung in Übereinstimmung mit den Richtlinien von Euroclear und CBL in einer für Euroclear und CBL im Einzelfall akzeptablen Weise in Kenntnis setzen (wobei diese Richtlinien vorsehen können, dass die Emissionsstelle auf Weisung des Inhabers von Euroclear oder CBL oder einer gemeinsamen Verwahrstelle in elektronischer Form über die Rechtsausübung in Kenntnis gesetzt wird). Weiterhin ist für die Rechtsausübung erforderlich, dass zur Vornahme entsprechender Vermerke der Inhaber im Einzelfall die Globalurkunde der Emissionsstelle vorlegt bzw. die Vorlegung der Globalurkunde veranlasst.]

[(3)][(4)][(5)] Vorzeitiger Rückzahlungsbetrag.

Für die Zwecke von Absatz 2 dieses § 5 und § 9, entspricht der vorzeitige Rückzahlungsbetrag einer Schuldverschreibung dem Rückzahlungsbetrag.

§ 6

DIE EMISSIONSSTELLE , DIE ZAHLSTELLE[N] UND DIE BERECHNUNGSSTELLE

(1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Emissionsstelle, die Zahlstelle[n] und die Berechnungsstelle und deren anfänglich bezeichneten Geschäftsstellen lauten wie folgt:

Emissionsstelle und Zahlstelle:

Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Tanusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland

Zahlstelle:

BNP Paribas Securities Services, Luxembourg Branch
33, rue de Gasperich, Howald-Hesperange
L-2085 Luxembourg

[andere Zahlstellen und bezeichnete Geschäftsstellen]

Berechnungsstelle:

Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Tanusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland

Die Emissionsstelle, die Zahlstelle[n] und die Berechnungsstelle behalten sich das Recht vor, jederzeit die bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle in derselben Stadt zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Emissionsstelle oder einer Zahlstelle oder der Berechnungsstelle zu ändern oder zu beenden und eine andere Emissionsstelle oder zusätzliche oder andere Zahlstellen oder eine andere Berechnungsstelle zu bestellen. Die Emittentin wird jederzeit (i) eine Emissionsstelle unterhalten [,] [und] [(ii)] eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle in einer kontinentaleuropäischen Stadt unterhalten] **[Im Fall der Emission von Schuldverschreibungen durch die Bayerische Motoren Werke Aktiengesellschaft einfügen: [,] [und] [(iii)] eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle innerhalb der Bundesrepublik Deutschland unterhalten] [Im Fall von Schuldverschreibungen, die an der Luxemburger Börse notiert sind, einfügen: [,] [und] [(iv)] solange die Schuldverschreibungen an der Luxemburger Börse notiert sind, eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle in Luxemburg und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse verlangen] [Im Fall von Zahlungen in U.S.-Dollar einfügen: [,] [und] [(v)] falls Zahlungen bei den oder durch die Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten (wie in § 4 (3) definiert) aufgrund der Einführung von Devisenbeschränkungen oder ähnlichen Beschränkungen hinsichtlich oder vollständigen Zahlung oder des Empfangs der entsprechenden Beträge in U.S.-Dollar widerrechtlich oder tatsächlich ausgeschlossen werden, eine Zahlstelle mit bezeichneter Geschäftsstelle in New York City unterhalten] und [(vi)] eine Berechnungsstelle **[Falls die Berechnungsstelle eine bezeichnete Geschäftsstelle an einem vorgeschriebenen Ort zu unterhalten hat, einfügen:** mit bezeichneter Geschäftsstelle in **[vorgeschriebenen Ort]**] unterhalten. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort**

wirksam wird), sofern die Inhaber hierüber gemäß § 12 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

(3) *Beauftragte der Emittentin.* Die Emissionsstelle, die Zahlstelle[n] und die Berechnungsstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Inhabern; es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Inhabern begründet.

§ 7 STEUERN

(1) *Steuern.* Alle in Bezug auf die Schuldverschreibungen zu zahlenden Beträge (Kapital, Zinsen und zusätzliche Beträge) sind ohne Einbehalt an der Quelle oder Abzug an der Quelle von irgendwelchen gegenwärtigen oder zukünftigen Steuern, Gebühren oder Abgaben gleich welcher Art, die von oder **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V. einfügen:** in den Niederlanden oder den Vereinigten Staaten von Amerika oder im Fall von Zahlungen auf die Garantie] **[Im Fall der Emission von Schuldverschreibungen durch BMW US Capital, LLC einfügen:** in den Vereinigten Staaten oder im Fall von Zahlungen auf die Garantie] **[Im Fall der Emission von Schuldverschreibungen durch BMW Australia Finance Limited einfügen:** im Commonwealth von Australien ("Australien") oder den Vereinigten Staaten von Amerika oder im Fall von Zahlungen auf die Garantie] **[Im Fall der Emission von Schuldverschreibungen durch BMW Japan Finance Corp. einfügen:** in Japan oder den Vereinigten Staaten von Amerika oder im Fall von Zahlungen auf die Garantie] **[Im Fall der Emission von Schuldverschreibungen durch die Bayerische Motoren Werke Aktiengesellschaft einfügen:** in der Bundesrepublik Deutschland oder irgendeiner ihrer Gebietskörperschaften oder Behörden mit Steuerhoheit oder den Vereinigten Staaten von Amerika] **[Im Fall der Emission von Schuldverschreibungen durch die BMW Finance N.V., die BMW US Capital, LLC, die BMW Australia Finance Limited oder die BMW Japan Finance Corp. einfügen:** von oder in der Bundesrepublik Deutschland oder irgendeiner ihrer Gebietskörperschaften oder Behörden mit Steuerhoheit] erhoben werden ("Quellensteuer"), zu zahlen, es sei denn, die Quellensteuer ist kraft Gesetzes oder einer sonstigen Rechtsvorschrift oder aufgrund eines Vertrages zwischen der Emittentin und der maßgeblichen Jurisdiktion abzuziehen oder einzubehalten und an die zuständigen Behörden abzuführen. In diesem Fall trägt die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** oder gegebenenfalls die Garantin] vorbehaltlich des Absatzes 2 diejenigen zusätzlichen Beträge, die erforderlich sind, dass die von jedem Inhaber zu empfangenden Nettobeträge nach einem solchen Abzug oder Einbehalt von Quellensteuer den Beträgen entsprechen, die der Inhaber ohne einen solchen Abzug oder Einbehalt von Quellensteuer erhalten hätte. Die seit dem 1. Januar 2009 in der Bundesrepublik Deutschland bestehende Abgeltungsteuer, der darauf zu erhebende Solidaritätszuschlag und, sofern einschlägig, die darauf erhobene individuelle Kirchensteuer, sind keine Quellensteuern im oben genannten Sinn.

(2) *Keine zusätzlichen Beträge.* Die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** oder gegebenenfalls die Garantin] ist jedoch zur Zahlung zusätzlicher Beträge wegen solcher Steuern, Gebühren oder Abgaben nicht verpflichtet:

- (a) denen der Inhaber aus irgendeinem anderen Grund als der bloßen Tatsache unterliegt, dass er Inhaber ist und zwar insbesondere, wenn der Inhaber aufgrund einer persönlichen unbeschränkten oder beschränkten Steuerpflicht derartigen Steuern, Gebühren oder Abgaben unterliegt; oder
- (b) die auf andere Weise als durch Einbehalt an der Quelle oder Abzug an der Quelle aus Zahlungen von Kapital oder etwaigen Zinsen zu entrichten sind; oder
- (c) denen der Inhaber deshalb unterliegt, weil er Einwohner der Bundesrepublik Deutschland **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V. einfügen:** oder der Niederlande] **[Im Fall der Emission von Schuldverschreibungen durch BMW US Capital, LLC einfügen:** oder der Vereinigten Staaten] **[Im Fall der Emission von Schuldverschreibungen durch BMW Australia Finance Limited einfügen:** oder von Australien] **[Im Fall der Emission von Schuldverschreibungen durch BMW Japan Finance Corp. einfügen:** oder von Japan] oder weil er andere persönliche oder geschäftliche Verbindungen zu diesen Ländern hat und nicht lediglich aufgrund der Tatsache, dass Zahlungen

gemäß diesen Emissionsbedingungen aus **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V. einfügen: den Niederlanden]** **[Im Fall der Emission von Schuldverschreibungen durch BMW US Capital, LLC einfügen: oder der Vereinigten Staaten]** **[Im Fall der Emission von Schuldverschreibungen durch BMW Australia Finance Limited einfügen: Australien]** **[Im Fall einer Emission von Schuldverschreibungen durch BMW Japan Finance Corp. einfügen: Japan]** oder der Bundesrepublik Deutschland stammen oder steuerlich so behandelt werden; oder

- (d) wenn irgendwelche Steuern, Gebühren oder Abgaben nur deshalb erhoben oder an der Quelle abgezogen werden, weil der Inhaber oder der aus einer Schuldverschreibung wirtschaftlich Berechtigte es versäumt hat, irgendwelche Anforderungen (einschließlich die Verpflichtung zur Beibringung notwendiger Formulare und/oder anderer Unterlagen) aus einem Gesetz, einem Vertrag, einer Bestimmung oder einer administrativen Regelung der Steuergesetzgebung, aufgrund dessen er einen Anspruch auf Erlass der gesamten Steuer, Gebühr oder Abgabe oder eines Teils davon gehabt hätte, zu erfüllen, soweit eine solche Erfüllung als eine Vorbedingung vorausgesetzt wird, um von solchen Steuern, Gebühren, Pflichten, einem solchen Bescheid oder Abgabe abgeholfen oder befreit zu werden; oder
- (e) wo ein solcher Einbehalt oder Abzug gemäß den Abschnitten 1471 bis 1474 des Internal Revenue Code der Vereinigten Staaten von 1986 in der geltenden Fassung (*United States Internal Revenue Code of 1986, as amended*) (oder einer geänderten Fassung oder eines vergleichbaren Nachfolgegesetzes) (das „Gesetz“) und einer gegenwärtigen oder zukünftigen Verordnung oder offiziellen Verwaltungspraxis dazu oder eines Vertrages dazu („FATCA“) oder aufgrund jedes Abkommens, Gesetzes, jeder Regelung oder anderen offiziellen Empfehlung, die in den **[Falls Schuldverschreibungen von BMW Finance N.V. begeben werden, einfügen: Niederlanden oder]****[Falls Schuldverschreibungen von BMW Australia Finance Limited begeben werden, einfügen: Australien oder]****[Falls Schuldverschreibungen von BMW Japan Finance Corp. begeben werden: Japan]** oder der Bundesrepublik Deutschland in Umsetzung der FATCA erlassen wurden, oder jede Vereinbarung zwischen der Emittentin und/oder der Garantin und den Vereinigten Staaten oder einer ihrer Behörden zur Umsetzung der FATCA erfolgt; oder

[Bei Schuldverschreibungen der Bayerische Motoren Werke Aktiengesellschaft, der BMW Finance N.V., der BMW Australia Finance Limited oder der BMW Japan Finance Corp., einfügen:

- (f) die auf Grundlage der EU-Zinsrichtlinie betreffend die Einführung des EU-weiten Informationsaustauschs und die Besteuerung von Zinseinkünften in der vom Rat der Europäischen Union am 3. Juni 2003 erlassenen Fassung, oder aufgrund irgendeines Gesetzes oder einer Rechtsvorschrift, welche(s) diese Richtlinie beziehungsweise die in der Sitzung des ECOFIN-Rates vom 13. Dezember 2001 erzielten Ergebnisse umsetzt oder deren Anforderungen erfüllt, oder welches erlassen wird, um dieser Richtlinie zu entsprechen, auf eine Zahlung an eine natürliche Person erhoben werden; oder]

[Im Fall der Emission von Schuldverschreibungen durch BMW US Capital, LLC einfügen:

- [(f)]** wenn irgendwelche Steuern, Gebühren oder Abgaben durch die Vereinigten Staaten deshalb erhoben werden, weil der frühere oder gegenwärtige Status des Inhabers oder des aus einer Schuldverschreibung wirtschaftlich Berechtigten (i) einer passiven ausländischen Investmentgesellschaft; (ii) einer Gesellschaft, die zum Zwecke der Vermeidung von Bundessteuern der USA auf das Einkommen Gewinne einbehält; (iii) einer aus Sicht der Vereinigten Staaten ausländisch beherrschten Gesellschaft, die mit der Emittentin aufgrund einer Aktienbeteiligung verbunden ist; (iv) einer privaten Stiftung oder einer anderen in den Vereinigten Staaten steuerbefreiten Organisation; (v) einer Beteiligung von 10 Prozent bezogen auf die Emittentin im Sinne von Paragraph 871(h)(3)(B) oder 881(c)(3)(B) des Internal Revenue Code der Vereinigten Staaten von 1986 in der jeweils gültigen Fassung (der „Code“) oder (vi) einer Zinsen erhaltenden Bank wie in Paragraph 881(c)(3)(A) des Code beschrieben ist; oder
- [(g)]** wenn irgendwelche Steuern, Gebühren oder Abgaben auf Zahlungen aus den Schuldverschreibungen von einem Inhaber erhoben werden, der ein Treuhänder oder eine Personengesellschaft ist, oder jemand anders als der wirtschaftlich Berechtigte aus einer solchen Zahlung ist, sofern der Begünstigte oder der die Zahlung Erhaltende in Bezug auf eine solche Treuhandgesellschaft oder ein Gesellschafter einer Personengesellschaft oder ein

wirtschaftlich Berechtigter keinen Anspruch auf eine Zahlung zusätzlicher Beträge gehabt hätte, wenn der Begünstigte, der die Zahlung Erhaltende, der Gesellschafter oder der wirtschaftlich Berechtigte seinen ihm zustehenden oder ausgeschütteten Anteil direkt erhalten hätte; oder

[(h)] die von der Emittentin zu entrichten sind, wenn ein solcher Abzug oder Einbehalt von Quellensteuern durch den vollständigen Nachweis durch den Inhaber einer Ausnahme von der Verpflichtung zum Abzug oder Einbehalt von Quellensteuern (einschließlich der Möglichkeit einer Beibringung eines Formulars W-8BEN (oder Nachfolgeformular) oder W-9 (oder Nachfolgeformular)) hätte vermieden werden können; oder

[(i)] die von den Vereinigten Staaten einem Inhaber auferlegt werden hinsichtlich einer Zahlung unter einer Schuldverschreibung, die nicht von einem festgelegten Clearing System verwahrt wird oder die ansonsten anders als "in registered form" nach dem Gesetz behandelt wird (wobei der Terminus "in registered form" die Bedeutung aus dem Gesetz hat).]

[Im Fall der Emission von Schuldverschreibungen durch BMW Australia Finance Limited einfügen:

[(g)] die zahlbar sind aus Gründen, die in der Person des Inhabers liegen oder weil es sich bei der Person, die an den Schuldverschreibungen ein Interesse hat (ob unmittelbar oder mittelbar) um eine verbundene Person der Emittentin im Sinne des Abschnitts 128F(9) des Income Tax Assessment Act 1936 of Australia, in seiner geänderten Fassung (das "Australische Steuergesetz") handelt und entweder:

(i) die verbundene Person eine in Australien nicht ansässige Person ist und die Schuldverschreibung oder das Interesse an der Schuldverschreibung wurde nicht oder wäre nicht von der verbundenen Person im Rahmen ihrer Geschäftstätigkeit in Australien oder eines dauerhaften Sitzes der verbundenen Person in diesem Land erworben worden, oder

(ii) die verbundene Person ist in Australien ansässig und die Schuldverschreibung oder das Interesse an der Schuldverschreibung wurde oder wäre von der verbundenen Person im Rahmen ihrer Geschäftstätigkeit in Australien oder eines dauerhaften Sitzes der verbundenen Person in Australien erworben, und

die Schuldverschreibung oder das Interesse an der Schuldverschreibung wurde nicht oder wäre nicht von der verbundenen Person in ihrer Tätigkeit als Dealer, Manager oder Übernehmender hinsichtlich der Platzierung der Schuldverschreibung oder des Interesses an der Schuldverschreibung oder in ihrer Tätigkeit als Clearingstelle (*clearing house*), Verwahrer (*custodian*), Fondsmanager (*fund manager*) oder als eine für eine eingetragene Stelle (*registered scheme*) verantwortliche Person (diese Begriffe sind im Australischen Steuergesetz definiert) erworben, oder

[(h)] die von oder für einen Inhaber zahlbar sind hinsichtlich dessen diese Steuern gefordert oder einbehalten, abgezogen oder gezahlt werden, für den Fall, dass ein solcher Einbehalt, Abzug oder Zahlung hinsichtlich von gezahlten Zinsen oder einer Gutschrift hinsichtlich der Schuldverschreibung erfolgte und der Inhaber ist entweder in Australien ansässig und übt selber oder durch eine dauerhafte Einrichtung eine Geschäftstätigkeit außerhalb von Australien aus (einschließlich von Einwohnern) oder der Inhaber ist nicht in Australien ansässig und übt selber oder durch eine dauerhafte Einrichtung eine Geschäftstätigkeit außerhalb von Australien aus, oder

[(i)] für den Fall, dass die Pflicht zur Zahlung der maßgeblichen Steuer durch ein Fehlverhalten des Inhabers begründet wird, einer Zertifizierung, Identifizierung, Information, Dokumentation oder anderen Melde- oder vergleichbaren Pflichten hinsichtlich der Nationalität des Inhabers, des Aufenthaltsortes, der Identität oder einem Zusammenhang zu Australien (einschließlich aber nicht abschließend der maßgeblichen Vorschriften über die australische Steuernummer des Inhabers, die australische Geschäftsnummer oder Ausnahmeregelungen) nachzukommen, der auf australischen Gesetzen, Vorschriften oder Marktgepflogenheiten beruht oder einer politischen Unterabteilung oder einer Steuerbehörde als eine Vorbedingung von solchen Steuern abzuwehren oder zu befreien, oder]

[(g)] [(j)] jede Kombination der Absätze (a), (b), (c), (d), (e) [,] [und] (f) [,] [und] (g)[,] [(h)] [und] [(i)].

(3) *Maßgeblicher Tag.* Der "maßgebliche Tag" im Sinne dieser Emissionsbedingungen ist der Tag, an dem eine solche Zahlung zuerst fällig wird. Wenn jedoch die betreffende Zahlstelle die volle

Summe der zu zahlenden Beträge nicht am oder vor dem jeweiligen Zahltag ordnungsgemäß erhalten hat, dann ist der maßgebliche Tag der Tag, an dem die betreffende Zahlstelle die volle Summe der zu zahlenden Beträge erhalten hat und eine Mitteilung hierüber gemäß § 12 an die Inhaber ordnungsgemäß übermittelt wurde.

[Im Fall einer Emission von Schuldverschreibungen durch die BMW Japan Finance Corp. einfügen:

(4) Zinszahlungen auf Schuldverschreibungen, die an einen Einwohner Japans oder an eine japanische Gesellschaft ausgegeben werden (mit Ausnahme eines ausgewählten japanischen Finanzinstituts, das die Erfordernisse des japanischen Sonderbesteuerungsgesetzes erfüllt) oder an eine Person, die kein Einwohner Japans ist oder an eine ausländische Gesellschaft, die eine juristische Person ist, die ein bestimmtes Verhältnis, wie im Kabinettsbeschluss in Bezug auf das Sonderbesteuerungsgesetz (der „Kabinettsbeschluss“) spezifiziert, zur Emittentin hat („eine Person mit einem bestimmten Verhältnis“ („special related person“)), sind Gegenstand von japanischer Einkommensteuer in Höhe der in den folgenden Unterabsätzen (a) und (b) festgelegten Beträge:

- (a) falls Zinsen an einen Einwohner Japans oder an eine japanische Gesellschaft (mit Ausnahme der Bestimmung im folgenden Unterabsatz (b)), gezahlt werden, in der Höhe des Zinsbetrages; oder
- (b) falls Zinsen an eine Aktiengesellschaft, ein Finanzinstitut oder ein Wertpapierdienstleistungsunternehmen (die die Erfordernisse der japanischen Steuerbefreiung erfüllen) durch ihren Zahlungsbeauftragten in Japan, wie in Artikel 2-2, Absatz 2 des Kabinettsbeschlusses hinsichtlich des Sonderbesteuerungsgesetzes (der „Kabinettsbeschluss“) festgelegt, gezahlt werden, in der Höhe dieses Zinsbetrages abzüglich des Betrages, der während des Zeitraumes aufgelaufen ist, während dessen die Schuldverschreibungen ohne Unterbrechung von der Gesellschaft gehalten wurden.]

§ 8

HINTERLEGUNG, VORLEGUNGSFRIST, VERJÄHRUNGSFRIST

(1) *Hinterlegung.* Die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited, BMW Japan Finance Corp. einfügen:** bzw. die Garantin] kann die von Inhabern innerhalb von zwölf Monaten nach Fälligkeit nicht geltend gemachten Beträge an Kapital und etwaigen Zinsen auf Gefahr und Kosten dieser Inhaber beim Amtsgericht Frankfurt am Main unter Verzicht auf das Recht der Rücknahme hinterlegen, auch wenn die Inhaber sich nicht in Annahmeverzug befinden. Mit der Hinterlegung unter Verzicht auf das Recht der Rücknahme erlischt jeglicher Anspruch dieser Inhaber gegen die Emittentin und für die Erfüllung von deren Verbindlichkeiten haftende Dritte **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited, BMW Japan Finance Corp. einfügen:**, insbesondere der Garantin].

(2) *Vorlegungsfrist.* Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 BGB wird auf zehn Jahre verkürzt.

§ 9

KÜNDIGUNGSGRÜNDE

(1) *Kündigungsgründe.* Jeder Inhaber ist berechtigt, seine sämtlichen Forderungen aus den Schuldverschreibungen durch Kündigung gegenüber der Emissionsstelle fällig zu stellen und Rückzahlung eines gemäß § 5 errechneten Rückzahlungsbetrages zuzüglich etwaiger bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, wenn

- (a) die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited, BMW Japan Finance Corp. einfügen:** oder Garantin], gleichgültig aus welchen Gründen, Kapital oder etwaige Aufgelder oder etwaige Zinsen aus den Schuldverschreibungen einschließlich etwaiger gemäß § 7 Absatz 1 zu zahlender zusätzlicher Beträge, innerhalb von 30 Tagen nach dem betreffenden Fälligkeitstag nicht zahlt; oder
- (b) die Emittentin, gleichgültig aus welchen Gründen, mit der Erfüllung einer anderen Verpflichtung aus diesen Schuldverschreibungen, insbesondere aus § 2 (2) **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:**, oder die Garantin mit der

Erfüllung von irgendwelchen Verpflichtungen aus der Garantie] länger als 90 Tage nach Erhalt einer schriftlichen Mitteilung von der Emissionsstelle in Rückstand kommt; oder

- (c) gegen die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited, BMW Japan Finance Corp. einfügen:** oder Garantin] ein Insolvenzverfahren oder ein dem Insolvenzverfahren vergleichbares Verfahren in einer anderen Rechtsordnung eröffnet worden ist, und diese Entscheidung nicht innerhalb von 60 Tagen aufgehoben oder ausgesetzt worden ist, oder die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited, BMW Japan Finance Corp. einfügen:** oder die Garantin] von sich aus ein solches Verfahren beantragt oder einen Vergleich mit Inhabern anbietet oder durchführt; oder
 - (d) die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** oder die Garantin] aufgelöst oder liquidiert wird oder irgendeine Maßnahme zum Zwecke der Liquidation trifft, es sei denn, dass eine solche Liquidation im Zusammenhang mit einer Verschmelzung, Konsolidierung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft erfolgt und diese Gesellschaft **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limiteds oder BMW Japan Finance Corp. einfügen:** – im Falle der Emittentin –] alle Verpflichtungen aus diesen Emissionsbedingungen **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** und – im Falle der Garantin – alle Verpflichtungen aus der Garantie] und der Verpflichtungserklärung übernimmt; oder
 - (e) die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** oder die Garantin] die Zahlungen ganz oder ihre Geschäftstätigkeit einstellt.
- (2) *Übermittlung.* Eine derartige Kündigung zur Rückzahlung ist durch eingeschriebenen Brief an die Emissionsstelle zu richten und wird mit Zugang bei dieser wirksam. Die Fälligkeit tritt ein am 30. Tag nach Zugang der Kündigung, es sei denn, dass im Falle des Absatzes (1)(a) oder (1)(b) die Verpflichtung vorher erfüllt worden ist.

§ 10

SCHULDNERERSETZUNG

- (1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Inhaber **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** die Garantin oder] eine andere Gesellschaft, die als Emittentin unter diesem Programm ernannt wurde, als Emittentin (die "Neue Emittentin") hinsichtlich aller Verpflichtungen aus oder in Verbindung mit den Schuldverschreibungen an die Stelle der Emittentin zu setzen, sofern:
- (a) die Neue Emittentin alle Verpflichtungen der Emittentin aus oder in Verbindung mit den Schuldverschreibungen übernimmt;
 - (b) die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** die Garantin] und die Neue Emittentin alle etwa notwendigen Genehmigungen von den zuständigen Behörden erhalten hat, wonach die Neue Emittentin alle Beträge, die zur Erfüllung der aus oder in Verbindung mit den Schuldverschreibungen entstehenden Zahlungsverpflichtungen erforderlich sind, in der festgelegten Währung oder einer anderen erforderlichen Währung ohne Einbehalt an der Quelle oder Abzug an der Quelle von irgendwelchen Steuern, Gebühren oder Abgaben in dem Land, in dem die Neue Emittentin ansässig ist, an die jeweilige Zahlstelle transferieren darf;
 - (c) die **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** Garantin, soweit sie nicht selbst die Neue Emittentin ist,] **[Im Fall der Emission von Schuldverschreibungen durch Bayerische Motoren Werke Aktiengesellschaft einfügen:** Emittentin] in einer nach Form und Inhalt gleichen Art wie in der ursprünglichen Garantie durch die Garantin, unbedingt und unwiderruflich die Verpflichtungen der Neuen Emittentin garantiert.

(2) *Bezugnahmen.* Im Falle einer solchen Schuldnerersetzung gilt jede in diesen Emissionsbedingungen enthaltene Bezugnahme auf die Emittentin fortan als auf die Neue Emittentin bezogen, und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz hat, gilt fortan als auf das Land, in dem die Neue Emittentin ihren Sitz hat, bezogen, und, soweit hierbei ein Unterschied gemacht werden muss, auf das Land, in dem die Neue Emittentin für steuerliche Zwecke als gebietsansässig betrachtet wird.

(3) *Mitteilung.* Eine Schuldnerersetzung gemäß Absatz 1 dieses § 10 ist für die Inhaber bindend und ist ihnen mit einer Frist von mindestens 15 Geschäftstagen vor Inkrafttreten der Schuldnerersetzung gemäß § 12 öffentlich bekannt zu machen.

§ 11

BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, RÜCKKAUF UND ENTWERTUNG

(1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin behält sich vor, ohne Zustimmung der Inhaber weitere Schuldverschreibungen in der Weise zu begeben, dass sie mit den Schuldverschreibungen dieser Tranche zusammengefasst werden, eine einheitliche Emission (Serie) mit ihnen bilden und ihren Gesamtnennbetrag erhöhen. Die Schuldverschreibungen einer Serie haben identische Emissionsbedingungen und Ausstattungsmerkmale mit Ausnahme (im Fall von mehr als einer Tranche) des Begebungstages, des Verzinsungsbeginns und des Emissionspreises. Bezugnahmen auf "*Schuldverschreibungen*" gelten in gleicher Weise als Bezugnahmen auf solche Tranchen oder Serien.

(2) *Rückkauf und Entwertung.* Der Emittentin **[Im Fall einer Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:]**, der Garantin] und jeder ihrer [jeweiligen] Tochtergesellschaften ist es erlaubt, Schuldverschreibungen im Markt oder auf andere Weise zurückzukaufen. Zurückgekaufte oder auf andere Weise von der Emittentin **[Im Fall einer Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:]**, der Garantin] oder jeweiligen Tochtergesellschaft erworbene Schuldverschreibungen können gehalten, wiederverkauft oder nach Wahl der Emittentin **[Im Fall einer Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:]**, der Garantin] bzw. der betreffenden Tochtergesellschaft der jeweiligen Zahlstelle zur Entwertung überlassen werden.

§ 12

MITTEILUNGEN

[Im Fall von Schuldverschreibungen, die an der Luxemburger Börse notiert sind, einfügen:]

[(1)] *Bekanntmachung.* Soweit gesetzlich erforderlich, sind alle die Schuldverschreibungen betreffenden Mitteilungen im elektronischen Bundesanzeiger [sowie in einer führenden Tageszeitung mit allgemeiner Verbreitung in Luxemburg, voraussichtlich *[Luxemburger Wort]* *[Tageblatt]*] in deutscher oder englischer Sprache zu veröffentlichen und werden darüber hinaus über die Website der Luxemburger Börse unter "www.bourse.lu" veröffentlicht. Jede derartige Mitteilung gilt mit dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen mit dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.]

[(2)] *Mitteilung an das Clearing System.*

[Im Fall von Schuldverschreibungen, die nicht notiert sind, einfügen:] Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearing System zur Weiterleitung an die Inhaber übermitteln. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Inhabern mitgeteilt.]

[Im Fall von Schuldverschreibungen, die an der Luxemburger Börse notiert sind, einfügen:]

Solange Schuldverschreibungen an der Luxemburger Börse notiert sind, findet Absatz 1 Anwendung. Soweit dies Mitteilungen über den Zinssatz betrifft und die Regeln der Luxemburger Börse bzw. anwendbare Gesetze dies zulassen, kann die Emittentin eine Veröffentlichung nach Absatz 1 durch eine Mitteilung an das Clearing System zur Weiterleitung an die Inhaber ersetzen; jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Inhabern mitgeteilt.]

§ 13
ANWENDBARES RECHT, ERFÜLLUNGORT, GERICHTSSTAND
UND GERICHTLICHE GELTENDMACHUNG

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen, der Globalurkunde(n), der Garantie und der Verpflichtungserklärung sowie alle sich daraus ergebenden Rechte und Pflichten bestimmen sich ausschließlich nach dem Recht der Bundesrepublik Deutschland.

[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:

(2) *Erfüllungsort.* Erfüllungsort und ausschließlicher Gerichtsstand für alle Rechtsstreitigkeiten mit der Garantin, die sich aus den in der Garantie oder der Verpflichtungserklärung geregelten Rechtsverhältnissen ergeben, ist München, Bundesrepublik Deutschland.]

[(2)][(3)] *Gerichtsstand.* Für alle Rechtsstreitigkeiten, die sich aus den in diesen Emissionsbedingungen geregelten Rechtsverhältnissen ergeben, sind die Inhaber berechtigt, ihre Ansprüche nach ihrer Entscheidung entweder vor den zuständigen Gerichten in dem Land des Sitzes der Emittentin oder vor dem zuständigen Gericht in München, Bundesrepublik Deutschland, geltend zu machen. Alle anderen Gerichtsstände sind ausgeschlossen. Es gilt als vereinbart, dass diese Gerichte ausschließlich das Recht der Bundesrepublik Deutschland anwenden sollen.

[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:

[(3)][(4)] *Ernennung eines Zustellungsbevollmächtigten.* Für Rechtsstreitigkeiten zwischen den Inhabern und der Emittentin, die gegebenenfalls vor Gerichte in der Bundesrepublik Deutschland gebracht werden, ernennt die Emittentin die Bayerische Motoren Werke Aktiengesellschaft, Petuelring 130, 80788 München, Bundesrepublik Deutschland, als Zustellungsbevollmächtigte.]

[(3)][(4)][(5)] *Gerichtliche Geltendmachung.* Jeder Inhaber ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Inhaber und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Inhabers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; oder (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing System oder des Verwahrers des Clearing System bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "Depotbank" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Inhaber ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Inhaber seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land, in dem der Rechtsstreit eingeleitet wird, prozessual zulässig ist.

[(4)][(5)][(6)] *Kraftloserklärung.* Die deutschen Gerichte sind ausschließlich zuständig für die Kraftloserklärung abhanden gekommener oder vernichteter Globalurkunden.

§ 14
SPRACHE

[Falls die Emissionsbedingungen in deutscher Sprache mit einer Übersetzung in die englische Sprache abgefasst sind, einfügen: Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen in englischer Sprache mit einer Übersetzung in die deutsche Sprache abgefasst sind, einfügen: Diese Emissionsbedingungen sind in englischer Sprache abgefasst. Eine Übersetzung in die deutsche Sprache ist beigefügt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen ausschließlich in deutscher Sprache abgefasst sind, einfügen: Diese Emissionsbedingungen sind ausschließlich in deutscher Sprache abgefasst.]

[Falls die Emissionsbedingungen ausschließlich in englischer Sprache abgefasst sind, einfügen: Diese Emissionsbedingungen sind ausschließlich in englischer Sprache abgefasst.]

OPTION III:

EMISSIONSBEDINGUNGEN FÜR NULLKUPON-SCHULDVERSCHREIBUNGEN

§ 1

WÄHRUNG, STÜCKELUNG, FORM, EIGENTUM, DEFINITIONEN

(1) *Währung, Stückelung.* Diese Tranche **[Tranchen-Nummer]** von Schuldverschreibungen (die "Schuldverschreibungen") **[der Bayerische Motoren Werke Aktiengesellschaft] [der BMW Finance N.V.] [der BMW US Capital, LLC] [der BMW Australia Finance Limited] [der BMW Japan Finance Corp.]**, die für sich oder mit einer oder mehreren Tranchen gemeinsam eine "Serie" bilden kann, wird in **[festgelegte Währung]** (die "festgelegte Währung") im Gesamtnennbetrag von **[Gesamtnennbetrag]** (in Worten: **[Gesamtnennbetrag in Worten]**) in Stückelungen von **[festgelegte Stückelungen]** (die "festgelegten Stückelungen") begeben.

[Im Fall einer Zusammenfassung der Tranche mit einer bestehenden Serie, einfügen: Diese Tranche **[Tranchen-Nummer]** wird mit der Serie **[Seriennummer]**, ISIN **[●]** / WKN **[●]**, Tranche 1 begeben am **[Tag der Begebung der ersten Tranche]** [und der Tranche **[Tranchen-Nummer]** begeben am **[Tag der Begebung der zweiten Tranche]** dieser Serie] [und der Tranche **[Tranchen-Nummer]** begeben am **[Tag der Begebung der dritten Tranche]** dieser Serie] konsolidiert und formt mit dieser eine einheitliche Serie **[Seriennummer]**. Der Gesamtnennbetrag der Serie **[Seriennummer einfügen]** lautet **[Gesamtnennbetrag der gesamten konsolidierten Serie [Seriennummer]].**]

(2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber[.] **[Im Falle einer Emission der BMW US Capital, LLC mit einer Laufzeit von mehr als 183 Tagen, einfügen (wobei das maßgebliche Clearing System CBF oder ein Festgelegtes Clearing System sein muss und somit die Schuldverschreibungen Gegenstand eines book-entry Agreements sind):** wobei die Schuldverschreibungen jedoch für Zwecke des Bundeseinkommenssteuerrechts der Vereinigten Staaten wie Namenspapiere (*registered notes*) behandelt werden.]

[Bei Schuldverschreibungen der BMW US Capital, LLC (wobei das maßgebliche Clearing System CBF oder ein Festgelegtes Clearing System sein muss und somit die Schuldverschreibungen Gegenstand eines book-entry Agreements sind), einfügen:

(3) *Dauerglobalurkunde.*

(a) Die Schuldverschreibungen sind durch eine Dauerglobalurkunde (die "Dauerglobalurkunde" oder "Globalurkunde") ohne Zinsscheine verbrieft. Die Dauerglobalurkunde trägt die eigenhändigen oder faksimilierten Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und ist von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

(b) Das Eigentum von Rechten an der Globalurkunde und die Übertragung des Eigentums von solchen Rechten wird ausschließlich nachgewiesen und erfolgt nur durch die Unterlagen des Festgelegten Clearing Systems (wie nachstehend definiert).

Außer unter den nachstehend beschriebenen Umständen kann das Festgelegte Clearing System eine Globalurkunde nicht anders als durch Übertragung der Globalurkunde auf eine nachfolgende Verwahrstelle übertragen, und Rechte an dieser Globalurkunde können nicht gegen Schuldverschreibungen in effektiver, in Einzelurkunden verbriefter Form ausgetauscht werden.]

[Bei Schuldverschreibungen der Bayerische Motoren Werke Aktiengesellschaft, der BMW Finance N.V., der BMW Australia Finance Limited oder der BMW Japan Finance Corp., einfügen:

(3) *Vorläufige Globalurkunde – Austausch.*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "Vorläufige Globalurkunde") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen in den festgelegten Stückelungen, die durch eine Dauerglobalurkunde (die "Dauerglobalurkunde") ohne Zinsscheine verbrieft sind, ausgetauscht. Die vorläufige Globalurkunde und die Dauerglobalurkunde (jeweils eine "Globalurkunde") tragen

jeweils die eigenhändigen oder faksimilierten Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

- (b) Die vorläufige Globalurkunde wird an einem Tag gegen die Dauerglobalurkunde ausgetauscht, der nicht weniger als 40 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde liegen darf. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß Absatz (b) dieses § 1 (3) auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten (wie in § 4 (3) definiert) zu liefern.]

(4) *Clearing System.*

- [(a) [Die][Jede] [vorläufige] Globalurkunde [(falls diese nicht ausgetauscht wird) und/oder jede Dauerglobalurkunde] wird solange von einem oder im Namen eines Clearing Systems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. "Clearing System" bedeutet **[Bei mehr als einem Clearing System einfügen: jeweils Folgendes: [Clearstream Banking AG, Frankfurt am Main ("CBF")] [Clearstream Banking, société anonyme, Luxembourg ("CBL")] [Euroclear Bank SA/NV ("Euroclear")] [CBL und Euroclear jeweils ein "ICSD" und zusammen die "ICSDs"] [,] [und] [anderes Clearing System angeben] oder jeder Funktionsnachfolger, der die Funktionen [Bei mehr als einem Clearing System einfügen: jedes der Clearing Systeme] [Falls ein Clearing System, einfügen: des Clearing Systems] übernimmt.**

[Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden, einfügen:

[Falls die Globalurkunde eine NGN ist, einfügen (ausgenommen im Fall einer Emission von Schuldverschreibungen durch die BMW Australia Finance Limited): Die Schuldverschreibungen werden in Form einer new global note ("NGN") ausgegeben und von einer gemeinsamen Sicherheitsverwahrstelle (*common safekeeper*) im Namen beider ICSDs verwahrt.]

[Falls die Globalurkunde eine CGN ist, einfügen:

Die Schuldverschreibungen werden in Form einer classical global note ("CGN") ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt.]

[Bei Schuldverschreibungen der BMW US Capital, LLC (wobei das maßgebliche Clearing System CBF oder ein Festgelegtes Clearing System sein muss und somit die Schuldverschreibungen Gegenstand eines book-entry Agreements sind), einfügen:

- (b) "Festgelegtes Clearing System" bezeichnet ein Clearing System, das ein book-entry Agreement mit der Emittentin hinsichtlich der Schuldverschreibungen abgeschlossen hat, wobei dieses book-entry Agreement solche Vorschriften vorsieht, die es ermöglichen, dass die Schuldverschreibungen für Zwecke der U.S. Bundeseinkommensteuergesetze als Verbindlichkeiten in Form von Namensschuldverschreibungen angesehen werden. Zur Klarstellung: CBF ist ein Festgelegtes Clearing System, jedoch können auch andere Clearing Systeme in der Zukunft zu Festgelegten Clearing Systemen werden.]

- (5) *Inhaber von Schuldverschreibungen.* "Inhaber" bezeichnet jeden Inhaber eines Miteigentumsanteils oder anderen Rechts an den Schuldverschreibungen.

[Falls die Globalurkunde eine NGN ist, einfügen:

- (6) *Register der ICSDs.* Der Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis über den Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen, und eine zu diesen Zwecken von einem ICSD jeweils ausgestellte

Bestätigung mit dem Gesamtnennbetrag der so verbrieften Schuldverschreibungen ist ein schlüssiger Nachweis über den Inhalt des Registers des jeweiligen ICSD zu diesem Zeitpunkt.

Bei Rückzahlung oder Zahlung einer Rate bezüglich der durch die Globalurkunde verbrieften Schuldverschreibungen bzw. bei Kauf und Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen stellt die Emittentin sicher, dass die Einzelheiten über Rückzahlung und Zahlung bzw. Kauf und Löschung bezüglich der Globalurkunde *pro rata* in die Unterlagen der ICSDs eingetragen werden, und dass nach dieser Eintragung vom Gesamtnennbetrag der in die Register der ICSDs aufgenommenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Gesamtnennbetrag der zurückgekauften bzw. gekauften und entwerteten Schuldverschreibungen bzw. der Gesamtbetrag der so gezahlten Raten abgezogen wird.]]

[Falls die vorläufige Globalurkunde eine NGN ist, einfügen: Bei Austausch eines Anteils von ausschließlich durch eine vorläufige Globalurkunde verbrieften Schuldverschreibungen wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs *pro rata* in die Aufzeichnungen der ICSDs aufgenommen werden.]]

[(6)][(7)] *Eigentum.*

- (a) Der Inhaber gilt (soweit nicht zwingende Gesetzes- oder Verwaltungsbestimmungen entgegenstehen) in jeder Hinsicht als Alleineigentümer (ob fällig oder nicht fällig, und unabhängig von irgendwelchen Mitteilungen bezüglich des Eigentums, möglichen Treuhandschaften oder anderen Ansprüchen hieran oder hieraus, etwaigen Vermerken auf der Urkunde oder einem Diebstahl oder Verlust) und niemand kann dafür verantwortlich gemacht werden, dass er den Inhaber als Alleineigentümer angesehen hat.
- (b) Die Übertragung des Eigentums an Schuldverschreibungen geschieht durch Einigung der beteiligten Parteien über den Eigentumsübergang und durch die Übergabe oder auf andere Weise in Übereinstimmung mit den jeweils anzuwendenden Gesetzen und Vorschriften einschließlich der Regeln beteiligter Clearing Systeme. Bezugnahmen in diesen Emissionsbedingungen auf "Inhaber" von Schuldverschreibungen sind Bezugnahmen auf die Inhaber solcher Schuldverschreibungen.

[(7)][(8)] *Geschäftstag.* In diesen Emissionsbedingungen bezeichnet "Geschäftstag"

[Falls die festgelegte Währung nicht Renminbi ist, einfügen: einen Tag (außer einem Samstag oder Sonntag), an dem (i) das Clearing System und (ii) **[Falls die festgelegte Währung Euro ist, einfügen:** TARGET2 (wie nachstehend definiert) **[und Geschäftsbanken und Devisenmärkte in [sämtliche relevanten Finanzzentren]]] [Falls die festgelegte Währung nicht Euro ist, einfügen:** Geschäftsbanken und Devisenmarkt in **[sämtliche relevanten Finanzzentren]]** Zahlungen abwickeln.]

[Falls die festgelegte Währung Renminbi ist, einfügen: einen Tag (außer einem Samstag, Sonntag oder Feiertag), an dem Geschäftsbanken und Devisenmärkte am jeweiligen Vorlegungsort für den Geschäftsverkehr geöffnet sind, sowie einen Tag, an dem Geschäftsbanken in Hongkong (wie nachstehend definiert) für den Geschäftsverkehr und die Abwicklung von Zahlungen in Renminbi geöffnet sind, und einen Tag, an dem Geschäftsbanken in Hongkong für den Geschäftsverkehr geöffnet sind.]

[Falls die festgelegte Währung Euro ist, einfügen: "TARGET2" bedeutet das *Trans-European Automated Real-time Gross Settlement Express Transfer*-Zahlungssystem oder jedes Nachfolgesystem.]

§ 2

STATUS, VERPFLICHTUNGSERKLÄRUNG, GARANTIE

(1) *Status.* Die Schuldverschreibungen stellen direkte, unbedingte, nicht nachrangige und nicht besicherte Verbindlichkeiten der Emittentin dar, die gleichen Rang (ausgenommen Verbindlichkeiten aufgrund von nationalen oder lokalen Steuervorschriften, anderen gesetzlichen Ausnahmeregelungen, gesetzlichen Vorschriften und Verwaltungsvorschriften) mit allen anderen unbesicherten und nicht nachrangigen Verbindlichkeiten haben.

(2) *Verpflichtungserklärung der Emittentin.* Die Emittentin hat sich in einer separaten Erklärung (im Folgenden die "Verpflichtungserklärung" genannt) gegenüber den Inhabern verpflichtet, solange bis Kapital und etwaige zusätzliche Beträge gemäß § 7 (1) im vollen Umfang bei der jeweiligen Zahlstelle oder einer anderen gemäß § 6 ernannten Zahlstelle bereitgestellt worden sind, keine gegenwärtigen

oder zukünftigen Verbindlichkeiten (einschließlich Verbindlichkeiten aus Garantien oder Sicherheiten) aus anderen internationalen Kapitalmarktverbindlichkeiten (wie nachfolgend definiert) durch irgendwelche Grund- oder Mobiliarpfandrechte an ihrem gegenwärtigen oder zukünftigen Grundbesitz oder Vermögenswerten sicherzustellen oder sicherstellen zu lassen, es sei denn, dass diese Schuldverschreibungen zu gleicher Zeit und im gleichen Rang anteilig an dieser Sicherstellung teilnehmen. Ausgenommen hiervon sind Grund- oder Mobiliarpfandrechte und andere Besicherungen von Verbindlichkeiten aufgrund von nationalen oder lokalen Steuervorschriften, anderen gesetzlichen Ausnahmeregelungen, gesetzlichen Vorschriften und Verwaltungsvorschriften. Im Falle einer Besicherung dieser Schuldverschreibungen durch die Emittentin gemäß dieses § 2 (2) sind zugunsten der Inhaber die Sicherheiten mit den üblichen Rechten und Pflichten zu bestellen. Wenn ein Inhaber nach Eintritt eines der in § 9 aufgeführten Kündigungsgründe, die die Inhaber zur Kündigung berechtigen, wegen des Kapitals von nicht schon aus anderen Gründen fälligen Schuldverschreibungen eine für die Schuldverschreibungen gegebene Sicherheit in Anspruch nimmt, gelten die betreffenden Schuldverschreibungen in jeder Beziehung als fällig.

(3) *Sicherheiten für Asset-Backed-Securities.* Um etwaige Zweifel zu vermeiden, die in diesem § 2 enthaltene Verpflichtung gilt nicht in Bezug auf Sicherheiten, die in Zusammenhang mit asset-backed-securities (strukturierte Wertpapiere, die mit Vermögenswerten besichert sind) gestellt werden, die von einer Zweckgesellschaft begeben werden, und bei denen die Emittentin die ursprüngliche Inhaberin der zugrunde liegenden Vermögenswerte ist.

(4) *Internationale Kapitalmarktverbindlichkeit.* Für die Zwecke dieser Emissionsbedingungen bedeutet "internationale Kapitalmarktverbindlichkeit" jede Emission von Schuldverschreibungen mit einer ursprünglichen Laufzeit von mehr als einem Jahr.

[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:

(5) *Garantie.* Die Bayerische Motoren Werke Aktiengesellschaft (die "Garantin") hat gegenüber den Inhabern die unbedingte und unwiderrufliche Garantie für die ordnungsgemäße und pünktliche Zahlung des Kapitals einschließlich gegebenenfalls gemäß § 7 (1) zusätzlich erforderlicher Beträge in Übereinstimmung mit diesen Emissionsbedingungen übernommen (die "Garantie"). Die Garantie gibt jedem Inhaber das Recht, Erfüllung der in der Garantie übernommenen Verpflichtungen unmittelbar von der Garantin zu verlangen und diese Verpflichtungen unmittelbar gegen die Garantin durchzusetzen.

(6) *Verpflichtungserklärung der Garantin.* Die Garantin hat sich in der Verpflichtungserklärung gegenüber den Inhabern verpflichtet, solange bis Kapital sowie etwaige zusätzliche Beträge gemäß § 7 (1) bei der jeweiligen Zahlstelle oder einer anderen gemäß § 6 ernannten Zahlstelle bereitgestellt worden sind, keine gegenwärtigen oder zukünftigen Verbindlichkeiten (einschließlich Verbindlichkeiten aus Garantien oder Sicherheiten) aus anderen internationalen Kapitalmarktverbindlichkeiten durch irgendwelche Grund- oder Mobiliarpfandrechte an ihrem gegenwärtigen oder zukünftigen Grundbesitz oder Vermögenswerten sicherzustellen oder sicherstellen zu lassen, es sei denn, dass diese Schuldverschreibungen zu gleicher Zeit und im gleichen Rang anteilig an dieser Sicherstellung teilnehmen. Ausgenommen hiervon sind Grund- oder Mobiliarpfandrechte und andere Besicherungen aufgrund von nationalen oder lokalen Steuervorschriften, anderen gesetzlichen Ausnahmeregelungen, gesetzlichen Vorschriften und Verwaltungsvorschriften. Im Falle einer Besicherung dieser Schuldverschreibungen durch die Garantin gemäß dieses § 2 (6) sind zugunsten der Inhaber die Sicherheiten mit den üblichen Rechten und Pflichten zu bestellen. Wenn ein Inhaber nach Eintritt eines der in § 9 aufgeführten Kündigungsgründe, die die Inhaber zur Kündigung berechtigen, wegen des Kapitals von nicht schon aus anderen Gründen fälligen Schuldverschreibungen eine für die Schuldverschreibungen gegebene Sicherheit in Anspruch nimmt, gelten die betreffenden Schuldverschreibungen in jeder Beziehung als fällig.

(7) *Sicherheiten für Asset-Backed-Securities.* Um etwaige Zweifel zu vermeiden, die in diesem § 2 enthaltene Verpflichtung gilt nicht in Bezug auf Sicherheiten, die in Zusammenhang mit asset-backed-securities (strukturierte Wertpapiere, die mit Vermögenswerten besichert sind) gestellt werden, die von einer Zweckgesellschaft begeben werden, und bei denen die Garantin die ursprüngliche Inhaberin der zugrunde liegenden Vermögenswerte ist.]

§ 3 ZINSEN

(1) *Keine periodischen Zinszahlungen.* Es werden keine periodischen Zinszahlungen auf die Schuldverschreibungen vorgenommen.

(2) *Auflaufende Zinsen.* Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, fallen auf den ausstehenden Nennbetrag der Schuldverschreibungen ab dem Fälligkeitstag bis zum Tag der tatsächlichen Rückzahlung Zinsen in Höhe von **[Emissionsrendite] per annum an.**]

(3) *Zinstagequotient.* "Zinstagequotient" bezeichnet im Hinblick auf die Berechnung des Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "Zinsberechnungszeitraum"):

[Im Fall von Actual/Actual (Actual/365) einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365 (oder falls ein Teil des Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe von (A) der tatsächlichen Anzahl von Tagen in dem Teil des Zinsberechnungszeitraums, die in das Schaltjahr fallen, dividiert durch 366 und (B) die tatsächliche Anzahl von Tagen in dem Teil des Zinsberechnungszeitraums, die nicht in ein Schaltjahr fallen, dividiert durch 365).]

[Im Fall von Actual/365 (Fixed) und im Fall von Schuldverschreibungen, deren festgelegte Währung Renminbi ist, einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365.]

[Im Fall von Actual/360 einfügen: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360.]

[Im Fall von 30/360, 360/360 oder Bond Basis einfügen: die Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360, wobei die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen zu ermitteln ist (es sei denn, (A) der letzte Tag des Zinsberechnungszeitraums fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraums weder auf den 30. noch auf den 31. Tag eines Monats fällt, wobei in diesem Fall der den letzten Tag enthaltende Monat nicht als ein auf 30 Tage gekürzter Monat zu behandeln ist, oder (B) der letzte Tag des Zinsberechnungszeitraums fällt auf den letzten Tag des Monats Februar, wobei in diesem Fall der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln ist).]

[Im Fall von 30E/360 oder Eurobond Basis einfügen: die Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des Datums des ersten oder letzten Tages des Zinsberechnungszeitraums, es sei denn, der Fälligkeitstag des letzten Zinsberechnungszeitraums ist der letzte Tag des Monats Februar, wobei in diesem Fall der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln ist).]

§ 4 ZAHLUNGEN

(1) *Zahlungen auf Kapital.* Zahlungen von Kapital auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems gegen Vorlage und (außer im Fall von Teilzahlungen) Einreichung der Schuldverschreibungen zum Zeitpunkt der Zahlung verbrieften Globalurkunde bei der bezeichneten Geschäftsstelle der Emissionsstelle außerhalb der Vereinigten Staaten.

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der frei handelbaren und konvertierbaren Währung, die am entsprechenden Fälligkeitstag die Währung des Staates der festgelegten Währung ist **[Im Fall von Schuldverschreibungen, deren festgelegte Währung Renminbi ist, einfügen:** oder im USD-Gegenwert (wie in § 4 (7) definiert) durch Überweisung nach Maßgabe der Emissionsbedingungen der Schuldverschreibungen].

(3) *Vereinigte Staaten.* Für die Zwecke des **[Im Fall von Schuldverschreibungen, deren festgelegte Währung Renminbi ist, einfügen:** § 4 (7)[.] [und] des] **[Im Falle einer Emission von Schuldverschreibungen durch die BMW US Capital, LLC, einfügen:** § 1 [(2)][(3)] und des] Absatzes 1 dieses § 4 bezeichnet "Vereinigte Staaten" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des "District of Columbia") sowie deren Territorien

(einschließlich Puerto Ricos, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands) und Besitzungen und sonstigen ihrer Jurisdiktion unterliegenden Gebiete[.] **[Bei Schuldverschreibungen der Bayerische Motoren Werke Aktiengesellschaft, der BMW Finance N.V., der BMW Australia Finance Limited oder der BMW Japan Finance Corp., einfügen:** und "U.S.-Personen" bezeichnet alle Staatsangehörigen oder Gebietsansässigen der Vereinigten Staaten von Amerika, einschließlich Kapitalgesellschaften (oder anderen Rechtsgebilden, die im Sinne der Bundes-Einkommensteuer der Vereinigten Staaten als Kapitalgesellschaften behandelt werden) oder Personengesellschaften, die in den Vereinigten Staaten oder einer ihrer Gebietskörperschaften oder nach deren Recht gegründet oder organisiert sind, Erbmassen, deren Einkünfte unabhängig von der Quelle ihrer Einkünfte der Bundes-Einkommensteuer der Vereinigten Staaten unterliegen und Treuhandvermögen (Trust), wenn ein Gericht der Vereinigten Staaten imstande ist, die primäre Aufsicht über die Verwaltung des Treuhandvermögens auszuüben und eine oder mehrere U.S.-Personen die Befugnis haben, alle wesentlichen Entscheidungen des Treuhandvermögens zu kontrollieren; und unter "U.S.-Steuerausländern" sind alle Personen oder juristische Personen zu verstehen, die im Sinne der Bundes-Einkommensteuer der Vereinigten Staaten ausländische Kapitalgesellschaften, gebietsfremde ausländische natürliche Personen, ausländische Erbmassen oder Treuhandvermögen, die der Besteuerung gem. Section 1441 oder 1442 des Internal Revenue Code von 1986, in der jeweils gültigen Fassung, unterliegen, oder ausländische Personengesellschaften sind, letztere unter der Voraussetzung, dass ein oder mehrere Gesellschafter im Sinne der Bundes-Einkommensteuer der Vereinigten Staaten ausländische Kapitalgesellschaften, gebietsfremde ausländische natürliche Personen oder ausländische Erbmassen oder Treuhandvermögen sind, die der Besteuerung gem. Section 1441 oder 1442 des Internal Revenue Code von 1986, in der jeweils gültigen Fassung, unterliegen.]

(4) *Erfüllung.* Die Emittentin **[Im Fall einer Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** bzw. die Garantin] wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

(5) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann:

[Bei Anwendung der Modifizierte Folgender Geschäftstag-Konvention einfügen: hat der Inhaber keinen Anspruch auf Zahlung vor dem nächstfolgenden Zahltag, es sei denn jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zahltag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.]

[Bei Anwendung der FRN-Konvention einfügen: hat der Inhaber keinen Anspruch auf Zahlung vor dem nächstfolgenden Zahltag, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall (i) wird der Zahltag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen und (ii) ist jeder nachfolgende Zahltag der jeweils letzte Geschäftstag des Monats, der **[[Zahl] Monate] [andere festgelegte Zeiträume]** nach dem vorausgehenden anwendbaren Zahltag liegt.]

[Bei Anwendung der Folgender Geschäftstag-Konvention einfügen: hat der Inhaber keinen Anspruch vor dem nachfolgenden Zahltag.]

[Bei Anwendung der Vorangegangener Geschäftstag-Konvention einfügen: wird der Zahltag auf den unmittelbar vorausgehenden Zahltag vorgezogen.]

[Falls der zu zahlende Betrag nicht angepasst wird (*unadjusted*), einfügen: Der Inhaber ist nicht berechtigt, Zinsen oder sonstige Zahlungen aufgrund einer solchen Verschiebung zu verlangen (*unadjusted*).]

Für diese Zwecke bezeichnet "Zahltag" einen Geschäftstag.

(6) *Bezugnahmen auf Kapital.* Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen; den vorzeitigen Rückzahlungsbetrag der Schuldverschreibungen; **[Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen aus anderen als steuerlichen Gründen vorzeitig zurückzahlen, einfügen:** den Wahl-Rückzahlungsbetrag (Call) der Schuldverschreibungen;] **[Falls der Inhaber ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen:** den Wahl-Rückzahlungsbetrag (Put) der Schuldverschreibungen;] den Amortisationsbetrag von Schuldverschreibungen; sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge.

[Im Falle von Schuldverschreibungen, deren festgelegte Währung Renminbi ist, einfügen:

(7) *Zahlungen auf Schuldverschreibungen, deren festgelegte Währung Renminbi ist.* Ist die Emittentin unbeschadet des Vorstehenden aufgrund Fehlender Konvertierbarkeit, Fehlender Übertragbarkeit oder Illiquidität nicht in der Lage, Zahlungen von Kapital auf die Schuldverschreibungen bei Fälligkeit in Renminbi in Hongkong zu leisten, kann sie die jeweilige Zahlung in USD am jeweiligen Fälligkeitstag als einen dem jeweiligen auf Renminbi lautenden Betrag entsprechenden Gegenwert in USD leisten. Nach der Feststellung, dass ein Fall der Fehlenden Konvertierbarkeit, Fehlenden Übertragbarkeit oder Illiquidität vorliegt, hat die Emittentin spätestens um 10.00 Uhr (Hongkonger Zeit) zwei Geschäftstage vor dem Kurs-Feststellungstag die Emissionsstelle, die Berechnungsstelle und das Clearing System davon zu unterrichten. Zusätzlich wird die Emittentin den Inhabern sobald wie möglich von der Feststellung gemäß § 12 Mitteilung machen. Der Empfang einer solchen Mitteilung ist kein Erfordernis für Zahlungen in USD.

In diesem Falle erfolgen etwaige Zahlungen in USD per Überweisung auf ein auf USD lautendes Konto, das von dem Zahlungsempfänger bei einer Bank in New York City, Vereinigte Staaten unterhalten wird, oder durch einen auf eine Bank in New York City, Vereinigte Staaten ausgestellten auf USD lautenden Scheck, oder nach Wahl des Inhabers durch Überweisung auf ein auf USD lautendes Konto, das vom Inhaber bei einer Bank in New York City, Vereinigte Staaten unterhalten wird, und "Zahltag" bezeichnet für die Zwecke von § 4 (5) einen Tag, an dem Banken und Devisenmärkte für den allgemeinen Geschäftsverkehr am jeweiligen Vorlegungsort, London und New York City, Vereinigte Staaten, geöffnet sind.

Für die Zwecke dieser Emissionsbedingungen gelten folgende Begriffsbestimmungen:

"Berechnungsstelle" bezeichnet **[Name der Berechnungsstelle]**.

"Kurs-Feststellungs-Geschäftstag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken für den allgemeinen Geschäftsverkehr (einschließlich Devisengeschäften) in **[relevante(s) Finanzzentrum(en)]** geöffnet sind.

"Kurs-Feststellungstag" bezeichnet den Tag, der fünf Kurs-Feststellungs-Geschäftstage vor dem Fälligkeitstag der Zahlung des jeweiligen Betrags gemäß dieser Emissionsbedingungen liegt.

"Staatliche Stelle" bezeichnet alle de facto oder de jure staatlichen Regierungen (einschließlich der dazu gehörenden Behörden oder Organe), Gerichte, rechtsprechenden, verwaltungsbehördlichen oder sonstigen staatlichen Stellen und alle sonstigen (privatrechtlichen oder öffentlich-rechtlichen) Personen (einschließlich der jeweiligen Zentralbank), die mit Aufsichtsfunktionen über die Finanzmärkte in Hongkong betraut sind.

"Hongkong" bezeichnet die Sonderverwaltungszone Hongkong der VRC.

"Illiquidität" bezeichnet die Illiquidität des allgemeinen Renminbi-Devisenmarkts in Hongkong, infolgedessen die Emittentin nicht die ausreichende Menge an Renminbi zur Erfüllung ihrer Kapitalzahlungen (ganz oder teilweise) in Bezug auf die Schuldverschreibungen erhalten kann, wie von der Emittentin nach Treu und Glauben und in wirtschaftlich angemessener Weise nach Konsultation mit zwei Renminbi-Händlern festgelegt.

"Fehlende Konvertierbarkeit" bezeichnet den Eintritt eines Ereignisses, das die Umwandlung eines fälligen Betrags in Bezug auf die Schuldverschreibungen in Renminbi durch die Emittentin am allgemeinen Renminbi-Devisenmarkt in Hongkong unmöglich macht, sofern diese Unmöglichkeit nicht ausschließlich auf eine Nichteinhaltung von Gesetzen, Verordnungen oder Vorschriften einer Staatlichen Stelle seitens der Emittentin zurückzuführen ist (es sei denn, die betreffenden Gesetze, Verordnungen oder Vorschriften werden nach dem Begebungstag verabschiedet bzw. erlassen und ihre Einhaltung ist der Emittentin aufgrund eines außerhalb ihres Einflussbereichs liegenden Ereignisses nicht möglich).

"Fehlende Übertragbarkeit" bezeichnet den Eintritt eines Ereignisses, das eine Überweisung von Renminbi zwischen Konten innerhalb Hongkongs oder von einem Konto in Hongkong auf ein Konto außerhalb Hongkongs und der VRC oder von einem Konto außerhalb Hongkongs und der VRC auf ein Konto innerhalb Hongkongs durch die Emittentin unmöglich macht, sofern diese Unmöglichkeit nicht ausschließlich auf eine Nichteinhaltung von Gesetzen, Verordnungen oder Vorschriften einer Staatlichen Stelle seitens der Emittentin zurückzuführen ist (es sei denn, die betreffenden Gesetze, Verordnungen oder Vorschriften werden nach dem Begebungstag verabschiedet bzw. erlassen und ihre Einhaltung ist der Emittentin aufgrund eines außerhalb ihres Einflussbereichs liegenden Ereignisses nicht möglich).

“VRC” bezeichnet die Volksrepublik China, wobei dieser Begriff für Zwecke dieser Emissionsbedingungen Hongkong, die Sonderverwaltungszone Macao der Volksrepublik China und Taiwan ausschließt.

“Renminbi-Händler” bezeichnet einen unabhängigen Devisenhändler mit internationalem Renommee, der auf dem Renminbi-Devisenmarkt in Hongkong tätig ist.

“Kassakurs” bezeichnet den CNY/USD-Kassakurs für den Kauf von USD mit Renminbi über den außerbörslichen Renminbi-Devisenmarkt in Hongkong zur Abwicklung in zwei Geschäftstagen, wie von der Berechnungsstelle um oder gegen 11.00 Uhr (Hongkonger Zeit) an einem solchen Tag (i) auf Lieferbasis unter Bezugnahme auf die Reuters-Bildschirmseite TRADCNY3 oder (ii) falls kein Kurs verfügbar ist, auf einer Nichtlieferbasis durch Bezugnahme auf die Reuters-Bildschirmseite TRADNDF festgestellt oder (iii) falls keiner der vorgenannten Kurse verfügbar ist, den aktuellsten verfügbaren amtlichen CNY/USD-Kurs für die Abwicklung in zwei Geschäftstagen, der von der “*the State Administration of Foreign Exchange*” der VRC festgestellt und auf der Reuters-Bildschirmseite CNY=SAEC angezeigt wird, fest. Eine Bezugnahme auf eine Seite auf dem Reuters-Bildschirm bedeutet die bei Reuters Monitor Money Rate Service (oder eines Nachfolgedienstes) so bezeichnete Anzeigeseite oder eine andere Seite, die diese Anzeigeseite zum Zwecke der Anzeige eines vergleichbaren Devisenkurses ersetzt.

Falls keiner der vorstehend unter (i) bis (iii) genannten Kurse verfügbar ist, soll die Emittentin den Kassakurs nach ihrem eigenen vernünftigen Ermessen und in einer wirtschaftlich vernünftigen Art und Weise und unter Berücksichtigung der jeweiligen Marktpraxis bestimmen.

“USD” bedeutet die offizielle Währung der Vereinigten Staaten.

“USD-Gegenwert” eines Renminbi-Betrags bezeichnet den in USD anhand des Kassakurses für den jeweiligen Kurs-Feststellungstag umgewandelten jeweiligen Renminbi-Betrag, wie von der Berechnungsstelle um oder ungefähr um 11.00 Uhr (Hongkonger Zeit) an dem Kurs-Feststellungstag bestimmt und der Emittentin und der Zahlstelle unverzüglich angezeigt.

Alle Mitteilungen, Auffassungen, Feststellungen, Bescheinigungen, Berechnungen, Kursnotierungen und Entscheidungen, die für die Zwecke der Bestimmungen dieses § 4 (7) von der Berechnungsstelle oder der Emittentin abgegeben, zum Ausdruck gebracht, vorgenommen oder eingeholt werden, sind (außer in Fällen von Vorsatz, Arglist oder offenkundigen Fehlern) für die Emittentin und alle Inhaber verbindlich.]

§ 5 RÜCKZAHLUNG

(1) *Rückzahlung bei Endfälligkeit.*

Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am **[Fälligkeitstag]** (der “Fälligkeitstag”) zurückgezahlt. Der Rückzahlungsbetrag in Bezug auf jede Schuldverschreibung entspricht **[Falls die Schuldverschreibungen zu ihrem Nennbetrag zurückgezahlt werden, einfügen: dem Nennbetrag der Schuldverschreibungen] [Falls die Schuldverschreibungen nicht zu ihrem Nennbetrag zurückgezahlt werden, einfügen: [Rückzahlungsbetrag für die jeweilige Stückelung] je festgelegte [Stückelung]]**.

(2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Die Schuldverschreibungen können insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 Tagen gegenüber der Emissionsstelle und gemäß § 12 gegenüber den Inhabern vorzeitig gekündigt und zu ihrem vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zurückgezahlt werden, falls die Emittentin als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und – vorschritten der Bundesrepublik Deutschland **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., einfügen: oder der Niederlande] [Im Fall der Emission von Schuldverschreibungen durch BMW US Capital, LLC einfügen: oder der Vereinigten Staaten] [Im Fall der Emission von Schuldverschreibungen durch BMW Australia Finance Limited, einfügen: oder des Commonwealth von Australien] [Im Fall der Emission von Schuldverschreibungen durch BMW Japan Finance Corp., einfügen: oder Japans]** oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt diese Änderung oder Ergänzung wird am oder nach dem Tag, an dem die letzte Tranche dieser Serie von Schuldverschreibungen begeben wird, wirksam) bei Fälligkeit oder im Falle des Kaufs oder Tauschs

einer Schuldverschreibung zur Zahlung von zusätzlichen Beträgen gemäß § 7 (1) verpflichtet sein wird.

Eine solche Kündigung hat gemäß § 12 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

[Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen, einfügen:

(3) *Vorzeitige Rückzahlung nach Wahl der Emittentin.*

(a) Die Emittentin kann, unter Einhaltung einer Ankündigungsfrist von 15 Geschäftstagen gegenüber der Emissionsstelle und nachdem sie gemäß Absatz (b) gekündigt hat, die Schuldverschreibungen **[insgesamt] [oder] [teilweise] [am Wahl-Rückzahlungstag] [an den Wahl-Rückzahlungstagen] (Call) [zum Wahl-Rückzahlungsbetrag] [zu den Wahl-Rückzahlungsbeträgen] (Call)**, wie nachstehend angegeben, zurückzahlen. **[Bei Geltung eines Mindestrückzahlungsbetrages oder eines erhöhten Rückzahlungsbetrages einfügen:** Eine solche Rückzahlung muss in Höhe eines Nennbetrages von **[mindestens [Mindestrückzahlungsbetrag]] [erhöhter Rückzahlungsbetrag]** erfolgen.]

Wahl-Rückzahlungstag(e) (Call)

Wahl-Rückzahlungsbetrag/-beträge (Call)

[Wahl-Rückzahlungstag(e) (Call)]

[Wahl-Rückzahlungsbetrag/-beträge (Call)]

[Falls der Inhaber ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen: Der Emittentin steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Inhaber in Ausübung seines Wahlrechts nach Absatz [(4)] dieses § 5 verlangt hat.]

(b) Die Kündigung ist den Inhabern durch die Emittentin gemäß § 12 bekanntzugeben. Sie beinhaltet die folgenden Angaben:

(i) die zurückzuzahlende Tranche bzw. Serie von Schuldverschreibungen;

(ii) eine Erklärung, ob diese Tranche bzw. Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen;

(iii) den Wahl-Rückzahlungstag (Call), der nicht weniger als **[Mindestkündigungsfrist]** und nicht mehr als **[Höchstkündigungsfrist]** Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Inhabern liegen darf; und

(iv) den Wahl-Rückzahlungsbetrag (Call), zu dem Schuldverschreibungen zurückgezahlt werden.

(c) Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die zurückzuzahlenden Schuldverschreibungen nach den Regeln des betreffenden Clearing Systems ausgewählt. **[Im Fall einer Emission von Schuldverschreibungen in NGN Form, einfügen:** und eine solche Rückzahlung wird nach freiem Ermessen von CBL und Euroclear entweder als Pool Faktor (*pool factor*) oder als Reduzierung des Gesamtnennbetrages in den Aufzeichnungen von CBL und/oder Euroclear reflektiert.]

[Falls der Inhaber ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen, einfügen:

[(3)][(4)] *Vorzeitige Rückzahlung nach Wahl des Inhabers.*

(a) Die Emittentin hat eine Schuldverschreibung nach Ausübung des entsprechenden Wahlrechts durch den Inhaber **[am Wahl-Rückzahlungstag] [an den Wahl-Rückzahlungstagen] (Put) [zum Wahl-Rückzahlungsbetrag] [zu den Wahl-Rückzahlungsbeträgen] (Put)**, wie nachstehend angegeben, zurückzuzahlen.

Wahl-Rückzahlungstag(e) (Put)

Wahl-Rückzahlungsbetrag/-beträge (Put)

[Wahl-Rückzahlungstag(e) (Put)]

[Wahl-Rückzahlungsbetrag/-beträge (Put)]

Dem Inhaber steht das Recht zur vorzeitigen Rückzahlung oder das Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung die Emittentin zuvor in Ausübung ihres Wahlrechts nach diesem § 5 verlangt hat.

- (b) Um dieses Wahlrecht auszuüben, hat der Inhaber nicht weniger als **[Mindestkündigungsfrist]** Tage und nicht mehr als **[Höchstkündigungsfrist]** Tage vor dem Wahl-Rückzahlungstag (Put), an dem die Rückzahlung gemäß der Ausübungserklärung (wie nachstehend definiert) erfolgen soll, bei der bezeichneten Geschäftsstelle der Emissionsstelle während der normalen Geschäftszeiten eine ordnungsgemäß ausgefüllte Mitteilung zur vorzeitigen Rückzahlung, ("Ausübungserklärung"), wie sie von der bezeichneten Geschäftsstelle der Emissionsstelle erhältlich ist, zu hinterlegen. Die Ausübung des Wahlrechts kann nicht widerrufen werden. Um das Recht, Rückzahlung verlangen zu können, auszuüben, muss der Inhaber dann, wenn die Schuldverschreibungen über Euroclear oder CBL gehalten werden, innerhalb der Kündigungsfrist die Emissionsstelle über eine solche Rechtsausübung in Übereinstimmung mit den Richtlinien von Euroclear und CBL in einer für Euroclear und CBL im Einzelfall akzeptablen Weise in Kenntnis setzen (wobei diese Richtlinien vorsehen können, dass die Emissionsstelle auf Weisung des Inhabers von Euroclear oder CBL oder einer gemeinsamen Verwahrstelle in elektronischer Form über die Rechtsausübung in Kenntnis gesetzt wird). Weiterhin ist für die Rechtsausübung erforderlich, dass zur Vornahme entsprechender Vermerke der Inhaber im Einzelfall die Globalurkunde der Emissionsstelle vorlegt bzw. die Vorlegung der Globalurkunde veranlasste.]

[(3)][(4)][(5)] Vorzeitiger Rückzahlungsbetrag.

- (a) Der "Vorzeitige Rückzahlungsbetrag" (Amortisationsbetrag) einer Schuldverschreibung entspricht der Summe aus:
- (i) **[Referenzpreis]** (der "Referenzpreis") und
 - (ii) dem Produkt aus **[Emissionsrendite]** (jährlich kapitalisiert) und dem Referenzpreis ab dem (und einschließlich) **[Tag der Begebung]** bis zu (aber ausschließlich) dem vorgesehenen Rückzahlungstag oder (je nachdem) dem Tag, an dem die Schuldverschreibung fällig und rückzahlbar werden.

Wenn diese Berechnung für einen Zeitraum, der nicht vollen Jahren entspricht, durchzuführen ist, hat sie im Falle des nicht vollständigen Jahres (der "Zinsberechnungszeitraum") auf der Grundlage des Zinstagequotienten (wie vorstehend in § 3 definiert) zu erfolgen.

- (b) Falls die Emittentin den vorzeitigen Rückzahlungsbetrag bei Fälligkeit nicht zahlt, wird der Amortisationsbetrag einer Schuldverschreibung wie vorstehend beschrieben berechnet, jedoch mit der Maßgabe, dass die Bezugnahmen in Unterabsatz (a) (ii) auf den für die Rückzahlung vorgesehenen Rückzahlungstag oder den Tag, an dem diese Schuldverschreibungen fällig und rückzahlbar werden, durch den früheren der nachstehenden Zeitpunkte ersetzt werden: (i) der Tag, an dem die Zahlung gegen ordnungsgemäße Vorlage und Einreichung der betreffenden Schuldverschreibungen (sofern erforderlich) erfolgt, und (ii) der vierzehnte Tag, nachdem die Emissionsstelle gemäß § 12 mitgeteilt hat, dass ihr die für die Rückzahlung erforderlichen Mittel zur Verfügung gestellt wurden.

§ 6

DIE EMISSIONSSTELLE [UND] [,] DIE ZAHLSTELLE[N] [UND DIE BERECHNUNGSSTELLE]

- (1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Emissionsstelle [,] [und] die Zahlstelle[n] [und die Berechnungsstelle] und deren anfänglich bezeichneten Geschäftsstellen lauten wie folgt:

Emissionsstelle und Zahlstelle:
Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Taanusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland

Zahlstelle:

BNP Paribas Securities Services, Luxembourg Branch
33, rue de Gasperich, Howald-Hesperange
L-2085 Luxembourg

[andere Zahlstellen und bezeichnete Geschäftsstellen]**[Berechnungsstelle:**

Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Tanusanlage 12
60325 Frankfurt am Main
Bundesrepublik Deutschland]

Die Emissionsstelle[,] [und] die Zahlstelle[n] [und die Berechnungsstelle] behalten sich das Recht vor, jederzeit die bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle in derselben Stadt zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Emissionsstelle oder einer Zahlstelle [oder der Berechnungsstelle] zu ändern oder zu beenden und eine andere Emissionsstelle oder zusätzliche oder andere Zahlstellen [oder eine andere Berechnungsstelle] zu bestellen. Die Emittentin wird jederzeit (i) eine Emissionsstelle unterhalten [,] [und] [(ii)] eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle in einer kontinentaleuropäischen Stadt unterhalten] **[Im Fall der Emission von Schuldverschreibungen durch die Bayerische Motoren Werke Aktiengesellschaft einfügen: [,] [und] [(iii)] eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle innerhalb der Bundesrepublik Deutschland unterhalten] [Im Fall von Schuldverschreibungen, die an der Luxemburger Börse notiert sind, einfügen: [,] [und] [(iv)] solange die Schuldverschreibungen an der Luxemburger Börse notiert sind, eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle in Luxemburg und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse verlangen] [Im Fall von Zahlungen in U.S.-Dollar einfügen: [,] [und] [(v)] falls Zahlungen bei den oder durch die Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten (wie in § 4 (3) definiert) aufgrund der Einführung von Devisenbeschränkungen oder ähnlichen Beschränkungen hinsichtlich oder vollständigen Zahlung oder des Empfangs der entsprechenden Beträge in U.S.-Dollar widerrechtlich oder tatsächlich ausgeschlossen werden, eine Zahlstelle mit bezeichneter Geschäftsstelle in New York City unterhalten] [Falls eine Berechnungsstelle bestellt werden soll, einfügen: [,] [und] [(vi)] eine Berechnungsstelle [Falls die Berechnungsstelle eine bezeichnete Geschäftsstelle an einem vorgeschriebenen Ort zu unterhalten hat, einfügen: mit bezeichneter Geschäftsstelle in [vorgeschriebenen Ort]] unterhalten]. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Inhaber hierüber gemäß § 12 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.**

(3) *Beauftragte der Emittentin.* Die Emissionsstelle[,] [und] die Zahlstelle[n] [und die Berechnungsstelle] handeln ausschließlich als Beauftragte der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Inhabern; es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Inhabern begründet.

§ 7 STEUERN

(1) *Steuern.* Alle in Bezug auf die Schuldverschreibungen zu zahlenden Beträge (Kapital, Zinsen und zusätzliche Beträge) sind ohne Einbehalt an der Quelle oder Abzug an der Quelle von irgendwelchen gegenwärtigen oder zukünftigen Steuern, Gebühren oder Abgaben gleich welcher Art, die von oder **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V. einfügen: in den Niederlanden oder den Vereinigten Staaten von Amerika oder im Fall von Zahlungen auf die Garantie] [Im Fall der Emission von Schuldverschreibungen durch BMW US Capital, LLC einfügen: in den Vereinigten Staaten oder im Fall von Zahlungen auf die Garantie] [Im Fall der Emission von Schuldverschreibungen durch BMW Australia Finance Limited einfügen: im**

Commonwealth von Australien ("Australien") oder den Vereinigten Staaten von Amerika oder im Fall von Zahlungen auf die Garantie] **[Im Fall der Emission von Schuldverschreibungen durch BMW Japan Finance Corp. einfügen:** in Japan oder den Vereinigten Staaten von Amerika oder im Fall von Zahlungen auf die Garantie] **[Im Fall der Emission von Schuldverschreibungen durch die Bayerische Motoren Werke Aktiengesellschaft einfügen:** in der Bundesrepublik Deutschland oder irgendeiner ihrer Gebietskörperschaften oder Behörden mit Steuerhoheit oder den Vereinigten Staaten von Amerika] **[Im Fall der Emission von Schuldverschreibungen durch die BMW Finance N.V., die BMW US Capital, LLC, die BMW Australia Finance Limited oder die BMW Japan Finance Corp. einfügen:** von oder in der Bundesrepublik Deutschland oder irgendeiner ihrer Gebietskörperschaften oder Behörden mit Steuerhoheit] erhoben werden ("Quellensteuer"), zu zahlen, es sei denn, die Quellensteuer ist kraft Gesetzes oder einer sonstigen Rechtsvorschrift oder aufgrund eines Vertrages zwischen der Emittentin und der maßgeblichen Jurisdiktion abzuziehen oder einzubehalten und an die zuständigen Behörden abzuführen. In diesem Fall trägt die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** oder gegebenenfalls die Garantin] vorbehaltlich des Absatzes 2 diejenigen zusätzlichen Beträge, die erforderlich sind, dass die von jedem Inhaber zu empfangenden Nettobeträge nach einem solchen Abzug oder Einbehalt von Quellensteuer den Beträgen entsprechen, die der Inhaber ohne einen solchen Abzug oder Einbehalt von Quellensteuer erhalten hätte. Die seit dem 1. Januar 2009 in der Bundesrepublik Deutschland bestehende Abgeltungsteuer, der darauf zu erhebende Solidaritätszuschlag und, sofern einschlägig, die darauf erhobene individuelle Kirchensteuer, sind keine Quellensteuern im oben genannten Sinn.

(2) *Keine zusätzlichen Beträge.* Die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** oder gegebenenfalls die Garantin] ist jedoch zur Zahlung zusätzlicher Beträge wegen solcher Steuern, Gebühren oder Abgaben nicht verpflichtet:

- (a) denen der Inhaber aus irgendeinem anderen Grund als der bloßen Tatsache unterliegt, dass er Inhaber ist und zwar insbesondere, wenn der Inhaber aufgrund einer persönlichen unbeschränkten oder beschränkten Steuerpflicht derartigen Steuern, Gebühren oder Abgaben unterliegt; oder
- (b) die auf andere Weise als durch Einbehalt an der Quelle oder Abzug an der Quelle aus Zahlungen von Kapital zu entrichten sind; oder
- (c) denen der Inhaber deshalb unterliegt, weil er Einwohner der Bundesrepublik Deutschland **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V. einfügen:** oder der Niederlande] **[Im Fall der Emission von Schuldverschreibungen durch BMW US Capital, LLC einfügen:** oder der Vereinigten Staaten] **[Im Fall der Emission von Schuldverschreibungen durch BMW Australia Finance Limited einfügen:** oder von Australien] **[Im Fall der Emission von Schuldverschreibungen durch BMW Japan Finance Corp. einfügen:** oder von Japan] oder weil er andere persönliche oder geschäftliche Verbindungen zu diesen Ländern hat und nicht lediglich aufgrund der Tatsache, dass Zahlungen gemäß diesen Emissionsbedingungen aus **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V. einfügen:** den Niederlanden] **[Im Fall der Emission von Schuldverschreibungen durch BMW US Capital, LLC einfügen:** oder der Vereinigten Staaten] **[Im Fall der Emission von Schuldverschreibungen durch BMW Australia Finance Limited einfügen:** Australien] **[Im Fall einer Emission von Schuldverschreibungen durch BMW Japan Finance Corp. einfügen:** Japan] oder der Bundesrepublik Deutschland stammen oder steuerlich so behandelt werden; oder
- (d) wenn irgendwelche Steuern, Gebühren oder Abgaben nur deshalb erhoben oder an der Quelle abgezogen werden, weil der Inhaber oder der aus einer Schuldverschreibung wirtschaftlich Berechtigte es versäumt hat, irgendwelche Anforderungen (einschließlich die Verpflichtung zur Beibringung notwendiger Formulare und/oder anderer Unterlagen) aus einem Gesetz, einem Vertrag, einer Bestimmung oder einer administrativen Regelung der Steuergesetzgebung, aufgrund dessen er einen Anspruch auf Erlass der gesamten Steuer, Gebühr oder Abgabe oder eines Teils davon gehabt hätte, zu erfüllen, soweit eine solche Erfüllung als eine Vorbedingung vorausgesetzt wird, um von solchen Steuern, Gebühren, Pflichten, einem solchen Bescheid oder Abgabe abgeholfen oder befreit zu werden; oder

- (e) wo ein solcher Einbehalt oder Abzug gemäß den Abschnitten 1471 bis 1474 des Internal Revenue Code der Vereinigten Staaten von 1986 in der geltenden Fassung (*United States Internal Revenue Code of 1986, as amended*) (oder einer geänderten Fassung oder eines vergleichbaren Nachfolgegesetzes) (das „Gesetz“) und einer gegenwärtigen oder zukünftigen Verordnung oder offiziellen Verwaltungspraxis dazu oder eines Vertrages dazu (“FATCA”) oder aufgrund jedes Abkommens, Gesetzes, jeder Regelung oder anderen offiziellen Empfehlung, die in den **[Falls Schuldverschreibungen von BMW Finance N.V. begeben werden, einfügen: Niederlanden oder][Falls Schuldverschreibungen von BMW Australia Finance Limited begeben werden, einfügen: Australien oder][Falls Schuldverschreibungen von BMW Japan Finance Corp. begeben werden: Japan]** oder der Bundesrepublik Deutschland in Umsetzung der FATCA erlassen wurden, oder jede Vereinbarung zwischen der Emittentin und/oder der Garantin und den Vereinigten Staaten oder einer ihrer Behörden zur Umsetzung der FATCA erfolgt; oder

[Bei Schuldverschreibungen der Bayerische Motoren Werke Aktiengesellschaft, der BMW Finance N.V., der BMW Australia Finance Limited oder der BMW Japan Finance Corp., einfügen:

- (f) die auf Grundlage der EU-Zinsrichtlinie betreffend die Einführung des EU-weiten Informationsaustauschs und die Besteuerung von Zinseinkünften in der vom Rat der Europäischen Union am 3. Juni 2003 erlassenen Fassung, oder aufgrund irgendeines Gesetzes oder einer Rechtsvorschrift, welche(s) diese Richtlinie beziehungsweise die in der Sitzung des ECOFIN-Rates vom 13. Dezember 2001 erzielten Ergebnisse umsetzt oder deren Anforderungen erfüllt, oder welches erlassen wird, um dieser Richtlinie zu entsprechen, auf eine Zahlung an eine natürliche Person erhoben werden; oder]

[Im Fall der Emission von Schuldverschreibungen durch BMW US Capital, LLC einfügen:

- [(f)] wenn irgendwelche Steuern, Gebühren oder Abgaben durch die Vereinigten Staaten deshalb erhoben werden, weil der frühere oder gegenwärtige Status des Inhabers oder des aus einer Schuldverschreibung wirtschaftlich Berechtigten (i) einer passiven ausländischen Investmentgesellschaft; (ii) einer Gesellschaft, die zum Zwecke der Vermeidung von Bundessteuern der USA auf das Einkommen Gewinne einbehält; (iii) einer aus Sicht der Vereinigten Staaten ausländisch beherrschten Gesellschaft, die mit der Emittentin aufgrund einer Aktienbeteiligung verbunden ist; (iv) einer privaten Stiftung oder einer anderen in den Vereinigten Staaten steuerbefreiten Organisation; (v) einer Beteiligung von 10 Prozent bezogen auf die Emittentin im Sinne von Paragraph 871(h)(3)(B) oder 881(c)(3)(B) des Internal Revenue Code der Vereinigten Staaten von 1986 in der jeweils gültigen Fassung (der „Code“) oder (vi) einer Zinsen erhaltenden Bank wie in Paragraph 881(c)(3)(A) des Code beschrieben ist; oder
- [(g)] wenn irgendwelche Steuern, Gebühren oder Abgaben auf Zahlungen aus den Schuldverschreibungen von einem Inhaber erhoben werden, der ein Treuhänder oder eine Personengesellschaft ist, oder jemand anders als der wirtschaftlich Berechtigte aus einer solchen Zahlung ist, sofern der Begünstigte oder der die Zahlung Erhaltende in Bezug auf eine solche Treuhandgesellschaft oder ein Gesellschafter einer Personengesellschaft oder ein wirtschaftlich Berechtigter keinen Anspruch auf eine Zahlung zusätzlicher Beträge gehabt hätte, wenn der Begünstigte, der die Zahlung Erhaltende, der Gesellschafter oder der wirtschaftlich Berechtigte seinen ihm zustehenden oder ausgeschütteten Anteil direkt erhalten hätte; oder
- [(h)] die von der Emittentin zu entrichten sind, wenn ein solcher Abzug oder Einbehalt von Quellensteuern durch den vollständigen Nachweis durch den Inhaber einer Ausnahme von der Verpflichtung zum Abzug oder Einbehalt von Quellensteuern (einschließlich der Möglichkeit einer Beibringung eines Formulars W-8BEN (oder Nachfolgeformular) oder W-9 (oder Nachfolgeformular)) hätte vermieden werden können; oder
- [(i)] die von den Vereinigten Staaten einem Inhaber auferlegt werden hinsichtlich einer Zahlung unter einer Schuldverschreibung, die nicht von einem festgelegten Clearing System verwahrt wird oder die ansonsten anders als “in registered form” nach dem Gesetz behandelt wird (wobei der Terminus “in registered form” die Bedeutung aus dem Gesetz hat).]

[Im Fall der Emission von Schuldverschreibungen durch BMW Australia Finance Limited einfügen:

- [(g)] die zahlbar sind aus Gründen, die in der Person des Inhabers liegen oder weil es sich bei der Person, die an den Schuldverschreibungen ein Interesse hat (ob unmittelbar oder mittelbar) um

eine verbundene Person der Emittentin im Sinne des Abschnitts 128F(9) des Income Tax Assessment Act 1936 of Australia, in seiner geänderten Fassung (das "Australische Steuergesetz") handelt und entweder:

- (i) die verbundene Person eine in Australien nicht ansässige Person ist und die Schuldverschreibung oder das Interesse an der Schuldverschreibung wurde nicht oder wäre nicht von der verbundenen Person im Rahmen ihrer Geschäftstätigkeit in Australien oder eines dauerhaften Sitzes der verbundenen Person in diesem Land erworben worden, oder
- (ii) die verbundene Person ist in Australien ansässig und die Schuldverschreibung oder das Interesse an der Schuldverschreibung wurde oder wäre von der verbundenen Person im Rahmen ihrer Geschäftstätigkeit in Australien oder eines dauerhaften Sitzes der verbundenen Person in Australien erworben, und

die Schuldverschreibung oder das Interesse an der Schuldverschreibung wurde nicht oder wäre nicht von der verbundenen Person in ihrer Tätigkeit als Dealer, Manager oder Übernehmender hinsichtlich der Platzierung der Schuldverschreibung oder des Interesses an der Schuldverschreibung oder in ihrer Tätigkeit als Clearingstelle (*clearing house*), Verwahrer (*custodian*), Fondsmanager (*funds manager*) oder als eine für eine eingetragene Stelle (*registered scheme*) verantwortliche Person (diese Begriffe sind im Australischen Steuergesetz definiert) erworben, oder

[(h)] die von oder für einen Inhaber zahlbar sind hinsichtlich dessen diese Steuern gefordert oder einbehalten, abgezogen oder gezahlt werden, für den Fall, dass ein solcher Einbehalt, Abzug oder Zahlung hinsichtlich von gezahlten Zinsen oder einer Gutschrift hinsichtlich der Schuldverschreibung erfolgte und der Inhaber ist entweder in Australien ansässig und übt selber oder durch eine dauerhafte Einrichtung eine Geschäftstätigkeit außerhalb von Australien aus (einschließlich von Einwohnern) oder der Inhaber ist nicht in Australien ansässig und übt selber oder durch eine dauerhafte Einrichtung eine Geschäftstätigkeit außerhalb von Australien aus, oder

[(i)] für den Fall, dass die Pflicht zur Zahlung der maßgeblichen Steuer durch ein Fehlverhalten des Inhabers begründet wird, einer Zertifizierung, Identifizierung, Information, Dokumentation oder anderen Melde- oder vergleichbaren Pflichten hinsichtlich der Nationalität des Inhabers, des Aufenthaltsortes, der Identität oder einem Zusammenhang zu Australien (einschließlich aber nicht abschließend der maßgeblichen Vorschriften über die australische Steuernummer des Inhabers, die australische Geschäftsnummer oder Ausnahmeregelungen) nachzukommen, der auf australischen Gesetzen, Vorschriften oder Marktgepflogenheiten beruht oder einer politischen Unterabteilung oder einer Steuerbehörde als eine Vorbedingung von solchen Steuern abzuwehren oder zu befreien, oder]

[(g)] [(j)] jede Kombination der Absätze (a), (b), (c), (d), (e) [,] [und] (f) [,] [und] (g) [,] [(h)] [und] [(i)].

(3) *Maßgeblicher Tag*. Der "maßgebliche Tag" im Sinne dieser Emissionsbedingungen ist der Tag, an dem eine solche Zahlung zuerst fällig wird. Wenn jedoch die betreffende Zahlstelle die volle Summe der zu zahlenden Beträge nicht am oder vor dem jeweiligen Zahltag ordnungsgemäß erhalten hat, dann ist der maßgebliche Tag der Tag, an dem die betreffende Zahlstelle die volle Summe der zu zahlenden Beträge erhalten hat und eine Mitteilung hierüber gemäß § 12 an die Inhaber ordnungsgemäß übermittelt wurde.

[Im Fall einer Emission von Schuldverschreibungen durch die BMW Japan Finance Corp. einfügen:

(4) Zinszahlungen auf Schuldverschreibungen, die an einen Einwohner Japans oder an eine japanische Gesellschaft ausgegeben werden (mit Ausnahme eines ausgewählten japanischen Finanzinstituts, das die Erfordernisse des japanischen Sonderbesteuerungsgesetzes erfüllt) oder an eine Person, die kein Einwohner Japans ist oder an eine ausländische Gesellschaft, die eine juristische Person ist, die ein bestimmtes Verhältnis, wie im Kabinettsbeschluss in Bezug auf das Sonderbesteuerungsgesetz (der „Kabinettsbeschluss“) spezifiziert, zur Emittentin hat („eine Person mit einem bestimmten Verhältnis“ („special related person“)), sind Gegenstand von japanischer Einkommensteuer in Höhe der in den folgenden Unterabsätzen (a) und (b) festgelegten Beträge:

- (a) falls Zinsen an einen Einwohner Japans oder an eine japanische Gesellschaft (mit Ausnahme der Bestimmung im folgenden Unterabsatz (b)), gezahlt werden, in der Höhe des Zinsbetrages; oder

- (b) falls Zinsen an eine Aktiengesellschaft, ein Finanzinstitut oder ein Wertpapierdienstleistungsunternehmen (die die Erfordernisse der japanischen Steuerbefreiung erfüllen) durch ihren Zahlungsbeauftragten in Japan, wie in Artikel 2-2, Absatz 2 des Kabinettsbeschlusses hinsichtlich des Sonderbesteuerungsgesetzes (der „Kabinettsbeschluss“) festgelegt, gezahlt werden, in der Höhe dieses Zinsbetrages abzüglich des Betrages, der während des Zeitraumes aufgelaufen ist, während dessen die Schuldverschreibungen ohne Unterbrechung von der Gesellschaft gehalten wurden.]

§ 8

HINTERLEGUNG, VORLEGUNGSFRIST, VERJÄHRUNGSFRIST

- (1) *Hinterlegung.* Die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited, BMW Japan Finance Corp. einfügen:** bzw. die Garantin] kann die von Inhabern innerhalb von zwölf Monaten nach Fälligkeit nicht geltend gemachten Beträge an Kapital auf Gefahr und Kosten dieser Inhaber beim Amtsgericht Frankfurt am Main unter Verzicht auf das Recht der Rücknahme hinterlegen, auch wenn die Inhaber sich nicht in Annahmeverzug befinden. Mit der Hinterlegung unter Verzicht auf das Recht der Rücknahme erlischt jeglicher Anspruch dieser Inhaber gegen die Emittentin und für die Erfüllung von deren Verbindlichkeiten haftende Dritte **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited, BMW Japan Finance Corp. einfügen:**, insbesondere der Garantin].
- (2) *Vorlegungsfrist.* Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 BGB wird auf zehn Jahre verkürzt.

§ 9

KÜNDIGUNGSGRÜNDE

- (1) *Kündigungsgründe.* Jeder Inhaber ist berechtigt, seine sämtlichen Forderungen aus den Schuldverschreibungen durch Kündigung gegenüber der Emissionsstelle fällig zu stellen und Rückzahlung eines gemäß § 5 errechneten Rückzahlungsbetrages zu verlangen, wenn
- (a) die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited, BMW Japan Finance Corp. einfügen:** oder Garantin], gleichgültig aus welchen Gründen, Kapital oder etwaige Aufgelder aus den Schuldverschreibungen einschließlich etwaiger gemäß § 7 Absatz 1 zu zahlender zusätzlicher Beträge, innerhalb von 30 Tagen nach dem betreffenden Fälligkeitstag nicht zahlt; oder
- (b) die Emittentin, gleichgültig aus welchen Gründen, mit der Erfüllung einer anderen Verpflichtung aus diesen Schuldverschreibungen, insbesondere aus § 2 (2) **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:**, oder die Garantin mit der Erfüllung von irgendwelchen Verpflichtungen aus der Garantie] länger als 90 Tage nach Erhalt einer schriftlichen Mitteilung von der Emissionsstelle in Rückstand kommt; oder
- (c) gegen die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited, BMW Japan Finance Corp. einfügen:** oder Garantin] ein Insolvenzverfahren oder ein dem Insolvenzverfahren vergleichbares Verfahren in einer anderen Rechtsordnung eröffnet worden ist, und diese Entscheidung nicht innerhalb von 60 Tagen aufgehoben oder ausgesetzt worden ist, oder die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited, BMW Japan Finance Corp. einfügen:** oder die Garantin] von sich aus ein solches Verfahren beantragt oder einen Vergleich mit Inhabern anbietet oder durchführt; oder
- (d) die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** oder die Garantin] aufgelöst oder liquidiert wird oder irgendeine Maßnahme zum Zwecke der Liquidation trifft, es sei denn, dass eine solche Liquidation im Zusammenhang mit einer Verschmelzung, Konsolidierung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft erfolgt und diese Gesellschaft **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limiteds oder BMW Japan Finance Corp. einfügen:** – im Falle der Emittentin –] alle Verpflichtungen aus diesen Emissionsbedingungen **[Im Fall der Emission von**

Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen: und – im Falle der Garantin – alle Verpflichtungen aus der Garantie] und der Verpflichtungserklärung übernimmt; oder

- (e) die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** oder die Garantin] die Zahlungen ganz oder ihre Geschäftstätigkeit einstellt.
- (2) *Übermittlung.* Eine derartige Kündigung zur Rückzahlung ist durch eingeschriebenen Brief an die Emissionsstelle zu richten und wird mit Zugang bei dieser wirksam. Die Fälligkeit tritt ein am 30. Tag nach Zugang der Kündigung, es sei denn, dass im Falle des Absatzes (1)(a) oder (1)(b) die Verpflichtung vorher erfüllt worden ist.

§ 10

SCHULDNERERSETZUNG

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Inhaber **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** die Garantin oder] eine andere Gesellschaft, die als Emittentin unter diesem Programm ernannt wurde, als Emittentin (die "Neue Emittentin") hinsichtlich aller Verpflichtungen aus oder in Verbindung mit den Schuldverschreibungen an die Stelle der Emittentin zu setzen, sofern:

- (a) die Neue Emittentin alle Verpflichtungen der Emittentin aus oder in Verbindung mit den Schuldverschreibungen übernimmt;
- (b) die Emittentin **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** die Garantin] und die Neue Emittentin alle etwa notwendigen Genehmigungen von den zuständigen Behörden erhalten hat, wonach die Neue Emittentin alle Beträge, die zur Erfüllung der aus oder in Verbindung mit den Schuldverschreibungen entstehenden Zahlungsverpflichtungen erforderlich sind, in der festgelegten Währung oder einer anderen erforderlichen Währung ohne Einbehalt an der Quelle oder Abzug an der Quelle von irgendwelchen Steuern, Gebühren oder Abgaben in dem Land, in dem die Neue Emittentin ansässig ist, an die jeweilige Zahlstelle transferieren darf;
- (c) die **[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:** Garantin, soweit sie nicht selbst die Neue Emittentin ist,] **[Im Fall der Emission von Schuldverschreibungen durch Bayerische Motoren Werke Aktiengesellschaft einfügen:** Emittentin] in einer nach Form und Inhalt gleichen Art wie in der ursprünglichen Garantie durch die Garantin, unbeding und unwiderruflich die Verpflichtungen der Neuen Emittentin garantiert.

(2) *Bezugnahmen.* Im Falle einer solchen Schuldnerersetzung gilt jede in diesen Emissionsbedingungen enthaltene Bezugnahme auf die Emittentin fortan als auf die Neue Emittentin bezogen, und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz hat, gilt fortan als auf das Land, in dem die Neue Emittentin ihren Sitz hat, bezogen, und, soweit hierbei ein Unterschied gemacht werden muss, auf das Land, in dem die Neue Emittentin für steuerliche Zwecke als gebietsansässig betrachtet wird.

(3) *Mitteilung.* Eine Schuldnerersetzung gemäß Absatz 1 dieses § 10 ist für die Inhaber bindend und ist ihnen mit einer Frist von mindestens 15 Geschäftstagen vor Inkrafttreten der Schuldnerersetzung gemäß § 12 öffentlich bekannt zu machen.

§ 11

BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, RÜCKKAUF UND ENTWERTUNG

(1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin behält sich vor, ohne Zustimmung der Inhaber weitere Schuldverschreibungen in der Weise zu begeben, dass sie mit den Schuldverschreibungen dieser Tranche zusammengefasst werden, eine einheitliche Emission (Serie) mit ihnen bilden und ihren Gesamtnennbetrag erhöhen. Die Schuldverschreibungen einer Serie haben identische Emissionsbedingungen und Ausstattungsmerkmale mit Ausnahme (im Fall von mehr als einer Tranche) des Begebungstages und des Emissionspreises. Bezugnahmen auf "Schuldverschreibungen" gelten in gleicher Weise als Bezugnahmen auf solche Tranchen oder Serien.

(2) *Rückkauf und Entwertung.* Der Emittentin **[Im Fall einer Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:]**, der Garantin] und jeder ihrer [jeweiligen] Tochtergesellschaften ist es erlaubt, Schuldverschreibungen im Markt oder auf andere Weise zurückzukaufen. Zurückgekaufte oder auf andere Weise von der Emittentin **[Im Fall einer Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:]**, der Garantin] oder jeweiligen Tochtergesellschaft erworbene Schuldverschreibungen können gehalten, wiederverkauft oder nach Wahl der Emittentin **[Im Fall einer Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:]**, der Garantin] bzw. der betreffenden Tochtergesellschaft der jeweiligen Zahlstelle zur Entwertung überlassen werden.

§ 12 MITTEILUNGEN

[Im Fall von Schuldverschreibungen, die an der Luxemburger Börse notiert sind, einfügen:

[(1)] *Bekanntmachung.* Soweit gesetzlich erforderlich, sind alle die Schuldverschreibungen betreffenden Mitteilungen im elektronischen Bundesanzeiger [sowie in einer führenden Tageszeitung mit allgemeiner Verbreitung in Luxemburg, voraussichtlich *[Luxemburger Wort]* *[Tageblatt]*] in deutscher oder englischer Sprache zu veröffentlichen und werden darüber hinaus über die Website der Luxemburger Börse unter "www.bourse.lu" veröffentlicht. Jede derartige Mitteilung gilt mit dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen mit dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.]

[(2)] *Mitteilung an das Clearing System.*

[Im Fall von Schuldverschreibungen, die nicht notiert sind, einfügen: Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearing System zur Weiterleitung an die Inhaber übermitteln. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Inhabern mitgeteilt.]

[Im Fall von Schuldverschreibungen, die an der Luxemburger Börse notiert sind, einfügen:

Solange Schuldverschreibungen an der Luxemburger Börse notiert sind, findet Absatz 1 Anwendung. Soweit die Regeln der Luxemburger Börse bzw. anwendbare Gesetze dies zulassen, kann die Emittentin eine Veröffentlichung nach Absatz 1 durch eine Mitteilung an das Clearing System zur Weiterleitung an die Inhaber ersetzen; jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Inhabern mitgeteilt.]

§ 13 ANWENDBARES RECHT, ERFÜLLUNGORT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen, der Globalurkunde(n), der Garantie und der Verpflichtungserklärung sowie alle sich daraus ergebenden Rechte und Pflichten bestimmen sich ausschließlich nach dem Recht der Bundesrepublik Deutschland.

[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:

(2) *Erfüllungsort.* Erfüllungsort und ausschließlicher Gerichtsstand für alle Rechtsstreitigkeiten mit der Garantin, die sich aus den in der Garantie oder der Verpflichtungserklärung geregelten Rechtsverhältnissen ergeben, ist München, Bundesrepublik Deutschland.]

[(2)][(3)] *Gerichtsstand.* Für alle Rechtsstreitigkeiten, die sich aus den in diesen Emissionsbedingungen geregelten Rechtsverhältnissen ergeben, sind die Inhaber berechtigt, ihre Ansprüche nach ihrer Entscheidung entweder vor den zuständigen Gerichten in dem Land des Sitzes der Emittentin oder vor dem zuständigen Gericht in München, Bundesrepublik Deutschland, geltend zu machen. Alle anderen Gerichtsstände sind ausgeschlossen. Es gilt als vereinbart, dass diese Gerichte ausschließlich das Recht der Bundesrepublik Deutschland anwenden sollen.

[Im Fall der Emission von Schuldverschreibungen durch BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited oder BMW Japan Finance Corp. einfügen:

[(3)][(4)] *Ernennung eines Zustellungsbevollmächtigten.* Für Rechtsstreitigkeiten zwischen den Inhabern und der Emittentin, die gegebenenfalls vor Gerichte in der Bundesrepublik Deutschland

gebracht werden, ernennt die Emittentin die Bayerische Motoren Werke Aktiengesellschaft, Petuelring 130, 80788 München, Bundesrepublik Deutschland, als Zustellungsbevollmächtigte.]

~~[(3)]~~~~[(4)]~~~~[(5)]~~ *Gerichtliche Geltendmachung.* Jeder Inhaber ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Inhaber und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Inhabers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; oder (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing System oder des Verwahrers des Clearing System bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "Depotbank" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Inhaber ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Inhaber seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land, in dem der Rechtsstreit eingeleitet wird, prozessual zulässig ist.

~~[(4)]~~~~[(5)]~~~~[(6)]~~ *Kraftloserklärung.* Die deutschen Gerichte sind ausschließlich zuständig für die Kraftloserklärung abhanden gekommener oder vernichteter Globalurkunden.

§ 14 SPRACHE

[Falls die Emissionsbedingungen in deutscher Sprache mit einer Übersetzung in die englische Sprache abgefasst sind, einfügen: Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigefügt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen in englischer Sprache mit einer Übersetzung in die deutsche Sprache abgefasst sind, einfügen: Diese Emissionsbedingungen sind in englischer Sprache abgefasst. Eine Übersetzung in die deutsche Sprache ist beigefügt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.]

[Falls die Emissionsbedingungen ausschließlich in deutscher Sprache abgefasst sind, einfügen: Diese Emissionsbedingungen sind ausschließlich in deutscher Sprache abgefasst.]

[Falls die Emissionsbedingungen ausschließlich in englischer Sprache abgefasst sind, einfügen: Diese Emissionsbedingungen sind ausschließlich in englischer Sprache abgefasst.]

**TERMS AND CONDITIONS OF THE NOTES
(ENGLISH LANGUAGE VERSION)**

The Terms and Conditions of the Notes (the "Terms and Conditions") are set forth below for three options:

Option I comprises the set of Terms and Conditions that apply to Tranches of Notes with fixed interest rates.

Option II comprises the set of Terms and Conditions that apply to Tranches of Notes with floating interest rates.

Option III comprises the set of Terms and Conditions that apply to Tranches of Zero Coupon Notes.

The set of Terms and Conditions for each of these Options contains certain further options, which are characterised accordingly by indicating the respective optional provision through instructions and explanatory notes set out in square brackets within the set of Terms and Conditions.

In the Final Terms, the Issuer will determine whether Option I, Option II or Option III including certain further options contained therein, respectively, shall apply with respect to an individual issue of Notes, either by replicating the relevant provisions or by referring to the relevant options.

To the extent that upon the approval of the Prospectus neither the Issuer nor the Guarantor had knowledge of certain items which are applicable to an individual issue of Notes, this Prospectus contains placeholders set out in square brackets which include the relevant items that will be completed by the Final Terms.

[In the case, the Final Terms applicable to an individual issue only refer to the further options contained in the set of Terms and Conditions for Option I, Option II or Option III, the following applies: The provisions of these Terms and Conditions apply to the Notes as completed by the terms of the final terms which are attached hereto (the "Final Terms"). The blanks in the provisions of these Terms and Conditions which are applicable to the Notes shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions; alternative or optional provisions of these Terms and Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Terms and Conditions; all provisions of these Terms and Conditions which are inapplicable to the Notes (including instructions, explanatory notes and text set out in square brackets) shall be deemed to be deleted from these Terms and Conditions, as required to give effect to the terms of the Final Terms. Copies of the Final Terms may be obtained free of charge at the specified office of the Principal Paying Agent and at the principal office of the Issuer provided that, in the case of Notes which are not listed on any stock exchange, copies of the relevant Final Terms will only be available to Noteholders (as defined in § 1 (5)) of such Notes.]

OPTION I:

**TERMS AND CONDITIONS OF
FIXED RATE NOTES**

**§ 1
CURRENCY, DENOMINATION, FORM, TITLE
CERTAIN DEFINITIONS**

(1) *Currency, Denomination.* This tranche **[tranche number]** of Notes (the “Notes”) which itself or, together with one or more other tranches, shall comprise a “Series” of **[Bayerische Motoren Werke Aktiengesellschaft] [BMW Finance N.V.] [BMW US Capital, LLC] [BMW Australia Finance Limited] [BMW Japan Finance Corp.]** is being issued in **[specified currency]** (the “Specified Currency”) in the aggregate principal amount of **[aggregate principal amount]** (in words: **[aggregate principal amount in words]**) in denominations of **[Specified Denominations]** (the “Specified Denominations”).

[In case the Tranche to become part of an existing Series, insert: This Tranche **[tranche number]** shall be consolidated and form a single Series **[number of series]** with the Series **[number of series]**, ISIN **[•]** / WKN **[•]**, Tranche 1 issued on **[Issue Date of Tranche 1]** **[and Tranche [tranche number] issued on [Issue Date of Tranche 2] of this Series] [and Tranche [tranche number] issued on [Issue Date of Tranche 3] of this Series]**. The aggregate principal amount of Series **[number of series]** is **[aggregate principal amount of the consolidated Series [number of series].]**

(2) *Form.* The Notes are being issued in bearer form $[\cdot]$ **[In the case of Notes with a maturity of more than 183 days issued by BMW US Capital, LLC, insert (whereby the relevant Clearing System must be CBF or a Specified Clearing System in which case the Notes are subject to a book-entry agreement):**, provided, however, that the Notes will be treated as registered Notes for US federal income tax purposes.]

[In the case of Notes issued by BMW US Capital, LLC (whereby CBF or a Specified Clearing System must be the relevant Clearing System in which case the Notes are subject to a book-entry agreement), insert:

(3) *Permanent Global Note.*

- (a) The Notes are represented by a permanent global note (the “Permanent Global Note” or “Global Note”) without coupons. The Permanent Global Note shall be signed manually or in facsimile by two authorised signatories of the Issuer and shall be authenticated by or on behalf of the Principal Paying Agent. Definitive Notes and interest coupons will not be issued.
- (b) Ownership of beneficial interests in each Global Note will be shown on, and transfer of ownership of those interests will be effected only through, the records maintained by the Specified Clearing System (as defined below).

Except in the limited circumstances described below, the Specified Clearing System will not be able to transfer a Global Note, other than to transfer such Global Note to a successor depository, and beneficial interests in each Global Note may not be exchanged for Notes in definitive, certificated form.]

[In the case of Notes issued by Bayerische Motoren Werke Aktiengesellschaft, BMW Finance N.V., BMW Australia Finance Limited or by BMW Japan Finance Corp., insert:

(3) *Temporary Global Note – Exchange*

- (a) The Notes are initially represented by a temporary global note (the “Temporary Global Note”) without coupons. The Temporary Global Note will be exchangeable for Notes in Specified Denominations represented by a permanent global note (the “Permanent Global Note”) without coupons. The Temporary Global Note and the Permanent Global Note (each a “Global Note”) shall each be signed manually or in facsimile by two authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Principal Paying Agent. Definitive Notes and interest coupons will not be issued.
- (b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date not earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain

financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 1 (3). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 4 (3)).]

(4) *Clearing System.*

[(a)] [The] [Each] [Temporary] Global Note [(if it will not be exchanged) and/or Permanent Global Note] will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer under the Notes have been satisfied. "Clearing System" means [If more than one Clearing System, insert: each of] the following: [Clearstream Banking AG, Frankfurt am Main ("CBF")] [Clearstream Banking, société anonyme, Luxembourg ("CBL")] [Euroclear Bank S.A./N.V. ("Euroclear")] [CBL and Euroclear each an "ICSD" and together the "ICSDs"] [,] [and] [specify other Clearing System] or any successor in respect of the functions performed by [If more than one Clearing System, insert: each of the Clearing Systems] [If one Clearing System, insert: the Clearing System].

[In the case of Notes kept in custody on behalf of the ICSDs, insert:

[In the case the Global Note is a NGN, insert (except for an issue of Notes by BMW Australia Finance Limited):

The Notes are issued in new global note ("NGN") form and are kept in custody by a common safekeeper on behalf of both ICSDs.]

[In the case the Global Note is a CGN, insert:

The Notes are issued in classical global note ("CGN") form and are kept in custody by a common depositary on behalf of both ICSDs.]

[In the case of Notes issued by BMW US Capital, LLC (whereby CBF or a Specified Clearing System must be the relevant Clearing System in which case the Notes are subject to a book-entry agreement), insert:

(b) "Specified Clearing System" means a Clearing System that has entered into a book entry agreement with the Issuer in respect of the Notes, which agreement includes terms intended to provide that certain Notes are in registered form for U.S. federal income tax purposes. For the avoidance of doubt, CBF is a Specified Clearing System, however, other Clearing Systems may in the future become Specified Clearing Systems.]

(5) *Noteholders.* "Noteholder" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.

[In the case of the Global Note is an NGN, insert:

(6) *Records of the ICSDs.* The aggregate principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate principal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the aggregate principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of such redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered *pro rata* in the records of the ICSDs and, upon any such entry being made, the aggregate principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid.]

[In the case the Temporary Global Note is a NGN, insert: On an exchange of a portion only of the Notes represented by a Temporary Global Note, the issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.]]

[(6)][(7)] *Title*.

- (a) A holder of a Note (each a “Noteholder” and together, the “Noteholders”) will (except as otherwise required by applicable laws or regulatory requirements) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Noteholder.
- (b) The transfer of title to Notes is effected by agreement on the transfer among the relevant parties and by delivery or otherwise in accordance with any applicable laws and regulations including the rules of any relevant Clearing System. References herein to “*Noteholders*” of Notes are to the bearers of such Notes.

[(7)][(8)] *Business Day*. In these Terms and Conditions, “Business Day” means

[If the Specified Currency is not Renminbi, insert: a day which is a day (other than a Saturday or a Sunday) on which both (i) the Clearing System, and (ii) **[If the Specified Currency is Euro, insert:** TARGET2 (as defined below) **[and commercial banks and foreign exchange markets in [all relevant financial centres]] [If the Specified Currency is not Euro, insert:** commercial banks and foreign exchange markets in **[all relevant financial centres]] settle payments.]**

[If the Specified Currency is Renminbi, insert: a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business in the relevant place of presentation, on which commercial banks in Hong Kong (as defined below) are open for business and settlement of Renminbi payments and on which commercial banks in Hong Kong are open for business.]

[If the Specified Currency is Euro, insert: “TARGET2” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system or any successor system thereto.]

§ 2

STATUS, DECLARATION OF UNDERTAKING, GUARANTEE

(1) *Status*. The Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and (save for obligations in respect of national and local taxes, other statutory exceptions, requirements by applicable laws and any governmental requirements) rank equally with all its other unsecured and unsubordinated obligations.

(2) *Declaration of Undertaking of the Issuer*. In a separate declaration (the “Declaration of Undertaking”), the Issuer has undertaken *vis-à-vis* the Noteholders until such time as principal and interest, if any, as well as additional amounts pursuant to § 7 (1), if any, have been placed at the disposal of the relevant Paying Agent or any other paying agent appointed in accordance with § 6, not to secure or have secured by any mortgage or pledge on its present or future property or assets, any present or future obligations (including obligations under guarantees or securities) arising from other International Capital Market Indebtedness (as defined below), unless these Notes at the same time share *pari passu* and *pro rata* in such security. Any mortgage, pledge or other charge for obligations in respect of national and local taxes, other statutory exceptions, requirements by applicable laws and any governmental requirements shall be excluded. In the case of a security to be furnished for this issue of Notes by the Issuer pursuant to this § 2 (2), such security shall be furnished for the benefit of the Noteholders together with the related rights and obligations. If, after the occurrence of any of the events specified in § 9 which entitle the Noteholders to declare their Notes due, a Noteholder shall with respect to the principal of any Notes not otherwise due, enforce any security given for the Notes, then such Notes shall be deemed to be due for all purposes.

(3) *Security provided for Asset Backed Securities*. For the avoidance of doubt, the undertaking contained in this § 2 shall not apply to security provided in connection with asset backed securities issued by a special purpose vehicle where the Issuer is the originator of the underlying assets.

(4) *International Capital Market Indebtedness*. For the purpose of these Terms and Conditions “International Capital Market Indebtedness” means any issue of notes with an original maturity of more than one year.

[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:

(5) *Guarantee*. Bayerische Motoren Werke Aktiengesellschaft (the “Guarantor”) has assumed *vis-à-vis* the Noteholders the unconditional and irrevocable guarantee for the due and punctual payment of principal and interest, if any, including additional amounts, if any, pursuant to § 7 (1) (the “Guarantee”)

in accordance with these Terms and Conditions. The Guarantee gives rise to the right of each Noteholder to require performance of the Guarantee directly from the Guarantor and to enforce the Guarantee directly against the Guarantor.

(6) *Declaration of Undertaking of the Guarantor.* In the Declaration of Undertaking, the Guarantor has undertaken *vis-à-vis* the Noteholders, until such time as principal and interest, if any, as well as additional amounts pursuant to § 7 (1), if any, have been completely placed at the disposal of the relevant Paying Agent or any other paying agent appointed in accordance with § 6, not to secure or have secured by any mortgage or pledge on its present or future property or assets, any present or future obligations (including obligations under guarantees or securities) arising from other International Capital Market Indebtedness, unless these Notes at the same time share *pari passu* and *pro rata* in such security. Any mortgage, pledge or other charge or pledge for obligations in respect of national and local taxes, other statutory exceptions, requirements by applicable laws and any governmental requirements shall be excluded. In the case of a security to be furnished for this issue of Notes by the Guarantor pursuant to this § 2 (6), such security shall be furnished for the benefit of the Noteholders together with the related rights and obligations. If, after the occurrence of any of the events specified in § 9 which entitle the Noteholders to declare their Notes due, a Noteholder shall with respect to the principal of any Notes not otherwise due, enforce any security given for the Notes, then such Notes shall be deemed to be due for all purposes.

(7) *Security provided for Asset Backed Securities.* For the avoidance of doubt, the undertaking contained in this § 2 shall not apply to security provided in connection with asset backed securities issued by a special purpose vehicle where the Guarantor is the originator of the underlying assets.]

§ 3 INTEREST

(1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their principal amount at the rate of **[Rate of Interest]** per cent. *per annum* from (and including) **[Interest Commencement Date]** (the “Interest Commencement Date”) to (but excluding) the Maturity Date (as defined in § 5 (1)).

Interest shall be payable in arrears on **[Fixed Interest Date or Dates]** in each year (each such date, an “Interest Payment Date”), subject to adjustment in accordance with § 4 (5). The first payment of interest shall, subject to adjustment in accordance with § 4 (5), be made on **[first Interest Payment Date]** **[In the case of a first short/long coupon, insert: and will amount to [Initial Broken Amount per Specified Denomination] per Specified Denomination]. [In the case of a last short/long coupon, insert: Interest in respect of the period from [fixed Interest Date preceding the Maturity Date] (inclusive) to the Maturity Date (exclusive) will amount to [Final Broken Amount per Specified Denomination] per Specified Denomination].**

[If Actual/Actual (ICMA), insert: The number of interest determination dates per calendar year (each a “Determination Date” is [number of regular interest payment dates per calendar year]].

(2) *Accrual of Interest.* The Notes shall cease to bear interest from the day preceding their due date for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes beyond the due date until the day preceding the day of actual redemption of the Notes. This does not affect any additional rights that might be available to the Noteholders.

(3) *Calculation of Interest for Partial Periods.* If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).]

(4) *Day Count Fraction.* “Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (the “Calculation Period”):

[If Actual/Actual (ICMA), insert:

1. in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in § 3 (1)) that would occur in one calendar year; or

2. in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in § 3 (1)) that would occur in one calendar year; and the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in § 3 (1)) that would occur in one calendar year.

“Determination Period” means the period from (and including) an Interest Payment Date or, if none, the Interest Commencement Date to, but excluding, the next or first Interest Payment Date.]

[If 30/360, insert: the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360.]

[In the case of Actual/365 (Fixed) and if the Specified Currency is Renminbi, insert: the actual number of days in the Calculation Period divided by 365.]

[In the case of 30E/360 or Eurobond Basis, insert: the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).]

§ 4 PAYMENTS

(1) (a) *Payment of Principal.* Payment of principal in respect of Notes shall be made, subject to paragraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System upon presentation and (except in the case of partial payment) surrender of the Global Note representing the Notes at the time of payment at the specified office of the Principal Paying Agent outside the United States.

(b) *Payment of Interest.* Payment of interest on Notes shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the relevant accountholders of the Clearing System.

[In the case of interest payable on a Temporary Global Note, insert: Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to paragraph (2), to the Clearing System or to its order for credit to the relevant accountholders of the Clearing System, upon due certification as provided in § 1 (3) (b).]

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency **[In the case of Notes denominated in Renminbi, insert:** or in USD Equivalent (as defined in § 4 (7) below) as required by the Terms and Conditions by credit].

(3) *United States.* For purposes of **[In the case of Notes denominated in Renminbi, insert:** § 4 (7).] **[and]** **[In the case of Notes issued by BMW US Capital, LLC, insert:** § 1 [(2)][(3)] **and]** paragraph (1) of this § 4, “United States” means the United States of America (including the States thereof and the District of Columbia) and its territories (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands) and possessions and other areas subject to its jurisdiction[.]. **[In the case of Notes issued by Bayerische Motoren Werke Aktiengesellschaft, BMW Finance N.V., BMW Australia Finance Limited or by BMW Japan Finance Corp., insert:** and “U.S. Person” means any Citizen or resident of the United States, including any corporation (or any other entity treated as a corporation for U.S. Federal income tax purposes) or partnership created or organized in or under the laws of the United States or any political subdivision thereof, any estate the income of which is subject to U.S. Federal income taxation regardless of the source, and a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. Persons have the authority to control all substantial decisions of the trust; and the term “U.S. Alien” means any person who, or any entity which, for U.S. Federal income tax purposes, is a foreign corporation, a nonresident alien

individual, a foreign estate or trust subject to withholding under Sections 1441 or 1442 of the U.S. Internal Revenue Code of 1986, as amended, or a foreign partnership one or more of the members of which is, for U.S. Federal income tax purposes, a foreign corporation, a nonresident alien individual, or a foreign estate or trust subject to withholding under section 1441 or 1442 of the U.S. Internal Revenue Code of 1986, as amended.]

(4) *Discharge*. The Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or, as the case may be, the Guarantor] shall be discharged by payment to, or to the order of, the Clearing System.

(5) *Payment Business Day*. If the date for payment of any amount in respect of any Note is not a Payment Business Day, then

[In the case of Following Business Day Convention, insert: the Noteholder shall not be entitled to payment until the next day which is a Payment Business Day and shall not be entitled to further interest or other payment in respect of such adjustment (*unadjusted*).]

[In the case of Modified Following Business Day Convention, insert: the Noteholder shall not be entitled to payment until the next day which is a Payment Business Day unless it would thereby fall into the next calendar month, in which event the payment date shall be the immediately preceding Business Day. The Noteholder shall not be entitled to further interest or other payment in respect of such adjustment (*unadjusted*).] For these purposes, "Payment Business Day" means a Business Day.

(6) *References to Principal and Interest*. References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes; the Early Redemption Amount of the Notes; **[If redeemable at the option of the Issuer for other than Reasons for Taxation, insert:** the Call Redemption Amount of the Notes; **[If redeemable at the option of the Noteholder, insert:** the Put Redemption Amount of the Notes;] and any premium and any other amounts which may be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

[In the case of Notes denominated in Renminbi, insert: (7) *Payments on Notes denominated in Renminbi*. Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able to satisfy payments of principal or interest in respect of the Notes when due in Renminbi in Hong Kong, the Issuer may settle any such payment in USD on the respective due date at the USD Equivalent of any such Renminbi amount. Upon the determination that a condition of Inconvertibility, Non-transferability or Illiquidity prevails, the Issuer shall by no later than 10:00 am (Hong Kong time) two Business Days prior to the Rate Determination Date notify the Principal Paying Agent, the Calculation Agent and the Clearing System. The Issuer shall, in addition, give notice of the determination to the Noteholders in accordance with § 12 as soon as reasonably practicable. The receipt of such notice is not a requirement for payments in USD.

In such event, any payment of USD will be made by transfer to a USD denominated account maintained by the payee with, or by a USD denominated cheque drawn on, or, at the option of the relevant Noteholder, by transfer to a USD account maintained by the relevant Noteholder with, a bank in New York City, United States, and the definition of "Payment Business Day" for the purpose of § 4 (5) shall mean any day on which banks and foreign exchange markets are open for general business in the relevant place of presentation, London and New York City, United States.

For the purposes of these Terms and Conditions, the following terms shall have the following meanings:

"Calculation Agent" means **[name of Calculation Agent]**.

"Rate Determination Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in **[relevant financial centre(s)]**.

"Rate Determination Date" means the day which is five Rate Determination Business Days before the due date for payment of the relevant amount under these Terms and Conditions.

"Governmental Authority" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other (private or public) entity (including the central bank) charged with the regulation of the financial markets of Hong Kong.

"Hong Kong" means the Hong Kong Special Administrative Region of the PRC.

“Illiquidity” means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers.

“Inconvertibility” means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes into Renminbi in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the issue date of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“Non-transferability” means the occurrence of any event that makes it impossible for the Issuer to transfer Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong and outside the PRC or from an account outside Hong Kong and outside the PRC to an account inside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the issue date of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“PRC” means the People’s Republic of China, whereas for the purposes of these Terms and Conditions, the term PRC shall exclude Hong Kong, the Special Administrative Region of Macao of the People’s Republic of China and Taiwan.

“Renminbi Dealer” means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong.

“Spot Rate” means, in respect of a Rate Determination Date, the spot CNY/USD exchange rate for the purchase of USD with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two business days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on such date (i) on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or (ii) if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF, or (iii) if neither of the aforementioned rates is available, as the most recently available CNY/USD official fixing rate for settlement in two business days reported by the State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rate Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

If neither of the rates mentioned under (i) to (iii) above is available, the Issuer shall determine the Spot Rate in its equitable discretion and in a commercial reasonable manner having taken into account relevant market practice.

“USD” means the official currency of the United States.

“USD Equivalent” of a Renminbi amount means the relevant Renminbi amount converted into USD using the Spot Rate for the relevant Rate Determination Date as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Rate Determination Date and promptly notified to the Issuer and the Paying Agent.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 4(7) by the Calculation Agent or the Issuer, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer and all Noteholders.]

§ 5 REDEMPTION

(1) *Redemption at Maturity.*

Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on **[Maturity Date]** (the “Maturity Date”). The Final Redemption Amount in respect of each Note shall be its principal amount.

(2) *Early Redemption for Reasons of Taxation.* If as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany **[In the case of an issue of Notes by BMW**

Finance N.V., insert: or The Netherlands] [In the case of an issue of Notes by BMW US Capital, LLC, insert: or the United States of America] [In the case of an issue of Notes by BMW Australia Finance Limited, insert: or the Commonwealth of Australia] [In case of an issue of Notes by BMW Japan Finance Corp., insert: or Japan] or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this Series of Notes was issued, the Issuer is required to pay Additional Amounts pursuant to § 7 (1) on the next succeeding Interest Payment Date (as defined in § 3 (1)), the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not less than 30 days' prior notice of redemption given to the Principal Paying Agent and, in accordance with § 12, to the Noteholders, at their Early Redemption Amount (as defined below) together with interest, if any, accrued to the date fixed for redemption.

Any such notice shall be given in accordance with § 12. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

[If Notes are subject to Early Redemption at the Option of the Issuer, insert:

(3) *Early Redemption at the Option of the Issuer.*

(a) The Issuer may, not less than 15 Business Days before the giving of a notice to the Paying Agent and upon notice given in accordance with clause (b), redeem [all] [or] [some] of the Notes on the Call Redemption Date[s] at the Call Redemption Amount[s] set forth below together with accrued interest, if any, to (but excluding) the relevant Call Redemption Date. **[If Minimum Redemption Amount or Higher Redemption Amount applies, insert: Any such redemption must be of a principal amount equal to [at least [Minimum Redemption Amount]] [Higher Redemption Amount].]**

Call Redemption Date(s)

Call Redemption Amount(s)

[Call Redemption Date(s)]

[Call Redemption Amount(s)]

[If Notes are subject to Early Redemption at the Option of the Noteholder, insert: The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under subparagraph [(4)] of this § 5.]

(b) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with § 12. Such notice shall specify:

- (i) the Tranche or Series, as the case may be, of Notes subject to redemption;
- (ii) whether such Tranche or Series, as the case may be, is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed;
- (iii) the Call Redemption Date, which shall be not less than **[Minimum Notice to Noteholders]** nor more than **[Maximum Notice to Noteholders]** days after the date on which notice is given by the Issuer to the Noteholders; and
- (iv) the Call Redemption Amount at which such Notes are to be redeemed.

(c) In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System **[In the case of an issue of Notes in NGN form, insert:]** and such redemption shall be reflected in the records of CBL and/or Euroclear as either a pool factor or a reduction in nominal amount, at the discretion of CBL and Euroclear].

[If the Notes are subject to Early Redemption at the Option of a Noteholder, insert:

[(3)][(4)] *Early Redemption at the Option of a Noteholder.*

(a) The Issuer shall, at the option of a Noteholder, redeem such Note on the Put Redemption Date[s] at the Put Redemption Amount[s] set forth below together with accrued interest, if any, to (but excluding) the Put Redemption Date.

Put Redemption Date(s)

Put Redemption Amount(s)

[Put Redemption Date(s)]

[Put Redemption Amount(s)]

The Noteholder may not exercise the option for Early Redemption in respect of any Note which is the subject of the prior exercise by the Issuer of its option to redeem such Note under this § 5.

- (b) In order to exercise the option for Early Redemption, the Noteholder must, not less than **[Minimum Notice to Issuer]** nor more than **[Maximum Notice to Issuer]** days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice (as defined below), submit during normal business hours at the specified office of the Principal Paying Agent a duly completed early redemption notice ("Put Notice") in the form available from the specified office of the Principal Paying Agent. No option so exercised may be revoked or withdrawn. If these Notes are held through Euroclear or CBL, to exercise the right to require redemption of these Notes the Noteholder must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and CBL (which may include notice being given on his instruction by Euroclear or CBL or any common depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and CBL from time to time and at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly.]

~~[(3)]~~~~[(4)]~~~~[(5)]~~ *Early Redemption Amount.*

For purposes of paragraph (2) of this § 5 and § 9, the Early Redemption Amount of a Note shall be its Final Redemption Amount.

§ 6

PRINCIPAL PAYING AGENT [,] [AND] PAYING AGENT[S] [AND CALCULATION AGENT]

(1) *Appointment; Specified Offices.* The initial Principal Paying Agent [,] [and] Paying Agent[s] [and the Calculation Agent] and their respective initial specified offices are:

Principal Paying Agent and Paying Agent:

Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Taubusanlage 12
60325 Frankfurt am Main
Federal Republic of Germany

Paying Agent:

BNP Paribas Securities Services, Luxembourg Branch
33, rue de Gasperich, Howald-Hesperange
L-2085 Luxembourg

[other Paying Agents and specified offices]

[Calculation Agent:

Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Taubusanlage 12
60325 Frankfurt am Main
Federal Republic of Germany]

The Principal Paying Agent [,] [and] the Paying Agent[s] [and the Calculation Agent] reserve the right at any time to change their respective specified offices to some other specified office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent or any Paying Agent [or the Calculation Agent] and to appoint another Principal Paying Agent or additional or other Paying Agents [or another Calculation Agent]. The Issuer shall at all times maintain (i) a Principal Paying Agent [,] [and] [(ii)] a Paying Agent (which may be the Principal Paying Agent) with a specified office in a continental European city] **[In the case of Notes issued by Bayerische Motoren Werke Aktiengesellschaft, insert: [,] [and] [(iii)] a Paying Agent (which may be the Principal Paying Agent) with a specified office within the Federal Republic of Germany] [In the case of Notes listed on the Luxembourg Stock Exchange, insert: [,] [and] [(iv)]** so long as the Notes are listed on the Luxembourg Stock Exchange,

a Paying Agent (which may be the Principal Paying Agent) with a specified office in Luxembourg and/or in such other place as may be required by the rules of such stock exchange] **[In the case of payments in U.S. dollars, insert: [,] [and] [(v)]** if payments at or through the offices of all Paying Agents outside the United States (as defined in § 4 (3) hereof) become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in United States dollars, a Paying Agent with a specified office in New York City] **[If any Calculation Agent is to be appointed, insert: [,] [and] [(vi)]** a Calculation Agent **[If Calculation Agent is required to maintain a Specified Office in a Required Location, insert:** with a specified office located in **[Required Location]**. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with § 12.

(3) *Agents of the Issuer.* The Principal Paying Agent [,] [and] the Paying Agent[s] [and the Calculation Agent] act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Noteholder.

§ 7 TAXATION

(1) *Taxation.* All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes will be made free and clear of and without withholding at source or deduction at source for or on account of any present or future taxes, fees, duties, assessments or governmental charges of whatever nature which are imposed or levied by or on behalf of **[In the case of Notes issued by BMW Finance N.V., insert: The Netherlands, the United States or] [in the case of Notes issued by BMW US Capital, LLC, insert: the United States or] [In the case of Notes issued by BMW Australia Finance Limited, insert: the Commonwealth of Australia ("Australia"), the United States or] [In the case of Notes issued by BMW Japan Finance Corp., insert: Japan, the United States or] [In the case of Notes issued by Bayerische Motoren Werke Aktiengesellschaft, insert: the Federal Republic of Germany or any political subdivision thereof or any authority or agency therein or thereof having power to tax or the United States] **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:**, in the case of the Guarantee, the Federal Republic of Germany or any political subdivision thereof or any authority or agency therein or thereof having power to tax] ("Withholding Tax") (*Quellensteuer*), unless Withholding Tax is to be deducted or withheld by law or other regulations or pursuant to any agreement between the Issuer and the relevant jurisdiction and to be paid to the responsible authorities. In such event, the Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor, as the case may be.] will pay such additional amounts as may be necessary, subject to paragraph (2) below, in order that the net amounts receivable by the Noteholder after the withholding or deduction of such Withholding Tax shall equal the respective amounts which would have been received by such Noteholder had no such Withholding Tax been required. The flat withholding tax (*Abgeltungsteuer*), which has been in effect in the Federal Republic of Germany since 1 January 2009, the solidarity surcharge (*Solidaritätszuschlag*) imposed thereon and, if applicable, the individual church tax imposed thereon do not constitute such a Withholding Tax on interest payments.**

(2) *No Additional Amounts.* However, the Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor, as the case may be.] shall not be obliged to pay any additional amounts on account of any such taxes, fees, duties, assessments or governmental charges:

- (a) which the Noteholder is subject to for any reason other than the mere fact of being a Noteholder, including if the Noteholder is subject to such taxes, fees, duties, assessments or governmental charges based on a personal unlimited or limited tax liability; or
- (b) which are to be paid on payments of principal and interest, if any, by any means other than withholding at source or deduction at source; or
- (c) to which a Noteholder is liable by reason of being a resident of or having some other personal or business connection with **[In the case of Notes issued by BMW Finance N.V., insert: The Netherlands or] [In the case of Notes issued by BMW US Capital, LLC, insert: the United States or] [In the case of Notes issued by BMW Australia Finance Limited, insert: Australia or] [In the case of Notes issued by BMW Japan Finance Corp., insert: Japan or]** with the

Federal Republic of Germany and not merely by reason of the fact that payments according to these Terms and Conditions are derived, or for the purpose of taxation are deemed to be derived, from sources in **[In the case of Notes issued by BMW Finance N.V., insert: The Netherlands or]** **[In the case of Notes issued by BMW US Capital, LLC, insert: the United States or]** **[In the case of Notes issued by BMW Australia Finance Limited, insert: Australia or]** **[In the case of Notes issued by BMW Japan Finance Corp., insert: Japan or]** the Federal Republic of Germany; or

- (d) which are imposed or withheld by reason of the failure by the Noteholder or the beneficial owner of a Note to comply with any requirement (including the requirement to produce necessary forms and/or other documentation) under a statute, treaty, regulation, or administrative practice of the tax jurisdiction to establish entitlement to exemption from all or part of such tax, fee, duty, assessment, or other governmental charge to the extent such compliance is required as precondition to relief or exemption from such tax, fee, duty, assessment or other governmental charge; or
- (e) where such withholding or deduction is imposed under sections 1471 through 1474 of the United States Internal Revenue Code (or any amended or successor version that is substantively comparable) (the "Code") and any current or future regulations or official interpretations thereof or agreement thereunder ("FATCA"), or any treaty, law, regulation or other official guidance enacted by **[in the case of Notes issued BMW Finance N.V., insert: The Netherlands or]****[in the case of Notes issued by BMW Australia Finance Limited, insert: Australia or]****[in the case of Notes issued by BMW Japan Finance Corp., insert Japan or]** Germany implementing FATCA, or any agreement between the Issuer, and/or the Guarantor and the United States or any authority thereof implementing FATCA; or

[In the case of Notes issued by Bayerische Motoren Werke Aktiengesellschaft, BMW Finance N.V., BMW Australia Finance Limited or by BMW Japan Finance Corp., insert:

- (f) which are imposed on a payment to an individual and are required to be made pursuant to the EU Savings Directive dated 3 June 2003 concerning the EU-wide exchange of information and the taxation applicable to interest, or pursuant to any law or provision, implementing or complying with the requirements of such Directive or the conclusions of the ECOFIN Council meeting reached on 13 December 2001, or pursuant to any law or provision that is introduced in order to conform to such Directive; or]

[In the case of Notes issued by BMW US Capital, LLC, insert:

- [(f)]** which are imposed by the United States as a result of a Noteholder's or beneficial owner's past or present status as (i) a passive foreign investment company with respect to the United States; (ii) a corporation which accumulates earnings to avoid United States Federal income tax; (iii) a controlled foreign corporation with respect to the United States that is related to the Issuer through stock ownership; (iv) a private foundation or other tax-exempt organisation with respect to the United States; (v) a "10 per cent. shareholder" with respect to the Issuer within the meaning of Section 871(h)(3)(B) or 881(c)(3)(B) of the United States Internal Revenue Code of 1986, as amended (the "Code") or (vi) a bank receiving interest described in Section 881(c)(3)(A) of the Code; or
- [(g)]** which are imposed on any payment on a Note to a Noteholder that is a fiduciary or partnership or a person other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to the payment of additional amounts had such beneficiary settlor, member or beneficial owner directly received its beneficial or distributive share of such payment; or
- [(h)]** which are to be paid by the Issuer, if such deduction or withholding of Withholding Tax would not have been imposed but for the failure of the Noteholder to establish a complete exemption from such Withholding Tax (including, but not limited to, by providing a Form W-8BEN (or successor form) or W-9 (or successor form)); or
- [(i)]** which are imposed by the United States on any payment on a Note to a Noteholder that is released from custody by a Specified Clearing System or otherwise treated as not in "registered form" (as the term is understood in the Code).]

[In the case of Notes issued by BMW Australia Finance Limited, insert:

[(g)] which are payable by reason of the Noteholder or a person having the interest in the Notes (whether directly or indirectly) being an associate of the Issuer within the meaning given in section 128F(9) of the Income Tax Assessment Act 1936 of Australia (the "Australian Tax Act") as amended and either:

- (i) the associate is a non-resident of the Commonwealth of Australia and the Note or interest in the Note was not being, or would not be, acquired by the associate in carrying on a business in Australia at or through a permanent establishment of the associate in Australia; or
- (ii) the associate is a resident of Australia and the Note or interest in the Note was being, or would be, acquired by the associate in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country; and

the Note or interest in the Note was not being, or would not be, acquired by the associate in the capacity of a dealer, manager or underwriter in relation to the placement of the Note or interest in the Note or a clearing house, custodian, funds manager or responsible entity of a registered scheme (as those words are defined in the Australian Tax Act); or

[(h)] which are payable by or on behalf of a Noteholder in respect of whom such taxes are required or authorised to be withheld, deducted or paid, where such withholding, deduction or payment is in respect of interest paid or credited in respect of a Note and the Noteholder is either a resident of Australia carrying on business at or through a permanent establishment outside Australia (including a resident) or the Noteholder is a non-resident of Australia carrying on business in Australia at or through a permanent establishment outside Australia; or

[(i)] where liability for the relevant tax arises by reason of the failure of the Noteholder to comply with any certification, identification, information, documentation or other reporting or similar requirement concerning the Noteholder's nationality, residence, identity or connection with Australia (including but not limited to, the provision where relevant of the Noteholder's Australian Tax File Number, Australian Business Number or exemption details) based on law, regulation or market practice, of Australia or any political sub-division or taxing authority as a pre-condition to relief or exemption from such taxes; or]

[(g)][(j)] any combination of items (a), (b), (c), (d), (e) [.] [and] (f) [.] [and] (g) [.] [(h)] [and] [(i)].

(3) *Relevant Date.* As used herein, the "Relevant Date" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the relevant Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received by the relevant Agent, notice to that effect is duly given to the Noteholders in accordance with § 12.

[In the case of Notes issued by BMW Japan Finance Corp., insert:

(4) Interest payments on the Notes to be issued to an individual resident of Japan, a Japanese corporation (except for a designated Japanese financial institution which has complied with the requirements under the Act on Special Measures Concerning Taxation of Japan) or a non-resident of Japan or a foreign corporation that is a person with a special relationship as specified in the Cabinet Order relating to the Act on Special Measures Concerning Taxation (the "Cabinet Order") with the Issuer (a "specially related person") will be subject to Japanese income tax on the amount specified in sub-paragraph (a) or (b) below, as applicable:

- (a) if interest is paid to an individual resident of Japan, to a Japanese corporation or a non-resident of Japan or foreign corporation that is a specially related person (except as provided in sub-paragraph (b) below), the amount of such interest; or
- (b) if interest is paid to a public corporation, a financial institution or a financial instruments business operator (which has complied with Japanese tax exemption requirements) through its payment handling agent in Japan as provided in Article 2-2, Paragraph 2 of the Cabinet Order, the amount of such interest minus the amount accrued during the period held, without any cessation, by such entities.]

§ 8

DEPOSIT IN COURT, PERIOD FOR PRESENTATION, PRESCRIPTION

(1) *Deposit in Court.* The Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor, as the case may be,] may deposit with the lower court (*Amtsgericht*) of Frankfurt am Main principal and interest, if any, not claimed by Noteholders within twelve months after having become due, together with a waiver of the right to withdraw such deposit, even if the Noteholders are not in default of acceptance; such deposit will be at the risk and cost of such Noteholders. Upon such deposit, with such waiver of the right to withdraw, all claims of such Noteholders against the Issuer and against third parties which are liable for its obligations **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** in particular against the Guarantor,] shall cease.

(2) *Presentation Period.* The presentation period provided in § 801 paragraph 1, sentence 1 BGB (*German Civil Code*) is reduced to ten years.

§ 9

EVENTS OF DEFAULT

(1) *Events of Default.* Each Noteholder is entitled to declare due and payable by notice to the Principal Paying Agent his entire claims arising from the Notes and demand payment of the Early Redemption Amount, together with accrued interest (if any) to the date of repayment, calculated in accordance with § 5, if

- (a) the Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor], for any reason whatsoever, fails to pay within 30 days after the relevant due date principal, premium, if any, or interest, if any, on the Notes, including additional amounts pursuant to § 7 (1), if any; or
- (b) the Issuer, for any reason whatsoever, fails to duly perform any other obligation under these Notes, in particular pursuant to § 2 (2) **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor fails to duly perform any obligation pursuant to the Guarantee] and such failure continues for more than 90 days after receipt of a written notice from the Principal Paying Agent; or
- (c) German insolvency proceedings (*Insolvenzverfahren*) or similar proceedings in other jurisdictions are commenced by a court in the relevant place of jurisdiction against the Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor] which shall not have been reversed or stayed within 60 days or the Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor] itself institutes such proceedings, or offers or makes an arrangement for the benefit of creditors generally; or
- (d) the Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor] is wound up or dissolved or shall take any action for the purpose of liquidation unless such liquidation is to take place in connection with a merger, consolidation or any other form of combination with another company and such company in the case of the Issuer assumes all obligations arising from these Terms and Conditions **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** and in the case of the Guarantor assumes all obligations arising from the Guarantee] and the Declaration of Undertaking; or
- (e) the Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor] stops payment completely or ceases to carry on its business.

(2) *Notice.* Such notice for repayment shall be sent to the Principal Paying Agent by registered mail; such notice will become effective upon receipt by the Principal Paying Agent. Claims fall due 30 days after receipt of such notice unless, in the case of paragraph (1)(a) or (1)(b), the obligation has been satisfied or performed prior thereto.

§ 10
SUBSTITUTION

(1) *Substitution.* The Issuer shall be entitled at any time without the consent of the Noteholders to be substituted as Issuer by **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert: the Guarantor or]** any other company appointed as Issuer under this Programme (the “New Issuer”) in respect of all obligations arising from or in connection with the Notes, if;

- (a) the New Issuer assumes all obligations of the Issuer arising from or in connection with the Notes;
- (b) the Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert: the Guarantor]** and the New Issuer have obtained any necessary authorisation from the competent authorities to the effect that the New Issuer may transfer to the relevant Paying Agent in the Specified Currency or other relevant currency without the withholding at source or deduction at source of any taxes, fees, duties, assessments or other governmental charges in the country of its incorporation and, if different where it is treated as resident for tax purposes, all amounts required for the performance of the payment obligations arising from or in connection with the Notes;
- (c) the **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert: Guarantor, if it is not itself the New Issuer,]** **[In the case of Notes issued by Bayerische Motoren Werke Aktiengesellschaft, insert: Issuer]** irrevocably and unconditionally guarantees such obligations of the New Issuer in the same form and with the same content as the Notes have originally been guaranteed by the Guarantor.

(2) *Change of References.* In the event of such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the New Issuer and any reference to the country of incorporation of the Issuer shall from then on be deemed to refer to the country of incorporation of the New Issuer and, if different, to the country where it is treated as resident for tax purposes.

(3) *Notice.* Any substitution effected in accordance with subparagraph 1 of this § 10 shall be binding on the Noteholders and shall be notified to them in accordance with § 12 not less than 15 Business Days before such substitution comes into effect.

§ 11
FURTHER ISSUES, PURCHASES AND CANCELLATION

(1) *Further Issues.* The Issuer reserves the right from time to time without the consent of the Noteholders to issue additional notes so that the same shall be consolidated, form a single issue (Series) of Notes with and increase the aggregate principal amount of this Tranche of Notes. The Notes of each Tranche shall have identical Terms and Conditions and identical features. The Notes of each Series shall also have identical Terms and Conditions and identical features, except (in the case of more than one Tranche) for the Issue Date, the Interest Commencement Date and the Issue Price. References to “Notes” shall be construed as references to such Tranche or Series.

(2) *Purchases and Cancellation.* The Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert: the Guarantor]** and any of **[its/their]** subsidiaries is entitled to purchase Notes in the market or otherwise. Notes purchased or otherwise acquired by the Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert: the Guarantor]** or any of the subsidiaries may be held or resold or, at the discretion of the Issuer, surrendered to the relevant Paying Agent for cancellation.

§ 12
NOTICES

[In the case of Notes which are listed on a Stock Exchange, insert:

[(1)] *Publication.* If required by law, all notices concerning the Notes will be published in the German electronic federal gazette (*elektronischer Bundesanzeiger*) **[and in a leading daily newspaper having general circulation in Luxembourg [specify other location]. This newspaper is expected to be the [Luxemburger Wort] [Tageblatt] [other applicable newspaper having general circulation] in the**

German or English language.] [Furthermore, all notices concerning the Notes will be published on the website of the Luxembourg Stock Exchange under “www.bourse.lu” **[other webpage]**]. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of the first such publication).]

[(2)] *Notification to Clearing System.*

[In the case of Notes which are unlisted, insert: The Issuer shall deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which said notice was given to the Clearing System.]

[In the case of Notes which are listed on the Luxembourg Stock Exchange, insert: So long as any Notes are listed on the Luxembourg Stock Exchange, subparagraph (1) shall apply. In the case of notices regarding the Rate of Interest and, if the rules of the Luxembourg Stock Exchange and applicable laws so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Noteholders in lieu of publication set forth in subparagraph (1) above; any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to the Clearing System.]

§ 13

APPLICABLE LAW, PLACE OF PERFORMANCE, PLACE OF JURISDICTION AND ENFORCEMENT

(1) *Applicable Law.* The form and content of the Notes, the Global Note(s) and the Guarantee and the Declaration of Undertaking and all the rights and duties arising therefrom shall be governed exclusively by the laws of the Federal Republic of Germany.

[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:

(2) *Place of Performance.* Place of performance and exclusive venue for all litigation with the Guarantor arising from legal relations established in the Guarantee or the Declaration of Undertaking is Munich, Federal Republic of Germany.]

[(2)][(3)] *Submission to Jurisdiction.* For all litigation arising from legal relations established in these Terms and Conditions, the Noteholders are entitled to assert their claims, to the exclusion of all other venues, at their discretion either before the competent courts in the relevant country of incorporation of the Issuer or before the competent courts in Munich, Federal Republic of Germany. It is agreed that such courts shall apply exclusively the laws of the Federal Republic of Germany.

[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:

[(3)][(4)] *Appointment of Authorised Agent.* For litigation, if any, between the Noteholders and the Issuer which is brought before courts in the Federal Republic of Germany, the Issuer appoints Bayerische Motoren Werke Aktiengesellschaft, Petuelring 130, 80788 Munich, Federal Republic of Germany, as agent for service of process.]

[(3)][(4)][(5)] *Enforcement.* A Noteholder may in any proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, in his own name enforce his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Noteholder maintains a securities account in respect of Notes (a) stating the full name and address of the Noteholder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) or (ii) a copy of the Note in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes. For purposes of the foregoing, “Custodian” means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the Clearing System. Each Noteholder may, without prejudice of the foregoing, protect and enforce his rights under the Notes also in any other way which is permitted in the country in which the proceedings are initiated.

[(4)][(5)][(6)] *Annulment.* The German courts shall have exclusive jurisdiction over the annulment of lost or destroyed Global Notes.

§ 14
LANGUAGE

[If the Terms and Conditions are in the German language with an English language translation, insert: These Terms and Conditions are written in the German language. An English language translation shall be provided. The German text shall be prevailing and binding. The English language translation is provided for convenience only.]

[If the Terms and Conditions are in the English language with a German language translation, insert: These Terms and Conditions are written in the English language. A German language translation shall be provided. The English text shall be prevailing and binding. The German language translation is provided for convenience only.]

[If the Terms and Conditions are in the German language only, insert: These Terms and Conditions are written in the German language only.]

[If the Terms and Conditions are in the English language only, insert: These Terms and Conditions are written in the English language only.]

OPTION II:
TERMS AND CONDITIONS OF
FLOATING RATE NOTES

§ 1
CURRENCY, DENOMINATION, FORM, TITLE
CERTAIN DEFINITIONS

(1) *Currency, Denomination.* This tranche **[tranche number]** of Notes (the “Notes”) which itself or, together with one or more other tranches, shall comprise a “Series” of **[Bayerische Motoren Werke Aktiengesellschaft] [BMW Finance N.V.] [BMW US Capital, LLC] [BMW Australia Finance Limited] [BMW Japan Finance Corp.]** is being issued in **[specified currency]** (the “Specified Currency”) in the aggregate principal amount of **[aggregate principal amount]** (in words: **[aggregate principal amount in words]**) in denominations of **[Specified Denominations]** (the “Specified Denominations”).

[In case the Tranche to become part of an existing Series, insert: This Tranche **[tranche number]** shall be consolidated and form a single Series **[number of series]** with the Series **[number of series]**, ISIN **[•]** / WKN **[•]**, Tranche 1 issued on **[Issue Date of Tranche 1]** [and Tranche **[tranche number]** issued on **[Issue Date of Tranche 2]** of this Series] [and Tranche **[tranche number]** issued on **[Issue Date of Tranche 3]** of this Series]. The aggregate principal amount of Series **[number of series]** is **[aggregate principal amount of the consolidated Series [number of series].]**

(2) *Form.* The Notes are being issued in bearer form[.] **[In the case of Notes with a maturity of more than 183 days issued by BMW US Capital, LLC, insert (whereby the relevant Clearing System must be CBF or a Specified Clearing System in which case the Notes are subject to a book-entry agreement):**, provided, however, that the Notes will be treated as registered Notes for US federal income tax purposes.]

[In the case of Notes issued by BMW US Capital, LLC (whereby CBF or a Specified Clearing System must be the relevant Clearing System in which case the Notes are subject to a book-entry agreement), insert:

(3) *Permanent Global Note.*

- (a) The Notes are represented by a permanent global note (the “Permanent Global Note” or “Global Note”) without coupons. The Permanent Global Note shall be signed manually or in facsimile by two authorised signatories of the Issuer and shall be authenticated by or on behalf of the Principal Paying Agent. Definitive Notes and interest coupons will not be issued.
- (b) Ownership of beneficial interests in each Global Note will be shown on, and transfer of ownership of those interests will be effected only through, the records maintained by the Specified Clearing System (as defined below).

Except in the limited circumstances described below, the Specified Clearing System will not be able to transfer a Global Note, other than to transfer such Global Note to a successor depository, and beneficial interests in each Global Note may not be exchanged for Notes in definitive, certificated form.]

[In the case of Notes issued by Bayerische Motoren Werke Aktiengesellschaft, BMW Finance N.V., BMW Australia Finance Limited or by BMW Japan Finance Corp., insert:

(3) *Temporary Global Note – Exchange*

- (a) The Notes are initially represented by a temporary global note (the “Temporary Global Note”) without coupons. The Temporary Global Note will be exchangeable for Notes in Specified Denominations represented by a permanent global note (the “Permanent Global Note”) without coupons. The Temporary Global Note and the Permanent Global Note (each a “Global Note”) shall each be signed manually or in facsimile by two authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Principal Paying Agent. Definitive Notes and interest coupons will not be issued.
- (b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date not earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain

financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 1 (3). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 4 (3)).]

(4) *Clearing System.*

[(a)] [The] [Each] [Temporary] Global Note [(if it will not be exchanged) and/or Permanent Global Note] will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer under the Notes have been satisfied. "Clearing System" means [If more than one Clearing System, insert: each of] the following: [Clearstream Banking AG, Frankfurt am Main ("CBF")] [Clearstream Banking, société anonyme, Luxembourg ("CBL")] [Euroclear Bank S.A./N.V. ("Euroclear")] [CBL and Euroclear each an "ICSD" and together the "ICSDs"] [,] [and] [specify other Clearing System] or any successor in respect of the functions performed by [If more than one Clearing System, insert: each of the Clearing Systems] [If one Clearing System, insert: the Clearing System].

[In the case of Notes kept in custody on behalf of the ICSDs, insert:

[In the case the Global Note is a NGN, insert (except for an issue of Notes by BMW Australia Finance Limited):

The Notes are issued in new global note ("NGN") form and are kept in custody by a common safekeeper on behalf of both ICSDs.]

[In the case the Global Note is a CGN, insert:

The Notes are issued in classical global note ("CGN") form and are kept in custody by a common depositary on behalf of both ICSDs.]

[In the case of Notes issued by BMW US Capital, LLC (whereby CBF or a Specified Clearing System must be the relevant Clearing System in which case the Notes are subject to a book-entry agreement), insert:

(b) "Specified Clearing System" means a Clearing System that has entered into a book entry agreement with the Issuer in respect of the Notes, which agreement includes terms intended to provide that certain Notes are in registered form for U.S. federal income tax purposes. For the avoidance of doubt, CBF is a Specified Clearing System, however, other Clearing Systems may in the future become Specified Clearing Systems.]

(5) *Noteholders.* "Noteholder" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.

[In the case of the Global Note is an NGN, insert:

(6) *Records of the ICSDs.* The aggregate principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate principal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the aggregate principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of such redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered *pro rata* in the records of the ICSDs and, upon any such entry being made, the aggregate principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid.]

[In the case the Temporary Global Note is a NGN, insert: On an exchange of a portion only of the Notes represented by a Temporary Global Note, the issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.]]

[(6)][(7)] *Title*.

- (a) A holder of a Note (each a “Noteholder” and together, the “Noteholders”) will (except as otherwise required by applicable laws or regulatory requirements) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Noteholder.
- (b) The transfer of title to Notes is effected by agreement on the transfer among the relevant parties and by delivery or otherwise in accordance with any applicable laws and regulations including the rules of any relevant Clearing System. References herein to “*Noteholders*” of Notes are to the bearers of such Notes.

[(7)][(8)] *Business Day*. In these Terms and Conditions, “Business Day” means

[If the Specified Currency is not Renminbi, insert: a day which is a day (other than a Saturday or a Sunday) on which both (i) the Clearing System, and (ii) **[If the Specified Currency is Euro, insert:** TARGET2 (as defined below) **]and commercial banks and foreign exchange markets in [all relevant financial centres]]] [If the Specified Currency is not Euro, insert:** commercial banks and foreign exchange markets in **[all relevant financial centres]] settle payments.]**

[If the Specified Currency is Renminbi, insert: a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business in the relevant place of presentation, on which commercial banks in Hong Kong (as defined below) are open for business and settlement of Renminbi payments and on which commercial banks in Hong Kong are open for business.]

[If the Specified Currency is Euro, insert: “TARGET2” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system or any successor system thereto.]

§ 2

STATUS, DECLARATION OF UNDERTAKING, GUARANTEE

(1) *Status*. The Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and (save for obligations in respect of national and local taxes, other statutory exceptions, requirements by applicable laws and any governmental requirements) rank equally with all its other unsecured and unsubordinated obligations.

(2) *Declaration of Undertaking of the Issuer*. In a separate declaration (the “Declaration of Undertaking”), the Issuer has undertaken *vis-à-vis* the Noteholders until such time as principal and interest, if any, as well as additional amounts pursuant to § 7 (1), if any, have been placed at the disposal of the relevant Paying Agent or any other paying agent appointed in accordance with § 6, not to secure or have secured by any mortgage or pledge on its present or future property or assets, any present or future obligations (including obligations under guarantees or securities) arising from other International Capital Market Indebtedness (as defined below), unless these Notes at the same time share *pari passu* and *pro rata* in such security. Any mortgage, pledge or other charge for obligations in respect of national and local taxes, other statutory exceptions, requirements by applicable laws and any governmental requirements shall be excluded. In the case of a security to be furnished for this issue of Notes by the Issuer pursuant to this § 2 (2), such security shall be furnished for the benefit of the Noteholders together with the related rights and obligations. If, after the occurrence of any of the events specified in § 9 which entitle the Noteholders to declare their Notes due, a Noteholder shall with respect to the principal of any Notes not otherwise due, enforce any security given for the Notes, then such Notes shall be deemed to be due for all purposes.

(3) *Security provided for Asset Backed Securities*. For the avoidance of doubt, the undertaking contained in this § 2 shall not apply to security provided in connection with asset backed securities issued by a special purpose vehicle where the Issuer is the originator of the underlying assets.

(4) *International Capital Market Indebtedness*. For the purpose of these Terms and Conditions “International Capital Market Indebtedness” means any issue of notes with an original maturity of more than one year.

[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:

(5) *Guarantee.* Bayerische Motoren Werke Aktiengesellschaft (the “Guarantor”) has assumed *vis-à-vis* the Noteholders the unconditional and irrevocable guarantee for the due and punctual payment of principal and interest, if any, including additional amounts, if any, pursuant to § 7 (1) (the “Guarantee”) in accordance with these Terms and Conditions. The Guarantee gives rise to the right of each Noteholder to require performance of the Guarantee directly from the Guarantor and to enforce the Guarantee directly against the Guarantor.

(6) *Declaration of Undertaking of the Guarantor.* In the Declaration of Undertaking, the Guarantor has undertaken *vis-à-vis* the Noteholders, until such time as principal and interest, if any, as well as additional amounts pursuant to § 7 (1), if any, have been completely placed at the disposal of the relevant Paying Agent or any other paying agent appointed in accordance with § 6, not to secure or have secured by any mortgage or pledge on its present or future property or assets, any present or future obligations (including obligations under guarantees or securities) arising from other International Capital Market Indebtedness, unless these Notes at the same time share *pari passu* and *pro rata* in such security. Any mortgage, pledge or other charge or pledge for obligations in respect of national and local taxes, other statutory exceptions, requirements by applicable laws and any governmental requirements shall be excluded. In the case of a security to be furnished for this issue of Notes by the Guarantor pursuant to this § 2 (6), such security shall be furnished for the benefit of the Noteholders together with the related rights and obligations. If, after the occurrence of any of the events specified in § 9 which entitle the Noteholders to declare their Notes due, a Noteholder shall with respect to the principal of any Notes not otherwise due, enforce any security given for the Notes, then such Notes shall be deemed to be due for all purposes.

(7) *Security provided for Asset Backed Securities.* For the avoidance of doubt, the undertaking contained in this § 2 shall not apply to security provided in connection with asset backed securities issued by a special purpose vehicle where the Guarantor is the originator of the underlying assets.]

§ 3 INTEREST

(1) *Interest Payment Dates.*

(a) The Notes bear interest on their principal amount from **[Interest Commencement Date]** (inclusive) (the “Interest Commencement Date”) to the first Interest Payment Date (exclusive) and thereafter from each Interest Payment Date (inclusive) to the next following Interest Payment Date (exclusive). Interest on the Notes shall be payable on each Interest Payment Date.

(b) “Interest Payment Date” means, subject to adjustment in accordance with § 4 (5),

[In the case of Specified Interest Payment Dates, insert: each [Specified Interest Payment Dates].]

[In the case of Specified Interest Periods, insert: each date which (except as otherwise provided in these Terms and Conditions) falls [number] [weeks] [months] [other specified periods] after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.]

(2) *Rate of Interest.*

[In the case of Floating Rate Notes other than Constant Maturity Swap (“CMS”) floating rate Notes, insert: The rate of interest (the “Rate of Interest”) for each Interest Period (as defined below) will, except as provided below, be either:

(a) the **[relevant term]-[reference rate]** offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency (if there is only one quotation on the Screen Page (as defined below)); or

(b) the arithmetic mean (rounded if necessary to the nearest one **[If rounded at a thousandth of a percentage, insert: thousandth of a percentage point, with 0.0005] [If rounded at a hundred-thousandth of a percentage, insert: hundred-thousandth of a percentage point, with 0.000005]** being rounded upwards) of the offered quotations, (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for that Interest Period which appears or appear, as the case may be, on the Screen Page as at 11.00 a.m. (**[Brussels] [London] [other**

relevant location] time) on the Interest Determination Date (as defined below) **[In the case of Margin, insert: [plus] [minus] the Margin (as defined below)],** all as determined by the Calculation Agent.]

[In the case of CMS floating rate Notes, insert: The rate of interest (the “Rate of Interest”) for each Interest Period (as defined below) will be, except as provided below, the **[relevant number of years]** year Euro/**[other currency]** swap rate (the “**[relevant number of years]**-Year Swap Rate”) which appears on the Screen Page as at 11:00 a.m. (**[Frankfurt] [other relevant location]** time) on the Interest Determination Date (as defined below) **[In the case of Factor, insert: multiplied by [factor]],** **[in the case of Margin, insert: [plus] [minus] the Margin (as defined below).]** all as determined by the Calculation Agent.]

“Interest Period” means each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date.

“Interest Determination Date” means the **[[second] [other applicable number of days] [TARGET] [London] [other relevant reference] Business Day prior to the commencement] [first [London] [other relevant reference] Business Day]** of the relevant Interest Period. **[In the case of a TARGET Business Day, insert: “TARGET Business Day” means a day on which TARGET2 (as defined below) is operating.] [In the case of a non-TARGET Business Day, insert: “[London] [other relevant location] Business Day” means a day which is a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in [London] [other relevant location].]**

[In the case of a TARGET Business Day, insert: “TARGET2” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system or any successor system thereto.]

[In the case of Margin, insert: “Margin” means [relevant number] per cent. *per annum*.]

“Screen Page” means **[relevant Screen Page]**.

If, in the case of (b) above, five or more such offered quotations are available on the Screen Page, the highest (or, if there is more than one such highest rate, only one of such rates) and the lowest (or, if there is more than one such lowest rate, only one of such rates) shall be disregarded by the Calculation Agent for the purposes of determining the arithmetic mean (rounded as provided above) of such offered quotations and this rule shall apply throughout this subparagraph (2).

[In the case of Floating Rate Notes other than CMS Floating Rate Notes, insert:

If the Screen Page is not available or if, in the case of (a) above, no such quotation appears or, in the case of (b) above, fewer than three such offered quotations appear, in each case as at such time, the Calculation Agent shall request the principal **[Euro-Zone] [London] [other relevant location]** office of each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the **[London] [other relevant location]** interbank market **[of the Euro-Zone]** at approximately 11.00 a.m. (**[Brussels] [London] [other relevant location]** time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one **[If rounded at a thousandth of a percentage, insert: thousandth of a percentage point, with 0.0005] [If rounded at a hundred-thousandth of a percentage, insert: hundred-thousandth of a percentage point, with 0.000005]** being rounded upwards) of such offered quotations **[In the case of Margin, insert: [plus] [minus] the Margin],** all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one **[If rounded at a thousandth of a percentage, insert: thousandth of a percentage point, with 0.0005] [If rounded at a hundred-thousandth of a percentage, insert: hundred-thousandth of a percentage point, with 0.000005]** being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, as at 11.00 a.m. (**[Brussels] [London] [other relevant location]** time) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the **[London] [the relevant location]** interbank market **[of the Euro-Zone] [In the case of**

Margin, insert: [plus] [minus] the Margin] or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) inform(s) the Calculation Agent it is or they are quoting to leading banks in the [London] **[the relevant location]** interbank market [of the Euro-Zone] (or, as the case may be, the quotations of such bank or banks to the Calculation Agent) **[In the case of Margin, insert:** [plus] [minus] the Margin]. If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page, as described above, on the last day preceding the Interest Determination Date on which such quotations were offered **[In the case of Margin, insert:** [plus] [minus] the Margin (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period)].

As used herein, "Reference Banks" means **[If no other Reference Banks are specified in the Final Terms, insert:** in the case of (a) above, those offices of four of such banks whose offered rates were used to determine such quotation when such quotation last appeared on the Screen Page and, in the case of (b) above, those banks whose offered quotations last appeared on the Screen Page when no fewer than three such offered quotations appeared] **[If other Reference Banks are specified in the Final Terms, insert names here].]**

[In the case of CMS Floating Rate Notes, insert:

If at such time the Screen Page is not available or if no **[include relevant number of years]**-Year Swap Rate appears, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its **[include relevant number of years]**-Year Swap Rates to leading banks in the interbank swapmarket in the Euro-Zone at approximately 11.00 a.m. ([Frankfurt] **[other relevant location]** time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such **[include relevant number of years]**-Year Swap Rates, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up or down if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such **[include relevant number of years]**-Year Swap Rate **[In the case of Factor, insert:** multiplied with **[factor]**] **[In the case of Margin, insert:** [plus][minus] the Margin], all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such **[include relevant number of years]**-Year Swap Rates as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded up or down if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the **[include relevant number of years]**-Year Swap Rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, as at 11.00 a.m. ([Frankfurt] **[other relevant location]** time) on the relevant Interest Determination Date by leading banks in the interbank swap market in the Euro-Zone **[In case of Factor, insert:** multiplied with **[factor]**] **[In case of Margin, insert:** [plus][minus] the Margin] or, if fewer than two of the Reference Banks provide the Calculation Agent with such **[include relevant number of years]**-Year Swap Rates, the **[include relevant number of years]**-Year Swap Rate, or the arithmetic mean (rounded as provided above) of the **[include relevant number of years]**-Year Swap Rate, at which, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) inform(s) the Calculation Agent it is or they are quoting to leading banks in the interbank swap market in the Euro-Zone (or, as the case may be, the quotations of such bank or banks to the Calculation Agent) **[In the case of Factor, insert:** multiplied with **[factor]**] **[In the case of Margin, insert:** [plus][minus] the Margin]. If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be the **[include relevant number of years]**-Year Swap Rate or the arithmetic mean of the **[include relevant number of years]**-Year Swap Rates on the Screen Page, as described above, on the last day preceding the Interest Determination Date on which such **[include relevant number of years]**-Year Swap Rates were offered **[In the case of Factor, insert:** multiplied with **[factor]**] **[In the case of Margin, insert:** [plus][minus] the Margin].

As used herein, “Reference Banks” means, those offices of at least four of such banks in the swap market whose **[include relevant number of years]-Year Swap Rates** were used to determine such **[include relevant number of years]-Year Swap Rates** when such **[include relevant number of years]-Year Swap Rate** last appeared on the Screen Page.]

[In case of the Interbank market in the Euro-Zone, insert: “Euro-Zone” means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and the Amsterdam Treaty of 2 October 1997, as further amended from time to time.]

[If Minimum and/or Maximum Rate of Interest applies, insert:

(3) *[Minimum] [and] [Maximum] Rate of Interest.*

[If Minimum Rate of Interest applies, insert: If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is less than **[Minimum Rate of Interest]**, the Rate of Interest for such Interest Period shall be **[Minimum Rate of Interest].**

[If Maximum Rate of Interest applies, insert: If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is greater than **[Maximum Rate of Interest]**, the Rate of Interest for such Interest Period shall be **[Maximum Rate of Interest].**

[(3)][(4)] *Interest Amount.* The Calculation Agent will, on or as soon as practicable after each date at which the Rate of Interest is to be determined, calculate the amount of interest (the “Interest Amount”) payable on the Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to each Specified Denomination and rounding the resulting figure **[If the Specified Currency is Euro, insert:** to the nearest Euro 0.01, Euro 0.005 being rounded upwards.] **[If the Specified Currency is not Euro, insert:** to the nearest minimum unit of the Specified Currency, with 0.5 of such unit being rounded upwards].

[(4)][(5)] *Notification of Rate of Interest and Interest Amount.* The Calculation Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and to the Noteholders in accordance with § 12 as soon as possible after their determination, but in no event later than the fourth **[If Calculation Agent is required to maintain a Specific Office in a Required Location, insert:** Business Day which is a Business Day at the place of the Specified Office of the Calculation Agent] **[If Calculation Agent is not required to maintain a Specific Office in a Required Location, insert:** [TARGET-] [London] Business Day] thereafter and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange, as soon as possible after their determination, but in no event later than the first day of the relevant Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes are then listed and to the Noteholders in accordance with § 12.

[(5)][(6)] *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent, the Paying Agents and the Noteholders.

[(6)][(7)] *Accrual of Interest.* The Notes shall cease to bear interest from the day preceding their due date for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes beyond the due date until the day preceding the day of actual redemption of the Notes. The applicable Rate of Interest will be determined in accordance with this § 3. This does not affect any additional rights that might be available to the Noteholders.

[(7)][(8)] *Day Count Fraction.* “Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (the “Calculation Period”):

[In the case of Actual/Actual (Actual/365), insert: the actual number of days in the Calculation Period divided by 365 (or, if any calculation portion of that period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and

(B) the actual number of days in that portion of the Calculation Period not falling in a leap year divided by 365.)]

[In the case of Actual/365 (Fixed) and if the Specified Currency is Renminbi, insert: the actual number of days in the Calculation Period divided by 365.]

[In the case of Actual/360, insert: the actual number of days in the Calculation Period divided by 360.]

§ 4 PAYMENTS

(1) (a) *Payment of Principal.* Payment of principal in respect of Notes shall be made, subject to paragraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System upon presentation and (except in the case of partial payment) surrender of the Global Note representing the Notes at the time of payment at the specified office of the Principal Paying Agent outside the United States.

(b) *Payment of Interest.* Payment of interest on Notes shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the relevant accountholders of the Clearing System.

[In the case of interest payable on a Temporary Global Note, insert: Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to paragraph (2), to the Clearing System or to its order for credit to the relevant accountholders of the Clearing System, upon due certification as provided in § 1 (3) (b).]

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency **[In the case of Notes denominated in Renminbi, insert:** or in USD Equivalent (as defined in § 4 (7) below) as required by the Terms and Conditions by credit].

(3) *United States.* For purposes of **[In the case of Notes denominated in Renminbi, insert:** § 4 (7).] **[and]** **[In the case of Notes issued by BMW US Capital, LLC, insert:** § 1 [(2)][(3)] and] paragraph (1) of this § 4, “United States” means the United States of America (including the States thereof and the District of Columbia) and its territories (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands) and possessions and other areas subject to its jurisdiction[.] **[In the case of Notes issued by Bayerische Motoren Werke Aktiengesellschaft, BMW Finance N.V., BMW Australia Finance Limited or by BMW Japan Finance Corp., insert:** and “U.S. Person” means any Citizen or resident of the United States, including any corporation (or any other entity treated as a corporation for U.S. Federal income tax purposes) or partnership created or organised in or under the laws of the United States or any political subdivision thereof, any estate the income of which is subject to U.S. Federal income taxation regardless of the source, and a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. Persons have the authority to control all substantial decisions of the trust; and the term “U.S. Alien” means any person who, or any entity which, for U.S. Federal income tax purposes, is a foreign corporation, a nonresident alien individual, a foreign estate or trust subject to withholding under Sections 1441 or 1442 of the U.S. Internal Revenue Code of 1986, as amended, or a foreign partnership one or more of the members of which is, for U.S. Federal income tax purposes, a foreign corporation, a nonresident alien individual, or a foreign estate or trust subject to withholding under section 1441 or 1442 of the U.S. Internal Revenue Code of 1986, as amended.]

(4) *Discharge.* The Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or, as the case may be, the Guarantor] shall be discharged by payment to, or to the order of, the Clearing System.

(5) *Payment Business Day.* If the date for payment of any amount in respect of any Note is not a Payment Business Day then:

[In the case of Modified Following Business Day Convention, insert: the Noteholder shall not be entitled to payment until the next day which is a Payment Business Day unless it would thereby fall into the next calendar month, in which event the payment date shall be the immediately preceding Business Day.]

[In the case of FRN Convention, insert: the Noteholder shall not be entitled to payment until the next Payment Business Day unless it would thereby fall into the next calendar month, in which event (i) the payment date shall be the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls **[number] [months] [other specified periods]** after the preceding applicable payment date.]

[In the case of Following Business Day Convention, insert: the Noteholder shall not be entitled to payment until the next day which is a Payment Business Day.]

[In the case of Preceding Business Day Convention, insert: the Noteholder shall be entitled to payment on the immediately preceding Payment Business Day.]

[In the case of an unadjusted interest amount, insert: the Noteholder shall not be entitled to further interest or other payment in respect of such adjustment (*unadjusted*).]

For these purposes, "Payment Business Day" means a Business Day.

(6) *References to Principal and Interest.* References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes; the Early Redemption Amount of the Notes; **[If redeemable at the option of the Issuer for other than Reasons for Taxation, insert:** the Call Redemption Amount of the Notes; **[If redeemable at the option of the Noteholder, insert:** the Put Redemption Amount of the Notes;] and any premium and any other amounts which may be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

[In the case of Notes denominated in Renminbi, insert: (7) *Payments on Notes denominated in Renminbi.* Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able to satisfy payments of principal or interest in respect of the Notes when due in Renminbi in Hong Kong, the Issuer may settle any such payment in USD on the respective due date at the USD Equivalent of any such Renminbi amount. Upon the determination that a condition of Inconvertibility, Non-transferability or Illiquidity prevails, the Issuer shall by no later than 10:00 am (Hong Kong time) two Business Days prior to the Rate Determination Date notify the Principal Paying Agent, the Calculation Agent and the Clearing System. The Issuer shall, in addition, give notice of the determination to the Noteholders in accordance with § 12 as soon as reasonably practicable. The receipt of such notice is not a requirement for payments in USD.

In such event, any payment of USD will be made by transfer to a USD denominated account maintained by the payee with, or by a USD denominated cheque drawn on, or, at the option of the relevant Noteholder, by transfer to a USD account maintained by the relevant Noteholder with, a bank in New York City, United States, and the definition of "Payment Business Day" for the purpose of § 4 (5) shall mean any day on which banks and foreign exchange markets are open for general business in the relevant place of presentation, London and New York City, United States.

For the purposes of these Terms and Conditions, the following terms shall have the following meanings:

"Calculation Agent" means **[name of Calculation Agent]**.

"Rate Determination Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in **[relevant financial centre(s)]**.

"Rate Determination Date" means the day which is five Rate Determination Business Days before the due date for payment of the relevant amount under these Terms and Conditions.

"Governmental Authority" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other (private or public) entity (including the central bank) charged with the regulation of the financial markets of Hong Kong.

"Hong Kong" means the Hong Kong Special Administrative Region of the PRC.

"Illiquidity" means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers.

"Inconvertibility" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes into Renminbi in the general Renminbi exchange market in

Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the issue date of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“Non-transferability” means the occurrence of any event that makes it impossible for the Issuer to transfer Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong and outside the PRC or from an account outside Hong Kong and outside the PRC to an account inside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the issue date of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“PRC” means the People’s Republic of China, whereas for the purposes of these Terms and Conditions, the term PRC shall exclude Hong Kong, the Special Administrative Region of Macao of the People’s Republic of China and Taiwan.

“Renminbi Dealer” means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong.

“Spot Rate” means, in respect of a Rate Determination Date, the spot CNY/USD exchange rate for the purchase of USD with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two business days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on such date (i) on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or (ii) if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF, or (iii) if neither of the aforementioned rates is available, as the most recently available CNY/USD official fixing rate for settlement in two business days reported by the State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rate Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

If neither of the rates mentioned under (i) to (iii) above is available, the Issuer shall determine the Spot Rate in its equitable discretion and in a commercial reasonable manner having taken into account relevant market practice.

“USD” means the official currency of the United States.

“USD Equivalent” of a Renminbi amount means the relevant Renminbi amount converted into USD using the Spot Rate for the relevant Rate Determination Date as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Rate Determination Date and promptly notified to the Issuer and the Paying Agent.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 4(7) by the Calculation Agent or the Issuer, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer and all Noteholders.]

§ 5 REDEMPTION

(1) *Redemption at Maturity.*

Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on the Interest Payment Date falling in **[Redemption Month and Year]** (the “Maturity Date”). The Final Redemption Amount in respect of each Note shall be its principal amount.

(2) *Early Redemption for Reasons of Taxation.* If as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany **[In the case of an issue of Notes by BMW Finance N.V., insert: or The Netherlands]** **[In the case of an issue of Notes by BMW US Capital, LLC, insert: or the United States of America]** **[In the case of an issue of Notes by BMW Australia Finance Limited, insert: or the Commonwealth of Australia]** **[In case of an issue of Notes by BMW Japan Finance Corp., insert: or Japan]** or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is

effective on or after the date on which the last tranche of this Series of Notes was issued, the Issuer is required to pay Additional Amounts pursuant to § 7 (1) on the next succeeding Interest Payment Date (as defined in § 3 (1)), the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not less than 30 days' prior notice of redemption given to the Principal Paying Agent and, in accordance with § 12, to the Noteholders, at their Early Redemption Amount (as defined below) together with interest, if any, accrued to the date fixed for redemption.

Any such notice shall be given in accordance with § 12. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

[If Notes are subject to Early Redemption at the Option of the Issuer, insert:

(3) *Early Redemption at the Option of the Issuer.*

- (a) The Issuer may, not less than 15 Business Days before the giving of a notice to the Paying Agent and upon notice given in accordance with clause (b), redeem [all] [or] [some] of the Notes on the Call Redemption Date[s] at the Call Redemption Amount[s] set forth below together with accrued interest, if any, to (but excluding) the relevant Call Redemption Date. **[If Minimum Redemption Amount or Higher Redemption Amount applies, insert: Any such redemption must be of a principal amount equal to [at least [Minimum Redemption Amount]] [Higher Redemption Amount].]**

Call Redemption Date(s)

Call Redemption Amount(s)

[Call Redemption Date(s)]

[Call Redemption Amount(s)]

[If Notes are subject to Early Redemption at the Option of the Noteholder, insert: The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under subparagraph [(4)] of this § 5.]

- (b) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with § 12. Such notice shall specify:
- (i) the Tranche or Series, as the case may be, of Notes subject to redemption;
 - (ii) whether such Tranche or Series, as the case may be, is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed;
 - (iii) the Call Redemption Date, which shall be not less than **[Minimum Notice to Noteholders]** nor more than **[Maximum Notice to Noteholders]** days after the date on which notice is given by the Issuer to the Noteholders; and
 - (iv) the Call Redemption Amount at which such Notes are to be redeemed.
- (c) In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System **[In the case of an issue of Notes in NGN form, insert:]** and such redemption shall be reflected in the records of CBL and/or Euroclear as either a pool factor or a reduction in nominal amount, at the discretion of CBL and Euroclear.

[If the Notes are subject to Early Redemption at the Option of a Noteholder, insert:

[(3)][(4)] *Early Redemption at the Option of a Noteholder.*

- (a) The Issuer shall, at the option of a Noteholder, redeem such Note on the Put Redemption Date[s] at the Put Redemption Amount[s] set forth below together with accrued interest, if any, to (but excluding) the Put Redemption Date.

Put Redemption Date(s)

Put Redemption Amount(s)

[Put Redemption Date(s)]

[Put Redemption Amount(s)]

The Noteholder may not exercise the option for Early Redemption in respect of any Note which is the subject of the prior exercise by the Issuer of its option to redeem such Note under this § 5.

- (b) In order to exercise the option for Early Redemption, the Noteholder must, not less than **[Minimum Notice to Issuer]** nor more than **[Maximum Notice to Issuer]** days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice (as defined below), submit during normal business hours at the specified office of the

Principal Paying Agent a duly completed early redemption notice (“Put Notice”) in the form available from the specified office of the Principal Paying Agent. No option so exercised may be revoked or withdrawn. If these Notes are held through Euroclear or CBL, to exercise the right to require redemption of these Notes the Noteholder must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and CBL (which may include notice being given on his instruction by Euroclear or CBL or any common depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and CBL from time to time and at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly.]

[(3)][(4)][(5)] *Early Redemption Amount.*

For purposes of paragraph (2) of this § 5 and § 9, the Early Redemption Amount of a Note shall be its Final Redemption Amount.]

§ 6
PRINCIPAL PAYING AGENT, PAYING AGENT[S]
AND CALCULATION AGENT

(1) *Appointment; Specified Offices.* The initial Principal Paying Agent, Paying Agent[s] and the Calculation Agent and their respective initial specified offices are:

Principal Paying Agent and Paying Agent:

Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Tanusanlage 12
60325 Frankfurt am Main
Federal Republic of Germany

Paying Agent:

BNP Paribas Securities Services, Luxembourg Branch
33, rue de Gasperich, Howald-Hesperange
L-2085 Luxembourg

[other Paying Agents and specified offices]

Calculation Agent:

Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Tanusanlage 12
60325 Frankfurt am Main
Federal Republic of Germany

The Principal Paying Agent, the Paying Agent[s] and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent or any Paying Agent or the Calculation Agent and to appoint another Principal Paying Agent or additional or other Paying Agents or another Calculation Agent. The Issuer shall at all times maintain (i) a Principal Paying Agent [,] [and] [(ii)] a Paying Agent (which may be the Principal Paying Agent) with a specified office in a continental European city] **[In the case of Notes issued by Bayerische Motoren Werke Aktiengesellschaft, insert: [,] [and] [(iii)]** a Paying Agent (which may be the Principal Paying Agent) with a specified office within the Federal Republic of Germany] **[In the case of Notes listed on the Luxembourg Stock Exchange, insert: [,] [and] [(iv)]** so long as the Notes are listed on the Luxembourg Stock Exchange, a Paying Agent (which may be the Principal Paying Agent) with a specified office in Luxembourg and/or in such other place as may be required by the rules of such stock exchange] **[In the case of payments in U.S. dollars, insert: [,] [and] [(v)]** if payments at or through the offices of all Paying Agents outside the United States (as defined in § 4 (3) hereof) become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in United States dollars, a Paying Agent with a specified office in New York

City] and [(vi)] a Calculation Agent **[If Calculation Agent is required to maintain a Specified Office in a Required Location, insert:** with a specified office located in **[Required Location]]**. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with § 12.

(3) *Agents of the Issuer.* The Principal Paying Agent, the Paying Agent[s] and the Calculation Agent act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Noteholder.

§ 7 TAXATION

(1) *Taxation.* All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes will be made free and clear of and without withholding at source or deduction at source for or on account of any present or future taxes, fees, duties, assessments or governmental charges of whatever nature which are imposed or levied by or on behalf of **[In the case of Notes issued by BMW Finance N.V., insert:** The Netherlands, the United States or] **[in the case of Notes issued by BMW US Capital, LLC, insert:** the United States or] **[In the case of Notes issued by BMW Australia Finance Limited, insert:** the Commonwealth of Australia ("Australia"), the United States or] **[In the case of Notes issued by BMW Japan Finance Corp., insert:** Japan, the United States or] **[In the case of Notes issued by Bayerische Motoren Werke Aktiengesellschaft, insert:** the Federal Republic of Germany or any political subdivision thereof or any authority or agency therein or thereof having power to tax or the United States] **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:**, in the case of the Guarantee, the Federal Republic of Germany or any political subdivision thereof or any authority or agency therein or thereof having power to tax] ("Withholding Tax") (*Quellensteuer*), unless Withholding Tax is to be deducted or withheld by law or other regulations or pursuant to any agreement between the Issuer and the relevant jurisdiction and to be paid to the responsible authorities. In such event, the Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor, as the case may be.] will pay such additional amounts as may be necessary, subject to paragraph (2) below, in order that the net amounts receivable by the Noteholder after the withholding or deduction of such Withholding Tax shall equal the respective amounts which would have been received by such Noteholder had no such Withholding Tax been required. The flat withholding tax (*Abgeltungsteuer*), which has been in effect in the Federal Republic of Germany since 1 January 2009, the solidarity surcharge (*Solidaritätszuschlag*) imposed thereon and, if applicable, the individual church tax imposed thereon do not constitute such a Withholding Tax on interest payments.

(2) *No Additional Amounts.* However, the Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor, as the case may be.] shall not be obliged to pay any additional amounts on account of any such taxes, fees, duties, assessments or governmental charges:

- (a) which the Noteholder is subject to for any reason other than the mere fact of being a Noteholder, including if the Noteholder is subject to such taxes, fees, duties, assessments or governmental charges based on a personal unlimited or limited tax liability; or
- (b) which are to be paid on payments of principal and interest, if any, by any means other than withholding at source or deduction at source; or
- (c) to which a Noteholder is liable by reason of being a resident of or having some other personal or business connection with **[In the case of Notes issued by BMW Finance N.V., insert:** The Netherlands or] **[In the case of Notes issued by BMW US Capital, LLC, insert:** the United States or] **[In the case of Notes issued by BMW Australia Finance Limited, insert:** Australia or] **[In the case of Notes issued by BMW Japan Finance Corp., insert:** Japan or] with the Federal Republic of Germany and not merely by reason of the fact that payments according to these Terms and Conditions are derived, or for the purpose of taxation are deemed to be derived, from sources in **[In the case of Notes issued by BMW Finance N.V., insert:** The Netherlands or] **[In the case of Notes issued by BMW US Capital, LLC, insert:** the United States or] **[In the case of Notes issued by BMW Australia Finance Limited, insert:** Australia or] **[In the case of Notes issued by BMW Japan Finance Corp., insert:** Japan or] the Federal Republic of Germany; or

- (d) which are imposed or withheld by reason of the failure by the Noteholder or the beneficial owner of a Note to comply with any requirement (including the requirement to produce necessary forms and/or other documentation) under a statute, treaty, regulation, or administrative practice of the tax jurisdiction to establish entitlement to exemption from all or part of such tax, fee, duty, assessment, or other governmental charge to the extent such compliance is required as precondition to relief or exemption from such tax, fee, duty, assessment or other governmental charge; or
- (e) where such withholding or deduction is imposed under sections 1471 through 1474 of the United States Internal Revenue Code (or any amended or successor version that is substantively comparable) (the "Code") and any current or future regulations or official interpretations thereof or agreement thereunder thereunder ("FATCA"), or any treaty, law, regulation or other official guidance enacted by **[in the case of Notes issued BMW Finance N.V., insert: The Netherlands or][in the case of Notes issued by BMW Australia Finance Limited, insert: Australia or][in the case of Notes issued by BMW Japan Finance Corp., insert Japan or]** Germany implementing FATCA, or any agreement between the Issuer, and/or the Guarantor and the United States or any authority thereof implementing FATCA; or

[In the case of Notes issued by Bayerische Motoren Werke Aktiengesellschaft, BMW Finance N.V., BMW Australia Finance Limited or by BMW Japan Finance Corp., insert:

- (f) which are imposed on a payment to an individual and are required to be made pursuant to the EU Savings Directive dated 3 June 2003 concerning the EU-wide exchange of information and the taxation applicable to interest, or pursuant to any law or provision, implementing or complying with the requirements of such Directive or the conclusions of the ECOFIN Council meeting reached on 13 December 2001, or pursuant to any law or provision that is introduced in order to conform to such Directive; or]

[In the case of Notes issued by BMW US Capital, LLC, insert:

- [(f)] which are imposed by the United States as a result of a Noteholder's or beneficial owner's past or present status as (i) a passive foreign investment company with respect to the United States; (ii) a corporation which accumulates earnings to avoid United States Federal income tax; (iii) a controlled foreign corporation with respect to the United States that is related to the Issuer through stock ownership; (iv) a private foundation or other tax-exempt organisation with respect to the United States; (v) a "10 per cent. shareholder" with respect to the Issuer within the meaning of Section 871(h)(3)(B) or 881(c)(3)(B) of the United States Internal Revenue Code of 1986, as amended (the "Code") or (vi) a bank receiving interest described in Section 881(c)(3)(A) of the Code; or
- [(g)] which are imposed on any payment on a Note to a Noteholder that is a fiduciary or partnership or a person other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to the payment of additional amounts had such beneficiary settlor, member or beneficial owner directly received its beneficial or distributive share of such payment; or
- [(h)] which are to be paid by the Issuer, if such deduction or withholding of Withholding Tax would not have been imposed but for the failure of the Noteholder to establish a complete exemption from such Withholding Tax (including, but not limited to, by providing a Form W-8BEN (or successor form) or W-9 (or successor form)); or
- [(i)] which are imposed by the United States on any payment on a Note to a Noteholder that is released from custody by a Specified Clearing System or otherwise treated as not in "registered form" (as the term is understood in the Code).]

[In the case of Notes issued by BMW Australia Finance Limited, insert:

- [(g)] which are payable by reason of the Noteholder or a person having the interest in the Notes (whether directly or indirectly) being an associate of the Issuer within the meaning given in section 128F(9) of the Income Tax Assessment Act 1936 of Australia (the "Australian Tax Act") as amended and either:
 - (i) the associate is a non-resident of the Commonwealth of Australia and the Note or interest in the Note was not being, or would not be, acquired by the associate in carrying on a

business in Australia at or through a permanent establishment of the associate in Australia; or

- (ii) the associate is a resident of Australia and the Note or interest in the Note was being, or would be, acquired by the associate in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country; and

the Note or interest in the Note was not being, or would not be, acquired by the associate in the capacity of a dealer, manager or underwriter in relation to the placement of the Note or interest in the Note or a clearing house, custodian, funds manager or responsible entity of a registered scheme (as those words are defined in the Australian Tax Act); or

- [(h)] which are payable by or on behalf of a Noteholder in respect of whom such taxes are required or authorised to be withheld, deducted or paid, where such withholding, deduction or payment is in respect of interest paid or credited in respect of a Note and the Noteholder is either a resident of Australia carrying on business at or through a permanent establishment outside Australia (including a resident) or the Noteholder is a non-resident of Australia carrying on business in Australia at or through a permanent establishment outside Australia; or

- [(i)] where liability for the relevant tax arises by reason of the failure of the Noteholder to comply with any certification, identification, information, documentation or other reporting or similar requirement concerning the Noteholder's nationality, residence, identity or connection with Australia (including but not limited to, the provision where relevant of the Noteholder's Australian Tax File Number, Australian Business Number or exemption details) based on law, regulation or market practice, of Australia or any political sub-division or taxing authority as a pre-condition to relief or exemption from such taxes; or]

[(g)][(j)] any combination of items (a), (b), (c), (d), (e) [,] [and] (f) [,] [and] (g) [,] [(h)] [and] [(i)].

(3) *Relevant Date*. As used herein, the "Relevant Date" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the relevant Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received by the relevant Agent, notice to that effect is duly given to the Noteholders in accordance with § 12.

[In the case of Notes issued by BMW Japan Finance Corp., insert:

(4) Interest payments on the Notes to be issued to an individual resident of Japan, a Japanese corporation (except for a designated Japanese financial institution which has complied with the requirements under the Act on Special Measures Concerning Taxation of Japan) or a non-resident of Japan or a foreign corporation that is a person with a special relationship as specified in the Cabinet Order relating to the Act on Special Measures Concerning Taxation (the "Cabinet Order") with the Issuer (a "specially related person") will be subject to Japanese income tax on the amount specified in sub-paragraph (a) or (b) below, as applicable:

- (a) if interest is paid to an individual resident of Japan, to a Japanese corporation or a non-resident of Japan or foreign corporation that is a specially related person (except as provided in sub-paragraph (b) below), the amount of such interest; or
- (b) if interest is paid to a public corporation, a financial institution or a financial instruments business operator (which has complied with Japanese tax exemption requirements) through its payment handling agent in Japan as provided in Article 2-2, Paragraph 2 of the Cabinet Order, the amount of such interest minus the amount accrued during the period held, without any cessation, by such entities.]

§ 8

DEPOSIT IN COURT, PERIOD FOR PRESENTATION, PRESCRIPTION

(1) *Deposit in Court*. The Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor, as the case may be,] may deposit with the lower court (*Amtsgericht*) of Frankfurt am Main principal and interest, if any, not claimed by Noteholders within twelve months after having become due, together with a waiver of the right to withdraw such deposit, even if the Noteholders are not in default of acceptance; such deposit will be at the risk and cost of such Noteholders. Upon such deposit, with such waiver of the right to withdraw, all claims of such Noteholders against the Issuer and against third parties which are liable for its obligations **[In the case of Notes issued by BMW**

Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:, in particular against the Guarantor.] shall cease.

(2) *Presentation Period.* The presentation period provided in § 801 paragraph 1, sentence 1 BGB (*German Civil Code*) is reduced to ten years.

§ 9 EVENTS OF DEFAULT

(1) *Events of Default.* Each Noteholder is entitled to declare due and payable by notice to the Principal Paying Agent his entire claims arising from the Notes and demand payment of the Early Redemption Amount, together with accrued interest (if any) to the date of repayment, calculated in accordance with § 5, if

- (a) the Issuer [**In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor], for any reason whatsoever, fails to pay within 30 days after the relevant due date principal, premium, if any, or interest, if any, on the Notes, including additional amounts pursuant to § 7 (1), if any; or
- (b) the Issuer, for any reason whatsoever, fails to duly perform any other obligation under these Notes, in particular pursuant to § 2 (2) [**In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:**, or the Guarantor fails to duly perform any obligation pursuant to the Guarantee] and such failure continues for more than 90 days after receipt of a written notice from the Principal Paying Agent; or
- (c) German insolvency proceedings (*Insolvenzverfahren*) or similar proceedings in other jurisdictions are commenced by a court in the relevant place of jurisdiction against the Issuer [**In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor] which shall not have been reversed or stayed within 60 days or the Issuer [**In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor] itself institutes such proceedings, or offers or makes an arrangement for the benefit of creditors generally; or
- (d) the Issuer [**In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor] is wound up or dissolved or shall take any action for the purpose of liquidation unless such liquidation is to take place in connection with a merger, consolidation or any other form of combination with another company and such company in the case of the Issuer assumes all obligations arising from these Terms and Conditions [**In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** and in the case of the Guarantor assumes all obligations arising from the Guarantee] and the Declaration of Undertaking; or
- (e) the Issuer [**In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor] stops payment completely or ceases to carry on its business.

(2) *Notice.* Such notice for repayment shall be sent to the Principal Paying Agent by registered mail; such notice will become effective upon receipt by the Principal Paying Agent. Claims fall due 30 days after receipt of such notice unless, in the case of paragraph (1)(a) or (1)(b), the obligation has been satisfied or performed prior thereto.

§ 10 SUBSTITUTION

(1) *Substitution.* The Issuer shall be entitled at any time without the consent of the Noteholders to be substituted as Issuer by [**In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** the Guarantor or] any other company appointed as Issuer under this Programme (the "New Issuer") in respect of all obligations arising from or in connection with the Notes, if;

- (a) the New Issuer assumes all obligations of the Issuer arising from or in connection with the Notes;

- (b) the Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert: , the Guarantor]** and the New Issuer have obtained any necessary authorisation from the competent authorities to the effect that the New Issuer may transfer to the relevant Paying Agent in the Specified Currency or other relevant currency without the withholding at source or deduction at source of any taxes, fees, duties, assessments or other governmental charges in the country of its incorporation and, if different where it is treated as resident for tax purposes, all amounts required for the performance of the payment obligations arising from or in connection with the Notes;
- (c) the **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert: Guarantor, if it is not itself the New Issuer,]** **[In the case of Notes issued by Bayerische Motoren Werke Aktiengesellschaft, insert: Issuer]** irrevocably and unconditionally guarantees such obligations of the New Issuer in the same form and with the same content as the Notes have originally been guaranteed by the Guarantor.
- (2) *Change of References.* In the event of such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the New Issuer and any reference to the country of incorporation of the Issuer shall from then on be deemed to refer to the country of incorporation of the New Issuer and, if different, to the country where it is treated as resident for tax purposes.
- (3) *Notice.* Any substitution effected in accordance with subparagraph 1 of this § 10 shall be binding on the Noteholders and shall be notified to them in accordance with § 12 not less than 15 Business Days before such substitution comes into effect.

§ 11

FURTHER ISSUES, PURCHASES AND CANCELLATION

- (1) *Further Issues.* The Issuer reserves the right from time to time without the consent of the Noteholders to issue additional notes so that the same shall be consolidated, form a single issue (Series) of Notes with and increase the aggregate principal amount of this Tranche of Notes. The Notes of each Tranche shall have identical Terms and Conditions and identical features. The Notes of each Series shall also have identical Terms and Conditions and identical features, except (in the case of more than one Tranche) for the Issue Date, the Interest Commencement Date and the Issue Price. References to “Notes” shall be construed as references to such Tranche or Series.
- (2) *Purchases and Cancellation.* The Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert: , the Guarantor]** and any of **[its/their]** subsidiaries is entitled to purchase Notes in the market or otherwise. Notes purchased or otherwise acquired by the Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert: , the Guarantor]** or any of the subsidiaries may be held or resold or, at the discretion of the Issuer, surrendered to the relevant Paying Agent for cancellation.

§ 12

NOTICES

[In the case of Notes which are listed on the Luxembourg Stock Exchange, insert:

[(1)] *Publication.* If required by law, all notices concerning the Notes will be published in the German electronic federal gazette (*elektronischer Bundesanzeiger*) **[and in a leading daily newspaper having general circulation in Luxembourg. This newspaper is expected to be the *[Luxemburger Wort]* *[Tageblatt]* in the German or English language].** Furthermore, all notices concerning the Notes will be published on the website of the Luxembourg Stock Exchange “www.bourse.lu”. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of the first such publication).]

[(2)] *Notification to Clearing System.*

[In the case of Notes which are unlisted, insert: The Issuer shall deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which said notice was given to the Clearing System.]

[In the case of Notes which are listed on the Luxembourg Stock Exchange, insert: So long as any Notes are listed on the Luxembourg Stock Exchange, subparagraph (1) shall apply. In the case of notices regarding the Rate of Interest and, if the rules of the Luxembourg Stock Exchange and applicable laws so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Noteholders in lieu of publication set forth in subparagraph (1) above; any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to the Clearing System.]

§ 13

APPLICABLE LAW, PLACE OF PERFORMANCE, PLACE OF JURISDICTION AND ENFORCEMENT

(1) *Applicable Law.* The form and content of the Notes, the Global Note(s) and the Guarantee and the Declaration of Undertaking and all the rights and duties arising therefrom shall be governed exclusively by the laws of the Federal Republic of Germany.

[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:

(2) *Place of Performance.* Place of performance and exclusive venue for all litigation with the Guarantor arising from legal relations established in the Guarantee or the Declaration of Undertaking is Munich, Federal Republic of Germany.]

[(2)][(3)] *Submission to Jurisdiction.* For all litigation arising from legal relations established in these Terms and Conditions, the Noteholders are entitled to assert their claims, to the exclusion of all other venues, at their discretion either before the competent courts in the relevant country of incorporation of the Issuer or before the competent courts in Munich, Federal Republic of Germany. It is agreed that such courts shall apply exclusively the laws of the Federal Republic of Germany.

[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:

[(3)][(4)] *Appointment of Authorised Agent.* For litigation, if any, between the Noteholders and the Issuer which is brought before courts in the Federal Republic of Germany, the Issuer appoints Bayerische Motoren Werke Aktiengesellschaft, Petuelring 130, 80788 Munich, Federal Republic of Germany, as agent for service of process.]

[(3)][(4)][(5)] *Enforcement.* A Noteholder may in any proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, in his own name enforce his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Noteholder maintains a securities account in respect of Notes (a) stating the full name and address of the Noteholder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) or (ii) a copy of the Note in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes. For purposes of the foregoing, "Custodian" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the Clearing System. Each Noteholder may, without prejudice of the foregoing, protect and enforce his rights under the Notes also in any other way which is permitted in the country in which the proceedings are initiated.

[(4)][(5)][(6)] *Annulment.* The German courts shall have exclusive jurisdiction over the annulment of lost or destroyed Global Notes.

§ 14

LANGUAGE

[If the Terms and Conditions are in the German language with an English language translation, insert: These Terms and Conditions are written in the German language. An English language translation shall be provided. The German text shall be prevailing and binding. The English language translation is provided for convenience only.]

[If the Terms and Conditions are in the English language with a German language translation, insert: These Terms and Conditions are written in the English language. A German language

translation shall be provided. The English text shall be prevailing and binding. The German language translation is provided for convenience only.]

[If the Terms and Conditions are in the German language only, insert: These Terms and Conditions are written in the German language only.]

[If the Terms and Conditions are in the English language only, insert: These Terms and Conditions are written in the English language only.]

OPTION III:

**TERMS AND CONDITIONS OF
ZERO COUPON NOTES**

§ 1

**CURRENCY, DENOMINATION, FORM, TITLE
CERTAIN DEFINITIONS**

(1) *Currency, Denomination.* This tranche **[tranche number]** of Notes (the “Notes”) which itself or, together with one or more other tranches, shall comprise a “Series” of **[Bayerische Motoren Werke Aktiengesellschaft] [BMW Finance N.V.] [BMW US Capital, LLC] [BMW Australia Finance Limited] [BMW Japan Finance Corp.]** is being issued in **[specified currency]** (the “Specified Currency”) in the aggregate principal amount of **[aggregate principal amount]** (in words: **[aggregate principal amount in words]**) in denominations of **[Specified Denominations]** (the “Specified Denominations”).

[In case the Tranche to become part of an existing Series, insert: This Tranche **[tranche number]** shall be consolidated and form a single Series **[number of series]** with the Series **[number of series]**, ISIN **[•]** / WKN **[•]**, Tranche 1 issued on **[Issue Date of Tranche 1]** [and Tranche **[tranche number]** issued on **[Issue Date of Tranche 2]** of this Series] [and Tranche **[tranche number]** issued on **[Issue Date of Tranche 3]** of this Series]. The aggregate principal amount of Series **[number of series]** is **[aggregate principal amount of the consolidated Series [number of series].]**

(2) *Form.* The Notes are being issued in bearer form[.] **[In the case of Notes with a maturity of more than 183 days issued by BMW US Capital, LLC, insert (whereby the relevant Clearing System must be CBF or a Specified Clearing System in which case the Notes are subject to a book-entry agreement):**, provided, however, that the Notes will be treated as registered Notes for US federal income tax purposes.]

[In the case of Notes issued by BMW US Capital, LLC (whereby CBF or a Specified Clearing System must be the relevant Clearing System in which case the Notes are subject to a book-entry agreement), insert:

(3) *Permanent Global Note.*

- (a) The Notes are represented by a permanent global note (the “Permanent Global Note” or “Global Note”) without coupons. The Permanent Global Note shall be signed manually or in facsimile by two authorised signatories of the Issuer and shall be authenticated by or on behalf of the Principal Paying Agent. Definitive Notes and interest coupons will not be issued.
- (b) Ownership of beneficial interests in each Global Note will be shown on, and transfer of ownership of those interests will be effected only through, the records maintained by the Specified Clearing System (as defined below).

Except in the limited circumstances described below, the Specified Clearing System will not be able to transfer a Global Note, other than to transfer such Global Note to a successor depository, and beneficial interests in each Global Note may not be exchanged for Notes in definitive, certificated form.]

[In the case of Notes issued by Bayerische Motoren Werke Aktiengesellschaft, BMW Finance N.V., BMW Australia Finance Limited or by BMW Japan Finance Corp., insert:

(3) *Temporary Global Note – Exchange*

- (a) The Notes are initially represented by a temporary global note (the “Temporary Global Note”) without coupons. The Temporary Global Note will be exchangeable for Notes in Specified Denominations represented by a permanent global note (the “Permanent Global Note”) without coupons. The Temporary Global Note and the Permanent Global Note (each a “Global Note”) shall each be signed manually or in facsimile by two authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Principal Paying Agent. Definitive Notes and interest coupons will not be issued.
- (b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date not earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain

financial institutions or certain persons holding Notes through such financial institutions). Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 1 (3). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 4 (3)).]

(4) *Clearing System.*

[(a)] [The] [Each] [Temporary] Global Note [(if it will not be exchanged) and/or Permanent Global Note] will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer under the Notes have been satisfied. "Clearing System" means **[If more than one Clearing System, insert: each of]** the following: [Clearstream Banking AG, Frankfurt am Main ("CBF")] [Clearstream Banking, société anonyme, Luxembourg ("CBL")] [Euroclear Bank S.A./N.V. ("Euroclear")] [CBL and Euroclear each an "ICSD" and together the "ICSDs"] [,] [and] **[specify other Clearing System]** or any successor in respect of the functions performed by **[If more than one Clearing System, insert: each of the Clearing Systems]** **[If one Clearing System, insert: the Clearing System].**

[In the case of Notes kept in custody on behalf of the ICSDs, insert:

[In the case the Global Note is a NGN, insert (except for an issue of Notes by BMW Australia Finance Limited):

The Notes are issued in new global note ("NGN") form and are kept in custody by a common safekeeper on behalf of both ICSDs.]

[In the case the Global Note is a CGN, insert:

The Notes are issued in classical global note ("CGN") form and are kept in custody by a common depository on behalf of both ICSDs.]

[In the case of Notes issued by BMW US Capital, LLC (whereby CBF or a Specified Clearing System must be the relevant Clearing System in which case the Notes are subject to a book-entry agreement), insert:

(b) "Specified Clearing System" means a Clearing System that has entered into a book entry agreement with the Issuer in respect of the Notes, which agreement includes terms intended to provide that certain Notes are in registered form for U.S. federal income tax purposes. For the avoidance of doubt, CBF is a Specified Clearing System, however, other Clearing Systems may in the future become Specified Clearing Systems.]

(5) *Noteholders.* "Noteholder" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.

[In the case of the Global Note is an NGN, insert:

(6) *Records of the ICSDs.* The aggregate principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate principal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the aggregate principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or payment of an instalment being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of such redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered *pro rata* in the records of the ICSDs and, upon any such entry being made, the aggregate principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid.]

[In the case the Temporary Global Note is a NGN, insert: On an exchange of a portion only of the Notes represented by a Temporary Global Note, the issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.])

[(6)][(7)] *Title.*

(a) A holder of a Note (each a "Noteholder" and together, the "Noteholders") will (except as otherwise required by applicable laws or regulatory requirements) be treated as its absolute

owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Noteholder.

- (b) The transfer of title to Notes is effected by agreement on the transfer among the relevant parties and by delivery or otherwise in accordance with any applicable laws and regulations including the rules of any relevant Clearing System. References herein to “*Noteholders*” of Notes are to the bearers of such Notes.

~~[(7)]~~[(8)] *Business Day*. In these Terms and Conditions, “Business Day” means

[If the Specified Currency is not Renminbi, insert: a day which is a day (other than a Saturday or a Sunday) on which both (i) the Clearing System, and (ii) **[If the Specified Currency is Euro, insert:** TARGET2 (as defined below) **]and commercial banks and foreign exchange markets in [all relevant financial centres]]] [If the Specified Currency is not Euro, insert:** commercial banks and foreign exchange markets in **[all relevant financial centres]]** settle payments.]

[If the Specified Currency is Renminbi, insert: a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business in the relevant place of presentation, on which commercial banks in Hong Kong (as defined below) are open for business and settlement of Renminbi payments and on which commercial banks in Hong Kong are open for business.]

[If the Specified Currency is Euro, insert: “TARGET2” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system or any successor system thereto.]

§ 2

STATUS, DECLARATION OF UNDERTAKING, GUARANTEE

(1) *Status*. The Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and (save for obligations in respect of national and local taxes, other statutory exceptions, requirements by applicable laws and any governmental requirements) rank equally with all its other unsecured and unsubordinated obligations.

(2) *Declaration of Undertaking of the Issuer*. In a separate declaration (the “Declaration of Undertaking”), the Issuer has undertaken *vis-à-vis* the Noteholders until such time as principal as well as additional amounts pursuant to § 7 (1), if any, have been placed at the disposal of the relevant Paying Agent or any other paying agent appointed in accordance with § 6, not to secure or have secured by any mortgage or pledge on its present or future property or assets, any present or future obligations (including obligations under guarantees or securities) arising from other International Capital Market Indebtedness (as defined below), unless these Notes at the same time share *pari passu* and *pro rata* in such security. Any mortgage, pledge or other charge for obligations in respect of national and local taxes, other statutory exceptions, requirements by applicable laws and any governmental requirements shall be excluded. In the case of a security to be furnished for this issue of Notes by the Issuer pursuant to this § 2 (2), such security shall be furnished for the benefit of the Noteholders together with the related rights and obligations. If, after the occurrence of any of the events specified in § 9 which entitle the Noteholders to declare their Notes due, a Noteholder shall with respect to the principal of any Notes not otherwise due, enforce any security given for the Notes, then such Notes shall be deemed to be due for all purposes.

(3) *Security provided for Asset Backed Securities*. For the avoidance of doubt, the undertaking contained in this § 2 shall not apply to security provided in connection with asset backed securities issued by a special purpose vehicle where the Issuer is the originator of the underlying assets.

(4) *International Capital Market Indebtedness*. For the purpose of these Terms and Conditions “International Capital Market Indebtedness” means any issue of notes with an original maturity of more than one year.

[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:

(5) *Guarantee*. Bayerische Motoren Werke Aktiengesellschaft (the “Guarantor”) has assumed *vis-à-vis* the Noteholders the unconditional and irrevocable guarantee for the due and punctual payment of principal including additional amounts, if any, pursuant to § 7 (1) (the “Guarantee”) in accordance with these Terms and Conditions. The Guarantee gives rise to the right of each Noteholder to require

performance of the Guarantee directly from the Guarantor and to enforce the Guarantee directly against the Guarantor.

(6) *Declaration of Undertaking of the Guarantor.* In the Declaration of Undertaking, the Guarantor has undertaken *vis-à-vis* the Noteholders, until such time as principal as well as additional amounts pursuant to § 7 (1), if any, have been completely placed at the disposal of the relevant Paying Agent or any other paying agent appointed in accordance with § 6, not to secure or have secured by any mortgage or pledge on its present or future property or assets, any present or future obligations (including obligations under guarantees or securities) arising from other International Capital Market Indebtedness, unless these Notes at the same time share *pari passu* and *pro rata* in such security. Any mortgage, pledge or other charge or pledge for obligations in respect of national and local taxes, other statutory exceptions, requirements by applicable laws and any governmental requirements shall be excluded. In the case of a security to be furnished for this issue of Notes by the Guarantor pursuant to this § 2 (6), such security shall be furnished for the benefit of the Noteholders together with the related rights and obligations. If, after the occurrence of any of the events specified in § 9 which entitle the Noteholders to declare their Notes due, a Noteholder shall with respect to the principal of any Notes not otherwise due, enforce any security given for the Notes, then such Notes shall be deemed to be due for all purposes.

(7) *Security provided for Asset Backed Securities.* For the avoidance of doubt, the undertaking contained in this § 2 shall not apply to security provided in connection with asset backed securities issued by a special purpose vehicle where the Guarantor is the originator of the underlying assets.】

§ 3 INTEREST

(1) *No Periodic Payments of Interest.* There will not be any periodic payments of interest on the Notes.

(2) *Accrual of Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall accrue on the outstanding principal amount of the Notes as from the due date to the date of actual redemption at the rate of **[Amortisation Yield]** *per annum*.

(3) *Day Count Fraction.* “Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (the “Calculation Period”):

[In the case of Actual/Actual (Actual/365), insert: the actual number of days in the Calculation Period divided by 365 (or, if any calculation portion of that period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period not falling in a leap year divided by 365).]

[In the case of Actual/365 (Fixed) and if the Specified Currency is Renminbi, insert: the actual number of days in the Calculation Period divided by 365.]

[In the case of Actual/360, insert: the actual number of days in the Calculation Period divided by 360.]

[In the case of 30/360, 360/360 or Bond Basis, insert: the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).]

[In the case of 30E/360 or Eurobond Basis, insert: the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).]

§ 4 PAYMENTS

(1) *Payment of Principal.* Payment of principal in respect of Notes shall be made, subject to paragraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant

accountholders of the Clearing System upon presentation and (except in the case of partial payment) surrender of the Global Note representing the Notes at the time of payment at the specified office of the Principal Paying Agent outside the United States.

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency **[In the case of Notes denominated in Renminbi, insert:** or in USD Equivalent (as defined in § 4 (7) below) as required by the Terms and Conditions by credit].

(3) *United States.* For purposes of **[In the case of Notes denominated in Renminbi, insert: § 4 (7)[.] [and]] [In the case of Notes issued by BMW US Capital, LLC, insert: § 1 [(2)][(3)] and]** paragraph (1) of this § 4, “United States” means the United States of America (including the States thereof and the District of Columbia) and its territories (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands) and possessions and other areas subject to its jurisdiction[.] **[In the case of Notes issued by Bayerische Motoren Werke Aktiengesellschaft, BMW Finance N.V., BMW Australia Finance Limited or by BMW Japan Finance Corp., insert:** and “U.S. Person” means any Citizen or resident of the United States, including any corporation (or any other entity treated as a corporation for U.S. Federal income tax purposes) or partnership created or organised in or under the laws of the United States or any political subdivision thereof, any estate the income of which is subject to U.S. Federal income taxation regardless of the source, and a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. Persons have the authority to control all substantial decisions of the trust; and the term “U.S. Alien” means any person who, or any entity which, for U.S. Federal income tax purposes, is a foreign corporation, a nonresident alien individual, a foreign estate or trust subject to withholding under Sections 1441 or 1442 of the U.S. Internal Revenue Code of 1986, as amended, or a foreign partnership one or more of the members of which is, for U.S. Federal income tax purposes, a foreign corporation, a nonresident alien individual, or a foreign estate or trust subject to withholding under section 1441 or 1442 of the U.S. Internal Revenue Code of 1986, as amended.]

(4) *Discharge.* The Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or, as the case may be, the Guarantor] shall be discharged by payment to, or to the order of, the Clearing System.

(5) *Payment Business Day.* If the date for payment of any amount in respect of any Note is not a Payment Business Day then:

[In the case of Modified Following Business Day Convention, insert: the Noteholder shall not be entitled to payment until the next day which is a Payment Business Day unless it would thereby fall into the next calendar month, in which event the Payment Business Day shall be the immediately preceding Business Day.]

[In the case of FRN Convention, insert: the Noteholder shall not be entitled to payment until the next Payment Business Day unless it would thereby fall into the next calendar month, in which event (i) the payment date shall be the immediately preceding Business Day and (ii) each subsequent Payment Business Day shall be the last Business Day in the month which falls **[number] [months] [other specified periods]** after the preceding applicable payment date.]

[In the case of Following Business Day Convention, insert: the Noteholder shall not be entitled to payment until the next day which is a Payment Business Day.]

[In the case of Preceding Business Day Convention, insert: the Noteholder shall be entitled to payment on the immediately preceding Payment Business Day.]

[In the case of payments on an unadjusted basis, insert: The Noteholder shall not be entitled to interest or other payment in respect of such adjustment (*unadjusted*).]

For these purposes, “Payment Business Day” means a Business Day.

(6) *References to Principal.* References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes; the Early Redemption Amount of the Notes; **[If redeemable at the option of the Issuer for other than Reasons for Taxation, insert:** the Call Redemption Amount of the Notes; **[If redeemable at the option of the Noteholder, insert:** the Put Redemption Amount of the Notes;] the Amortised Face

Amount of the Notes; and any premium and any other amounts which may be payable under or in respect of the Notes.

[In the case of Notes denominated in Renminbi, insert: (7) Payments on Notes denominated in Renminbi. Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able to satisfy payments of principal in respect of the Notes when due in Renminbi in Hong Kong, the Issuer may settle any such payment in USD on the respective due date at the USD Equivalent of any such Renminbi amount. Upon the determination that a condition of Inconvertibility, Non-transferability or Illiquidity prevails, the Issuer shall by no later than 10:00 am (Hong Kong time) two Business Days prior to the Rate Determination Date notify the Principal Paying Agent, the Calculation Agent and the Clearing System. The Issuer shall, in addition, give notice of the determination to the Noteholders in accordance with § 12 as soon as reasonably practicable. The receipt of such notice is not a requirement for payments in USD.

In such event, any payment of USD will be made by transfer to a USD denominated account maintained by the payee with, or by a USD denominated cheque drawn on, or, at the option of the relevant Noteholder, by transfer to a USD account maintained by the relevant Noteholder with, a bank in New York City, United States, and the definition of "Payment Business Day" for the purpose of § 4 (5) shall mean any day on which banks and foreign exchange markets are open for general business in the relevant place of presentation, London and New York City, United States.

For the purposes of these Terms and Conditions, the following terms shall have the following meanings:

"Calculation Agent" means **[name of Calculation Agent]**.

"Rate Determination Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in **[relevant financial centre(s)]**.

"Rate Determination Date" means the day which is five Rate Determination Business Days before the due date for payment of the relevant amount under these Terms and Conditions.

"Governmental Authority" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other (private or public) entity (including the central bank) charged with the regulation of the financial markets of Hong Kong.

"Hong Kong" means the Hong Kong Special Administrative Region of the PRC.

"Illiquidity" means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay principal (in whole or in part) in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers.

"Inconvertibility" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes into Renminbi in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the issue date of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

"Non-transferability" means the occurrence of any event that makes it impossible for the Issuer to transfer Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong and outside the PRC or from an account outside Hong Kong and outside the PRC to an account inside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the issue date of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

"PRC" means the People's Republic of China, whereas for the purposes of these Terms and Conditions, the term PRC shall exclude Hong Kong, the Special Administrative Region of Macao of the People's Republic of China and Taiwan.

"Renminbi Dealer" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong.

"Spot Rate" means, in respect of a Rate Determination Date, the spot CNY/USD exchange rate for the purchase of USD with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for

settlement in two business days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on such date (i) on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or (ii) if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF, or (iii) if neither of the aforementioned rates is available, as the most recently available CNY/USD official fixing rate for settlement in two business days reported by the State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rate Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

If neither of the rates mentioned under (i) to (iii) above is available, the Issuer shall determine the Spot Rate in its equitable discretion and in a commercial reasonable manner having taken into account relevant market practice.

“USD” means the official currency of the United States.

“USD Equivalent” of a Renminbi amount means the relevant Renminbi amount converted into USD using the Spot Rate for the relevant Rate Determination Date as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Rate Determination Date and promptly notified to the Issuer and the Paying Agent.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 4(7) by the Calculation Agent or the Issuer, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer and all Noteholders.]

§ 5 REDEMPTION

(1) *Redemption at Maturity.*

Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on **[Maturity Date]** (the “Maturity Date”). The Final Redemption Amount in respect of each Note shall be **[If the Notes are redeemed at their principal amount, insert: its principal amount] [If the Notes are not redeemed at their principal amount, insert: [Final Redemption Amount per denomination] per specified [specified denomination]]**.

(2) *Early Redemption for Reasons of Taxation.* If as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany **[In the case of an issue of Notes by BMW Finance N.V., insert: or The Netherlands] [In the case of an issue of Notes by BMW US Capital, LLC, insert: or the United States of America] [In the case of an issue of Notes by BMW Australia Finance Limited, insert: or the Commonwealth of Australia] [In case of an issue of Notes by BMW Japan Finance Corp., insert: or Japan]** or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this Series of Notes was issued, the Issuer is required to pay Additional Amounts pursuant to § 7 (1) at maturity or upon the sale or exchange of any Note, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not less than 30 days’ prior notice of redemption given to the Principal Paying Agent and, in accordance with § 12, to the Noteholders, at their Early Redemption Amount (as defined below).

Any such notice shall be given in accordance with § 12. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

[If Notes are subject to Early Redemption at the Option of the Issuer, insert:

(3) *Early Redemption at the Option of the Issuer.*

(a) The Issuer may, not less than 15 Business Days before the giving of a notice to the Paying Agent and upon notice given in accordance with clause (b), redeem **[all] [or] [some]** of the Notes on the Call Redemption Date[s] at the Call Redemption Amount[s] set forth below. **[If Minimum Redemption Amount or Higher Redemption Amount applies, insert: Any such redemption must be of a principal amount equal to [at least [Minimum Redemption Amount]] [Higher Redemption Amount].]**

Call Redemption Date(s)

Call Redemption Amount(s)

[Call Redemption Date(s)]

[Call Redemption Amount(s)]

[If Notes are subject to Early Redemption at the Option of the Noteholder, insert: The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under subparagraph [(4)] of this § 5.]

- (b) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with § 12. Such notice shall specify:
- (i) the Tranche or Series, as the case may be, of Notes subject to redemption;
 - (ii) whether such Tranche or Series, as the case may be, is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed;
 - (iii) the Call Redemption Date, which shall be not less than **[Minimum Notice to Noteholders]** nor more than **[Maximum Notice to Noteholders]** days after the date on which notice is given by the Issuer to the Noteholders; and
 - (iv) the Call Redemption Amount at which such Notes are to be redeemed.
- (c) In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System **[In the case of an issue of Notes in NGN form, insert:]** and such redemption shall be reflected in the records of CBL and/or Euroclear as either a pool factor or a reduction in nominal amount, at the discretion of CBL and Euroclear].

[If the Notes are subject to Early Redemption at the Option of a Noteholder, insert:

[(3)][(4)] *Early Redemption at the Option of a Noteholder.*

- (a) The Issuer shall, at the option of a Noteholder, redeem such Note on the Put Redemption Date[s] at the Put Redemption Amount[s] set forth below.

Put Redemption Date(s)

Put Redemption Amount(s)

[Put Redemption Date(s)]

[Put Redemption Amount(s)]

The Noteholder may not exercise the option for Early Redemption in respect of any Note which is the subject of the prior exercise by the Issuer of its option to redeem such Note under this § 5.

- (b) In order to exercise the option for Early Redemption, the Noteholder must, not less than **[Minimum Notice to Issuer]** nor more than **[Maximum Notice to Issuer]** days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice (as defined below), submit during normal business hours at the specified office of the Principal Paying Agent a duly completed early redemption notice ("Put Notice") in the form available from the specified office of the Principal Paying Agent. No option so exercised may be revoked or withdrawn. If these Notes are held through Euroclear or CBL, to exercise the right to require redemption of these Notes the Noteholder must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and CBL (which may include notice being given on his instruction by Euroclear or CBL or any common depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and CBL from time to time and at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly.]

[(3)][(4)][(5)] *Early Redemption Amount.*

- (a) The "Early Redemption Amount" (Amortised Face Amount) of a Note shall be an amount equal to the sum of:
- (i) **[Reference Price]** (the "Reference Price") and
 - (ii) the product of **[Amortisation Yield]** (compounded annually) and the Reference Price from (and including) **[Issue Date]** to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Notes become due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year (the "Calculation Period") shall be made on the basis of the Day Count Fraction (as defined in § 3).

- (b) If the Issuer fails to pay the Early Redemption Amount when due, the Amortised Face Amount of a Note shall be calculated as provided herein, except that references in subparagraph (a) (ii) above to the date fixed for redemption or the date on which such Note becomes due and repayable shall refer to the earlier of (i) the date on which upon due presentation and surrender of the relevant Note (if required), payment is made, and (ii) the fourteenth day after notice has been given by the Principal Paying Agent in accordance with § 12 that the funds required for redemption have been provided to the Principal Paying Agent.

§ 6

PRINCIPAL PAYING AGENT [,] [AND] PAYING AGENT[S] [AND CALCULATION AGENT]

(1) *Appointment; Specified Offices.* The initial Principal Paying Agent [,] [and] Paying Agent[s] [and the Calculation Agent] and their respective initial specified offices are:

Principal Paying Agent and Paying Agent:

Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Taubusanlage 12
60325 Frankfurt am Main
Federal Republic of Germany

Paying Agent:

BNP Paribas Securities Services, Luxembourg Branch
33, rue de Gasperich, Howald-Hesperange
L-2085 Luxembourg

[other Paying Agents and specified offices]

[Calculation Agent:

Deutsche Bank Aktiengesellschaft
Trust & Securities Services
Taubusanlage 12
60325 Frankfurt am Main
Federal Republic of Germany]

The Principal Paying Agent [,] [and] the Paying Agent[s] [and the Calculation Agent] reserve the right at any time to change their respective specified offices to some other specified office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent or any Paying Agent [or the Calculation Agent] and to appoint another Principal Paying Agent or additional or other Paying Agents [or another Calculation Agent]. The Issuer shall at all times maintain (i) a Principal Paying Agent [,] [and] [(ii)] a Paying Agent (which may be the Principal Paying Agent) with a specified office in a continental European city] **[In the case of Notes issued by Bayerische Motoren Werke Aktiengesellschaft, insert: [,] [and] [(iii)] a Paying Agent (which may be the Principal Paying Agent) with a specified office within the Federal Republic of Germany] [In the case of Notes listed on the Luxembourg Stock Exchange, insert: [,] [and] [(iv)]** so long as the Notes are listed on the Luxembourg Stock Exchange, a Paying Agent (which may be the Principal Paying Agent) with a specified office in Luxembourg and/or in such other place as may be required by the rules of such stock exchange] **[In the case of payments in U.S. dollars, insert: [,] [and] [(v)]** if payments at or through the offices of all Paying Agents outside the United States (as defined in § 4 (3) hereof) become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in United States dollars, a Paying Agent with a specified office in New York City] **[If any Calculation Agent is to be appointed, insert: [,] [and] [(vi)] a Calculation Agent [If Calculation Agent is required to maintain a Specified Office in a Required Location, insert: with**

a specified office located in **[Required Location]**. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with § 12.

(3) *Agents of the Issuer.* The Principal Paying Agent [,] [and] the Paying Agent[s] [and the Calculation Agent] act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Noteholder.

§ 7 TAXATION

(1) *Taxation.* All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes will be made free and clear of and without withholding at source or deduction at source for or on account of any present or future taxes, fees, duties, assessments or governmental charges of whatever nature which are imposed or levied by or on behalf of **[In the case of Notes issued by BMW Finance N.V., insert: The Netherlands, the United States or] [in the case of Notes issued by BMW US Capital, LLC, insert: the United States or] [In the case of Notes issued by BMW Australia Finance Limited, insert: the Commonwealth of Australia ("Australia"), the United States or] [In the case of Notes issued by BMW Japan Finance Corp., insert: Japan, the United States or] [In the case of Notes issued by Bayerische Motoren Werke Aktiengesellschaft, insert: the Federal Republic of Germany or any political subdivision thereof or any authority or agency therein or thereof having power to tax or the United States] [In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:, in the case of the Guarantee, the Federal Republic of Germany or any political subdivision thereof or any authority or agency therein or thereof having power to tax] ("Withholding Tax") (*Quellensteuer*), unless Withholding Tax is to be deducted or withheld by law or other regulations or pursuant to any agreement between the Issuer and the relevant jurisdiction and to be paid to the responsible authorities. In such event, the Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert: or the Guarantor, as the case may be.]** will pay such additional amounts as may be necessary, subject to paragraph (2) below, in order that the net amounts receivable by the Noteholder after the withholding or deduction of such Withholding Tax shall equal the respective amounts which would have been received by such Noteholder had no such Withholding Tax been required. The flat withholding tax (*Abgeltungsteuer*), which has been in effect in the Federal Republic of Germany since 1 January 2009, the solidarity surcharge (*Solidaritätszuschlag*) imposed thereon and, if applicable, the individual church tax imposed thereon do not constitute such a Withholding Tax on interest payments.**

(2) *No Additional Amounts.* However, the Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert: or the Guarantor, as the case may be.]** shall not be obliged to pay any additional amounts on account of any such taxes, fees, duties, assessments or governmental charges:

- (a) which the Noteholder is subject to for any reason other than the mere fact of being a Noteholder, including if the Noteholder is subject to such taxes, fees, duties, assessments or governmental charges based on a personal unlimited or limited tax liability; or
- (b) which are to be paid on payments of principal by any means other than withholding at source or deduction at source; or
- (c) to which a Noteholder is liable by reason of being a resident of or having some other personal or business connection with **[In the case of Notes issued by BMW Finance N.V., insert: The Netherlands or] [In the case of Notes issued by BMW US Capital, LLC, insert: the United States or] [In the case of Notes issued by BMW Australia Finance Limited, insert: Australia or] [In the case of Notes issued by BMW Japan Finance Corp., insert: Japan or]** with the Federal Republic of Germany and not merely by reason of the fact that payments according to these Terms and Conditions are derived, or for the purpose of taxation are deemed to be derived, from sources in **[In the case of Notes issued by BMW Finance N.V., insert: The Netherlands or] [In the case of Notes issued by BMW US Capital, LLC, insert: the United States or] [In the case of Notes issued by BMW Australia Finance Limited, insert: Australia or] [In the case of Notes issued by BMW Japan Finance Corp., insert: Japan or]** the Federal Republic of Germany; or

- (d) which are imposed or withheld by reason of the failure by the Noteholder or the beneficial owner of a Note to comply with any requirement (including the requirement to produce necessary forms and/or other documentation) under a statute, treaty, regulation, or administrative practice of the tax jurisdiction to establish entitlement to exemption from all or part of such tax, fee, duty, assessment, or other governmental charge to the extent such compliance is required as precondition to relief or exemption from such tax, fee, duty, assessment or other governmental charge; or
- (e) where such withholding or deduction is imposed under sections 1471 through 1474 of the United States Internal Revenue Code (or any amended or successor version that is substantively comparable) (the "Code") and any current or future regulations or official interpretations thereof or agreement thereunder thereunder ("FATCA"), or any treaty, law, regulation or other official guidance enacted by **[in the case of Notes issued BMW Finance N.V., insert: The Netherlands or][in the case of Notes issued by BMW Australia Finance Limited, insert: Australia or][in the case of Notes issued by BMW Japan Finance Corp., insert Japan or]** Germany implementing FATCA, or any agreement between the Issuer, and/or the Guarantor and the United States or any authority thereof implementing FATCA; or

[In the case of Notes issued by Bayerische Motoren Werke Aktiengesellschaft, BMW Finance N.V., BMW Australia Finance Limited or by BMW Japan Finance Corp., insert:

- (f) which are imposed on a payment to an individual and are required to be made pursuant to the EU Savings Directive dated 3 June 2003 concerning the EU-wide exchange of information and the taxation applicable to interest, or pursuant to any law or provision, implementing or complying with the requirements of such Directive or the conclusions of the ECOFIN Council meeting reached on 13 December 2001, or pursuant to any law or provision that is introduced in order to conform to such Directive; or]

[In the case of Notes issued by BMW US Capital, LLC, insert:

- [(f)] which are imposed by the United States as a result of a Noteholder's or beneficial owner's past or present status as (i) a passive foreign investment company with respect to the United States; (ii) a corporation which accumulates earnings to avoid United States Federal income tax; (iii) a controlled foreign corporation with respect to the United States that is related to the Issuer through stock ownership; (iv) a private foundation or other tax-exempt organisation with respect to the United States; (v) a "10 per cent. shareholder" with respect to the Issuer within the meaning of Section 871(h)(3)(B) or 881(c)(3)(B) of the United States Internal Revenue Code of 1986, as amended (the "Code") or (vi) a bank receiving interest described in Section 881(c)(3)(A) of the Code; or
- [(g)] which are imposed on any payment on a Note to a Noteholder that is a fiduciary or partnership or a person other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to the payment of additional amounts had such beneficiary settlor, member or beneficial owner directly received its beneficial or distributive share of such payment; or
- [(h)] which are to be paid by the Issuer, if such deduction or withholding of Withholding Tax would not have been imposed but for the failure of the Noteholder to establish a complete exemption from such Withholding Tax (including, but not limited to, by providing a Form W-8BEN (or successor form) or W-9 (or successor form)); or
- [(i)] which are imposed by the United States on any payment on a Note to a Noteholder that is released from custody by a Specified Clearing System or otherwise treated as not in "registered form" (as the term is understood in the Code).]

[In the case of Notes issued by BMW Australia Finance Limited, insert:

- [(g)] which are payable by reason of the Noteholder or a person having the interest in the Notes (whether directly or indirectly) being an associate of the Issuer within the meaning given in section 128F(9) of the Income Tax Assessment Act 1936 of Australia (the "Australian Tax Act") as amended and either:
 - (i) the associate is a non-resident of the Commonwealth of Australia and the Note or interest in the Note was not being, or would not be, acquired by the associate in carrying on a

business in Australia at or through a permanent establishment of the associate in Australia; or

- (ii) the associate is a resident of Australia and the Note or interest in the Note was being, or would be, acquired by the associate in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country; and

the Note or interest in the Note was not being, or would not be, acquired by the associate in the capacity of a dealer, manager or underwriter in relation to the placement of the Note or interest in the Note or a clearing house, custodian, funds manager or responsible entity of a registered scheme (as those words are defined in the Australian Tax Act); or

- [(h)] which are payable by or on behalf of a Noteholder in respect of whom such taxes are required or authorised to be withheld, deducted or paid, where such withholding, deduction or payment is in respect of interest paid or credited in respect of a Note and the Noteholder is either a resident of Australia carrying on business at or through a permanent establishment outside Australia (including a resident) or the Noteholder is a non-resident of Australia carrying on business in Australia at or through a permanent establishment outside Australia; or

- [(i)] where liability for the relevant tax arises by reason of the failure of the Noteholder to comply with any certification, identification, information, documentation or other reporting or similar requirement concerning the Noteholder's nationality, residence, identity or connection with Australia (including but not limited to, the provision where relevant of the Noteholder's Australian Tax File Number, Australian Business Number or exemption details) based on law, regulation or market practice, of Australia or any political sub-division or taxing authority as a pre-condition to relief or exemption from such taxes; or]

[(g)][(h)] any combination of items (a), (b), (c), (d), (e) [,] [and] (f) [,] [and] (g) [,] [(h)] [and] [(i)].

(3) *Relevant Date*. As used herein, the "Relevant Date" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the relevant Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received by the relevant Agent, notice to that effect is duly given to the Noteholders in accordance with § 12.

[In the case of Notes issued by BMW Japan Finance Corp., insert:

(4) Interest payments on the Notes to be issued to an individual resident of Japan, a Japanese corporation (except for a designated Japanese financial institution which has complied with the requirements under the Act on Special Measures Concerning Taxation of Japan) or a non-resident of Japan or a foreign corporation that is a person with a special relationship as specified in the Cabinet Order relating to the Act on Special Measures Concerning Taxation (the "Cabinet Order") with the Issuer (a "specially related person") will be subject to Japanese income tax on the amount specified in sub-paragraph (a) or (b) below, as applicable:

- (a) if interest is paid to an individual resident of Japan, to a Japanese corporation or a non-resident of Japan or foreign corporation that is a specially related person (except as provided in sub-paragraph (b) below), the amount of such interest; or
- (b) if interest is paid to a public corporation, a financial institution or a financial instruments business operator (which has complied with Japanese tax exemption requirements) through its payment handling agent in Japan as provided in Article 2-2, Paragraph 2 of the Cabinet Order, the amount of such interest minus the amount accrued during the period held, without any cessation, by such entities.]

§ 8

DEPOSIT IN COURT, PERIOD FOR PRESENTATION, PRESCRIPTION

(1) *Deposit in Court*. The Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor, as the case may be,] may deposit with the lower court (*Amtsgericht*) of Frankfurt am Main principal not claimed by Noteholders within twelve months after having become due, together with a waiver of the right to withdraw such deposit, even if the Noteholders are not in default of acceptance; such deposit will be at the risk and cost of such Noteholders. Upon such deposit, with such waiver of the right to withdraw, all claims of such Noteholders against the Issuer and against third parties which are liable for its obligations **[In the case of Notes issued by BMW Finance N.V., BMW US Capital,**

LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:, in particular against the Guarantor,] shall cease.

(2) *Presentation Period.* The presentation period provided in § 801 paragraph 1, sentence 1 BGB (*German Civil Code*) is reduced to ten years.

§ 9 EVENTS OF DEFAULT

(1) *Events of Default.* Each Noteholder is entitled to declare due and payable by notice to the Principal Paying Agent his entire claims arising from the Notes and demand payment of the Early Redemption Amount calculated in accordance with § 5, if

- (a) the Issuer [**In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor], for any reason whatsoever, fails to pay within 30 days after the relevant due date principal, premium, if any, on the Notes, including additional amounts pursuant to § 7 (1), if any; or
- (b) the Issuer, for any reason whatsoever, fails to duly perform any other obligation under these Notes, in particular pursuant to § 2 (2) [**In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:**, or the Guarantor fails to duly perform any obligation pursuant to the Guarantee] and such failure continues for more than 90 days after receipt of a written notice from the Principal Paying Agent; or
- (c) German insolvency proceedings (*Insolvenzverfahren*) or similar proceedings in other jurisdictions are commenced by a court in the relevant place of jurisdiction against the Issuer [**In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor] which shall not have been reversed or stayed within 60 days or the Issuer [**In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor] itself institutes such proceedings, or offers or makes an arrangement for the benefit of creditors generally; or
- (d) the Issuer [**In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor] is wound up or dissolved or shall take any action for the purpose of liquidation unless such liquidation is to take place in connection with a merger, consolidation or any other form of combination with another company and such company in the case of the Issuer assumes all obligations arising from these Terms and Conditions [**In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** and in the case of the Guarantor assumes all obligations arising from the Guarantee] and the Declaration of Undertaking; or
- (e) the Issuer [**In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** or the Guarantor] stops payment completely or ceases to carry on its business.

(2) *Notice.* Such notice for repayment shall be sent to the Principal Paying Agent by registered mail; such notice will become effective upon receipt by the Principal Paying Agent. Claims fall due 30 days after receipt of such notice unless, in the case of paragraph (1)(a) or (1)(b), the obligation has been satisfied or performed prior thereto.

§ 10 SUBSTITUTION

(1) *Substitution.* The Issuer shall be entitled at any time without the consent of the Noteholders to be substituted as Issuer by [**In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:** the Guarantor or] any other company appointed as Issuer under this Programme (the "New Issuer") in respect of all obligations arising from or in connection with the Notes, if;

- (a) the New Issuer assumes all obligations of the Issuer arising from or in connection with the Notes;

- (b) the Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert: , the Guarantor]** and the New Issuer have obtained any necessary authorisation from the competent authorities to the effect that the New Issuer may transfer to the relevant Paying Agent in the Specified Currency or other relevant currency without the withholding at source or deduction at source of any taxes, fees, duties, assessments or other governmental charges in the country of its incorporation and, if different where it is treated as resident for tax purposes, all amounts required for the performance of the payment obligations arising from or in connection with the Notes;
- (c) the **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert: Guarantor, if it is not itself the New Issuer,]** **[In the case of Notes issued by Bayerische Motoren Werke Aktiengesellschaft, insert: Issuer]** irrevocably and unconditionally guarantees such obligations of the New Issuer in the same form and with the same content as the Notes have originally been guaranteed by the Guarantor.
- (2) *Change of References.* In the event of such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the New Issuer and any reference to the country of incorporation of the Issuer shall from then on be deemed to refer to the country of incorporation of the New Issuer and, if different, to the country where it is treated as resident for tax purposes.
- (3) *Notice.* Any substitution effected in accordance with subparagraph 1 of this § 10 shall be binding on the Noteholders and shall be notified to them in accordance with § 12 not less than 15 Business Days before such substitution comes into effect.

§ 11

FURTHER ISSUES, PURCHASES AND CANCELLATION

- (1) *Further Issues.* The Issuer reserves the right from time to time without the consent of the Noteholders to issue additional notes so that the same shall be consolidated, form a single issue (Series) of Notes with and increase the aggregate principal amount of this Tranche of Notes. The Notes of each Tranche shall have identical Terms and Conditions and identical features. The Notes of each Series shall also have identical Terms and Conditions and identical features, except (in the case of more than one Tranche) for the Issue Date and the Issue Price. References to “Notes” shall be construed as references to such Tranche or Series.
- (2) *Purchases and Cancellation.* The Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert: , the Guarantor]** and any of **[its/their]** subsidiaries is entitled to purchase Notes in the market or otherwise. Notes purchased or otherwise acquired by the Issuer **[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert: , the Guarantor]** or any of the subsidiaries may be held or resold or, at the discretion of the Issuer, surrendered to the relevant Paying Agent for cancellation.

§ 12

NOTICES

[In the case of Notes which are listed on the Luxembourg Stock Exchange, insert:

[(1)] *Publication.* If required by law, all notices concerning the Notes will be published in the German electronic federal gazette (*elektronischer Bundesanzeiger*) **[and in a leading daily newspaper having general circulation in Luxembourg. This newspaper is expected to be the *[Luxemburger Wort]* *[Tageblatt]* in the German or English language.]** Furthermore, all notices concerning the Notes will be published on the website of the Luxembourg Stock Exchange under “www.bourse.lu”. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of the first such publication).]

[(2)] *Notification to Clearing System.*

[In the case of Notes which are unlisted, insert: The Issuer shall deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which said notice was given to the Clearing System.]

[In the case of Notes which are listed on the Luxembourg Stock Exchange, insert: So long as any Notes are listed on the Luxembourg Stock Exchange, subparagraph (1) shall apply. If the rules of the Luxembourg Stock Exchange and applicable laws so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Noteholders in lieu of publication set forth in subparagraph (1) above; any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to the Clearing System.]

§ 13

APPLICABLE LAW, PLACE OF PERFORMANCE, PLACE OF JURISDICTION AND ENFORCEMENT

(1) *Applicable Law.* The form and content of the Notes, the Global Note(s) and the Guarantee and the Declaration of Undertaking and all the rights and duties arising therefrom shall be governed exclusively by the laws of the Federal Republic of Germany.

[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:

(2) *Place of Performance.* Place of performance and exclusive venue for all litigation with the Guarantor arising from legal relations established in the Guarantee or the Declaration of Undertaking is Munich, Federal Republic of Germany.]

[(2)][(3)] *Submission to Jurisdiction.* For all litigation arising from legal relations established in these Terms and Conditions, the Noteholders are entitled to assert their claims, to the exclusion of all other venues, at their discretion either before the competent courts in the relevant country of incorporation of the Issuer or before the competent courts in Munich, Federal Republic of Germany. It is agreed that such courts shall apply exclusively the laws of the Federal Republic of Germany.

[In the case of Notes issued by BMW Finance N.V., BMW US Capital, LLC, BMW Australia Finance Limited or BMW Japan Finance Corp., insert:

[(3)][(4)] *Appointment of Authorised Agent.* For litigation, if any, between the Noteholders and the Issuer which is brought before courts in the Federal Republic of Germany, the Issuer appoints Bayerische Motoren Werke Aktiengesellschaft, Petuelring 130, 80788 Munich, Federal Republic of Germany, as agent for service of process.]

[(3)][(4)][(5)] *Enforcement.* A Noteholder may in any proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, in his own name enforce his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Noteholder maintains a securities account in respect of Notes (a) stating the full name and address of the Noteholder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) or (ii) a copy of the Note in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes. For purposes of the foregoing, "Custodian" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the Clearing System. Each Noteholder may, without prejudice of the foregoing, protect and enforce his rights under the Notes also in any other way which is permitted in the country in which the proceedings are initiated.

[(4)][(5)][(6)] *Annulment.* The German courts shall have exclusive jurisdiction over the annulment of lost or destroyed Global Notes.

§ 14

LANGUAGE

[If the Terms and Conditions are in the German language with an English language translation, insert: These Terms and Conditions are written in the German language. An English language translation shall be provided. The German text shall be prevailing and binding. The English language translation is provided for convenience only.]

[If the Terms and Conditions are in the English language with a German language translation, insert: These Terms and Conditions are written in the English language. A German language

translation shall be provided. The English text shall be prevailing and binding. The German language translation is provided for convenience only.]

[If the Terms and Conditions are in the German language only, insert: These Terms and Conditions are written in the German language only.]

[If the Terms and Conditions are in the English language only, insert: These Terms and Conditions are written in the English language only.]

**Part E.IV of the Prospectus
Form of Final Terms / Muster-Endgültige Bedingungen**

IN THE CASE OF NOTES LISTED ON THE OFFICIAL LIST OF AND ADMITTED TO TRADING ON THE REGULATED MARKET OF THE LUXEMBOURG STOCK EXCHANGE OR PUBLICLY OFFERED IN THE GRAND DUCHY OF LUXEMBOURG, THE FINAL TERMS OF NOTES WILL BE DISPLAYED ON THE WEBSITE OF THE LUXEMBOURG STOCK EXCHANGE (WWW.BOURSE.LU).

FORM OF FINAL TERMS / MUSTER-ENDGÜLTIGE BEDINGUNGEN

[Date]
[Datum]

**Final Terms
Endgültige Bedingungen**

[Bayerische Motoren Werke Aktiengesellschaft] [BMW Finance N.V.]
[BMW US Capital, LLC] [BMW Australia Finance Limited, ABN 78 007 101 715]
[BMW Japan Finance Corp.]

[Title of relevant Tranche of Notes]
issued pursuant to the
[Bezeichnung der betreffenden Tranche der Schuldverschreibungen]

begeben aufgrund des

**Euro 35,000,000,000
Euro Medium Term Note Programme**

of
von

Bayerische Motoren Werke Aktiengesellschaft ("BMW AG")
BMW Finance N.V. ("BMW Finance")
BMW US Capital, LLC ("BMW US Capital")
BMW Australia Finance Limited, ABN 78 007 101 715 ("BMW Australia Finance")
BMW Japan Finance Corp. ("BMW Japan")

Dated 13 May 2014
Datiert 13. Mai 2014

Issue Price: [●] per cent.
Ausgabepreis: [●] %

Issue Date [●]
Tag der Begebung [●]

Important Notice

These Final Terms have been prepared for the purpose of Article 5 (4) of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010, and must be read in conjunction with the Euro Medium Term Note Programme Prospectus pertaining to the Programme dated 13 May 2014 (the "Prospectus") [and the supplement(s) dated [●]]. The Prospectus and any supplement thereto, if any, are available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu). Full information is only available on the basis of the combination of the Prospectus, any supplement and these Final Terms. [A summary of the individual issue of the Notes is annexed to these Final Terms.]⁽¹⁾

[To the extent that they relate to the terms and conditions of the Notes, these Final Terms are also to be read together with the base prospectus dated 8 May 2013 pertaining to the Euro Medium Term Note Programme and the terms and conditions of the Notes contained therein, as incorporated by reference into this Prospectus.]²

Wichtiger Hinweis

Diese Endgültigen Bedingungen wurden für die Zwecke des Artikels 5 Absatz 4 der Richtlinie 2003/71/EG des Europäischen Parlaments und des Rates vom 4. November 2003, in der durch die Richtlinie 2010/73/EU des Europäischen Parlaments und des Rates vom 24. November 2010 geänderten Fassung, abgefasst und sind in Verbindung mit dem Euro Medium Term Note Programme Prospekt vom 13. Mai 2014 über das Programm (der "Prospekt") [und dem (den) Nachtrag (Nachträgen) dazu vom [●]] zu lesen. Der Prospekt sowie etwaige Nachträge können in elektronischer Form auf der Internetseite der Luxemburger Börse (www.bourse.lu) eingesehen werden. Um sämtliche Angaben zu erhalten, sind die Endgültigen Bedingungen, der Prospekt und etwaige Nachträge im Zusammenhang zu lesen. [Eine Zusammenfassung der einzelnen Emission der Schuldverschreibungen ist diesen Endgültigen Bedingungen angefügt.]⁽¹⁾

[Soweit sie die Anleihebedingungen der Schuldverschreibungen betreffen, sind diese Endgültigen Bedingungen auch gemeinsam mit dem Basisprospekt vom 8. Mai 2013 zum Euro Medium Term Note Programme sowie den darin vorhandenen maßgeblichen Anleihebedingungen zu lesen, wie per Verweis in diesen Prospekt einbezogen.]⁽²⁾

¹ Not applicable in the case of an issue of Notes with a minimum denomination of at least EUR 100,000.
Nicht anwendbar im Fall einer Emission von Schuldverschreibungen mit einer Mindeststückelung in Höhe von mindestens EUR 100.000.

² Insert in the case of an increase of an issue of Notes which were issued under the base prospectus dated 8 May 2013.
Im Falle der Aufstockung einer Emission von Schuldverschreibungen, die unter dem Basisprospekt vom 8. Mai 2013 begeben wurden, einfügen.

Part I: TERMS AND CONDITIONS
Teil I: EMISSIONSBEDINGUNGEN

- [A. In the case the options applicable to the relevant Tranche of Notes are to be determined by replicating the relevant provisions set forth in the Prospectus as Option I, Option II or Option III including certain further options contained therein, respectively, and completing the relevant placeholders, insert:⁽³⁾**
- A. Falls die für die betreffende Tranche von Schuldverschreibungen geltenden Optionen durch Wiederholung der betreffenden im Prospekt als Option I, Option II oder Option III aufgeführten Angaben (einschließlich der jeweils enthaltenen bestimmten weiteren Optionen) bestimmt und die betreffenden Leerstellen vervollständigt werden, einfügen.⁽³⁾**

The Conditions applicable to the Notes (the “Conditions”), and the [German] [English] language translation thereof, are as set out below.

Die für die Schuldverschreibungen geltenden Bedingungen (die “Bedingungen”) sowie die [deutschsprachige] [englischsprachige] Übersetzung sind wie nachfolgend aufgeführt.

[In the case of Notes with fixed interest rates, replicate here the relevant provisions of Option I including relevant further options contained therein, and complete relevant placeholders.]

[Im Fall von Schuldverschreibungen mit fester Verzinsung hier die betreffenden Angaben der Option I (einschließlich der betreffenden weiteren Optionen) wiederholen und betreffende Leerstellen vervollständigen.]

[In the case of Notes with floating interest rates, replicate here the relevant provisions of Option II including relevant further options contained therein, and complete relevant placeholders.]

[Im Fall von Schuldverschreibungen mit variabler Verzinsung hier die betreffenden Angaben der Option II (einschließlich der betreffenden weiteren Optionen) wiederholen und betreffende Leerstellen vervollständigen.]

[In the case of zero coupon Notes, replicate here the relevant provisions of Option III including relevant further options contained therein, and complete relevant placeholders.]

[Im Fall von Nullkupon-Schuldverschreibungen hier die betreffenden Angaben der Option III (einschließlich der betreffenden weiteren Optionen) wiederholen und betreffende Leerstellen vervollständigen.]

[In the case of an increase of an issue of Notes which were issued under the base prospectus dated 8 May 2013 pertaining to the Euro Medium Term Note Programme, insert relevant terms and conditions as incorporated by reference into this Prospectus and complete relevant placeholders.]

[Im Falle der Aufstockung einer Emission von Schuldverschreibungen, die unter dem Basisprospekt vom 8. Mai 2013, der zu dem Euro Medium Term Note Programme gehört, begeben wurden, hier die maßgeblichen Anleihebedingungen, wie per Verweis in diesen Prospekt einbezogen wurden, wiederholen und die betreffenden Leerstellen vervollständigen.]

- [B. In the case the options applicable to the relevant Tranche of Notes are to be determined by referring to the relevant provisions set forth in the Prospectus as Option I, Option II or Option III including certain further options contained therein, respectively, insert:**
- B. Falls die für die betreffende Tranche von Schuldverschreibungen geltenden Optionen, die durch Verweisung auf die betreffenden im Prospekt als Option I, Option II oder Option III aufgeführten Angaben (einschließlich der jeweils enthaltenen bestimmten weiteren Optionen) bestimmt werden, einfügen:**

This Part I of the Final Terms is to be read in conjunction with the set of Terms and Conditions that apply to [zero coupon] Notes [with [fixed] [floating] interest rates] (the “Terms and Conditions”) set

³ To be determined in consultation with the Issuer. It is anticipated that this type of documenting the Conditions will be required where the Notes are to be publicly offered, in whole or in part, or to be initially distributed, in whole or in part, to non-qualified investors. Delete all references to B. Part I of the Final Terms including numbered paragraphs and subparagraphs of the Terms and Conditions.

In Abstimmung mit der Emittentin festzulegen. Es ist vorgesehen, dass diese Form der Dokumentation der Bedingungen erforderlich ist, wenn die Schuldverschreibungen insgesamt oder teilweise anfänglich an nicht qualifizierte Anleger verkauft oder öffentlich angeboten werden. Alle Bezugnahmen auf B. Teil I der Endgültigen Bedingungen einschließlich der Paragraphen und Absätze der Emissionsbedingungen entfernen.

forth in the Prospectus as [Option I] [Option II] [Option III]. Capitalised terms shall have the meanings specified in the Terms and Conditions.

Dieser Teil I der Endgültigen Bedingungen ist in Verbindung mit dem Satz der Emissionsbedingungen, der auf [Nullkupon-] Schuldverschreibungen [mit [fester] [variabler] Verzinsung] Anwendung findet (die "Emissionsbedingungen"), zu lesen, der als [Option I] [Option II] [Option III] im Prospekt enthalten ist. Begriffe, die in den Emissionsbedingungen definiert sind, haben dieselbe Bedeutung, wenn sie in diesen Endgültigen Bedingungen verwendet werden.

All references in this Part I of the Final Terms to numbered paragraphs and subparagraphs are to paragraphs and subparagraphs of the Terms and Conditions.

Bezugnahmen in diesem Teil I der Endgültigen Bedingungen auf Paragraphen und Absätze beziehen sich auf die Paragraphen und Absätze der Emissionsbedingungen.

The blanks in the provisions of the Terms and Conditions, which are applicable to the Notes shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions. All provisions in the Terms and Conditions corresponding to items in these Final Terms which are either not selected or completed or which are deleted shall be deemed to be deleted from the Terms and Conditions applicable to the Notes (the "Conditions").

Die Leerstellen in den auf die Schuldverschreibungen anwendbaren Bestimmungen der Emissionsbedingungen gelten als durch die in den Endgültigen Bedingungen enthaltenen Angaben ausgefüllt, als ob die Leerstellen in den betreffenden Bestimmungen durch diese Angaben ausgefüllt wären. Sämtliche Bestimmungen der Emissionsbedingungen, die sich auf Variablen dieser Endgültigen Bedingungen beziehen, die weder angekreuzt noch ausgefüllt oder die gestrichen werden, gelten als in den auf die Schuldverschreibungen anwendbaren Emissionsbedingungen (die "Bedingungen") gestrichen.

CURRENCY, DENOMINATION, FORM, TITLE, CERTAIN DEFINITIONS (§ 1)
WÄHRUNG, STÜCKELUNG, FORM, EIGENTUM, DEFINITIONEN (§ 1)

§ 1 (1) Currency, Denomination

§ 1 (1) Währung, Stückelung

Tranche No.:	[]
<i>Tranchen-Nr.:</i>	[]
Specified Currency:	[]
<i>Festgelegte Währung:</i>	[]
Aggregate Principal Amount:	[]
<i>Gesamtnennbetrag:</i>	[]
Specified Denomination(s)	[]
<i>Festgelegte Stückelung/Stückelungen</i>	[]
Tranche to become part of an existing Series:	[Yes] [No]
<i>Tranche mit einer bestehenden Serie zu konsolidieren:</i>	[Ja] [Nein]
[Aggregate Principal Amount of Series:	[]
<i>Gesamtnennbetrag der Serie:</i>	[]

**§ 1 (3) [Permanent Global Note] [Temporary Global Note – Exchange]
 § 1 (3) [Dauerglobalurkunde] [Vorläufiger Globalurkunde – Austausch]**

- Permanent Global Note⁽⁴⁾
Dauerglobalurkunde⁽⁴⁾
- Temporary Global Note – Exchange (TEFRA D)⁽⁵⁾
Vorläufiger Globalurkunde – Austausch
(TEFRA D)⁽⁵⁾

**§ 1 (4) Clearing System
 § 1 (4) Clearing System**

- Clearstream Banking AG, Frankfurt
- Euroclear Bank SA/NV
- Clearstream Banking, société anonyme,
 Luxembourg
- Other: []
Sonstige: []

Notes issued by BMW US Capital, LLC and treated by the Specified Clearing System(s) as registered notes for U.S. federal income tax purposes
Schuldverschreibungen, die von der BMW US Capital, LLC begeben werden und von dem Festgelegten Clearing System für Zwecke des Bundeseinkommenssteuerrechts der Vereinigten Staaten wie Namenspapiere (registered notes) behandelt werden

- Registered Note (§ 1(2))⁽⁶⁾ Treated by the Specified Clearing System as registered notes for U.S. federal income tax purposes. The Notes are subject to a book entry agreement entered into by the Specified Clearing System and the Issuer.
- “Registered notes” (§ 1(2))⁽⁶⁾ *Werden von dem Festgelegten Clearing System als “registered notes” für Zwecke des Bundeseinkommensteuerrechts der Vereinigten Staaten behandelt. Die Schuldverschreibungen sind Gegenstand eines book-entry Agreement, das von dem Festgelegten Clearing System mit der Emittentin abgeschlossen wurde.*

⁴ Applicable only if Notes will be issued by BMW US Capital, LLC.
Nur anwendbar für Schuldverschreibungen, die von BMW US Capital, LLC begeben werden.

⁵ Applicable only if Notes will be issued by Bayerische Motoren Werke Aktiengesellschaft, BMW Finance N.V., BMW Australia Finance Limited or by BMW Japan Finance Corp. or by BMW US Capital, LLC, if such issue has a maturity of 183 days or less.
Nur anwendbar für Schuldverschreibungen, die von Bayerische Motoren Werke Aktiengesellschaft, BMW Finance N.V., BMW Australia Finance Limited oder BMW Japan Finance Corp. oder, im Falle der BMW US Capital, LLC, mit einer Laufzeit von 183 Tagen oder weniger, begeben werden.

⁶ Always applicable for Notes with a maturity of more than 183 days which are issued by BMW US Capital.
Stets anwendbar in Bezug auf Schuldverschreibungen der BMW US Capital, LLC mit einer Laufzeit von mehr als 183 Tagen.

Global Note⁽⁷⁾
Globalurkunde⁽⁷⁾

Classical Global Note
Classical Global Note

New Global Note (NGN)⁽⁸⁾
New Global Note (NGN)⁽⁸⁾

§ 1 [(7)][(8)] Business Day
§ 1 [(7)][(8)] Geschäftstag

Relevant Financial Centre(s) []
Relevante(s) Finanzzentr(um)(en) []

TARGET
TARGET

INTEREST (§ 3)
ZINSEN (§ 3)

Fixed Rate Notes (Option I)
Festverzinsliche Schuldverschreibungen
(Option I)

§ 3 (1) Rate of Interest and Interest
Payment Dates
§ 3 (1) Zinssatz und Zinszahlungstage

Rate of Interest [] per cent. per annum

Zinssatz [] % per annum

Interest Commencement Date []
Verzinsungsbeginn []

Fixed Interest Date(s) []
Festzinstermi(n)e []

First Interest Payment Date []
Erster Zinszahlungstag []

Initial Broken Amount(s) (per denomination) []
Anfängliche(r) Bruchteilzinsbetrag []
(-beträge) (für jeden Nennbetrag) []

Fixed Interest Date preceding the Maturity Date []
Festzinstermi(n), der dem Fälligkeitstag vorangeht []

Final Broken Amount(s) (per denomination) []
Abschließende(r) Bruchteilzinsbetrag []
(-beträge) (für jeden Nennbetrag) []

⁷ As to whether the relevant global note is intended to be held in a manner which would allow ECB eligibility, please see "Part II; Additional Information" below.

Ob die Verwahrung der jeweiligen Globalurkunde in einer Weise geschehen soll, die EZB-Fähigkeit bewirkt, siehe „Teil II, Zusätzliche Informationen“.

⁸ BMW Australia Finance does not issue Notes in NGN form.
BMW Australia Finance emittiert keine Schuldverschreibungen in NGN Form.

Determination Date(s)⁽⁹⁾ []
Feststellungstermin(e)⁽⁹⁾ []

Floating Rate Notes (Option II)
Variabel verzinsliche Schuldverschreibungen
(Option II)

§ 3 (1) Interest Payment Dates
§ 3 (1) Zinszahlungstage

Interest Commencement Date []
Verzinsungsbeginn []

Specified Interest Payment Dates []
Festgelegte Zinszahlungstage []

Specified Interest Period(s) [number] [weeks] [months] [specify
other periods]
Festgelegte Zinsperiode(n) [Anzahl] [Wochen] [Monate] [andere
Zeiträume angeben]

§ 3 (2) Rate of Interest
§ 3 (2) Zinssatz

Floating Rate Notes where interest is linked to a
reference rate
*Variabel verzinsliche Schuldverschreibungen, bei
denen die Verzinsung von einem Referenzzinssatz
abhängt*

EURIBOR (Brussels time/TARGET Business []
Day/Interbank market in the Euro-zone) []
*EURIBOR (Brüsseler Ortszeit/TARGET-
Geschäftstag/Interbanken-Markt in der Euro-Zone)* []

[Euro Interbank Offered Rate (EURIBOR) means []
the rate for deposits in Euros for a specified period]
*[Euro Interbank Offered Rate (EURIBOR)
bezeichnet den Kurs für Einlagen in Euro für einen
bestimmten Zeitraum]* []

Screen page []
Bildschirmseite []

LIBOR (London time/London Business Day/City of []
London/London Office/London Interbank market) []
*LIBOR (Londoner Ortszeit/Londoner
Geschäftstag/City of London/Londoner
Geschäftsstelle/Londoner Interbanken-Markt)* []

[London Interbank Offered Rate (LIBOR) means the []
rate for deposits in various currencies for a specified
period]
*[London Interbank Offered Rate (LIBOR) bezeichnet []
den Kurs für Einlagen in verschiedenen
Währungen für einen bestimmten Zeitraum]*

⁹ Insert number of regular interest dates ignoring issue date in the case of a long or short first coupon. N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA).
Einzusetzen ist die Anzahl der festen Zinstermine, wobei im Falle eines langen oder kurzen ersten Kupons der Tag der Begebung nicht zu berücksichtigen ist. N.B.: Nur einschlägig im Falle des Zinstagequotienten Actual/Actual (ICMA).

Screen page <i>Bildschirmseite</i>	[] []
<input type="checkbox"/> other reference rate (location for relevant time, relevant Business Day, relevant Office and relevant Interbank market) <i>anderen Referenzzinssatz (Ort für relevante Ortszeit, relevanten Geschäftstag, relevante Hauptniederlassungen und relevanten Interbanken-Markt)</i>	[] []
Screen page <i>Bildschirmseite</i>	[] []
<input type="checkbox"/> Floating Rate Notes where interest is linked to a Constant Maturity Swap Rate: <i>Variabel verzinsliche Schuldverschreibungen, bei denen die Verzinsung von einem Constant Maturity Swapsatz abhängig ist:</i>	[] []
Number of years <i>Anzahl von Jahren</i>	[] []
Factor <i>Faktor</i>	[] []
Screen page <i>Bildschirmseite</i>	[] []
[Additional provisions: <i>Weitere Bestimmungen:</i>	[] []

If the screen page is not available
Falls die Bildschirmseite nicht verfügbar ist

The arithmetic mean shall be rounded to the nearest:
Das arithmetische Mittel wird gerundet auf das nächste:

- one thousandth of a percentage point
ein Tausendstel Prozent
- one hundred-thousandth of a percentage point
ein Hunderttausendstel Prozent

Reference Banks located in
Referenzbanken in [London] **[insert other location]**
[London] [anderen Ort einsetzen]

Relevant local time in
Relevante Ortszeit in [London] [Frankfurt] **[insert other location]**
[London] [Frankfurt] [anderen Ort einsetzen]

Margin
Marge [Not applicable] [] per cent. *per annum*
[Nicht anwendbar] []% per annum

- plus
plus
- minus
minus

Interest Determination Date
Zinsfestlegungstag

- [first] [second] [other number of days] [TARGET] [London] [other (specify)] Business Day [prior to commencement] of Interest Period
[erster] [zweiter] [andere Anzahl von Tagen] [TARGET] [London] [Sonstige (angeben)] Geschäftstag [vor Beginn] der jeweiligen Zinsperiode
- Reference Banks (if other than as specified in § 3 (2)) []
Referenzbanken (sofern abweichend von § 3 (2)) []

§ 3 (3) Minimum and Maximum Rate of Interest
§ 3 (3) Mindest- und Höchstzinssatz

- Minimum Rate of Interest [] per cent. *per annum*
Mindestzinssatz []% per annum
- Maximum Rate of Interest [] per cent. *per annum*
Höchstzinssatz []% per annum
- Zero Coupon Notes (Option III)**
Nullkupon-Schuldverschreibungen (Option III)

Amortisation Yield []
Emissionsrendite []

§ 3 [(3)][(4)][(7)][(8)] Day Count Fraction
§ 3 [(3)][(4)][(7)][(8)] Zinstagequotient

- Actual/Actual (ICMA)⁽¹⁰⁾
- 30/360⁽¹⁰⁾
- Actual/Actual (Actual/365)
- Actual/365 (Fixed)
- Actual/360
- 30/360 or 360/360 (Bond Basis)
- 30E/360 (Eurobond Basis)

PAYMENTS (§ 4)
ZAHLUNGEN (§ 4)

§ 4 (5) Payment Business Day
§ 4 (5) Zahlungstag

Business Day Convention
Geschäftstag-Konvention

- Modified Following Business Day Convention
Modifizierte folgender Geschäftstag-Konvention
- FRN Convention [specify period(s)] [] [weeks] [months] [specify other]

¹⁰ Applicable only to Fixed Rate Notes.
Nur auf festverzinsliche Schuldverschreibungen anwendbar.

FRN Konvention [Zeitraum angeben]

[] [Wochen] [Monate] [andere angeben]

- Following Business Day Convention
Folgender Geschäftstag-Konvention
- Preceding Business Day Convention
Vorangegangener Geschäftstag-Konvention

Adjustment
Anpassung

- adjusted
angepasst
- unadjusted
nicht angepasst

REDEMPTION (§ 5)
RÜCKZAHLUNG (§ 5)

§ 5 (1) Redemption at Maturity
§ 5 (1) Rückzahlung bei Endfälligkeit

Maturity Date []
Fälligkeitstag []

Redemption Month and Year⁽¹¹⁾ []
Rückzahlungsmonat und -jahr⁽¹¹⁾ []

Final Redemption Amount []
Rückzahlungsbetrag []

- Principal Amount
Nennbetrag
- Final Redemption Amount (per Specified Denomination)⁽¹²⁾ []
Rückzahlungsbetrag (für jede festgelegte Stückelung)⁽¹²⁾ []

§ 5 (3) Early Redemption at the Option of the Issuer [Yes] [No]
§ 5 (3) vorzeitige Rückzahlung nach Wahl der Emittentin [Ja] [Nein]

Minimum Redemption Amount []
Mindestrückzahlungsbetrag []

Higher Redemption Amount []
Höherer Rückzahlungsbetrag []

Call Redemption Date(s) []
Wahrückzahlungstag(e) (Call) []

Call Redemption Amount(s) []
Wahrückzahlungsbetrag/-beträge (Call) []

Minimum Notice to Noteholders []
Mindestkündigungsfrist []

¹¹ Complete for floating rate Notes.
Für variable verzinsliche Schuldverschreibungen auszufüllen.
¹² Complete for Zero Coupon Notes.
Für Nullkupon-Schuldverschreibungen auszufüllen.

Maximum Notice to Noteholders <i>Hochstkündigungsfrist</i>	[] []
§ 5 [(3)][(4)] Early Redemption at the Option of a Noteholder	[Yes] [No]
§ 5 [(3)][(4)] Vorzeitige Rückzahlung nach Wahl des Gläubigers	[Ja] [Nein]
Put Redemption Date(s) <i>Wahlrückzahlungstag(e) (Put)</i>	[] []
Put Redemption Amount(s) <i>Wahlrückzahlungsbetrag/-beträge (Put)</i>	[] []
Minimum Notice to Issuer <i>Mindestkündigungsfrist</i>	[] []
Maximum Notice to Issuer (never more than 60 days) <i>Höchstkündigungsfrist (nie mehr als 60 Tage)</i>	[] []
§ 5 [(3)][(4)][(5)] Early Redemption Amount⁽¹³⁾	
§ 5 [(3)][(4)][(5)] Vorzeitiger Rückzahlungsbetrag⁽¹³⁾	
Reference Price <i>Referenzpreis</i>	[] []

**PRINCIPAL PAYING AGENT [,] [AND] PAYING AGENTS [AND CALCULATION AGENT] (§ 6)
EMISSIONSSTELLE [,] [UND] DIE ZAHLSTELLEN [UND DIE BERECHNUNGSSTELLE] (§ 6)**

Calculation Agent/specified office ⁽¹⁴⁾ <i>Berechnungsstelle/bezeichnete Geschäftsstelle⁽¹⁴⁾</i>	[] []
Required location of Calculation Agent (specify) <i>Vorgeschriebener Ort für Berechnungsstelle (angeben)</i>	[] []
<input type="checkbox"/> Paying Agent(s) ⁽¹⁵⁾ <i>Zahlstelle(n)⁽¹⁵⁾</i>	[] []
<input type="checkbox"/> Additional Paying Agent(s)/specified office(s) <i>Zusätzliche Zahlstelle(n)/bezeichnete Geschäftsstelle(n)</i>	[] []

**NOTICES (§ 12)
MITTEILUNGEN (§ 12)**

**Place and medium of publication
Ort und Medium der Bekanntmachung**

- German Federal Gazette
Bundesanzeiger
- Luxembourg (Luxemburger Wort)
Luxemburg (Luxemburger Wort)

¹³ Complete for Zero Coupon Notes only.

¹⁴ Ausschließlich für Nullkupon-Schuldverschreibungen auszufüllen.

¹⁴ Not to be completed if the Principal Paying Agent is to be appointed as Calculation Agent.

¹⁵ Nicht auszufüllen, falls Emissionsstelle als Berechnungsstelle bestellt werden soll.

¹⁵ Not to be completed if the Principal Paying Agent is to be appointed as Paying Agent.

Nicht auszufüllen, falls Emissionsstelle als Zahlstelle bestellt werden soll.

- Luxembourg (Tageblatt)
Luxemburg (Tageblatt)
- Internet address [www.bourse.lu][other]
Internetadresse [www.bourse.lu][andere]
- Other (specify) []
Sonstige (angeben) []

Language (§ 15)
Sprache (§ 15)

- German and English (German prevailing)
Deutsch und Englisch (deutscher Text maßgeblich)
- English and German (English prevailing)
Englisch und Deutsch (englischer Text maßgeblich)
- German only
ausschließlich Deutsch
- English only
ausschließlich Englisch]

[In case of an increase of an issue of Notes which were issued under the base prospectus dated 8 May 2013 pertaining to the Euro Medium Term Note Programme as "Type B" Final Terms, insert Part I of the Final Terms as incorporated by reference into this Prospectus]

[Im Falle der Aufstockung einer Emission von Schuldverschreibungen, die unter dem Basisprospekt vom 8. Mai 2013, der zu dem Euro Medium Term Note Programme gehört, als "Typ B" Endgültige Bedingungen begeben wurden, den Teil I der Endgültigen Bedingungen, wie per Verweis in diesen Prospekt einbezogen, einfügen.]

Part II: ADDITIONAL INFORMATION
Teil II: ZUSÄTZLICHE INFORMATIONEN

III/1. DISCLOSURE REQUIREMENTS RELATED TO DEBT SECURITIES WITH A DENOMINATION PER UNIT OF LESS THAN EUR 100,000

II/1. ANGABEN BEZOGEN AUF SCHULDTITEL MIT EINER MINDESTSTÜCKELUNG VON WENIGER ALS EUR 100.000

A. ESSENTIAL INFORMATION
A. GRUNDLEGENDE ANGABEN

Material Interest of natural and legal persons involved in the issue/offer

[The Issuer is entitled to purchase or sell Notes for its own account or for the account of third parties and to issue further Notes. In addition, the Issuer may, on a daily basis, act on the national and international finance and capital markets. Therefore, the Issuer may, for its own account or for the account of its clients, also close transactions with regard to reference rates and it may, with regard to such transactions, act in the same manner as if the Notes had not been issued.]

[specify further details, if any]

Wesentliche Interessen von Seiten natürlicher und juristischer Personen, die an der Emission/dem Angebot beteiligt sind

[Die Emittentin ist berechtigt, Schuldverschreibungen für eigene Rechnung oder für Rechnung Dritter zu kaufen und zu verkaufen und weitere Schuldverschreibungen zu begeben. Die Emittentin kann darüber hinaus täglich an den nationalen und internationalen Geld- und Kapitalmärkten tätig werden. Sie kann daher für eigene Rechnung oder für Kundenrechnung Geschäfte auch mit Bezug auf Referenzwerte abschließen und sie kann in

Bezug auf diese Geschäfte auf dieselbe Weise handeln, als wären die begebenen Schuldverschreibungen nicht ausgegeben worden.]

[Einzelheiten einfügen, sofern vorhanden]

Reasons of the offer and use of proceeds⁽¹⁶⁾
Gründe für das Angebot und Verwendung der Erträge⁽¹⁶⁾

[specify details]

[Einzelheiten einfügen]

Estimated net proceeds⁽¹⁷⁾
Geschätzter Nettobetrag der Erträge⁽¹⁷⁾

[]

[]

ECB eligibility **Verwahrung in EZB-fähiger Form**

- If the note is issued in Classical Global Note form and it is intended to be held in a manner which would allow ECB eligibility

[Note that if this item is applicable it simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositaries (ICSDs) as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria (ECB eligibility)]⁽¹⁸⁾

Wenn die Urkunde in Form einer Classical Global Note begeben wird und die Verwahrung in einer Weise beabsichtigt ist, welche die EZB-Fähigkeit bewirkt

[Im Fall der Anwendbarkeit dieses Punktes ist damit beabsichtigt, die Schuldverschreibungen zum Zeitpunkt ihrer Emission bei einer der internationalen zentralen Verwahrstellen (ICSDs) als gemeinsame Sicherheitsverwahrstelle (common safekeeper) einzureichen. Das bedeutet nicht notwendigerweise, dass die Schuldverschreibungen zum Zeitpunkt ihrer Emission oder zu einem anderen Zeitpunkt während ihrer Laufzeit als geeignete Sicherheit im Sinne der Geldpolitik des Eurosystems und für Zwecke der untertägigen Kreditfähigkeit durch das Eurosystem anerkannt werden. Eine solche Anerkennung hängt von der Erfüllung der Kriterien der Eignung des Eurosystems ab (EZB-Fähigkeit).]⁽¹⁸⁾

- If the note is issued in New Global Note (NGN) form and it is intended to be held in a manner which would allow ECB eligibility (in new global note form (NGN))

[Note that if this item is applicable it simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositaries (ICSDs) as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary

¹⁶ See paragraph "Use of Proceeds" in the Prospectus. If reasons for the offer are different from the purpose to assist in the general business of BMW Group, include those reasons here.

Siehe Abschnitt "Use of Proceeds" im Prospekt. Sofern die Gründe für das Angebot nicht in dem Zweck, dem allgemeinen Geschäftsbetrieb der BMW Gruppe zu dienen, bestehen, sind die Gründe hier anzugeben.

¹⁷ If proceeds are intended for more than one principal use, will need to split up and present in order of priority.

Sofern die Erträge für verschiedene wichtige Verwendungszwecke bestimmt sind, sind diese aufzuschlüsseln und nach Priorität der Verwendungszwecke darzustellen.

¹⁸ Include this text if the Classical Global Note is deposited directly with Clearstream Banking AG, Frankfurt.

Dieser Text ist einzufügen, falls die Classical Global Note direkt bei Clearstream Banking AG, Frankfurt eingeliefert wird.

Sofern die Urkunde in Form einer New Global Note (neuen Globalurkunde – NGN) begeben wird und die Verwahrung in einer Weise beabsichtigt ist, welche die EZB-Fähigkeit bewirkt (in Form der neuen Globalurkunde (NGN))

policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria (ECB eligibility)]⁽¹⁹⁾

[Im Fall der Anwendbarkeit dieses Punktes ist damit beabsichtigt, die Schuldverschreibungen zum Zeitpunkt ihrer Emission bei einer der internationalen zentralen Verwahrstellen (ICSDs) als gemeinsame Sicherheitsverwahrstelle (common safekeeper) einzureichen. Das bedeutet nicht notwendigerweise, dass die Schuldverschreibungen zum Zeitpunkt ihrer Emission oder zu einem anderen Zeitpunkt während ihrer Laufzeit als geeignete Sicherheit im Sinne der Geldpolitik des Eurosystems und für Zwecke der untertägigen Kreditfähigkeit durch das Eurosystem anerkannt werden. Eine solche Anerkennung hängt von der Erfüllung der Kriterien der Eignung des Eurosystems ab (EZB-Fähigkeit).]⁽¹⁹⁾

B. INFORMATION CONCERNING THE NOTES TO BE OFFERED/ ADMITTED TO TRADING

B. INFORMATIONEN ÜBER DIE ANZUBIETENDEN BZW. ZUM HANDEL ZUZULASSENDE SCHULDVERSCHREIBUNGEN

**Securities Identification Numbers
Wertpapier-Kenn-Nummern**

- | | | |
|--------------------------|-----------------------------------------------------------------------|------------|
| <input type="checkbox"/> | Common Code
<i>Common Code</i> | []
[] |
| <input type="checkbox"/> | ISIN Code
<i>ISIN Code</i> | []
[] |
| <input type="checkbox"/> | German Securities Code
<i>Wertpapier-Kenn-Nummer (WKN)</i> | []
[] |
| <input type="checkbox"/> | Any other securities number
<i>Sonstige Wertpapier-Kenn-Nummer</i> | []
[] |

**Yield⁽²⁰⁾
Rendite⁽²⁰⁾**

- | | |
|-------------------------------------------------|------------|
| Yield on issue price
<i>Emissionsrendite</i> | []
[] |
|-------------------------------------------------|------------|

¹⁹ Include this text if this item is applicable in which case the Notes must be issued in NGN form.

Dieser Text ist einzufügen, falls dieser Punkt anwendbar ist. In diesem Fall müssen die Schuldverschreibungen in NGN Form emittiert werden.

²⁰ Only applicable for Fixed Rate Notes. The calculation of yield is carried out on the basis of the Issue Price.

Nur für festverzinsliche Schuldverschreibungen anwendbar. Berechnung der Rendite erfolgt auf Basis des Ausgabepreises.

**[Information on historic reference rates /values and further performance as well as volatility⁽²¹⁾
Informationen zu historischen Referenzsätzen / Werten und künftige Entwicklungen sowie ihre Volatilität⁽²¹⁾**

Details of historic [EURIBOR] [LIBOR] [CMS] rates and the further performance as well as their volatility can be obtained from [relevant Screen Page]
Einzelheiten der Entwicklung der [EURIBOR] [LIBOR] [CMS] [andere] Sätze in der Vergangenheit und Informationen über künftige Entwicklungen sowie ihre Volatilität können abgerufen werden unter [entsprechende Bildschirmseite]

**C. TERMS AND CONDITIONS OF THE OFFER
C. BEDINGUNGEN UND KONDITIONEN DES ANGEBOTS**

Non-exempt Offer

[Not applicable] [An offer of Notes may be made by the Dealers [and [specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdiction(s) where the Prospectus has been approved and/or passported] (“Public Offer Jurisdictions”) during the period from [specify date] until [specify date] (the “Offer Period”).]⁽²²⁾

Prospektpflichtiges Angebot

[Nicht anwendbar] [Ein Angebot kann seitens der Dealer [und [spezifizieren, falls einschlägig]] außerhalb des Ausnahmebereichs gemäß § 3(2) der Prospektrichtlinie in [relevante(n) Mitgliedsstaat(en) spezifizieren – wobei es sich dabei um Mitgliedsstaaten handeln muss, in denen der Prospekt gebilligt und/oder in welche der Prospekt notifiziert wurde] (“Öffentliche Angebotsstaaten”) innerhalb des Zeitraumes von [Datum spezifizieren] bis [Datum spezifizieren] (die “Angebotsfrist”) durchgeführt werden.]⁽²²⁾

Conditions to which the offer is subject
Bedingungen, denen das Angebot unterliegt

[None] [specify details]
[Keine] [Einzelheiten einfügen]

Time period, including any possible amendments, during which the offer will be open
Frist – einschließlich etwaiger Änderungen – während der das Angebot vorliegt

[Not applicable] [specify details]
[Nicht anwendbar] [Einzelheiten einfügen]

Description of the application process
Beschreibung des Prozesses für die Umsetzung des Angebots

[Not applicable] [specify details]
[Nicht anwendbar] [Einzelheiten einfügen]

²¹ Only applicable for Floating Rate Notes.

²² Nur für variabel verzinsliche Schuldverschreibungen anwendbar.

As applicable in the relevant jurisdiction(s) (information regarding the Offer Period is not applicable in Germany).
Sofern in der/den jeweiligen Jurisdiktion(en) anwendbar (in Deutschland ist die Angabe des Angebotszeitraums nicht anwendbar).

<p>A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants <i>Beschreibung der Möglichkeit zur Reduzierung der Zeichnungen und der Art und Weise der Erstattung des zu viel gezahlten Betrags an die Zeichner</i></p>	<p>[Not applicable] [specify details] <i>[Nicht anwendbar] [Einzelheiten einfügen]</i></p>
<p>Details of the minimum and/or maximum amount of application, (whether in number of notes or aggregate amount to invest) <i>Einzelheiten zum Mindest- und/oder Höchstbetrag der Zeichnung (entweder in Form der Anzahl der Schuldverschreibungen oder des aggregierten zu investierenden Betrags)</i></p>	<p>[Not applicable] [specify details] <i>[Nicht anwendbar] [Einzelheiten einfügen]</i></p>
<p>Method and time limits for paying up the securities and for its delivery <i>Methode und Fristen für die Bedienung der Wertpapiere und ihre Lieferung</i></p>	<p>[Not applicable] [specify details] <i>[Nicht anwendbar] [Einzelheiten einfügen]</i></p>
<p>Manner and date in which results of the offer are to be made public <i>Art und Weise und des Termins, auf die bzw. an dem die Ergebnisse des Angebots offen zu legen sind</i></p>	<p>[Not applicable] [specify details] <i>[Nicht anwendbar] [Einzelheiten einfügen]</i></p>
<p>The procedure for the exercise of any rights of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised <i>Verfahren für die Ausübung etwaiger Vorzugsrechte, die Marktfähigkeit der Zeichnungsrechte und die Behandlung nicht ausgeübter Zeichnungsrechte</i></p>	<p>[Not applicable] [specify details] <i>[Nicht anwendbar] [Einzelheiten einfügen]</i></p>
<p>Various categories of potential investors to which the Notes are offered <i>Angabe der verschiedenen Kategorien der potentiellen Investoren, denen die Schuldverschreibungen angeboten werden</i></p>	
<p><input type="checkbox"/> Qualified investors <i>Qualifizierte Anleger</i></p> <p><input type="checkbox"/> Retail investors <i>Privat Investoren</i></p>	
<p>Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made <i>Verfahren zur Meldung des den Zeichnern zugeteilten Betrags und Angabe, ob eine Aufnahme des Handels vor dem Meldeverfahren möglich ist</i></p>	<p>[Not applicable] [specify details] <i>[Nicht anwendbar] [Einzelheiten einfügen]</i></p>
<p>Expected price at which the Notes will be offered <i>Preis zu dem die Schuldverschreibungen voraussichtlich angeboten werden</i></p>	<p>[Not applicable] [specify details] <i>[Nicht anwendbar] [Einzelheiten einfügen]</i></p>
<p>Method of determining the offered price and the process for its disclosure. Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser.</p>	<p>[Not applicable] [specify details]</p>

Methode, mittels derer der Angebotskurs festgelegt wird und Verfahren der Offenlegung. Angabe der Kosten und Steuern, die speziell dem Zeichner oder Käufer in Rechnung gestellt werden. [Nicht anwendbar] [Einzelheiten einfügen]

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the Issuer or the offeror, or the placers in the various countries where the offer takes place. [Not applicable] [specify details]

Name und Anschrift des Koordinator/der Koordinatoren des globalen Angebots oder einzelner Teile des Angebots und – sofern dem Emittenten oder dem Bieter bekannt – Angaben zu den Platzeuren in den einzelnen Ländern des Angebots. [Nicht anwendbar] [Einzelheiten einfügen]

Method of Distribution
Vertriebsmethode

- Non-Syndicated
Nicht syndiziert
- Syndicated
Syndiziert

Management Details including Form of Commitment
Einzelheiten bezüglich der Dealer, des Bankenkonsortiums einschließlich der Art der Übernahme

Dealer/Management Group [insert name and adress]
Dealer/Bankenkonsortium [Name und Adresse einfügen]

- firm commitment
feste Zusage
- no firm commitment/best efforts arrangements
Keine feste Zusage/zu den bestmöglichen Bedingungen

Subscription Agreement⁽²³⁾
Subscription Agreement⁽²³⁾

Date of subscription agreement [insert date]
Datum des Begebungsvertrags [Datum einfügen]

General features of the subscription agreement [Under the subscription agreement, the relevant Issuer agrees to issue the Notes and the managers agree to subscribe the Notes and the relevant Issuer and the managers agree on the commission] [specify details]

Angabe der Hauptmerkmale des Begebungsvertrags [Im Begebungsvertrag verpflichtet sich die jeweilige Emittentin die Schuldverschreibungen zu begeben und die Manager verpflichten sich, die Schuldverschreibungen zu zeichnen und die jeweilige Emittentin und die Manager vereinbaren die Provisionen.] [Einzelheiten

²³ Only applicable for syndicated issues.
Ausschließlich hinsichtlich syndizierter Emissionen anwendbar.

einfügen]

Stabilising Manager
Kursstabilisierender Manager

[insert details] [None]
[Einzelheiten einfügen] [Keiner]

D. ADMISSION TO TRADING AND DEALING ARRANGEMENTS
D. ZULASSUNG ZUM HANDEL UND HANDELSREGELN

Listing(s) and admission to trading
Börsenzulassung(en) und Zulassung zum Handel

[Yes] [No]
[Ja] [Nein]

- Luxembourg
- regulated market
geregelter Markt
- Euro MTF
Euro MTF
- Other
Sonstige

[specify details]
[Einzelheiten einfügen]

All regulated markets or equivalent markets on which, to the knowledge of the Issuer, Notes of the same class of the Notes issued by the Issuer to be offered or admitted to trading are already admitted to trading:

[Not applicable] [specify details]

Angabe sämtlicher geregelter oder gleichwertiger Märkte, auf denen nach Kenntnis der Emittentin Schuldverschreibungen der Emittentin der gleichen Wertpapierkategorie, die zum Handel angeboten oder zugelassen werden sollen, bereits zum Handel zugelassen sind.

[Nicht anwendbar] [Einzelheiten einfügen]

- Regulated Market of the Luxembourg Stock Exchange
(Bourse de Luxembourg) Regulierter Markt der LuxemburgerBörse (Bourse de Luxembourg)
- Other:
Sonstige:
- None
Keiner

[]
[]

Name and address of the entities which have a firm *commitment* to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment

[Not applicable] [specify details]

Name und Anschrift der Institute, die aufgrund einer festen Zusage als Intermediäre im Sekundärhandel tätig sind und Liquidität mittels Geld- und Briefkursen erwirtschaften, und Beschreibung der Hauptbedingungen der Zusagevereinbarung

[Nicht anwendbar] [Einzelheiten einfügen]

E. ADDITIONAL INFORMATION
E. ZUSÄTZLICHE INFORMATIONEN

Consent to the use of the Prospectus
Einwilligung zur Nutzung des Prospekts

The Issuer consents to the use of the Prospectus by the following Dealer(s) and/or financial intermediary(y)(ies) (individual consent):

Die Emittentin stimmt der Verwendung des Prospekts durch den/die folgenden Platzeur(e) und/oder Finanzintermediär(e) (individuelle Zustimmung) zu:

[insert name[s] and address[es]]

[Name[n] und Adresse[n] einfügen]

Such consent is also subject to and given under the condition:

Ferner erfolgt diese Zustimmung vorbehaltlich:

[Not applicable] [specify details]

[Nicht anwendbar] [Einzelheiten einfügen]

The subsequent resale or final placement of Notes by Dealers and/or financial intermediaries can be made:

Die spätere Weiterveräußerung und endgültige Platzierung der Wertpapiere durch Platzeure und/oder Finanzintermediäre kann erfolgen während:

[As long as this Prospectus is valid in accordance with Article 11 (2) of the Luxembourg act relating to prospectuses for securities which implements the Prospectus Directive]

[insert period]

[Der Dauer der Gültigkeit des Prospekts gemäß Artikel 11 (2) des Luxemburger Wertpapierprospektgesetzes, welches die Prospektrichtlinie umsetzt] [Zeitraum einfügen]

III/1. DISCLOSURE REQUIREMENTS RELATED TO DEBT SECURITIES WITH A DENOMINATION PER UNIT OF AT LEAST EUR 100,000

II/1. ANGABEN BEZOGEN AUF SCHULDITITEL MIT EINER MINDESTSTÜCKELUNG VON EUR 100.000

A. ESSENTIAL INFORMATION
A. GRUNDLEGENDE ANGABEN

Material Interests of natural and legal persons involved in the issue/offer

Wesentliche Interessen von Seiten natürlicher und juristischer Personen, die an der Emission/dem Angebot beteiligt sind

[The Issuer is entitled to purchase or sell Notes for its own account or for the account of third parties and to issue further Notes. In addition, the Issuer may, on a daily basis, act on the national and international finance and capital markets. Therefore, the Issuer may, for its own account or for the account of its clients, also close transactions with regard to reference rates and it may, with regard to such transactions, act in the same manner as if the Notes had not been issued.]

[specify further details, if any]

[Die Emittentin ist berechtigt, Schuldverschreibungen für eigene Rechnung oder für Rechnung Dritter zu kaufen und zu verkaufen und weitere Schuldverschreibungen zu begeben. Die Emittentin kann darüber hinaus täglich an den nationalen und internationalen Geld- und Kapitalmärkten tätig werden. Sie kann daher für eigene Rechnung oder für Kundenrechnung Geschäfte auch mit Bezug auf Referenzwerte abschließen und sie kann in

Bezug auf diese Geschäfte auf dieselbe Weise handeln, als wären die begebenen Schuldverschreibungen nicht ausgegeben worden.]

[Einzelheiten einfügen, sofern vorhanden]

ECB eligibility

Verwahrung in EZB-fähiger Form

- If the note is issued in Classical Global Note form and it is intended to be held in a manner which would allow ECB eligibility

Wenn die Urkunde in Form einer Classical Global Note begeben wird und die Verwahrung in einer Weise, die EZB-Fähigkeit bewirkt

[Note that if this item is applicable it simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositaries (ICSDs) as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria (ECB eligibility)]⁽²⁴⁾

[Im Fall der Anwendbarkeit dieses Punktes ist damit beabsichtigt, die Schuldverschreibungen zum Zeitpunkt ihrer Emission bei einer der internationalen zentralen Verwahrstellen (ICSDs) als gemeinsame Sicherheitsverwahrstelle (common safekeeper) einzureichen. Das bedeutet nicht notwendigerweise, dass die Schuldverschreibungen zum Zeitpunkt ihrer Emission oder zu einem anderen Zeitpunkt während ihrer Laufzeit als geeignete Sicherheit im Sinne der Geldpolitik des Eurosystems und für Zwecke der untertägigen Kreditfähigkeit durch das Eurosystem anerkannt werden. Eine solche Anerkennung hängt von der Erfüllung der Kriterien der Eignung des Eurosystems ab (EZB-Fähigkeit).]⁽²⁴⁾

- If the note is issued in New Global Note (NGN) form and it is intended to be held in a manner which would allow ECB eligibility (in new global note form (NGN))

Sofern die Urkunde in Form einer New Global Note (neuen Globalurkunde – NGN) begeben wird und die Verwahrung in einer Weise, die EZB-Fähigkeit bewirkt (in Form

[Note that if this item is applicable it simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositaries (ICSDs) as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria (ECB eligibility)]⁽²⁵⁾

[Im Fall der Anwendbarkeit dieses Punktes ist damit beabsichtigt, die Schuldverschreibungen zum Zeitpunkt ihrer Emission bei einer der internationalen zentralen Verwahrstellen

²⁴ Include this text if the Classical Global Note is deposited directly with Clearstream Banking AG, Frankfurt.

²⁵ Dieser Text ist einzufügen, falls die Classical Global Note direkt bei Clearstream Banking AG, Frankfurt eingeliefert wird.

Include this text if this item is applicable in which case the Notes must be issued in NGN form.

Dieser Text ist einzufügen, falls dieser Punkt anwendbar ist. In diesem Fall müssen die Schuldverschreibungen in NGN Form emittiert werden.

der neuen Globalurkunde (NGN))

(ICSDs) als gemeinsame Sicherheitsverwahrstelle (common safekeeper) einzureichen. Das bedeutet nicht notwendigerweise, dass die Schuldverschreibungen zum Zeitpunkt ihrer Emission oder zu einem anderen Zeitpunkt während ihrer Laufzeit als geeignete Sicherheit im Sinne der Geldpolitik des Eurosystems und für Zwecke der untertägigen Kreditfähigkeit durch das Eurosystem anerkannt werden. Eine solche Anerkennung hängt von der Erfüllung der Kriterien der Eignung des Eurosystems ab (EZB-Fähigkeit).⁽²⁵⁾

B. INFORMATION CONCERNING THE NOTES TO BE ADMITTED TO TRADING
B. INFORMATIONEN ÜBER DIE ZUM HANDEL ZUZULASSENDE SCHULDVERSCHREIBUNGEN

Securities Identification Numbers
Wertpapier-Kenn-Nummern

- | | |
|------------------------------------------------------------------------------------------------|------------|
| <input type="checkbox"/> Common Code
<i>Common Code</i> | []
[] |
| <input type="checkbox"/> ISIN Code
<i>ISIN Code</i> | []
[] |
| <input type="checkbox"/> German Securities Code
<i>Wertpapier-Kenn-Nummer (WKN)</i> | []
[] |
| <input type="checkbox"/> Any other securities number
<i>Sonstige Wertpapier-Kenn-Nummer</i> | []
[] |

[Yield⁽²⁶⁾
Rendite⁽²⁶⁾

- | | |
|---------------------------------------------------------------------------------------------------------|------------|
| <input type="checkbox"/> Yield on issue price ⁽²⁷⁾
<i>Emissionsrendite⁽²⁷⁾</i> | []
[] |
|---------------------------------------------------------------------------------------------------------|------------|

Method of Distribution
Vertriebsmethode

- | |
|--------------------------------------------------------------------|
| <input type="checkbox"/> Non-Syndicated
<i>Nicht syndiziert</i> |
| <input type="checkbox"/> Syndicated
<i>Syndiziert</i> |

²⁶ Only applicable for Fixed Rate Notes. The calculation of yield is carried out on the basis of the Issue Price.

²⁷ Nur für festverzinsliche Schuldverschreibungen anwendbar. Berechnung der Rendite erfolgt auf Basis des Ausgabepreises.
²⁷ Only applicable for Fixed Rate Notes. The calculation of yield is carried out on the basis of the Issue Price.
Nur für festverzinsliche Schuldverschreibungen anwendbar. Berechnung der Rendite erfolgt auf Basis des Ausgabepreises.

Management Details
Einzelheiten bezüglich der Dealer

Dealer/Management Group
Dealer/Bankenkonsortium

[insert name and adress]
[Name und Adresse einfügen]

Expenses
Kosten

Estimated total expenses relating to admission of trading
Geschätzte Gesamtkosten im Zusammenhang mit der Zulassung zum Handel (angeben)

[specify details]
[Einzelheiten angeben]

Stabilising Manager
Kursstabilisierender Manager

[insert details/None]
[Einzelheiten einfügen/Keiner]

Stabilisation Period

[insert commencement and end of the Stabilisation Period]
[Beginn und Ende des Stabilisierungszeitraumes einfügen]

Stabilisierungszeitraum

C. ADMISSION TO TRADING AND DEALING ARRANGEMENTS
C. ZULASSUNG ZUM HANDEL UND HANDELSREGELN

Listing(s) and admission to trading
Börsenzulassung(en) und Zulassung zum Handel

[Yes] [No]
[Ja] [Nein]

- Luxembourg Stock Exchange
- regulated market
geregelter Markt
- EuroMTF
EuroMTF

II./2 ADDITIONAL INFORMATION RELATED TO ALL NOTES
II./2 ZUSÄTZLICHE INFORMATIONEN IN BEZUG AUF SÄMTLICHE SCHULDVERSCHREIBUNGEN

Third Party Information
Information Dritter

Where information has been sourced from a third party the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof.

[Not applicable] [specify details]

Sofern Informationen von Seiten Dritter übernommen wurden, bestätigt die Emittentin, dass diese Informationen zutreffend wiedergegeben

worden sind und – soweit es der Emittentin bekannt ist und sie aus den von diesen Dritten zur Verfügung gestellten Informationen ableiten konnte – keine Fakten unterschlagen wurden, die die reproduzierten Informationen unzutreffend oder irreführend gestalten würden. Die Emittentin hat diese Informationen nicht selbständig überprüft und übernimmt keine Verantwortung für ihre Richtigkeit.

[Nicht anwendbar] [Einzelheiten einfügen]

Rating
Rating

[Not applicable]⁽²⁸⁾
[Nicht anwendbar]⁽²⁸⁾

Moody's

[specify]
[angeben]

Standard & Poor's

[specify]
[angeben]

[Specify whether the relevant rating agency is established in the European Community and is registered or has applied for registration pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "CRA Regulation").]

[Einzelheiten einfügen, ob die jeweilige Ratingagentur ihren Sitz in der Europäischen Gemeinschaft hat und gemäß Verordnung (EG) Nr. 1060/2009 des Europäischen Parlaments und des Rates vom 16. September 2009 über Ratingagenturen (wie geändert) (die "Ratingagentur-Verordnung") registriert ist oder die Registrierung beantragt hat.]

[The European Securities and Markets Authority ("ESMA") publishes on its website (www.esma.europa.eu) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.⁽²⁹⁾]

[Die Europäische Wertpapier und Marktaufsichtsbehörde ("ESMA") veröffentlicht auf ihrer Webseite (www.esma.europa.eu) ein Verzeichnis der nach der Ratingagentur-Verordnung registrierten Ratingagenturen. Dieses Verzeichnis wird innerhalb von fünf Werktagen nach Annahme eines Beschlusses gemäß Artikel 16, 17 oder 20 der Ratingagentur-Verordnung aktualisiert. Die Europäische Kommission veröffentlicht das aktualisierte Verzeichnis im Amtsblatt der Europäischen Union innerhalb von 30 Tagen nach der Aktualisierung.⁽²⁹⁾]

²⁸ Insert rating(s) of the Issuer and Guarantor, if applicable, and/or if Notes are rated on an individual basis.

Rating(s) des Emittenten und der Garantin, soweit anwendbar, einfügen und/oder falls für die Schuldverschreibungen ein Einzelrating vorliegt.

²⁹ The current version of the list of credit rating agencies registered in accordance with the Rating Regulation may be retrieved from the website of the European Commission at http://ec.europa.eu/internal_market/securities/agencies/index_en.htm. In accordance with Article 18 (3) of the Rating Regulation, such list is updated within 30 days, as soon as the registering competent authority of a home member state has informed the Commission of any amendment as regards the registered credit rating agencies.

Die aktuelle Liste der gemäß der Ratingverordnung registrierten Ratingagenturen kann auf der Webseite der Europäischen Kommission unter http://ec.europa.eu/internal_markets/securities/agencies/index_en.htm abgerufen werden. Diese Liste wird im Einklang mit Artikel 18(3) der Ratingverordnung innerhalb von 30 Tagen aktualisiert, sobald die für die Registrierung zuständige Behörde eines Heimatstaates die Kommission über etwaige Änderungen betreffend der registrierten Ratingagentur informiert hat.

Trade Date:
Handelstag:

The aggregate principal amount of Notes has been translated into EUR at the rate of [amount] EUR []
[currency] = 1 EUR determined at the Trade Date as provided by the Issuer according to the ECB reference rate, producing the sum of.⁽³⁰⁾

*Der Gesamtnennbetrag der EUR []
Schuldverschreibungen wurde in EUR zum Kurs
von [Betrag] [Währung] = 1 EUR zum Handelstag
umgerechnet, wie von der Emittentin bereitgestellt
in Übereinstimmung mit dem EZB Referenzkurs;
dies ergibt einen Betrag von.⁽³⁰⁾*

Signed on behalf of the Issuer

By:

Duly authorised

By:

Duly authorised

³⁰ As provided by the Issuer.
Wie von der Emittentin bereitgestellt.

Part E.V of the Prospectus Text of the Guarantee

Text der Garantie

Der deutsche Text der Garantie ist ausschließlich rechtlich maßgebend. Die englische Übersetzung ist unverbindlich.

Bayerische Motoren Werke Aktiengesellschaft München, Bundesrepublik Deutschland

Garantie

Die Bayerische Motoren Werke Aktiengesellschaft, München, Bundesrepublik Deutschland, die BMW Finance N.V., Den Haag, Niederlande, die BMW US Capital, LLC, Wilmington, Delaware, Vereinigte Staaten von Amerika, die BMW Australia Finance Limited, Victoria, Australien und BMW Japan Finance Corp., Chiyoda-ku, Tokio, Japan (nachstehend gemeinsam auch die "Emittentinnen" und jede einzelne eine "Emittentin" genannt) begeben Schuldverschreibungen unter einem zeitlich nicht begrenzten Euro Medium Term Note Programm (nachstehend auch das "Programm" genannt) im Gesamtnennbetrag von EUR 35.000.000.000,- (in Worten: Euro fünfunddreißig Milliarden).

Die Bayerische Motoren Werke Aktiengesellschaft, München, Bundesrepublik Deutschland (nachstehend auch die "Garantin" genannt) übernimmt gegenüber den Inhabern (wie in § 1 Absatz 5 der Emissionsbedingungen definiert) die unbedingte und unwiderrufliche Garantie für die ordnungsgemäße Zahlung des Kapitals, etwaiger Zinsen sowie etwaiger zusätzlicher Beträge gemäß § 7 Absatz 1 der Emissionsbedingungen auf die von der BMW Finance N.V., Den Haag, Niederlande, der BMW US Capital, LLC, Wilmington, Delaware, Vereinigte Staaten von Amerika, der BMW Australia Finance Limited, Victoria, Australien und BMW Japan Finance Corp., Chiyoda-ku, Tokio, Japan aufgrund des Programms ausgegebenen und jeweils ausstehenden Schuldverschreibungen nach Maßgabe der für diese Schuldverschreibungen geltenden Bedingungen der Schuldverschreibungen.

Sinn und Zweck dieser Garantie ist es sicherzustellen, dass die Inhaber unter allen Umständen und ungeachtet der tatsächlichen oder rechtlichen Umstände, Beweggründe oder Erwägungen, aus denen eine Zahlung durch eine Emittentin unterbleiben mag, die als Kapital, als etwaige Zinsen und als etwaige zusätzliche Beträge gemäß § 7 Absatz 1 der Emissionsbedingungen zahlbaren Beträge zu den Fälligkeitsterminen erhalten, die für die jeweils ausgegebenen und ausstehenden Schuldverschreibungen in den für sie geltenden Emissionsbedingungen festgesetzt sind.

Die Verpflichtungen aus dieser Garantie werden durch eine Änderung der Rechtsform einer oder mehrerer Emittentin/en oder einen Wechsel ihrer Aktionäre nicht berührt.

Text of the Guarantee

The German text of this Guarantee is the exclusively legally binding one. The English translation is for convenience only.

The Issuer and the Guarantor have satisfied themselves that the English translation of the Guarantee as shown below accurately reflects the corresponding German original version thereof in all material respects.

Bayerische Motoren Werke Aktiengesellschaft Munich, Federal Republic of Germany

Guarantee

Bayerische Motoren Werke Aktiengesellschaft, Munich, Federal Republic of Germany, BMW Finance N.V., The Hague, The Netherlands, BMW US Capital, LLC, Wilmington, Delaware, United States of America, BMW Australia Finance Limited, Victoria, Commonwealth of Australia and BMW Japan Finance Corp., Chiyoda-ku, Tokyo, Japan, (hereinafter also together referred to as the "Issuers" and each as an "Issuer") issue Notes through a Euro Medium Term Note Programme with indefinite term (hereinafter also referred to as the "Programme") in the aggregate principal amount of EUR 35,000,000,000 (in words: Euro thirty five billion).

Bayerische Motoren Werke Aktiengesellschaft, Munich, Federal Republic of Germany (hereinafter also referred to as the "Guarantor"), assumes vis-à-vis the Noteholders (as defined in § 1 (5) of the Terms and Conditions) the unconditional and irrevocable Guarantee for the payment of principal, interest, if any, and additional amounts pursuant to § 7 (1) of the Terms and Conditions of the Notes, if any, payable under any Notes issued and outstanding from time to time by BMW Finance N.V., The Hague, The Netherlands, by BMW US Capital, LLC, Wilmington, Delaware, United States of America, by BMW Australia Finance Limited, Victoria, Commonwealth of Australia, and by BMW Japan Finance Corp., Chiyoda-ku, Tokyo, Japan under the Programme in accordance with the Terms and Conditions of the Notes.

The intent and purpose of this Guarantee is to ensure that the Noteholders under all circumstances, whether factual or legal, and regardless of the motives or considerations by reason of which any of the Issuers may fail to effect payment, shall receive the amounts payable as principal, interest, if any, and additional amounts pursuant to § 7 (1) of the Terms and Conditions of the Notes, if any, on the due dates provided for in the respective Terms and Conditions of the Notes applicable to the respective Notes.

The obligations arising from this Guarantee will not be affected in any respect by a change of the legal form of one or more Issuer(s) or by a change of its shareholders.

Die Rechte und Pflichten aus dieser Garantie bestimmen sich ausschließlich nach dem Recht der Bundesrepublik Deutschland. Erfüllungsort und ausschließlicher Gerichtsstand ist München.

München, 13. Mai 2014

Bayerische Motoren Werke Aktiengesellschaft

The rights and duties arising from this Guarantee shall be governed exclusively by the laws of the Federal Republic of Germany. Place of performance and exclusive court of venue shall be Munich.

Munich, 13 May 2014

Bayerische Motoren Werke Aktiengesellschaft

Part E.VI of the Prospectus Text of the Declaration of Undertaking

Text der Verpflichtungserklärung

Der deutsche Text der Verpflichtungserklärung ist ausschließlich rechtlich maßgebend. Die englische Übersetzung ist unverbindlich.

Verpflichtungserklärung

Die Bayerische Motoren Werke Aktiengesellschaft, München, Bundesrepublik Deutschland, die BMW Finance N.V., Den Haag, Niederlande, die BMW US Capital, LLC, Wilmington, Delaware, Vereinigte Staaten von Amerika, die BMW Australia Finance Limited, Victoria, Australien und die BMW Japan Finance Corp., Chiyoda-ku, Tokio, Japan (nachstehend gemeinsam auch die "Emittentinnen" und jede einzelne eine "Emittentin" genannt) begeben Schuldverschreibungen unter einem zeitlich nicht begrenzten Euro Medium Term Note Programm (nachstehend auch das "Programm" genannt) im Gesamtnennbetrag von EUR 35.000.000.000, – (in Worten: Euro fünfunddreißig Milliarden). Die Emissionen der Emittentinnen, mit Ausnahme der Bayerische Motoren Werke Aktiengesellschaft, werden von der Bayerische Motoren Werke Aktiengesellschaft (in dieser Eigenschaft die "Garantin") garantiert.

Die Bayerische Motoren Werke Aktiengesellschaft, München, Bundesrepublik Deutschland, in ihrer Eigenschaft als Emittentin und als Garantin sowie die BMW Finance N.V., Den Haag, Niederlande, die BMW US Capital, LLC, Wilmington, Delaware, Vereinigte Staaten von Amerika, die BMW Australia Finance Limited, Victoria, Australien und die BMW Japan Finance Corp., Chiyoda-ku, Tokio, Japan jeweils in ihrer Eigenschaft als Emittentin, verpflichten sich hiermit gegenüber den Inhabern solange, bis Kapital, etwaige Zinsen und etwaige zusätzliche Beträge gemäß § 7 Absatz 1 der Emissionsbedingungen auf die von der jeweiligen Emittentin im Rahmen des oben genannten Programms ausgegebenen und jeweils ausstehenden Schuldverschreibungen und nach Maßgabe der jeweiligen Emissionsbedingungen in vollem Umfang bei der jeweiligen Zahlstelle oder einer anderen gemäß § 6 der Emissionsbedingungen ernannten Zahlstelle bereitgestellt worden sind, keine gegenwärtigen oder zukünftigen Verbindlichkeiten (einschließlich Verbindlichkeiten aus Garantien oder Sicherheiten) aus diesem Programm und anderen internationalen Kapitalmarktverbindlichkeiten durch irgendwelche Grund- oder Mobiliarpfandrechte an ihrem gegenwärtigen oder zukünftigen Grundbesitz oder ihren Vermögenswerten sicherzustellen oder sicherstellen zu lassen, es sei denn, dass diese Schuldverschreibungen zur gleichen Zeit und im gleichen Rang anteilig an dieser Sicherstellung teilnehmen. Ausgenommen hiervon sind Grund und Mobiliarpfandrechte und andere Besicherungen von Verbindlichkeiten aufgrund von nationalen oder lokalen Steuervorschriften, anderen gesetzlichen Ausnahmeregelungen, gesetzlichen Vorschriften und Verwaltungsvorschriften.

Als "internationale Kapitalmarktverbindlichkeit" gilt jede Emission von Schuldverschreibungen mit einer ursprünglichen Laufzeit von mehr als einem Jahr.

Die Rechte und Pflichten aus dieser Verpflichtungserklärung und ihre Auslegung bestimmen sich ausschließlich nach dem Recht der Bundesrepublik Deutschland. Erfüllungsort und ausschließlicher Gerichtsstand ist München.

Text of the Declaration of Undertaking

The German text of this Declaration of Undertaking is the exclusively legally binding one. The English translation is for convenience only.

The Issuer and the Guarantor have satisfied themselves that the English translation of the Declaration of Undertaking as shown below accurately reflects the corresponding German original version thereof in all material respects.

Declaration of Undertaking

Bayerische Motoren Werke Aktiengesellschaft, Munich, Federal Republic of Germany, BMW Finance N.V., The Hague, The Netherlands, BMW US Capital, LLC, Wilmington, Delaware, United States of America, and BMW Australia Finance Limited, Victoria, Commonwealth of Australia and BMW Japan Finance Corp., Chiyoda-ku, Tokyo, Japan (hereinafter also together referred to as the "Issuers" and each as an "Issuer") issue Notes through a Euro Medium Term Note Programme with indefinite term (hereinafter also referred to as the "Programme") in the aggregate principal amount of EUR 35,000,000,000 (in words: Euro thirty five billion). Notes which are issued by those Issuers other than Bayerische Motoren Werke Aktiengesellschaft are guaranteed by Bayerische Motoren Werke Aktiengesellschaft (in this capacity the "Guarantor").

Bayerische Motoren Werke Aktiengesellschaft, Munich, Federal Republic of Germany in its capacity as an Issuer and as Guarantor as well as BMW Finance N.V., The Hague, The Netherlands, BMW US Capital, LLC, Wilmington, Delaware, United States of America, BMW Australia Finance Limited, Victoria, Commonwealth of Australia and BMW Japan Finance Corp., Chiyoda-ku, Tokyo, Japan in their capacity as Issuers, herewith undertake *vis-à-vis* the holders of Notes, until such time as principal and interest, if any, as well as additional amounts pursuant to § 7 (1) of the Terms and Conditions of the Notes, if any, on any Notes issued by the relevant Issuer and outstanding under the above-mentioned Programme and in accordance with the relevant Terms and Conditions of the Notes have been completely placed at the disposal of the relevant Paying Agent or any other paying agent appointed in accordance with Condition 6 of the Terms and Conditions of the Notes, not to secure or have secured by any mortgage or pledge on its present or future property or assets, any present or future obligations (including obligations under guarantees or securities) arising from Notes issued under the Programme or arising from other International Capital Market Indebtedness, unless these Notes at the same time share *pari passu* and *pro rata* in such security. Any mortgage or pledge or other charge for obligations in respect of national and local taxes, other statutory exceptions, requirements by applicable laws and any administrative requirements shall be excluded.

"International Capital Market Indebtedness" means any issue of notes with an original maturity of more than one year.

The rights and duties arising from this Declaration of Undertaking and its interpretation shall be governed exclusively by the laws of the Federal Republic of Germany. Place of performance and exclusive court of venue shall be

München, 13. Mai 2014

Bayerische Motoren Werke Aktiengesellschaft
BMW Finance N.V.
BMW US Capital, LLC
BMW Australia Finance Limited
BMW Japan Finance Corp.

Munich.

Munich, 13 May 2014

Bayerische Motoren Werke Aktiengesellschaft
BMW Finance N.V.
BMW US Capital, LLC
BMW Australia Finance Limited
BMW Japan Finance Corp.

SELLING RESTRICTIONS

1. General

Each Dealer acknowledges and each further Dealer will be required to acknowledge that no action has been or will be taken in any jurisdiction by any Issuer that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where any action for that purpose is required. Each Dealer will comply, to the best of its knowledge and belief, with all applicable laws and regulations (including any amendments, changes or modifications thereto from time to time) in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes such offering material and will obtain any consent, approval or permission required by it for such purchase, offer, sale or delivery by it in each such country or jurisdiction, in all cases at its own expense, and neither the Issuer nor any other Dealer shall have responsibility therefor. Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable laws and regulations in any jurisdiction, or pursuant to any exemption thereunder, or assumes any responsibility for facilitating such sale.

2. European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

3. United States of America

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in transactions that are exempt from or not subject to the registration requirements of the Securities Act, including the safe harbor provided by Regulation S under the Securities Act. The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax law regulations. Each of the Dealers has represented and agreed that it, its affiliates and any person acting on its or their behalf has not offered or sold, and will not offer or sell, any Notes (including the Guarantee) constituting part of its allotment (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Principal Paying Agent by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such tranche purchased by or through it, in which case the Principal Paying Agent shall notify each such Dealer when all such Dealers have so certified) except in an offshore transaction in accordance with Regulation S under the Securities Act. Accordingly, each of the Dealers has represented and agreed that neither it, its affiliates nor any other persons acting on its or their behalf have engaged or will engage in any directed selling efforts in the United States with respect to the Notes and the Guarantee, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.

Each of the Dealers has agreed that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Notes (and the related Guarantee) covered hereby have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Tranche of Notes of which such Notes are a part, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Terms used in the foregoing paragraphs have the meanings given to them by Regulation S.

For all Notes issued by an issuer other than where the paying agent is a U.S. payor or a U.S. middleman as defined in U.S. Treas. Reg. § 1.6049-5(c)(5) and other than where the Notes are issued by a non-U.S. issuer and have a maturity of one year or less the following shall apply:

- (1) except to the extent permitted under rules identical to those described in U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D) (the "TEFRA D Rules"), each of the Dealers has represented and agreed that it (a) has not offered or sold, and during the restricted period will not offer or sell, Notes to a person who is within the United States of America or its possessions or to a United States person and (b) has not delivered and will not deliver within the United States of America or its possessions definitive Notes that are sold during the restricted period;
- (2) each of the Dealers has represented and agreed that it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States of America or its possessions or to a United States person, except as permitted by the TEFRA D Rules;
- (3) if one of the Dealers is a United States person, it has represented and agreed that it is acquiring the Notes for purposes of resale in connection with their original issuance and if one of the Dealers retains Notes for its own account, it will only do so in accordance with rules identical to those described in U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D)(6); and
- (4) with respect to each affiliate that acquires from a Dealer Notes for the purpose of offering or selling such Notes during the restricted period, such Dealer has represented and agreed that it either (a) repeats and confirms the representations and agreements contained in clauses (1), (2) and (3) on its behalf or (b) agrees that it will obtain from such affiliate for the Issuer's benefit the representations and agreements contained in clauses (1), (2) and (3).

Notes issued in bearer form by non-U.S. issuers complying with the TEFRA D Rules described above in paragraphs (1) through (4) above are intended in order for such Notes to qualify as “foreign targeted obligations” for purposes of Section 4701 of the Code.

Legends:

Notes issued in accordance with the rules described above in paragraph II by non-U.S. issuers will bear the following legend:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in section 165(j) and 1287(a) of the U.S. Internal Revenue Code.”

Notes issued in accordance with the rules described above in paragraph II by BMW US Capital, LLC with a maturity of 183 days or less must have a face amount of no less than USD 500,000 or its equivalent and will bear the following legend:

“By accepting this obligation, the holder represents and warrants that it is not a United States person (other than an exempt recipient described in section 6049(b)(4) of the U.S. Internal Revenue Code and the regulations thereunder) and that it is not acting for or on behalf of a United States person (other than an exempt recipient described in section 6049(b)(4) of the U.S. Internal Revenue Code and the regulations thereunder).”

Terms used in paragraph II above, have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules. The term “Dealers” used in paragraph II above, includes each further Dealer appointed under the Programme.

4. United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

5. Japan

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes have not been and will not be registered in Japan under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948 (as amended)). Accordingly, each Dealer has represented and agreed that it will not offer, sell or deliver any Notes, or any Interest thereon directly or indirectly, in Japan or to any Japanese Person or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the account of any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant governmental and regulatory authorities in effect at the relevant time. For the purposes of this paragraph “Japanese Person” shall mean any person resident in Japan, including any corporation or other entity located in Japan. In addition, each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, to provide necessary information relating to the issue of Notes to the Issuer (which shall not include the name of any client of the Dealer), so that the Issuer may make any required reports to the Japanese Minister of Finance through its designated agent.

In addition, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes as part of the distribution by the Dealers, and will not offer, sell or deliver otherwise until 40 days after the date of the issue of the Notes to, or for the benefit of, (a) any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan but excluding (i) a Japanese financial institution designated in Article 3-2-2, Paragraph 29 of the Cabinet Order relating to the Act on Special Measures Concerning Taxation (the "Cabinet Order") that will hold the Notes for its own proprietary account and (ii) an individual resident of Japan or a Japanese corporation whose receipt of interest on the Notes will be made through a payment handling agent in Japan as defined in Article 2-2, Paragraph 2 of the Cabinet Order for Japanese tax purposes) or (b) any non-resident of Japan (which term as used herein means any person other than a person resident in Japan, including any corporation or other entity other than those organised under the laws of Japan) that is a person having a special relationship with the Issuer as provided in Article 6, Paragraph 4 of the Act on Special Measures Concerning Taxation.

6. Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, (i) that it has not offered or sold or delivered, and will not offer or sell, or deliver any Notes in the Republic of Italy in a solicitation to the public, nor may copies of this Prospectus, the Final Terms or any other document relating to the Notes be distributed in the Republic of Italy and (ii) that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation except:

- (a) to "qualified investors" (*investitori qualificati*) as defined in Article 26, paragraph 1 (d) of CONSOB Regulation No. 16190 of October 29, 2007, as amended ("Intermediaries Regulation"), in connection with Article 34-*ter*, paragraph 1, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999 (the "Issuers Regulation") implementing Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "Italian Financial Services Act"), all as amended; or
- (b) in an offer to the public in the period commencing on the date of publication of such prospectus, provided that such prospectus has been approved in another relevant Member State and notified to CONSOB, all in accordance with the Prospectus Directive, as implemented in Italy under the Italian Financial Services Act and the Issuers Regulation, and ending on the date which is 12 months after the date of publication of such prospectus; or
- (c) in any other circumstances where an express exemption from compliance with the solicitation restrictions applies, as provided under the Italian Financial Services Act or the Issuers Regulation, as amended from time to time.

Furthermore, and subject to the foregoing, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that any such offer, sale or delivery of the Notes or any document relating to the Notes in the Republic of Italy must be:

- (i) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act, the Intermediaries Regulation and the Legislative Decree No. 385 of 1 September 1993 (the "Italian Banking Act"), all as amended and any other applicable laws and regulations;
- (ii) to the extent applicable, in compliance with Article 129 of the Italian Banking Act as amended, and the relevant implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request post-offering information on the issue or the offer of securities in the Republic of Italy; and
- (iii) in compliance with any securities, tax, exchange control and any other applicable laws and regulations, including any limitation or notification requirement which may be imposed, from time to time, *inter alia* by CONSOB or the Bank of Italy.

Provisions relating to the secondary market in Italy

Investors should also note that, in accordance with Article 100-*bis* of the Italian Financial Services Act, where no exemption under (c) above applies, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the rules on offers of securities to be made

to the public provided under the Financial Services Act and the Issuers Regulation. Failure to comply with such rules may result, *inter alia*, in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the Notes for any damages suffered by the investors.

7. The Netherlands

In relation to The Netherlands, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree it has not made and will not make an offer of Notes to the public in The Netherlands except that it may make an offer of Notes to the public in The Netherlands:

- (i) in the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in The Netherlands or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (ii) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to section 53 through 55 of the Exemption Regulation pursuant to the Act on the Financial Supervision (*Vrijstellingsregeling Wet op het financieel toezicht*);
- (iii) if the Notes will only be offered to qualified investors within the meaning of section 1:1 of the Act on the Financial Supervision.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in The Netherlands means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Member State.

In addition to the above, if the Issuer issues Zero Coupon Notes and these Zero Coupon Notes are offered in The Netherlands as part of their initial distribution or immediately thereafter:

- (a) transfer and acceptance of such Zero Coupon Notes may only take place either by and between individuals not acting in the course of their profession or business or through the mediation of either a permit holder (*Toegelaten Instelling*) of Euronext Amsterdam N.V. or the Issuer itself in accordance with the Savings Certificate Act of 21 May 1985 (*Wet inzake Spaarbewijzen*); and
- (b) certain identification requirements in relation to the issue and transfer of, and payment on the Zero Coupon Notes have to be complied with pursuant to section 3a of the Savings Certificate Act;

Furthermore, unless such Zero Coupon Notes qualify as commercial paper or certificates of deposit and the transaction is carried out between professional lenders and borrowers:

- (c) each transaction concerning such Zero Coupon Notes must be recorded in a transaction note, stating the name and address of the other party to the transaction, the nature of the transaction and details, including the number and serial number of the Zero Coupon Notes concerned;
- (d) the obligations referred to under (c) above must be indicated on a legend printed on Zero Coupon Notes that are not listed on a stock market; and
- (e) any reference to the words “to bearer” in any documents or advertisements in which a forthcoming offering of Zero Coupon Notes is publicly announced is prohibited.

For purposes of this paragraph, “Zero Coupon Notes” are Notes to bearer in definitive form that constitute a claim for a fixed sum of money against the Issuer and on which interest does not become due prior to maturity or on which no interest is due whatsoever.

8. Commonwealth of Australia

Each Dealer has understood that no prospectus or other disclosure document in relation to the Notes has been lodged with, or registered by, the Australian Securities and Investments Commission (“ASIC”) or the ASX Limited. Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it:

- (a) has not offered or invited applications, and will not offer or invite applications, directly and indirectly, for the issue, sale or purchase of the Notes in Australia (and has not, and will not make an offer or invitation which is received by a person in Australia); and
- (b) has not advertised, distributed or published, and will not advertise, distribute or publish, any offer or invitation to apply for the Notes, or any statement that directly or indirectly refers to the offer or invitation or intended offer or invitation or is reasonably likely to induce people to apply for the Notes, the Prospectus or any other offering material or advertisement relating to the Notes in Australia,

unless (i) the minimum consideration payable by each offeree on acceptance of the offer is at least AUD 500,000 (disregarding any moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors under Part 6D.2 of the Corporations Act 2001 (Cth) (“Australian Corporations Act”) pursuant to one or more of the exemptions in section 708 of the Australian Corporations Act and (ii) such action complies with all applicable laws and regulations.

Each Dealer has acknowledged that any offers of Notes for sale to investors received in Australia within 12 months after their issue by the Issuer may need disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for sale in Australia is conducted in reliance on an exemption under section 708 of the Australian Corporations Act.

In addition, each Dealer has agreed that it will not sell Notes to any persons if, at the time of such sale, the employees of the relevant Dealer(s) are aware of, or involved in the sale, knew or had reasonable grounds to suspect that, as a result of such sale, any Notes or any interest in any Notes were being, or would later be, acquired (directly or indirectly) by an offshore associate of the Issuer (as referred to in the Australian Taxation section of this Prospectus) for the purposes of section 128F(5) of the Income Tax Assessment Act 1936 of Australia (the “Australian Tax Act”).

Each Dealer has represented and agreed with the Issuer and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) it is and at the time of the issue of the Notes, will be acting in the course of carrying on a business of providing finance, or investing or dealing in securities, and in the course of operating in financial markets;
- (ii) each Note acquired by it will be acquired on the basis of information contained in, and as a result of negotiations initiated following receipt of, this Prospectus; and
- (iii) it is not, an “associate” of BMW Australia Finance within the meaning of section 128F(9) of the Australian Tax Act.

Each Dealer has agreed with the Issuers to:

- (i) co-operate with the Issuer with a view to ensuring that Notes are offered for sale in a manner which will allow payments of interest (as defined in section 128A(1AB) of the Australian Tax Act) on the Notes to be exempt from withholding tax under section 128F of the Australian Tax Act. In particular, each Dealer has agreed to provide to the Issuers such confirmation and other evidence reasonably required by the Issuer in order to establish that payments of interest are exempt from withholding tax under section 128F of the Australian Tax Act upon receipt by the Issuer of a request from the Australian Taxation Office (“ATO”) for specific information (and in the latter case, the Issuer’s request must be accompanied by satisfactory evidence of the ATO’s request); and
- (ii) provide any information relating to the issuance and distribution of the Notes as may reasonably be required by the Issuer and in order to evidence that payments of interest (as defined in section 128A(1AB) of the Australian Tax Act) are exempt from withholding tax under section 128F of the Australian Tax Act, provided that the relevant Dealer(s) shall not be obliged to disclose the identity of the purchaser of any Note or any information from which such identity would be capable of being ascertained or any information, the disclosure of which could be contrary to, or prohibited by, any relevant law, regulation or directive binding on the relevant Dealer(s).

9. The People’s Republic of China

Each Dealer has represented and agreed that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (for such purposes, not

including Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the laws of the People's Republic of China.

10. Hong Kong

Each Dealer has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "*professional investors*" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "*prospectus*" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "*professional investors*" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

11. Other Jurisdictions

Each of the Dealers has agreed that it will not offer, sell or deliver any Notes in any other country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations in force in such jurisdiction in which it offers, sells or delivers the Notes.

TAXATION

The following is a summary of the withholding taxation treatment of the Federal Republic of Germany, The Netherlands, the United States of America, the Commonwealth of Australia, the United Kingdom, Japan, the People's Republic of China, Hong Kong, Luxembourg and Austria, respectively, at the date hereof in relation to the payments on the Fixed Rate Notes, the Floating Rate Notes and the Zero Coupon Notes (the "Notes"). It is not exhaustive, and in particular, does not deal with the position of Noteholders other than in relation to withholding tax (for certain non-exhaustive exceptions, see below) in the jurisdictions referred to above, nor with the withholding tax treatment of payments on all forms of Notes which may be issued under the Programme. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date and may be retroactively applicable.

Noteholders who are in any doubt as to their tax position are urged to consult their professional advisers as to the overall tax consequences of purchasing, holding and/or selling Notes and/or Coupons/Talons.

EU Savings Directive

On 3 June 2003, the Council of the European Union ("ECOFIN") approved the Directive regarding the taxation of savings income (the "EU Savings Directive"). The EU Savings Directive entered into force on 1 July 2005. By provisions implementing the EU Savings Directive, each of the 27 EU Member States must require paying agents (within the meaning of the EU Savings Directive) established within its territory to automatically provide to the competent authority of this state details of the payment of interest (or other similar income) made to any individual resident in another EU Member State as the beneficial owner. The competent authority of the EU Member State of the paying agent is then required to communicate this information to the competent authority of the EU Member State of which the beneficial owner of the interest is a resident.

For a transitional period, Austria (unless during such period it elects otherwise) and Luxembourg (presumably until 31 December 2014) opted instead to withhold tax from interest payments within the meaning of the EU Savings Directive at a rate of 15 per cent. for the first three years from the date on which the EU Savings Directive comes into effect, of 20 per cent. for the next three years and 35 per cent. thereafter. Belgium has decided to opt for the withholding tax only until 31 December 2009 and to apply the information procedure described above as from 2010. The afore-mentioned transitional period will terminate at the end of the first fiscal year following the agreement by the non EU-countries and territories referred to below to the exchange of information relating to such payments and the levying of withholding tax on interest income.

The ECOFIN agreed that the provisions to be enacted for implementation of the EU Savings Directive shall be applied by the Member States as from 1 July 2005 subject to (i) Switzerland, Liechtenstein, San Mario, Monaco and Andorra applying from that same date measures equivalent to those contained in the EU Savings Directive, in accordance with agreements entered into by each of them with the European Community ("Third Countries") and (ii) all the relevant dependent or associated territories ("Dependent Territories", such as the Channel Islands, the Isle of Man and dependent or associated territories in the Caribbean) applying from that same date an automatic exchange of information or, during the transitional period mentioned above, apply a withholding tax in the described procedure.

On 26 January 2004, the German Interest Information Regulation (*Zinsinformationsverordnung*; the "Regulation") was published in order to create the appropriate framework for the implementation of the EU Savings Directive. The Regulation coming into effect is subject to the enactment of the EU Savings Directive. For detailed information concerning the correct treatment of the Regulation, please refer to the Tax Decrees published by the German Federal Ministry of Finance on 30 January 2008.

The Regulation will enter into force at that point in time, from which the provisions of the EU Savings Directive have to be applied by the EU Member States according to a resolution of the Council of the European Union. In a meeting of 7 June 2005 the ECOFIN noted that all Third Countries concerned and all relevant Dependent Territories have agreed to apply from 1 July 2005 the measures which are a pre-condition to the application of the EU Savings Directive and that therefore the conditions have now been met to enable the rules on taxation of savings to enter into force on that same date.

On 15 September 2008, the European Commission issued a report to the ECOFIN on the operation of the EU Savings Directive, which included the Commission's advice on the need for changes to the EU Savings Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the EU Savings Directive, which included a number of suggested changes that would amend or broaden the scope of the requirements described above. The European Parliament approved an amended version of this proposal on 24 April 2009. On 2 March 2012, the European Commission, following a second review of the EU Savings Directive, adopted a report on the EU Savings Directive to the Council of the European Union which again confirmed the Commission's advice on the need for changes. Finally, on 24 March 2014 the European Council formally adopted a directive amending the EU Savings Directive. The EU Member States will have to have legislation in place to implement the new rules by 1 January 2016.

Since the EU Savings Directive may have an impact on the taxation of savings income of the respective individual Noteholders in the future, such Noteholders are advised to consult with a tax advisor for further information in this context.

Noteholders who are individuals should note that, pursuant to the EU Savings Directive, the Issuer will not pay additional amounts under § 7 of the Terms and Conditions of the Notes in respect of any withholding tax imposed as a result thereof.

Federal Republic of Germany

The following is a general discussion of certain German tax consequences of the acquisition, the ownership and the sale, assignment or redemption of the Notes. It does not purport to be a comprehensive description of all tax considerations, which may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

As each Tranche of Notes may be subject to a different tax treatment, due to the specific terms of such Tranche, the following section only provides some very generic information on the possible tax treatment and has to be read in conjunction with the more specific information on the taxation of each Tranche of Notes as provided in the relevant Final Terms.

Prospective purchasers of the Notes are advised to consult their own tax advisors as to the tax consequences of the acquisition, the ownership and the sale, assignment or redemption of Notes, including the effect of any state or local taxes, under the tax laws of Germany and each country of which they are residents. Otherwise prospective purchasers may find additional information regarding particular uncertainties in the light of the new flat tax regime in the tax decrees dated 9 October 2012 (BMF IV C 1 - S 2252/10/10013), 16 December 2010 (BMF IV C 1 – S 2401/10/10005), 3 November 2010 (BMF IV C 1-S 1980-1/09/10001) and 23 April 2010 (BMF IV C 1 – S 2283-c/09/10005) issued by the German Federal Ministry of Finance.

General

The Business Tax Reform Act 2008 (*Unternehmensteuerreformgesetz 2008*) introduced, inter alia, the so-called flat tax (*Abgeltungsteuer*), in the following also referred to as "flat tax", a new taxation regime for investment income. The flat tax regime took effect on 1 January 2009 and changed the taxation of investment income for private investors significantly but also provides for certain modifications regarding the taxation of business investors. The new flat tax applies to both current interest payments under the Notes and gains from the sale, assignment or redemption of the Notes. The flat tax regime is authoritative with respect to securities (including the Notes) acquired after 31 December 2008.

Tax Residents

Private Investors

Interest and Capital Gains

Interest payable on the Notes to persons holding the Notes as private assets ("Private Investors") who are tax residents of Germany (i.e. persons whose residence or habitual abode is located in Germany) qualifies as investment income (*Einkünfte aus Kapitalvermögen*) according to Sec. 20 para. 1 German Income Tax Act (*Einkommensteuergesetz*) and is generally taxed at a separate flat tax rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax). Capital gains from

the sale, assignment or redemption of the Notes acquired after 31 December 2008, including the original issue discount of the Notes and interest having accrued up to the disposition of a Note and credited separately ("Accrued Interest", *Stückzinsen*), if any, qualify – irrespective of any holding period – as investment income pursuant to Sec. 20 para. 2 German Income Tax Act and are also taxed at the flat tax rate (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax). If the Notes are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*) rather than sold, as a rule, such transaction is treated like a sale.

Capital gains are determined by taking the difference between the sale, assignment or redemption price (after the deduction of expenses directly and factually related to the sale, assignment or redemption) and the acquisition price of the Notes. This will as well apply to Notes on which the principal is effectively repaid in whole or in part although the repayment was not guaranteed. Where the Notes are issued in a currency other than Euro the sale, assignment or redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the acquisition date and the sale, assignment or redemption date respectively.

Expenses (other than such expenses directly and factually related to the sale, assignment or redemption) related to interest payments or capital gains under the Notes are – except for a standard lump sum (*Sparer-Pauschbetrag*) of 801 Euro (1,602 Euro for married couples filing jointly) – not deductible.

According to the flat tax regime losses from the sale, assignment or redemption of the Notes can only be set-off against other investment income including capital gains. If the set-off is not possible in the assessment period in which the losses have been realised, such losses can be carried forward into future assessment periods only and can be set-off against investment income including capital gains generated in these future assessment periods.

Further, the German Federal Ministry of Finance in its decree dated 9 October 2012 (IV C 1 - S 2252/10/10013) has taken the position that a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*) shall, in general, not be treated as a sale, so that losses suffered upon such bad debt loss or waiver shall not be deductible for tax purposes. In this respect, it is not clear, as well, whether the position of the tax authorities may affect securities which are linked to a reference value in case such value decreases. Furthermore, according to its decree dated 9 October 2012 the German Federal Ministry of Finance holds the view that a disposal (*Veräußerung*) (and, as a consequence, a tax loss resulting from such disposal) shall not be recognised if the sales price does not exceed the actual transaction cost.

Withholding

If the Notes are held in custody with or administrated by a German credit institution, financial services institution (including a German permanent establishment of such foreign institution), securities trading company or securities trading bank (the "Disbursing Agent"), the flat tax at a rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax) will be withheld by the Disbursing Agent on interest payments and the excess of the proceeds from the sale, assignment or redemption (after the deduction of expenses directly and factually related to the sale, assignment or redemption) over the acquisition costs for the Notes (if applicable converted into Euro terms on the basis of the foreign exchange rates as of the acquisition date and the sale, assignment or redemption date respectively). In the case of interest and capital gains received after 31 December 2014, church tax is collected by way of withholding as a standard procedure unless the Private Investor filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

The Disbursing Agent will provide for the set-off of losses with current investment income including capital gains from other securities. If, in the absence of sufficient current investment income derived through the same Disbursing Agent, a set-off is not possible, the holder of the Notes may – instead of having a loss carried forward into the following year – file an application with the Disbursing Agent until 15 December of the current fiscal year for a certification of losses in order to set-off such losses with investment income derived through other institutions in the holder's personal income tax return. If custody has changed since the acquisition and (i) no evidence on the acquisition data has been provided to the Disbursing Agent by the domestic bank or financial services institution or the foreign branch of a domestic bank or financial services institution located within the EU, the EEA or certain contractual states with which the Noteholder previously maintained its custodial account; or (ii) in

certain other cases, the acquisition data is not relevant, the flat tax rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax) will be imposed on an amount equal to 30 per cent. of the proceeds from the sale, assignment or redemption of the Notes. In the course of the tax withholding provided for by the Disbursing Agent foreign taxes on investment income may be credited in accordance with the German Income Tax Act.

In general, no flat tax will be levied if the Noteholder filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent (in the maximum amount of the standard lump sum of 801 Euro (1,602 Euro for married couples filing jointly)) to the extent the income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no flat tax will be deducted if the Noteholder has submitted to the Disbursing Agent a valid certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the relevant local tax office.

For Private Investors the withheld flat tax is, in general, definitive. Exceptions apply, if and to the extent the actual investment income exceeds the amount which was determined as the basis for the withholding of the flat tax by the Disbursing Agent. In such case, the exceeding amount of investment income must be included in the Private Investor's income tax return and will be subject to the flat tax in the course of the assessment procedure. According to the decree of the German Federal Ministry of Finance dated 9 October 2012 (IV C 1 – S 2252/10/10013), however, any exceeding amount of not more than 500 Euro per assessment period will not be claimed on grounds of equity, provided that no other reasons for an assessment according to Sec. 32d para. 3 German Income Tax Act exist. Further, Private Investors may request that their total investment income, together with their other income, be subject to taxation at their personal, progressive income tax rate rather than the flat tax rate, if this results in a lower tax liability. In order to prove such capital investment income and the withheld flat tax thereon the investor may request a respective certificate in officially required form from the Disbursing Agent.

Investment income not subject to the withholding flat tax (e.g. since there is no Disbursing Agent) must be included into the personal income tax return and will be subject to the flat tax rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax), unless the investor requests the investment income to be subject to taxation at lower personal, progressive income tax rate. In the course of the assessment procedure withholding tax levied on the basis of the EU Savings Directive and foreign taxes on investment income may be credited in accordance with the German Income Tax Act.

Business Investors

Interest payable on the Notes to persons holding the Notes as business assets ("Business Investors") who are tax residents of Germany (i.e. Business Investors whose residence, habitual abode, statutory seat or place of effective management and control is located in Germany) and capital gains from the sale, assignment or redemption of the Notes, including the original issue discount of the Notes and Accrued Interest, if any, are subject to corporation tax or income tax, as the case may be, (each plus solidarity surcharge thereon) in the hands of a Business Investor at the investor's personal tax rate and have also to be considered for trade tax purposes. Losses from the sale, assignment or redemption of the Notes are generally recognised for tax purposes.

Withholding tax, if any, including solidarity surcharge, is credited as a prepayment against the Business Investors's corporate or personal income tax liability and the solidarity surcharge in the course of the tax assessment procedure, i.e. the withheld flat tax is not definitive. Any potential surplus will be refunded. However, in general and subject to certain further requirements no withholding deduction will apply on capital gains from the sale, assignment or redemption of the Notes if (i) the Notes are held by a corporation, association or estate in terms of Sec. 43 para. 2 sentence 3 no. 1 German Income Tax Act; or (ii) the proceeds from the Notes qualify as income of a domestic business and the investor notifies this to the Disbursing Agent by use of the required official form according to Sec. 43 para. 2 sentence 3 no. 2 German Income Tax Act (*Erklärung zur Freistellung vom Kapitalertragsteuerabzug*).

Withholding tax levied on the basis of the EU Savings Directive and foreign taxes may be credited in accordance with the German Income Tax Act. Alternatively, foreign taxes may also be deducted from the tax base for German income tax purposes.

Non-residents

Interest payable on the Notes and capital gains, including Accrued Interest, if any, are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent

establishment, including a permanent representative, or a fixed base maintained in Germany by the Noteholder; or (ii) the interest income otherwise constitutes German-source income, such as income from the letting and leasing of certain German situs property or income from certain capital investments directly or indirectly by German situs real estate. In the cases (i) and (ii) a tax regime similar to that explained above under "Tax Residents" applies.

Non-residents of Germany are, as a rule, exempt from German withholding tax on interest and the solidarity surcharge thereon, even if the Notes are held in custody with a Disbursing Agent. However, where the interest income is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent withholding tax is levied as explained above under "Tax Residents".

The withholding tax may be refunded based upon an assessment to tax or under an applicable tax treaty.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to the Notes will arise under the laws of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Notes are not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery, execution or conversion of the Notes. Currently, net assets tax is not levied in Germany.

EU Residents

Germany implemented the European Savings Directive (EC Council Directive 2003/48/EC) into national legislation by means of an Interest Information Regulation (*Zinsinformationsverordnung, ZIV*) in 2004. Starting on 1 July 2005, Germany therefore began to communicate all payments of interest on the Notes and similar income with respect to the Notes to the beneficial owners Member State of residence if the Notes have been kept in a custodial account with a Disbursing Agent.

The Netherlands

This taxation summary solely addresses the principal Dutch tax consequences of the acquisition, the ownership and disposition of Notes. It does not discuss every aspect of taxation that may be relevant to a particular Noteholder under special circumstances or who is subject to special treatment under applicable law.

The laws upon which this summary is based are subject to change, perhaps with retroactive effect. A change to such laws may invalidate the contents of this summary, which will not be updated to reflect changes in laws. This summary is based on the tax laws of The Netherlands as they are in force and in effect on the date of this Prospectus. It assumes that each transaction with respect to Notes is at arm's length.

This is a general summary and the tax consequences as described here may not apply to a Noteholder. Any potential investor should consult his own tax adviser for more information about the tax consequences of acquiring, owning and disposing of Notes in his particular circumstances.

Withholding Tax

All payments of principal and interest under the Notes may be made free of any Dutch withholding tax, except where Notes are issued under such terms and conditions that the Notes actually function as equity of BMW Finance N.V. as meant in article 10, paragraph 1, letter d, of the Dutch Corporate Income Tax Act 1969 (*Wet Vennootschapsbelasting 1969*).

Taxes on Income and Capital Gains

This section "Taxes on income and capital gains" applies to a Noteholder who is neither resident nor deemed to be resident in The Netherlands for Dutch tax purposes and, in the case of an individual, has not elected to be treated as a resident of The Netherlands for Dutch tax purposes (a "Non-Resident Noteholder").

Individuals

A Non-Resident Noteholder who is an individual will not be subject to any Dutch taxes on income or capital gains in respect of any benefit derived or deemed to be derived from Notes, including any payment under the Notes and any gain realised on the disposal of Notes, provided that both of the following conditions are satisfied:

1. If he derives profits from an enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise, other than as an entrepreneur or a holder of securities, which enterprise is either managed in The Netherlands or, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands as the case may be, his Notes are not attributable to such enterprise.
2. He does not derive benefits from Notes that are taxable as benefits from miscellaneous activities in The Netherlands (*resultaat uit overige werkzaamheden in Nederland*); and

benefits derived from Notes by a Non-Resident Noteholder who is an individual and who meets condition 1 above will be taxable as benefits from miscellaneous activities in The Netherlands if he, or an individual who is a connected person in relation to him as meant in article 3.91, paragraph 2, letter b, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), has a substantial interest (*aanmerkelijk belang*) (as described below) in BMW Finance N.V.

A person has a substantial interest in BMW Finance N.V. if he alone or together with his partner (*partner*), if any, has, directly or indirectly, either the ownership of shares representing 5 per cent. or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of BMW Finance N.V., or rights to acquire, directly or indirectly, shares, whether or not already issued, that represent 5 per cent. or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of BMW Finance N.V. or the ownership of profit participating certificates (*winstbewijzen*) that relate to 5 per cent. or more of the annual profit of BMW Finance N.V. or to 5 per cent. or more of the liquidation proceeds of BMW Finance N.V.

For purposes of the above, a Noteholder who is only entitled to the benefits from shares or profit participating certificates (for instance a holder of a right of usufruct) is deemed to be a holder of shares or profit participating certificates, as the case may be, and his entitlement to such benefits is considered a share or profit participating certificate, as the case may be.

Furthermore, a Non-Resident Noteholder who is an individual and who meets condition 1 above may, *inter alia*, derive benefits from Notes that are taxable as benefits from miscellaneous activities in the following circumstances, if such activities are performed or deemed to be performed in The Netherlands:

- if his investment activities go beyond the activities of an active portfolio investor, for instance in case of the use of insider knowledge (*voorkennis*) or comparable forms of special knowledge; or
- if he makes Notes available or is deemed to make Notes available, legally or in fact, directly or indirectly, to certain parties as meant in articles 3.91, 3.92 and 3.92(b) of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) under circumstances described there.

Entities

A Non-Resident Noteholder other than an individual will not be subject to any Dutch taxes on income or capital gains in respect of any payment under the Notes or in respect of any gain realised on the disposal of Notes, provided that (a) if such Non-Resident Noteholder derives profits from an enterprise that is either managed in The Netherlands or, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or as a holder of securities), the Notes are not attributable to such enterprise, and (b) such Non-Resident Noteholder does not have a substantial interest in BMW Finance N.V.

A person other than an individual has a substantial interest in BMW Finance N.V. (x) if it has a substantial interest in BMW Finance N.V. (as described above under *individuals*) or (y) if it has a deemed substantial interest in BMW Finance N.V. A deemed substantial interest is present if its shares, profit participating certificates or rights to acquire shares or profit participating certificates in BMW Finance N.V. have been acquired by such person or are deemed to be acquired by such person on a non-recognition basis.

Gift and Inheritance Taxes

A person who acquires Notes as a gift, in form or in substance, or who acquires or is deemed to acquire Notes on the death of an individual, will not be subject to Dutch gift tax or to Dutch inheritance tax, as the case may be, unless:

- (i) the donor or the deceased is resident or deemed to be resident in The Netherlands for purposes of gift or inheritance tax as the case may be; or
- (ii) the donor makes a gift of Notes, then becomes a resident or deemed resident of The Netherlands, and dies as a resident or deemed resident of The Netherlands within 180 days after the date of the gift.

If the donor or the deceased is an individual who holds Dutch nationality, he will be deemed to be resident in The Netherlands for purposes of Dutch gift and inheritance taxes if he has been resident in The Netherlands at any time during the ten years preceding the date of the gift or his death. If the donor is an individual who does not hold Dutch nationality, or an entity, he or it will be deemed to be resident in The Netherlands for purposes of Dutch gift tax if he or it has been resident in The Netherlands at any time during the twelve months preceding the date of the gift. Furthermore, in exceptional circumstances, the donor or the deceased will be deemed to be resident in The Netherlands for purposes of Dutch gift and inheritance taxes if the beneficiary of the gift or all beneficiaries under the estate jointly, as the case may be, make an election to that effect.

Other Taxes and Duties

No Dutch registration tax, custom duty, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable by a Noteholder in The Netherlands in respect of or in connection with the execution (*ondertekening*), delivery (*overhandiging*) and/or enforcement by legal proceedings (including the enforcement of any foreign judgment in the courts of The Netherlands) of the Dealer Agreement and the Agency Agreement or the performance by BMW Finance N.V. of its obligations thereunder or under the Notes.

United States of America

The following is a general discussion of the anticipated United States Federal income tax consequences under current law of holding Notes issued by BMW US Capital, LLC under the Terms and Conditions of the Notes, is limited to the United States tax consequences for United States Aliens (as defined below) and does not consider any possible United States Federal estate tax consequences. Noteholders are urged to consult their own tax advisers with respect to the particular consequences of holding Notes in light of their own particular circumstances.

Persons considering the purchase of Notes should consult their own tax advisors concerning the application of United States Federal income tax laws, as well as the law of any state, local or foreign tax jurisdiction, to their particular situations.

Internal Revenue Service Circular 230 Disclosure

Pursuant to Internal Revenue Service Circular 230, attention is drawn to the fact that the description set forth herein with respect to U.S. federal tax issues was not intended or written to be used, and such description cannot be used, by any taxpayer for the purpose of avoiding any penalties that may be imposed on the taxpayer under the U.S. Internal Revenue Code. Such description was written in connection with the promotion or marketing of the Notes. Such description is limited to the U.S. federal tax issues described herein. It is possible that additional issues may exist that could affect the U.S. federal tax treatment of the Notes, or the matter that is the subject of the description noted herein, and such description does not consider or provide any conclusions with respect to any such additional issues. Taxpayers should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

For United States Federal income tax purposes, Notes issued by BMW US Capital, LLC will be treated as issued by BMW (US) Holding Corp. In addition, this discussion does not address any Notes issued by any other issuer which may be substituted for BMW US Capital, LLC or BMW (US) Holding Corp. For purposes of this discussion, it is assumed that BMW US Capital, LLC remains an entity disregarded for United States Federal income tax purposes and it is assumed that the Notes are treated as debt for United States Federal income tax purposes.

Notes with a maturity of more than 183 days issued by BMW US Capital, LLC will be kept in custody by CBF (or other Specified Clearing System pursuant to a book entry agreement addressing the “immobilization” of the Notes) and are therefore intended to be treated as issued in registered form for U.S. federal income tax purposes.

Provided that such Notes and interest coupons, talons and receipts appertaining thereto are offered, sold and delivered, and principal, premium, if any, and interest thereon are paid in accordance with the terms of the Dealer Agreement dated 13 May 2014, the Agency Agreement dated 13 May 2014 and the Terms and Conditions of the Notes pertaining to the Notes, under present United States Federal income tax law, assuming the Notes are treated as debt for United States Federal income tax purposes and excluding instruments described in Section 871(h)(4)(A) of the Code (relating to a limited class of obligations providing for certain kinds of contingent payments) assuming the United States Alien does not have a connection or former connection with the United States other than holding the Notes and assuming that the Notes that are not refused from or otherwise treated as not in registered form as that term is understood in the Code:

1. Subject to the discussion of backup withholding and FATCA below, payments of principal, premium, if any, and interest (including original issue discount) on the Notes by BMW US Capital, LLC or any of its paying agents to any United States Alien will not be subject to United States Federal withholding tax, provided that, in the case of interest (including original issue discount), (a) the United States Alien does not actually or constructively own 10 per cent. or more of the total combined voting power of all classes of stock of BMW (US) Holding Corp. entitled to vote, (b) the United States Alien is not a controlled foreign corporation as to the United States that is related to BMW (US) Holding Corp. through stock ownership, (c) the United States Alien is not a bank that acquired a Note in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business and (d) the United States Alien has provided a properly completed Form W-8BEN (or successor form).
2. Subject to the discussion of backup withholding and FATCA below, no United States Federal income tax will be imposed with respect to any gain or income realised by a United States Alien on the sale, exchange or redemption of the Notes unless such gain is effectively connected with such United States Alien’s conduct of a trade or business in the United States or, in the case of an individual United States Alien, such United States Alien is present in the United States for 183 or more in the taxable year of the sale, exchange or redemption and certain other conditions are met.
3. Backup withholding will not apply to payments of principal, premium, if any, or interest (including original issue discount) by BMW US Capital, LLC or any of its paying agents on the Note or coupon or talon or receipt unless BMW US Capital, LLC or its paying agent has actual knowledge, or reason to know, that the payee is a United States person and, in general, the payee has not provided a properly completed Form W-9 (or successor form).

Payments of the proceeds of the sale of a Note to or through a foreign office of a “broker” (as defined in applicable United States Treasury Regulations) will not be subject to backup withholding (absent actual knowledge, or reason to know, that the payee is a U.S. person) but will be subject to information reporting if a broker is a United States Middleman, unless the broker has in its records documentary evidence that the Noteholder is not a U.S. person and has no actual knowledge, or reason to know, to the contrary or the Noteholder otherwise establishes an exemption. Payment of the proceeds of a sale of a Note to or through the United States office of a broker is subject to backup withholding and information reporting unless the Noteholder certifies its non-United States status under penalties of perjury or otherwise establishes an exemption. In certain circumstances, the obligations of BMW US Capital, LLC or any of its paying agents with respect to backup withholding and information reporting could be adjusted to coordinate with certain similar obligations required to be performed pursuant to FATCA.

Pursuant to sections 1471-1474 of the Code, (the so-called “FATCA” provisions) and subject to certain exceptions, a withholding tax is imposed at a rate of 30 per cent. on “withholdable payments” made after 30 June 2014 (in the case of payments of interest) or 31 December 2016 (in the case of payments of principal and gross proceeds of sale) to “foreign financial institutions” (FFIs) and non-financial foreign entities (NFFE) that fail to comply with certain information reporting obligations. For this purpose, withholdable payments are comprised of U.S.-source payments (including those otherwise exempt from withholding tax imposed by section 1441 of the Code, such as payments of portfolio interest) and gross proceeds from the sale of any equity or debt instruments of U.S. issuers. A

FFI is defined broadly pursuant to section 1471(d)(4) of the Code to include non-U.S. banks, non-U.S. custodians, certain non-U.S. insurance companies and certain non-U.S. investment vehicles engaged in investing, reinvesting or trading in securities. A NFFE, as defined in section 1472(d) of the Code, includes any non-U.S. entity that is not a foreign financial institution that fails to certify that, in the case where the NFFE is the beneficial owner of the payment, the NFFE either (i) has no “substantial United States owners” within the meaning of section 1473(2) or (ii) fails to provide certain identifying information regarding each substantial United States owner of the NFFE. Certain countries have entered into, and other countries are expected to enter into, agreements with the U.S. to facilitate the type of information reporting required under FATCA. While the existence of such agreements will not eliminate the risk that notes will be subject to the withholding described above, these agreements are expected to reduce the risk of the withholding for investors in (or indirectly holding notes through financial institutions in) those countries.

These rules generally do not apply to any payments made with respect to a debt obligation outstanding on 1 July 2014 or to the gross proceeds from the disposition of an obligation outstanding as of such date, unless such debt obligation is significantly modified on or after such date for U.S. federal income tax purposes. Each prospective investor should consult its own tax advisor regarding the potential application of FATCA and related tax or information reporting requirements to an investment in the Notes.

For purposes of this discussion, a “United States Alien” is a Noteholder that is a beneficial owner of that Note and that is an individual, corporation, estate or trust that is not a “United States Person”. In addition, for purposes of this discussion, a “United States Person” is a beneficial owner of a Note that is (i) a citizen or resident of the United States, (ii) a corporation (or entity treated as a corporation for United States Federal tax purposes) created or organized under the laws of the United States or any political subdivision thereof, (iii) an estate the income of which is subject to United States income tax without regard to the source, or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. For this purpose, a “United States Middleman” is (i) a U.S. person, (ii) a controlled foreign corporation for United States tax purposes, (iii) a foreign person 50 per cent. or more of whose gross income is derived from the conduct of a United States trade or business for a specified three year period, (iv) a foreign partnership engaged in a United States trade or business or in which U.S. persons hold more than 50 per cent. of the income or capital interest, or (v) certain United States branches of foreign banks or insurance companies.

By its acceptance of a Note, each Noteholder will be deemed to understand and acknowledge that the Issuer, Principal Paying Agent, Paying Agent or agents thereof may require certification and/or information acceptable to it (i) to permit the Issuer to make payments to it without, or at a reduced rate of, withholding, (ii) to enable the Issuer to qualify for a reduced rate of withholding (or elimination of withholding) in any jurisdiction from or through which the Issuer receives payments on its assets and (iii) to enable the Issuer or its agents to satisfy any tax reporting or other obligations. The Noteholder will be deemed to have agreed to provide any such certification and information that is requested by the Issuer, Principal Paying Agent, Paying Agent or agents thereof, and to update or replace such certification and information in accordance with its terms or its subsequent amendments. The Noteholder will also be deemed to agree to provide the Issuer, Principal Paying Agent, Paying Agent or agents thereof with any correct, complete and accurate information that may be required for the Issuer to achieve compliance with Sections 1471 through 1474 of the United States Internal Revenue Code of 1986 and any regulations thereunder or official interpretations thereof or agreements thereunder, in each case as necessary so that no tax or other withholding will be imposed under or in respect of those Sections on payments to or for the benefit of the Issuer (“FATCA Compliance”), and will take any other actions necessary for the Issuer to achieve FATCA Compliance and, in the event the Noteholder fails to provide such information or take such actions, (A) the Issuer, Principal Paying Agent, Paying Agent or agents thereof is authorized to withhold amounts otherwise distributable to the Noteholder as compensation for any amount withheld from payments to the Issuer as a result of such failure, and (B) to the extent necessary to avoid an adverse effect on the Issuer or any other Noteholders as a result of such failure, the Issuer will have the right to compel the holder to sell its Notes or, if the Noteholder does not sell its Notes within 10 business days after notice from the Issuer, to sell such Notes at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any taxes, costs, or other expenses incurred by the Issuer in connection with such sale) to the Noteholder as payment in full for such Notes (subject to the indemnity described immediately below). The Issuer may also assign each such Note a separate identification number or numbers in the Issuer’s sole discretion.

Commonwealth of Australia

The comments below are a summary of a general nature and are based on current law and practice. They relate only to the position of persons who are the absolute beneficial owners of Notes and may not apply to certain classes of persons such as dealers.

As the taxation consequences of holding any Notes will depend on the terms and conditions of those Notes (and in certain circumstances, on the terms and conditions of Notes subsequently issued), Noteholders should consult their professional advisers as to their taxation position.

The Income Tax Assessment Act 1997 contains rules for characterising debt and equity for Australian tax purposes. The commentary that follows assumes that the issue of the Notes is characterised as an issue of debentures and any returns arising from their issue will be characterised as interest for the purposes of section 128F.

Section 126 of the Income Tax Assessment Act 1936 of the Commonwealth of Australia (as amended) ("Tax Act") requires an issuer which is a resident of, or has a permanent establishment in, Australia to pay tax on interest paid or credited on bearer Notes held by:

- (i) an Australian resident including a resident carrying on business at or through a permanent establishment outside Australia; and
- (ii) non-residents of Australia engaged in carrying on a business in Australia at or through a permanent establishment in Australia;

where that issuer does not supply the Australian Taxation Office with the name and address of the Noteholder. In those circumstances, that issuer will have a right to deduct the tax payable from the interest paid or credited.

A person who is not a resident of Australia or an Australian resident who carries on business at or through an overseas permanent establishment within the meaning of the Tax Act who has acquired or acquires any of the Notes and who does not derive interest payable on the Notes in carrying on business at or through a permanent establishment in Australia ("Non-Resident") will not incur or become liable for any Australian income tax on interest paid by the issuer in respect of the Notes, so long as the requirements of section 128F of the Tax Act for an exemption from interest withholding tax are satisfied in respect of payments of interest on the Notes ("Section 128F Requirements").

The Section 128F Requirements in relation to the issue of a debenture (which term would include a Note) include the following:

1.
 - (i) the issuer must be a resident of Australia within the meaning of the Tax Act at the time the debenture is issued and at the time when interest on the debenture is paid; or
 - (ii) (A) the issuer is a non-resident of Australia within the meaning of the Tax Act at the time the debenture is issued and at the time when interest on the debenture is paid; and (B) the debenture was issued and the interest is paid by the issuer in carrying on business at or through a permanent establishment in Australia; and
2. the issue of the debenture must satisfy one of the public offer tests described below.

There are five public offer tests. The Issuer will need to satisfy one of the tests in order for interest on the Notes to qualify for the section 128F exemption. The five tests in relation to the issue of a debenture are as follows:

1. The first public offer test will be satisfied if
 - (i) the debentures were offered for issue to at least 10 persons who carry on the business of providing finance, or investing or dealing in securities, in the course of operating in financial markets; and
 - (ii) None of the 10 persons are known, or suspected, by the Issuer (or, in the case of a debenture issued in global form, a dealer, manager or underwriter) to be an associate (as defined in section 128F(9) of the Tax Act) of any of the other persons;
2. The second public offer test will be satisfied if the debentures are offered for issue to at least 100 persons whom it is reasonable for the issuer (or, in the case of a debenture issued in global form, a dealer, manager or underwriter) to have regarded as either having acquired debentures in the past or being likely to be interested in acquiring debentures;
3. The third public offer test will be satisfied if the debentures are offered for issue as a result of the debentures being listed on a stock exchange, where the issuer had previously entered into

an agreement with a dealer, manager or underwriter, in relation to the placement of the debentures, which requires the issuer to seek such a listing;

4. The fourth public offer test will be satisfied if the debenture was offered for issue as a result of negotiations being initiated publicly in electronic form, or in another form, that was used by financial markets for dealing in debentures; and
5. The fifth public offer test will be satisfied if the debenture was offered for issue to a dealer, manager or underwriter, in relation to the placement of debentures, who, under an agreement with the issuer, offered the debenture for sale within 30 days in a way covered by 1 to 4 above.

The issue of a Global Bond (as defined in the Tax Act and which could cover Global Notes) by one of these methods will also satisfy the public offer test.

The public offer test will not be satisfied if, at the time of the issue of the Notes, the issuer knew, or had reasonable grounds to suspect that the Notes, or an interest in the Notes, was being, or would later be, acquired either directly or indirectly by an “offshore associate” of the issuer (other than in the capacity of a dealer, manager or underwriter in relation to the placement of the debenture or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme).

The exemption will not be available for interest which the issuer pays to an “associate” (as defined in section 128F(9) of the Tax Act) of the issuer where the issuer, at the time of payment, knew or had reasonable grounds to suspect that the person was an “offshore associate” of the issuer (other than a payment received by such payee in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme).

The words “associate”, “responsible entity” and “registered scheme” referred to above are defined in section 128F(9) of the Tax Act. The term “offshore associate” referred to in the paragraphs above means:

- (a) a non-resident associate that does not acquire the Notes in carrying on business at or through a permanent establishment in Australia; or
- (b) a resident associate that acquires the instruments in carrying on a business at or through a permanent establishment in a country outside Australia.

An issuer which is a resident of, or has a permanent establishment in, Australia may be required to withhold moneys on account of tax in relation to interest payable on the Notes to a resident of Australia (including a resident acting through a permanent establishment outside Australia) if the Noteholder is subject to the requirements of Part VA of the Tax Act and does not quote its TFN, Australian Business Number (as appropriate) or provide its exemption details, in relation to the Notes. Although on the face of the legislation it is not entirely clear whether Part VA of the Tax Act applies to interest paid on a bearer Note, in the opinion of the legal adviser to the Issuers the better view is that Part VA of the Tax Act does not apply to bearer Notes where the Noteholder acquires the bearer Notes in the ordinary course of business of providing business or consumer finance, or the Noteholder is non-resident. If such withholdings are made, the issuer will not be required to make additional payments under Condition 9 of the Notes.

United Kingdom

1. Payments of interest by or on behalf of an Issuer under the Notes may be made without deduction for on account of any tax imposed by the United Kingdom.
2. Noteholders who are individuals may wish to note that HM Revenue and Customs has the power to obtain information (including the name and the address of the beneficial owner of the interest) from any person in the United Kingdom who either pays interest to, or receives interest for, the benefit of an individual. Information so obtained may, in certain circumstances, be exchanged by HM Revenue and Customs with the tax authorities of the jurisdiction in which the Noteholders are resident for tax purposes.

Reference is made to “EU Savings Directive” at the beginning of this section of the Prospectus. The United Kingdom is one of the EU Member States that will provide to the tax authorities of another EU Member State (and third countries and dependent territories) the details of payments of interest or other similar income paid or secured by a person (as a paying agent) within the United Kingdom to an individual (and certain other non-corporate, residual entities) resident in that other EU Member State (or third country or dependent territory).

Prospective Noteholders who are in any doubt as to their tax position or may be subject to tax in a jurisdiction other than the United Kingdom should seek independent professional advice.

The People's Republic of China

The following is a general discussion of the People's Republic of China ("PRC") income tax implications of the payments made to Holders who are the beneficial owners of the Notes. The discussion is based on the prevailing PRC tax laws and regulations, which are subject to change at any time, possibly with retroactive effect. This discussion does not address any tax implications of a particular Holder and any tax implications other than those arising under PRC tax laws and regulations.

Under the PRC Enterprise Income Tax Law which was promulgated by the National People's Congress of the PRC on 16 March 2007 and became effective on 1 January 2008, an enterprise established in the PRC or in a foreign country with a "de facto management body" located within the PRC is considered a "PRC tax resident enterprise" and will normally be subject to the enterprise income tax at the rate of 25% for its worldwide income. Under the Implementation Regulations for the PRC Enterprise Income Tax Law (which was issued by the State Council on 6 December 2007 and became effective on 1 January 2008), a "de facto management body" is defined as a body that has material managerial control over the manufacturing and business operations, personnel and human resources, finances and treasury, and acquisition and disposition of properties and other assets of an enterprise. If the Holder is a resident enterprise, its income derived from holding or transferring the Notes, i.e. interest and capital gains realised on the disposal of the Notes, will be subject to such enterprise income tax.

Under the PRC Enterprise Income Tax Law, the Implementation Regulations for the PRC Enterprise Income Tax Law, and PRC Individual Income Tax Law (of which the latest amendment was promulgated by the Standing Committee of National People's Congress of the PRC on 30 June 2011 and became effective on 1 September 2011), if the Issuer is considered to be a PRC tax resident enterprise, interest payable to non-resident Holders and gains from transfer of Notes realised by such non-resident Holders may be regarded as income from sources within the PRC and therefore be subject to a 10% enterprise income tax if the Holder is a non-resident enterprise, or 20% individual income tax if the Holder is a non-resident individual, both to be withheld by the Issuer from the interest payments thereto. To the extent that the PRC has entered into arrangements relating to the avoidance of double-taxation with any jurisdiction, such as Hong Kong and Singapore, that allow a lower rate of withholding tax, such lower rate may apply to Holders who qualify for such treaty benefits.

Capital gains realised on the disposal of the Notes by Holders may also be subject to 5% business tax in the PRC. In addition, two surcharges, i.e. the urban maintenance and construction surtax and the educational fund surcharge are levied on the total amount of business tax. The urban maintenance and construction surtax rates are 7%, 5% and 1% respectively in a city, a county or township and other areas where the Holder is located. The educational fund surcharge rate is a uniform rate of 3%.

Whether the interest on the Notes is subject to the above said business tax may depend on the practice in the area where the Holder is located. In addition, if the Issuer is not considered a PRC tax resident enterprise, the Holders who are not PRC residents for PRC tax purposes will not be subject to withholding tax, income tax or any other taxes imposed by any governmental authority in the PRC in respect of Notes or any repayment of principal and payment of interest made thereon. It is recommended that potential purchasers of the Notes consult with their legal and tax advisors or the local tax authorities regarding the relevant tax consequence.

No PRC stamp duty will be chargeable upon the issue or transfer (for so long as the register of holders of the Notes is maintained outside the PRC) of a Note.

Hong Kong

Withholding Tax

In the ordinary course, payments of principal and interest in respect of the Notes may be made without withholding for or on account of Hong Kong profits tax or salaries tax imposed under the Inland Revenue Ordinance (Cap. 112). Similarly, Hong Kong profits tax and salaries tax is not withheld in respect of gains arising from the resale of the Notes.

Profits Tax

The general charging provision of the Inland Revenue Ordinance provides that Hong Kong profits tax is charged on every person carrying on a trade, profession or business in Hong Kong in respect of their assessable profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance as it is currently applied, interest on the Notes will be subject to Hong Kong profits tax if:

- sums received by or accrued to a corporation carrying on a trade, profession or business in Hong Kong by way of such interest are derived from Hong Kong
- received by or accrued to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong by way of such interest derived from Hong Kong which interest is in respect of the funds of the trade, profession or business;
- not otherwise chargeable to tax under Part IV of the Inland Revenue Ordinance, received by or accrued to a financial institution (as defined in the Inland Revenue Ordinance) by way of such interest which arises through or from the carrying on by the financial institution of its business in Hong Kong, notwithstanding that the moneys in respect of which such interest is received or accrues are made available outside Hong Kong.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of the Notes will be subject to profits tax.

The general charging provision of the Inland Revenue Ordinance excludes gains from the sale of capital assets from the charge to Hong Kong profits tax.

Stamp Duty

Under the Hong Kong Stamp Duty Ordinance (Cap. 177), a Hong Kong stamp duty liability will generally not arise on the issuance of the Notes or on their subsequent sale and purchase provided either:

- (i) such notes are denominated in a currency other than the currency of Hong Kong and are not redeemable in any circumstances in the currency of Hong Kong; or
- (ii) such notes constitute loan capital (as defined in the Stamp Duty Ordinance).

In the event that a Hong Kong stamp duty liability is triggered, it is payable by the Issuer on issuance of the Notes at a rate of 3 per cent. of the market value of the Notes at the time of issuance. In this situation, a Hong Kong stamp duty liability will not arise on the subsequent transfer of the Notes.

Grand-Duchy of Luxembourg

This summary is limited to the description of the potential application of Luxembourg withholding tax to payments under the Notes and does therefore not purport to be a complete analysis of all possible tax situations that may be relevant to an investment decision. This summary is based upon the Luxembourg law and regulations as in effect and as interpreted by the Luxembourg tax authorities on the date of this Prospectus and is subject to any amendments in law (or in interpretation) later introduced, whether or not on a retroactive basis. As the taxation consequences of holding any Notes will depend on the terms and conditions of those Notes as well as the statutes of the individual investors, investors should consult their professional advisers with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject and as to their tax position.

Luxembourg residents

Under the amended Luxembourg law of 23 December 2005 (the "Law"), payments of interest or similar income made since 1 January 2006 (but accrued since 1 July 2005) by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is resident of Luxembourg for tax purposes may be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management or his/her private wealth.

Further, Luxembourg resident individuals who are the beneficial owners of interest payments and other similar income made by a paying agent established outside Luxembourg in a Member State of the European Union or of the European Economic Area or in a jurisdiction having concluded an

agreement with Luxembourg in connection with the EU Savings Directive, may also opt for a final 10 per cent. levy. In such case, the 10 per cent. levy is calculated on the same amounts as for the payments made by Luxembourg resident paying agents. The option for the 10 per cent. levy must cover all interest payments made by the paying agent to the Luxembourg resident beneficial owner during the entire civil year.

Luxembourg non-residents

Under Luxembourg tax law currently in effect and subject to the application of the Luxembourg laws dated 21 June 2005 (the “Laws”) implementing the EU Savings Directive and several agreements concluded between Luxembourg and certain dependant territories of the European Union, there is no withholding tax on payments of interest (including accrued but unpaid interest) made to Luxembourg non-resident Noteholders. There is also no Luxembourg withholding tax, upon repayment of the principal or, subject to the application of the Laws, upon redemption or exchange of the Notes.

Under the Laws, a Luxembourg based paying agent (within the meaning of the EU Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income (including reimbursement premium received at maturity) paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State or a residual entity in the sense of article 4.2. of the EU Savings Directive (“Residual Entities”) (i.e. an entity without legal personality except for (1) a Finnish *avoin yhtiö* and *kommandiittiyhtiö / öppet bolag* and *kommanditbolag* and (2) a Swedish *handelsbolag* and *kommanditbolag*, and whose profits are not taxed under the general arrangements for the business taxation and that is not, or has not opted to be considered as, a UCITS recognised in accordance with Council Directive 85/611/EEC (as repealed and replaced by Directive 2009/65/EC, as amended), resident or established in another Member State of the European Union unless the beneficiary of the interest payments elects for an exchange of information. The same regime applies to payments to individuals or Residual Entities resident in any of the following territories: Aruba, British Virgin Islands, Guernsey, Isle of Man, Jersey, Montserrat, Curacao and Sint Marteen.

The withholding tax rate is currently 35 per cent. Responsibility for the withholding of such tax will be assumed by the Luxembourg paying agent.

On 18 March 2014, the Luxembourg government has submitted to the Luxembourg Parliament the draft law N°6668 replacing the withholding tax system as from 1 January 2015 through the automatic exchange of information system under the EU Savings Directive.

Noteholders who are individuals should note that the relevant Issuer will not pay additional amounts under Condition 7 (1) of the Terms and Conditions of the Notes in respect of any withholding tax imposed as a result of the EU Savings Directive.

This short summary of the tax situation in Luxembourg is not intended to be an exhaustive presentation of the fiscal environment in Luxembourg and is strictly limited to withholding tax aspects.

Japan

The following description of Japanese taxation (limited to national taxes) (subject always to the relevant tax treaty between Japan and the relevant country) applies exclusively to interest with respect to the Notes as far as they are issued outside Japan and payable outside Japan. It is not intended to be exhaustive and Noteholders are recommended to consult their tax advisers as to their exact tax position.

Under Japanese tax laws currently in effect, the payment of interest in respect of the Notes to a non-resident of Japan or to a non-Japanese corporation, except where such non-resident of Japan or non-Japanese corporation is a person with a special relationship as specified in the Cabinet Order with the Issuer (a “*specialty related person*”), in accordance with the terms and conditions of Notes will not be subject to any Japanese income or corporation taxes payable by withholding. Furthermore, such payment will not be subject to any other Japanese income or corporation taxes other than by way of withholding unless such non-resident or non-Japanese corporation has a permanent establishment in Japan and payment of the interest is attributable to the business of the non-resident or non-Japanese corporation carried on in Japan through such permanent establishment.

Gains derived from the sale outside Japan of any Notes by a non-resident of Japan or a non-Japanese corporation, or from sale within Japan of any Notes by a non-resident of Japan or a non-Japanese corporation not having a permanent establishment in Japan, are in general not subject to

Japanese income or corporate taxes. Japanese inheritance and gift taxes at progressive rates may be payable by an individual, wherever resident, who has acquired Notes as legatee, heir or donee from an individual.

No stamp, issue, registration or similar taxes or duties will, under present Japanese law, be payable in Japan by Noteholders in connection with the issue of the Notes, nor will such taxes be payable by Noteholders in connection with their transfer if such transfer takes place outside Japan.

Interest payments on Notes to be issued to an individual resident of Japan, a Japanese corporation (except for a designated Japanese financial institution which has complied with the requirements under the Act on Special Measures Concerning Taxation, as defined below) or a non-resident of Japan or a non-Japanese corporation that is a specially related person will be subject to Japanese income tax at a rate of 15.315 per cent. (the interest rate will be 15 per cent. for withholding tax due and payable on and after 1 January 2038) of the amount specified in sub-paragraph (a) or (b) below, as applicable:

- (a) if interest is paid to an individual resident of Japan, to a Japanese corporation or to a non-resident of Japan or a non-Japanese corporation that is a specially related person (except as provided in sub-paragraph (b) below), the amount of such interest; or
- (b) if interest is paid to a public corporation, a financial institution or a financial instruments business operator (which has complied with Japanese tax exemption requirements) through its payment handling agent in Japan as provided in Article 2-2, Paragraph 2 of the Cabinet Order, the amount of such interest minus the amount accrued during the period in which the Notes have been held, without any cessation, by such entities.

Due to the imposition of special additional withholding tax of 0.315 per cent. (or 2.1 per cent. of 15 per cent.) to secure funds for reconstruction from the Great East Japan Earthquake, the original withholding tax rate for income tax of 15 per cent. has been increased to 15.315 per cent. for the withholding tax due and payable during the period beginning on 1 January 2013 and ending on 31 December 2037.

Under the Act on Special Measures Concerning Taxation of Japan (Act No. 26 of 1957 (as amended)) (the "Act on Special Measure Concerning Taxation") effective as of the date of this Prospectus, with respect to Notes issued or to be issued on or after 1 April 1998, payments of interest thereon outside Japan by BMW Japan to the beneficial Noteholders which are non-residents of Japan or non-Japanese corporations for Japanese tax purposes, other than a specially related person, will not be subject to withholding by BMW Japan of Japanese income tax, on the condition that such beneficial Noteholders establish that they are non-residents of Japan or non-Japanese corporations other than a specially related person, in compliance with the requirements under the Act on Special Measures Concerning Taxation as summarised below:

- (1) If Notes certificates are deposited with a financial institution which handles the interest payments on Notes as defined in the Act on Special Measures Concerning Taxation (the "payment handling agent"), (A) (a) such payment handling agent which holds Note certificates in its custody (the "financial intermediary") notifies BMW Japan of "Interest Recipient Information" (including, *inter alia*, (i) whether all beneficial Noteholders who have deposited Note certificates with the financial intermediary are non-residents of Japan or non-Japanese corporations other than a specially related person (if applicable); or (ii) the amount of interest payments on Notes by BMW Japan for non-residents of Japan or non-Japanese corporations other than a specially related person, if there is any individual resident of Japan or Japanese corporation amongst the beneficial Noteholders) to be prepared by such financial intermediary based on the information provided by the beneficial Noteholders, or (b) (if Note certificates are further sub-deposited with another payment handling agent including a clearing organisation ("sub-depository") by the financial intermediary) the financial intermediary notifies BMW Japan of Interest Recipient Information through such sub-depository, at the latest, one day prior to the interest payment date; and (B) BMW Japan prepares "Interest Recipient Confirmation" based upon Interest Recipient Information and submits it to the competent Japanese tax authority at the place of registered head office of BMW Japan (the "tax authority"); or
- (2) If Note certificates are held otherwise than through a financial intermediary, upon each payment of the interest on Notes, the Noteholder files a "Claims for Exemption from Taxation" (providing, *inter alia*, the name and address of the beneficial Noteholder) with the tax authority through

BMW Japan or (if payment of interest is made through the payment handling agent) through the payment handling agent and BMW Japan.

The above exemption from the withholding of income tax on the interest payments of Notes is also applied to Japanese financial institutions or Japanese financial instruments business operators designated in Article 6 of the Act on Special Measures Concerning Taxation.

Republic of Austria

This section on taxation contains a brief summary of the Issuers' understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of the Notes in the Republic of Austria. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. These comments are not intended to be, nor should they be construed to be, legal or tax advice. This summary furthermore only refers to investors that are subject to unlimited (corporate) income tax liability in Austria. It is based on the currently valid tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. It is recommended that potential purchasers of the Notes consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the Notes. Tax risks resulting from the Notes shall in any case be borne by the purchaser. For the purposes of the following it is assumed that the Notes are legally and factually offered to an indefinite number of persons.

General remarks

Individuals having a permanent domicile (*Wohnsitz*) and/or their habitual abode (*gewöhnlicher Aufenthalt*) in Austria are subject to income tax (*Einkommensteuer*) in Austria on their worldwide income (unlimited income tax liability; *unbeschränkte Einkommensteuerpflicht*). Individuals having neither a permanent domicile nor their habitual abode in Austria are subject to income tax only on income from certain Austrian sources (limited income tax liability; *beschränkte Einkommensteuerpflicht*).

Corporations having their place of effective management (*Ort der Geschäftsleitung*) and/or their legal seat (*Sitz*) in Austria are subject to corporate income tax (*Körperschaftsteuer*) in Austria on their worldwide income (unlimited corporate income tax liability; *unbeschränkte Körperschaftsteuerpflicht*). Corporations having neither their place of effective management nor their legal seat in Austria are subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability; *beschränkte Körperschaftsteuerpflicht*).

Both in case of unlimited and limited (corporate) income tax liability Austria's right to tax may be restricted by double taxation treaties.

Income taxation of the Notes

Pursuant to sec. 27(1) of the Austrian Income Tax Act (*Einkommensteuergesetz*), the term investment income (*Einkünfte aus Kapitalvermögen*) comprises:

- income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) pursuant to sec. 27(2) of the Austrian Income Tax Act, including dividends and interest;
- income from realised increases in value (*Einkünfte aus realisierten Wertsteigerungen*) pursuant to sec. 27(3) of the Austrian Income Tax Act, including gains from the sale, redemption and other realisation of assets that lead to income from the letting of capital, zero coupon bonds and also broken-period interest; and
- income from derivatives (*Einkünfte aus Derivaten*) pursuant to sec. 27(4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale or other realisation of forward contracts like options, futures and swaps and other derivatives such as index certificates.

Also the withdrawal of the Notes from a bank deposit (*Depotentnahme*) and circumstances leading to a loss of Austria's taxation right regarding the Notes *vis-à-vis* other countries, e.g., a relocation from

Austria (*Wegzug*), are in general deemed to constitute a sale (*cf.* sec. 27(6)(1) of the Austrian Income Tax Act).

Individuals subject to unlimited income tax liability in Austria holding the Notes as a non-business asset are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income with an Austrian nexus (*inländische Einkünfte aus Kapitalvermögen*), basically meaning income that is paid by an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depottführende Stelle*), the income is subject to a withholding tax of 25%; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to sec. 97(1) of the Austrian Income Tax Act). In case of investment income without an Austrian nexus, the income must be included in the income tax return and is subject to a flat income tax rate of 25%. In both cases upon application the option exists to tax all income subject to the tax rate of 25% at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Sec. 27(8) of the Austrian Income Tax Act, *inter alia*, provides for the following restrictions on the offsetting of losses: negative income from realised increases in value and from derivatives may not be offset against interest and other claims against credit institutions as well as income from Austrian or foreign private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*); income subject to the flat tax rate of 25% may not be offset against income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation); negative investment income not already offset against positive investment income may not be offset against other types of income.

Individuals subject to unlimited income tax liability in Austria holding the Notes as a business asset are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income with an Austrian nexus (as described above) the income is subject to a withholding tax of 25%. While this withholding tax has the effect of final taxation for income from the letting of capital, income from realised increases in value and income from derivatives must on the other hand be included in the income tax return (nevertheless flat income tax rate of 25%). In case of investment income without an Austrian nexus, the income must always be included in the income tax return (flat income tax rate of 25%). In both cases upon application the option exists to tax all income subject to the tax rate of 25% at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Pursuant to sec. 6(2)(c) of the Austrian Income Tax Act, depreciations to the lower fair market value and losses from the sale, redemption and other realisation of financial assets and derivatives in the sense of sec. 27(3) and (4) of the Austrian Income Tax Act, which are subject to the special tax rate of 25%, are primarily to be offset against income from realised increases in value of such financial assets and derivatives and with appreciations in value of such assets; only half of the remaining negative difference may be offset against other types of income (and carried forward).

Corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on interest from the Notes at a rate of 25%. In case of investment income with an Austrian nexus (as described above) the income is subject to a withholding tax of 25%, which can be credited against the corporate income tax liability. However, under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act no withholding tax is levied in the first place. Income from the sale of the Notes is subject to corporate income tax of 25%. Losses from the sale of the Notes can be offset against other income (and carried forward).

Private foundations (*Privatstiftungen*) pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz*) fulfilling the prerequisites contained in sec. 13(3) and (6) of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*) and holding the Notes as a non-business asset are subject to interim taxation at a rate of 25% on interest income, income from realised increases in value and income from derivatives (*inter alia*, if the latter are in the form of securities). Interim tax does not fall due insofar as distributions subject to withholding tax are made to beneficiaries in the tax period. In case of investment income with an Austrian nexus (as described above) income is in general subject to a withholding tax of 25%, which can be credited against the tax falling due. Under the conditions set forth in sec. 94(12) of the Austrian Income Tax Act no withholding tax is levied.

Pursuant to sec. 93(6) of the Austrian Income Tax Act, the Austrian custodian agent is obliged to automatically offset negative investment income against positive investment income, taking into account all of a taxpayer's bank deposits with the custodian agent. If negative and at the same time or later positive income is earned, then the negative income is to be offset against the positive income. If

positive and later negative income is earned, then the withholding tax on the positive income is to be credited, with such tax credit being limited to 25% of the negative income. In certain cases, the offsetting is not permissible. The custodian agent has to issue a written confirmation on the offsetting of losses for each bank deposit.

EU withholding tax

Sec. 1 of the Austrian EU Withholding Tax Act (*EU-Quellensteuergesetz*) – implementing Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments – provides that interest payments paid or credited by an Austrian paying agent (*Zahlstelle*) to a beneficial owner who is an individual resident in another EU member state (or in certain dependent or associated territories, which currently include Anguilla, Aruba, the British Virgin Islands, Curaçao, Guernsey, the Isle of Man, Jersey, Montserrat, Sint Maarten and the Turks and Caicos Islands) are subject to a withholding tax of 35% if no exception from such withholding applies. Sec. 10 of the Austrian EU Withholding Tax Act provides for an exemption from EU withholding tax if the beneficial owner presents to the paying agent a certificate drawn up in his/her name by the competent authority of his/her member state of residence for tax purposes, indicating the name, address and tax or other identification number or, failing such, the date and place of birth of the beneficial owner, the name and address of the paying agent, and the account number of the beneficial owner or, where there is none, the identification of the security; such certificate shall be valid for a period not exceeding three years. It is expected that changes to the EU Withholding Tax Act – implementing Council Directive 2014/48/EU of 24 March 2014 amending Directive 2003/48/EC on taxation of savings income in the form of interest payments – will enter into effect by 1 January 2017.

Noteholders who are individuals should note that the relevant Issuer will not pay additional amounts under Condition 7(2)(f) of the Terms and Conditions of the Notes in respect of any withholding tax imposed as a result of the EU Savings Directive.

Tax treaties Austria/Switzerland and Austria/Liechtenstein

On 1 January 2013 the Treaty between the Republic of Austria and the Swiss Confederation on Cooperation in the Areas of Taxation and Capital Markets entered into force. A similar treaty between the Republic of Austria and the Principality of Liechtenstein has been applicable as of 1 January 2014. These treaties provide that a Swiss, respectively Liechtenstein, paying agent has to withhold a tax amounting to 25%, on, *inter alia*, interest income, dividends and capital gains from assets booked with an account or deposit of such Swiss, respectively Liechtenstein, paying agent or managed by a Liechtenstein paying agent, if the relevant holder of such assets (*i.e.* in general individuals on their own behalf and as beneficial owners of assets held by a domiciliary company [*Sitzgesellschaft*]) is tax resident in Austria. For Austrian income tax purposes the withholding tax has the effect of final taxation regarding the underlying income if the Austrian Income Tax Act provides for the effect of final taxation for such income. The treaties, however, do not apply to interest covered by the agreements between the European Community and the Swiss Confederation, respectively Liechtenstein, regarding Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. The taxpayer can opt for voluntary disclosure instead of the withholding tax by expressly authorising the Swiss, respectively Liechtenstein, paying agent to disclose to the competent Austrian authority the income and capital gains; these subsequently have to be included in the income tax return.

Austrian inheritance and gift tax

Austria does not levy inheritance or gift tax.

However, it should be noted that certain gratuitous transfers of assets to (Austrian or foreign) private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Transfer Tax Act (*Stiftungseingangssteuergesetz*). Such tax is triggered if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Certain exemptions apply in case of a transfer *mortis causa* of financial assets within the meaning of sec. 27(3) and (4) of the Austrian Income Tax Act (except for participations in corporations) if income from such financial assets is subject to the special tax rate of 25%. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate is in general 2.5%, with a higher rate of 25% applying in special cases. As of 1 January 2014 special provisions have applied to entities falling under the scope of the tax treaty between Austria and Liechtenstein.

In addition, a special notification obligation exists for gifts of money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles. The notification obligation applies if the donor and/or the donee have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Not all gifts are covered by the notification obligation: In case of gifts to certain related parties, a threshold of EUR 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of EUR 15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Transfer Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may lead to the levying of fines of up to 10% of the fair market value of the assets transferred.

Further, it should be noted that gratuitous transfers of the Notes may trigger income tax at the level of the transferor pursuant to sec. 27(6)(1) of the Austrian Income Tax Act (see above).

**Part H of the Prospectus
Descriptions of:
BMW Finance N.V.
BMW US Capital, LLC
BMW Australia Finance Limited
BMW Japan Finance Corp.**

DESCRIPTIONS

of

**BMW Finance N.V.
BMW US Capital, LLC
BMW Australia Finance Limited
BMW Japan Finance Corp.**

Part	Descriptions of	Page
H.I.	BMW Finance N.V.	252 through 254
H.II.	BMW US Capital, LLC	255 through 258
H.III.	BMW Australia Finance Limited	259 through 262
H.IV.	BMW Japan Finance Corp.	263 through 266

H.I. Description of BMW Finance N.V.

1. Persons Responsible

BMW Finance N.V. ("BMW Finance") accepts responsibility for the information contained in this "Description of BMW Finance N.V.". BMW Finance declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Description is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. In this Description references to "Group" or "BMW Group" are to Bayerische Motoren Werke Aktiengesellschaft, together with its consolidated subsidiaries.

2. Statutory Auditors

Independent auditors ("registered accountants") of BMW Finance are at present PricewaterhouseCoopers Accountants N.V., Fascinatio Boulevard 350, 3065 WB Rotterdam, The Netherlands. PricewaterhouseCoopers Accountants N.V. is member of the NBA (Nederlands Beroepsorganisatie van Accountants).

3. Selected Financial Information

The following table shows selected financial information for BMW Finance for 2013 and for 2012 respectively:

in Euro thousand	31 December 2013	31 December 2012
Total assets	30,805,940	29,858,859
Equity	260,959	225,269
Non-current liabilities	16,985,796	17,713,631
Current liabilities	13,559,185	11,919,960
	2013	2012
Interest margin	13,471	13,908
Financial income/(Loss)	33,887	(82,410)
Net income/(Loss)	33,978	(44,051)

4. Risk Factors

The operations of BMW Finance involve certain risks typically associated with the business BMW Finance engages in.

A description of such risks is set out in Part A.II of this Prospectus ("Risk Factors") under item 1.(i).

5. Information about BMW Finance

BMW Finance was incorporated on 14 June 1983 as a corporation (*naamloze vennootschap*) under the laws of The Netherlands and acts under its legal and commercial name "BMW Finance N.V.". BMW Finance is registered under number 27106340 with the trade register of the Chamber of Commerce. The address of BMW Finance's registered office and principal place of business is Einsteinlaan 5, 2289 CC Rijswijk, The Netherlands. Its telephone number is +31 70 4133 222. BMW Finance has made no material investments since the date of its last published financial statements and, as at the date of this Prospectus, its Board of Directors has made no firm commitments on such material investments in the future.

6. Business Overview

According to Article 2 of its Articles of Association, the purpose of BMW Finance is the administration and the financing of BMW Group companies and of participations of BMW Finance and BMW Group companies, as well as the offering of services relating to the administration and the financing of BMW

Group companies, all of which includes the holding of share capital in other companies and any and all other activities which are related thereto or which may be useful for such purposes.

Because of its afore-mentioned purpose, BMW Finance does not have any markets in which it competes and, therefore, BMW Finance cannot make a statement regarding its competitive position in any markets.

7. Organisational Structure

BMW Finance is a wholly owned subsidiary of BMW Holding B.V. which is a wholly owned subsidiary of BMW INTEC Beteiligungs GmbH, Munich which is a wholly owned subsidiary of BMW AG, Munich.

BMW España Finance S.L. is a wholly owned subsidiary of BMW Finance.

BMW Finance is dependent upon BMW AG in that BMW AG issues a guarantee for any issue of notes for which BMW Finance acts as issuer.

8. Trend Information

There has been no material adverse change in the prospects of BMW Finance since the date of its audited financial statements for the financial year ended 31 December 2013.

Uncertainties regarding the operating result for the year 2014 could arise from unexpected changes in market conditions.

9. Administrative, Management, and Supervisory Bodies Names, Business Addresses, and Functions

BMW Finance is managed by its Board of Directors which consists of one or more members. The General Meeting of Shareholders appoints, dismisses or suspends the members of the Board of Directors.

BMW Finance must be represented by at least one Director. If the Board of Directors comprises more than one member, BMW Finance must be represented by two Directors or one Director together with a duly authorised officer.

As at the date of this Prospectus, the members of the Board of Directors of BMW Finance are:

1. Mr. N.O. Mayer, Senior Vice President Finance and Group Treasurer of BMW AG
2. Mr. N.D. Fiorentinos, Managing Director of BMW Nederland B.V.
3. Mr. R.J.P.M. van der Meeren, Managing Director of BMW Finance

The business address of the members of the Board of Directors is Einsteinlaan 5, 2289 CC Rijswijk, The Netherlands.

BMW Finance has no Supervisory Board.

Administrative, Management, and Supervisory Bodies Conflicts of Interests

As at the date of this Prospectus, the above-mentioned members of the Board of Directors of BMW Finance do not have potential conflicts of interests between any duties to BMW Finance and their private interests or other duties.

10. Board Practices

Audit Committee

BMW Finance does not itself have an audit committee. However, the audit committee of BMW AG reviews the annual consolidated financial statements of BMW Group in which BMW Finance is consolidated.

Corporate Governance

According to the Decree of 23 December 2004 as amended, pursuant to section 391 paragraph 4 of book 2 of the Dutch Civil Code, the code of conduct (*'Nederlandse corporate governance code'*) only applies to companies whose shares are admitted to trading on a regulated market. The shares of BMW Finance are not admitted to trading on a regulated market and therefore the code does not

apply. Accordingly, BMW Finance is not required to make any disclosure regarding compliance with the code.

11. Major Shareholders

BMW Finance is a wholly owned subsidiary of BMW Holding B.V., which in turn is a wholly owned subsidiary of BMW AG.

12. Financial Information concerning BMW Finance's Assets and Liabilities, Financial Position and Profits and Losses

Historical Financial Information

The financial statements of BMW Finance N.V. for the financial years 2012 and 2013, respectively, as published in the BMW Finance N.V. Financial Statements 2012 and 2013, respectively, are incorporated by reference into this Prospectus as set out under "Documents Incorporated by Reference" above. Copies of the relevant BMW Finance Annual Report can be obtained, free of charge, in the case of securities listed on a recognised stock exchange, at the offices of the respective listing agent in connection with such issue of securities and, in any event, at the registered address of BMW Finance set out above and will be published on the website of the Luxembourg Stock exchange under "www.bourse.lu".

BMW Finance prepares consolidated and unconsolidated financial statements. As at the date of this Prospectus, BMW Finance does publish interim financial statements. This may change should the Issuer become no longer be required to do so under the provisions of the Luxembourg Transparency Act 2008 dated 11 January 2008, as amended, and which, *inter alia*, implements the EU transparency directive.

Statement of compliance

The financial statements of BMW Finance N.V. have been prepared in accordance with Dutch law and are in compliance with the International Financial Reporting Standards (IFRS) as endorsed by the European Union and issued by the International Accounting Standards Board (IASB) and valid at the balance sheet date. All interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), were also applied.

Auditing of Historical Annual Financial Information

The financial statements of BMW Finance for the years ended 2012 and 2013 were prepared by the directors in accordance with the International Financial Reporting Standards and accounting principles generally accepted in The Netherlands and have been audited by the afore-mentioned auditors in accordance with generally accepted auditing standards in The Netherlands and in each case the statements were certified without qualification.

Legal and Arbitration Proceedings

In the twelve months preceding the date of this Prospectus, BMW Finance has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BMW Finance is aware) which may have, or have had in the recent past, significant effects on BMW Finance's financial position or profitability.

Significant Change in BMW Finance's Financial or Trading Position

There is no significant change in BMW Finance's financial or trading position which has occurred since the date of its audited financial statements for the financial year ended 31 December 2013.

13. Additional Information

Share Capital

The authorised capital of BMW Finance is EUR 2.5 million and is divided into 5,000 ordinary shares of EUR 500 each of which 3,500 have been issued. The paid-up capital is EUR 1,750,000.

H.II. Description of BMW US Capital, LLC

1. Persons Responsible

BMW US Capital, LLC ("BMW US Capital") accepts responsibility for the information contained in this "Description of BMW US Capital, LLC". BMW US Capital declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Description is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. In this Description, references to "Group" or "BMW Group" are to Bayerische Motoren Werke Aktiengesellschaft, together with its consolidated subsidiaries.

2. Statutory Auditors

The independent auditors ("certified public accountants") of BMW US Capital are KPMG LLP, New Jersey Headquarters, 150 John F. Kennedy Parkway, Short Hills, New Jersey 07078, United States of America. KPMG LLP are members of the AICPA (American Institute of Certified Public Accountants).

3. Selected Financial Information

The following table shows selected financial information for BMW US Capital for 2013 and for 2012, respectively:

in USD thousand	31 December 2013	31 December 2012*
Total Assets	20,580,391	17,776,012
Total Liabilities	20,078,693	17,352,835
Equity	501,698	423,176
	2013	2012
Net interest revenue	120,870	57,999
Profit for ordinary activities before income tax expense	130,111	41,521
Net profit	78,313	24,990

* After finalizing a technical review exercise, the Company has reclassified certain positions within the Statement of Position to more appropriately categorize activity pertaining to interest.

4. Risk Factors

The operations of BMW US Capital involve certain risks typically associated with the business BMW US Capital engages in. A description of such risks is set out in Part A.II of this Prospectus ("Risk Factors") under item 1.(ii).

5. Information about BMW US Capital

BMW US Capital was originally organised as a corporation under the laws of the State of Delaware, United States of America, for an unlimited term on 14 January 1993 and converted from a corporation to a limited liability company under Delaware law on 1 January 2001. In accordance with Delaware law, BMW US Capital does not have a corporate registration number. BMW US Capital acts under its legal and commercial name "BMW US Capital, LLC". BMW US Capital is a limited liability company registered to do business as a limited liability company in the State of Delaware, United States of America. It is also registered to do business as a foreign limited liability company in the states of New Jersey and Ohio as of 4 January 2001. The address of the registered office of BMW US Capital is: 1209 Orange Street, Corporation Trust Center, Wilmington, Delaware 19801, USA. The telephone number of BMW US Capital's registered office is +1 302 658 7581 or Toll Free: +1 800 677 3394 (CT Corporation System). The address of BMW US Capital's principal place of business is 300 Chestnut Ridge Road, Woodcliff Lake, New Jersey 07677, USA. The telephone number of BMW US Capital's principal place of business is +1 201 307 3625. BMW US Capital has made no material investments

since the date of its last published financial statements and, as at the date of this Prospectus, its management has made no firm commitments on such material investments in the future.

6. Business Overview

BMW US Capital's purpose is to assist, via long and short term advances, the financing of the activities and assistance in managing interest and foreign exchange risks for BMW AG and its affiliates, primarily in the United States of America, and to provide services in connection therewith. The debts, obligations, and liabilities of BMW US Capital, whether arising in contract, tort, or otherwise, shall be solely the debts, obligations, and liabilities of BMW US Capital, and no member, manager, and/or officer of BMW US Capital shall be obligated personally for any such debt, obligation, or liability of BMW US Capital solely by reason of being a member, manager and/or officer. BMW US Capital's U.S. affiliates operate primarily in the automotive industry and derive their revenues across North America.

7. Organisational Structure

BMW US Capital is a limited liability company wholly owned and managed by BMW (US) Holding Corp., a 100 per cent. indirectly owned subsidiary of BMW AG, Munich. BMW US Capital has no subsidiaries. BMW US Capital is dependent upon BMW AG in that, as a financing entity, BMW AG issues a guarantee for any issue of notes for which BMW US Capital acts as issuer.

8. Trend Information

Save as disclosed in the following sub-paragraph of this section, there has been no material adverse change in the prospects of BMW US Capital since the date of its audited financial statements for the financial year ended 31 December 2013. Uncertainties regarding the operating result for the year 2014 could arise from unexpected changes in market conditions and fair market values for financial derivatives.

9. Administrative, Management, and Supervisory Bodies Names, Business Addresses, and Functions

The management of BMW US Capital is formed by the officers appointed as such. As at the date of this Prospectus, the officers of BMW US Capital are:

1. Ralf Edelmann, President
2. Joseph Dynia, Chief Tax Officer
3. Howard Harris, Secretary and General Counsel
4. Margaret Collins, Treasurer
5. Kevin Healy, Assistant Secretary
6. David Osborne, Assistant Secretary

The business address of each Officer of BMW US Capital is 300 Chestnut Ridge Road, Woodcliff Lake, New Jersey 07677, USA. The management of BMW US Capital reports to the management of BMW (US) Holding Corp., the parent company and sole member of BMW US Capital. BMW (US) Holding Corp. is managed by a Board of Directors consisting of two Directors. As at the date of this Prospectus, the members of the Board of Directors of BMW (US) Holding Corp. are:

1. Dr. Rainer Feurer, Director of BMW Group Corporate Strategy and Planning Environment.
2. Ludwig Willisch, Chief Executive Officer and President of BMW (US) Holding Corp. Neither U.S. corporations nor limited liability companies have "Supervisory Boards".

Administrative, Management, and Supervisory Bodies Conflicts of Interests

As at the date of this Prospectus, the above-mentioned officers of BMW US Capital do not have potential conflicts of interests between any duties to BMW US Capital and their private interests or other duties.

10. Board Practices

Audit Committee

BMW US Capital does not itself have an audit committee. However, the audit committee of BMW AG reviews the annual consolidated financial statements of BMW Group in which BMW US Capital is consolidated.

Corporate Governance

BMW US Capital is compliant with all material federal, state and local regulations that govern business activities within the United States. There are no known violations of federal or state law or local regulations that would have any material impact on the ability of BMW US Capital to perform its obligations under the securities contemplated herein.

11. Major Shareholders

BMW US Capital was formed on 14 January 1993 as BMW US Capital Corp., and until 31 December 2000, was a wholly owned subsidiary of BMW (US) Holding Corp., which is ultimately owned by BMW AG. Effective 1 January 2001, BMW US Capital adopted a legal structure permitted under the Delaware Limited Liability Company Act, and became a limited liability company whose sole member is BMW (US) Holding Corp., which is ultimately owned by BMW AG. The conversion of BMW US Capital to a Limited Liability Company (LLC) (and therefore BMW (US) Holding's interest from the sole shareholder of BMW US Capital Corp. to the sole member of BMW US Capital, LLC) did not have any effect on the liabilities or obligations of the organisation and did not constitute dissolution of the converting entity.

12. Financial Information concerning BMW US Capital's Assets and Liabilities, Financial Position and Profits and Losses

Historical Financial Information

The financial statements of BMW US Capital for the financial year 2012 and 2013, respectively, as published in the BMW US Capital Financial Statements 2012 and 2013, respectively, are incorporated by reference into this prospectus as set out under "Documents Incorporated by Reference" above. Copies of the relevant BMW US Capital Financial Statements can be obtained, free of charge, in the case of securities listed on a recognised stock exchange, at the offices of the respective listing agent in connection with such issue of securities and, in any event, at the address of BMW US Capital's principal place of business set out above and will be published on the website of the Luxembourg Stock Exchange under "www.bourse.lu".

BMW US Capital only prepares unconsolidated financial statements. As at the date of this Prospectus, BMW US Capital does publish interim financial statements. This may change should BMW US Capital become no longer required to do so under the provisions of the Luxembourg Transparency Act 2008 dated 11 January 2008, as amended, and which, *inter alia*, implements the EU transparency directive.

BMW US Capital Accounting Policies

The financial statements of BMW US Capital at 31 December 2012 and 2013, respectively, have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The designation "IFRS" also includes all valid International Accounting Standards (IAS). All interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), were applied for the financial statement presentation.

Auditing of Historical Annual Financial Information

The financial statements of BMW US Capital for the years ended 2012 and 2013 have been audited by the afore-mentioned auditors in accordance with International Financial Reporting Standards (IFRS) and were certified without qualification.

Legal and Arbitration Proceedings

In the twelve months preceding the date of this Prospectus, BMW US Capital has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BMW US Capital is aware) which may have, or have had in the recent past, significant effects on BMW US Capital's financial position or profitability.

Significant Change in BMW US Capital's Financial or Trading Position

There is no significant change in BMW US Capital's financial or trading position which has occurred since the date of its audited financial statements for the financial year ended 31 December 2013.

H.III. Description of BMW Australia Finance Limited

1. Persons Responsible

BMW Australia Finance Limited (“BMW Australia Finance”) accepts responsibility for the information contained in this “Description of BMW Australia Finance Limited”. BMW Australia Finance declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Description is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. In this Description, references to “Group” or “BMW Group” are to Bayerische Motoren Werke Aktiengesellschaft, together with its consolidated subsidiaries.

2. Statutory Auditors

Independent auditors of BMW Australia Finance are at present KPMG Chartered Accountants, KPMG House, 147 Collins Street, Melbourne, Victoria 3000, Australia. KPMG’s partners are members of the Institute of Chartered Accountants in Australia.

3. Selected Financial Information

The following table shows selected financial information of BMW Australia Finance for 2013 and 2012, respectively:

in AUD thousand	31 December 2013	31 December 2012
Total Assets	6,234,517	5,546,652
Total Liabilities	5,746,686	5,154,564
Equity.....	487,831	392,088
	2013	2012
Net interest revenue	251,273	223,036
Profit for ordinary activities before income tax expense	92,458	118,733
Net profit.....	64,851	86,004

4. Risk Factors

The operations of BMW Australia Finance involve certain risks typically associated with the business BMW Australia Finance engages in.

A description of such risks is set out in Part A.II. of this Prospectus (“Risk Factors”) under item 1.(iii).

5. Information about BMW Australia Finance

BMW Australia Finance is an unlisted public company, incorporated with limited liability on November 1988 for an unlimited term in the State of Victoria, Australia. BMW Australia Finance is incorporated under the laws of Australia and acts under its commercial name “BMW Australia Finance Ltd.”.

BMW Australia Finance was registered with an Australian business number (“ABN”) 78 007 101 715 on 7 March 2000.

The address of BMW Australia Finance’s registered office and principal place of business is 783 Springvale Road, Mulgrave, Victoria, Australia. Its telephone number is +61 3 9264 4060.

There have been no material investments made since the date of its last published financial statements and, as at the date of this Prospectus, its Board of Directors has made no firm commitments on such material investments in the future.

6. Business Overview

Pursuant to its corporate documents, the principal activities of BMW Australia Finance are the provision of retail and wholesale financing facilities for prestige motor vehicles. These facilities are mainly provided in the form of chattel mortgage, finance and operating leasing, mortgage finance and insurance premium finance. There were no significant changes made to the principal activities of BMW Australia Finance during the financial year 2013 and the current financial year.

BMW Australia Finance is a player in the automotive financing sector in Australia. The key competitors include major Australian banks, Non-Bank Financial Institutions, and, other automotive financing captives.

7. Organisational Structure

BMW Australia Finance is an indirectly wholly owned subsidiary of BMW AG. The immediate parent entity of BMW Australia Finance is BMW Holdings B.V., a company incorporated in The Netherlands. BMW Financial Services New Zealand Limited is a subsidiary of BMW Australia Finance.

BMW Australia Finance is dependent upon BMW AG in that BMW AG issues a guarantee for any issue of notes for which BMW Australia Finance acts as issuer in the capital markets.

8. Trend Information

Save as disclosed in the following sub-paragraph of this section, there has been no material adverse change in the prospects of BMW Australia Finance since the date of its audited financial statements for the financial year ended 31 December 2013.

Uncertainties regarding the operating result for the year 2014 could arise from unexpected changes in market conditions and fair market values for financial derivatives.

9. Administrative, Management, and Supervisory Bodies

Names, Business Addresses, and Functions

As at the date of this Prospectus, the directors of BMW Australia Finance are:

Name	Title and Date of Appointment
Mr. A. Crookes	Chairman since 15/03/2005
Mr. C. Rouskas	Operations Director since 01/04/2008 (Previously Finance Director since 01/01/2004)
Mr. P. Orsolle	Finance Director since 01/08/2012
Ms. R. Fritz-Reymann	Managing Director since 01/05/2014

The business address of each of the directors is 783 Springvale Road, Mulgrave, Victoria, Australia.

Administrative, Management, and Supervisory Bodies of Conflicts of Interests

As at the date of this Prospectus, the above-mentioned directors and statutory auditors of BMW Australia Finance do not have potential conflicts of interests between any duties to BMW Australia Finance and their private interests or other duties.

10. Board Practices

Audit Committee

BMW Australia Finance does not itself have an audit committee. However, the audit committee of BMW AG reviews the annual consolidated financial statements of BMW Group in which BMW Australia Finance is consolidated.

Corporate Governance

BMW Australia Finance is compliant with all federal, state and local regulations that govern business activities within Australia.

11. Major Shareholders

As at the date of this prospectus, the authorised share capital of BMW Australia Finance amounts to AUD 203,000,000 made up of 7,250,000 ordinary voting shares of AUD 28.00 each owned by BMW Holding BV.

BMW Holding BV is part of BMW Group. Hence BMW AG indirectly controls BMW Australia Finance Ltd. There are no persons outside BMW Group that own any shares in BMW Australia Finance to allow abuse of control by shareholders.

12. Financial Information concerning BMW Australia Finance's Assets and Liabilities, Financial Position and Profits and Losses

Historical Financial Information

The financial statements of BMW Australia Finance for the financial year 2012 and 2013, respectively, as published in the BMW Australia Finance Financial Statements 2012 and 2013, respectively, are incorporated by reference into this Prospectus as set out under "Documents Incorporated by Reference" above. Copies of the relevant BMW Australia Finance Financial Statements can be obtained, free of charge, in the case of securities listed on a recognised stock exchange, at the offices of the respective listing agent in connection with such issue of securities and, in any event, at the principal place of business of BMW Australia Finance set out above and will be published on the website of the Luxembourg Stock Exchange under "www.bourse.lu".

BMW Australia Finance prepares consolidated financial statements with its subsidiary, BMW Financial Services New Zealand Limited. As at the date of this Prospectus, BMW Australia Finance does not publish interim financial statements. This may change should BMW Australia Finance become required to do so under the provisions of the Luxembourg Transparency Act 2008 dated 11 January 2008, as amended, and which, *inter alia*, implements the EU transparency directive.

BMW Australia Finance Accounting Policies

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards. International Financial Reporting Standards ("IFRS") form the basis of Australian Accounting Standards adopted by the AASB, being Australian equivalents to IFRS ("AIFRS"). The financial reports of BMW Australia Finance also comply with IFRS and interpretations adopted by the International Accounting Standards Board.

The financial report is presented in AUD.

The financial report is prepared on the basis of historical costs, except derivative financial instruments which are stated at their fair value.

BMW Australia Finance is of a kind referred to in ASIC Class Order 05/641 effective 28 July 2005 and Class Order 06/51 effective 31 January 2006. Amounts in the financial report and Directors' Report are presented in Australian dollars and have been rounded off to the nearest thousand dollars, unless otherwise stated.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements include: Provision for credit loss, provision for residual risk, defined benefit plan and fair value of derivatives.

The accounting policies set out above have been applied consistently to all periods presented in the consolidated financial report.

Auditing of Historical Financial Information

The Financial Statements of BMW Australia Finance for the years ended 2012 and 2013 have been audited by the afore-mentioned auditors in accordance with auditing standards generally accepted in Australia and International Auditing Standards in each case the statements were certified without qualification.

Legal and Arbitration Proceedings

In the twelve months preceding the date of this prospectus, BMW Australia Finance has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BMW Australia Finance is aware) which may have, or have had in the recent past, significant effects on BMW Australia Finance's financial position or profitability.

Significant Change in BMW Australia's Financial or Trading Position

There is no significant change in BMW Australia Finance's financial or trading position which has occurred since the date of its audited financial statements for the financial year ended 31 December 2013.

13. Additional Information**Share Capital**

As at 31 December 2013, the issued and authorised share capital of BMW Australia Finance amounted to AUD 203,000,000, being 7,250,000 ordinary shares of AUD 28.00 each.

The issued share capital of BMW Australia Finance is fully paid up.

H.IV. Description of BMW Japan Finance Corp.

1. Persons Responsible

BMW Japan accepts responsibility for the information contained in this “Description of BMW Japan”. BMW Japan declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Description is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. In this Description, references to “Group” or “BMW Group” are to Bayerische Motoren Werke Aktiengesellschaft, together with its consolidated subsidiaries.

2. Independent External Auditor

Independent auditors of BMW Japan are KPMG AZSA & Co. (previously named Shin Nihon & Co.) of KPMG AZSA Center Building, 1-2, Tsukudo-cho, Shinjuku-ku, Tokyo 162-8551, Japan.

KPMG AZSA & Co. is a member of the Japanese Institute of Certified Public Accountants.

3. Selected Financial Information

The following table shows selected financial information of BMW Japan for 2013 and 2012 respectively:

in JPY thousand	31 December 2013	31 December 2012
Total Assets	377,225,763	324,481,604
Total Liability	338,490,275	290,132,251
Total Shareholders' equity.....	38,735,488	34,349,352
	2013	2012
Operating income	7,281,304	6,508,652
Profit before tax	7,462,564	6,180,125
Net profit.....	4,386,136	3,692,808

4. Risk Factors

The operations of BMW Japan involve certain risks typically associated with the business BMW Japan engages in.

A description of such risks is set out in Part A.II. of this Prospectus (“Risk Factors”) under item 1.(iv).

5. Information about BMW Japan

BMW Japan was founded on 4 January 1989 with an unlimited term under the laws of Japan and acts under its legal and commercial name “BMW Japan Finance Corp.”.

BMW Japan is registered under the number 0100-01-141235 with the commercial register of Tokyo.

The address of BMW Japan’s registered office and principal place of business is 9-2 Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan. The telephone number of BMW Japan’s principal place of business is +81-3-6265-1000.

BMW Japan has made no material investments since the date of its last published financial statements and, as at the date of this Prospectus, its Board of Directors has made no firm commitments on such material investments in the future.

6. Business Overview

Pursuant to Article 2 of its Articles of Incorporation, the objects and principal activities of BMW Japan are providing loans and lease products to BMW and MINI customers; financing BMW, MINI dealers and multi-make franchise dealers for new cars and used cars; providing credit cards; and providing insurance coverage.

BMW Japan sees competition in some but limited areas, for retail business, with non-captive finance companies which try to penetrate BMW, MINI and multi-make dealers with aggressive interest rates

and for wholesale business, with regional banks offering to the dealers, funds with extremely lean spread on their funding cost.

7. Organisational Structure

BMW Japan is a wholly owned subsidiary of BMW Japan Corp. which is a 100 per cent. indirectly owned subsidiary of BMW AG, Munich. BMW Japan has no subsidiaries.

BMW Japan is dependent upon BMW AG in that BMW AG issues a guarantee for any issue of notes for which BMW Japan acts as issuer.

8. Trend Information

Save as disclosed in this Prospectus, there has been no material adverse change in the prospects of BMW Japan since the date of its audited financial statements for the financial year ended 31 December 2013.

9. Administrative, Management, and Supervisory Bodies

Names, Business Addresses, and Functions

In accordance with its Articles of Incorporation, BMW Japan has four or less directors (provided that BMW Japan shall have not less than three directors in as much as it has the Board of Directors pursuant to the Companies Act of Japan (the "Companies Act")) and three statutory auditors.

As at the date of this prospectus, the directors and statutory auditors of BMW Japan are as indicated in the table below, each with the business address at 9-2 Marunouchi 1-cho-me, Chiyoda-ku, Tokyo, Japan:

Title	Name	Responsibility
Representative Director, President	Joseph Hall	Managing Director, BMW Japan Finance Corp.
Director	James Oskey	Managing Director, BMW Japan Finance Corp.
Director	Alan Crookes	Region Manager, Asia Pacific Region BMW Financial Services
Statutory Auditor	Noboru Abe	Executive Managing Director, BMW Japan Corp. Director, BMW Tokyo Corp.
Statutory Auditor	Hirohisa Sugino	Accounting and Finance Manager, BMW Japan Corp.
Statutory Auditor	Ken Mochizuki	Legal Manager, BMW Japan Corp.

Statutory Auditor Mr. Hirohisa Sugino and Mr. Ken Mochizuki are out-housed Auditors as defined by Article 2 item 16 of the Companies Act.

The President represents BMW Japan and administers the business of the company.

Administrative, Management, and Supervisory Bodies of Conflicts of Interests

As of the date of this Prospectus, the above-mentioned directors and statutory auditors of BMW Japan do not have potential conflicts of interests between any duties to BMW Japan and their private interests or other duties.

10. Board Practices

Audit Committee

BMW Japan does not itself have an audit committee. However, the audit committee of BMW AG reviews the annual consolidated financial statements of BMW Group in which BMW Japan is consolidated.

Corporate Governance

BMW Japan complies in all respects with the corporate governance regime of the Companies Act. There are no other regimes of corporate governance applicable to BMW Japan.

BMW Japan complies with internally issued corporate governance regulations of BMW Group.

11. Major Shareholders

As at the date of this Prospectus, BMW Japan has only one shareholder. BMW Japan Corp. owns 100 per cent. of the total 94,710 shares issued by BMW Japan.

12. Financial Information Concerning BMW Japan's Assets and Liabilities, Financial Position and Profits and Losses

Historical Financial Information

The financial statements of BMW Japan for the financial year 2012 and 2013, respectively, as published in the BMW Japan Financial Statements 2012 and 2013, respectively, are incorporated by reference into this Prospectus as set out under "Documents Incorporated by Reference" above. Copies of the relevant BMW Japan financial statements can be obtained, free of charge at the offices of the Listing Agent and at the principal place of business of BMW Japan set out above and will be published on the website of the Luxembourg Stock Exchange under "www.bourse.lu".

As of the date of this Prospectus, BMW Japan does not publish any interim financial statements. This may change should BMW Japan become required to do so under the provisions of the Luxembourg Transparency Act 2008 dated 11 January 2008, as amended, and which, *inter alia*, implements the EU transparency directive.

BMW Japan Accounting Policies

The statutory financial statements of BMW Japan were prepared in accordance with the Companies Act.

The BMW Japan Annual Report 2011 is translated by BMW Japan from Japanese into English and prepared based on the statutory financial statements which were prepared in accordance with the Companies Act. However, there are certain changes to the original statutory reports in terms of format, description and presentation. The original official statutory financial statements were audited by KPMG AZSA & Co., and the independent auditors' report was issued on the original official financial statements in Japanese, not on the BMW Japan Annual Report 2012 in English.

Auditing of Historical Financial Information

The statutory financial statements in the Japanese language for the years ended 2012 and 2013 were audited by KPMG AZSA & Co. in accordance with auditing standards generally accepted in Japan and in each case the statements were certified without qualification.

There are no differences between Japanese audit standards and IAS audit standards. Both standards are based on generally accepted audit standards.

Legal and Arbitration Proceedings

In the twelve months preceding the date of this Prospectus, BMW Japan has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BMW Japan is aware) which may have, or have had in the recent past, significant effects on BMW Japan's financial position or profitability.

Significant Change in BMW Japan's Financial or Trading Position

There is no significant change in the BMW Japan's financial or trading position which has occurred since the date of its audited financial statements for the financial year ended 31 December 2013.

13. Additional Information Share Capital

As of the date of this Prospectus, BMW Japan has a total of 96,000 authorised shares (6,000 common shares and 90,000 preference shares), a total of 94,710 of which have been issued (6,000 common shares and 88,710 preference shares). As at the date of this Prospectus, the BMW Japan has only one shareholder. Accordingly, the shareholder structure of the BMW Japan is as follows:

Shareholder	Number of shares	Ratio
BMW Japan Corp	94,710	100%

Preference shares

All of the preference shares of BMW Japan are redeemable preference shares. The holder of a preference share has the preferential right to receive a dividend (500 Yen per share) on a yearly basis, prior to declaration and payment of a dividend to a holder of a common share. A holder of the redeemable preference shares has a right to vote.

DESCRIPTION OF BAYERISCHE MOTOREN WERKE AKTIENGESELLSCHAFT

1. Persons Responsible

Bayerische Motoren Werke Aktiengesellschaft (“BMW AG” and, together with its consolidated subsidiaries, the “Group” or “BMW Group”) accepts responsibility for the information contained in this “Description of Bayerische Motoren Werke Aktiengesellschaft”. BMW AG declares that, having taken all reasonable care to ensure that such is the case, the information contained in this “Description of Bayerische Motoren Werke Aktiengesellschaft” is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. Statutory Auditors

The Independent Auditors (Wirtschaftsprüfer) of BMW AG are KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Ganghoferstraße 29, 80339 Munich, Federal Republic of Germany. KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft are members of the IDW (Institut der Wirtschaftsprüfer).

3. Selected Financial Information

The following table shows selected consolidated financial information of the income statement of BMW Group for the first quarter 2014 and 2013, respectively (unaudited and unreviewed) and for the financial year ended 31 December 2013 and 31 December 2012, respectively (audited):

	1 January to 31 March		1 January to 31 December	
in Euro million	2014	2013*	2013	2012**
	<i>(unaudited and unreviewed)</i>		<i>(audited)</i>	
Revenues	18,235	17,546	76,058	76,848
Gross profit	3,864	3,578	15,274	15,494
(Loss)/Profit before financial result.....	2,090	2,038	7,986	8,275
(Loss)/Profit before tax.....	2,166	2,003	7,913	7,803
Net (loss)/profit	1,462	1,312	5,340	5,111
in Euro				
Earnings per share of common stock				
in Euro	2.22	1.99	8,10	7.75
Earnings per share of preferred stock				
in Euro	2.22	1.99	8,12	7.77

* Prior year's figures adjusted due to first-time application of IFRS 10, IFRS 11 and IFRS 12, see note 4 of the Group Interim Report to 31 March 2014.

** Prior year figures have been adjusted in accordance with the revised version of IAS 19, see note 7 of the group annual report 2013.

The Board of Management and Supervisory Board which met on 14 May 2013 proposed to the Annual General Meeting to use the unappropriated profit available for distribution in BMW AG, amounting to Euro 1,707 million to pay a dividend of Euro 2.60 for each share of common stock (2012: Euro 2.50) and Euro 2.62 for each share of preferred stock (2012: Euro 2.52), a distribution rate of 32.0% for 2013 (2012: 32.0 %).

The following table shows selected consolidated financial information of the balance sheet of BMW Group as at 31 December 2013 and 2012, respectively (audited) and as at 31 March 2014 (unaudited and unreviewed):

Assets in Euro million	31 March 2014 <i>(unaudited and unreviewed)</i>	31 December 2013 <i>(audited)</i>	31 December 2012* <i>(audited)</i>
Non-current assets	86,921	86,194	81,305
Current assets	54,110	52,174	50,530
Total assets.....	141,031	138,368	131,835
Equity and liabilities in Euro million	31 March 2014 <i>(unaudited and unreviewed)</i>	31 December 2013 <i>(audited)</i>	31 December 2012* <i>(audited)</i>
Equity	36,957	35,643	30,606
Non-current provisions and liabilities	54,925	52,682	52,834
Current provisions and liabilities	49,149	50,043	48,395
Total equity and liabilities	141,031	138,368	131,835

* Prior year figures have been adjusted in accordance with the revised version of IAS 19, see note 7 of the group annual report 2013.

The following table shows selected consolidated financial information of the cash flow statement of BMW Group for the first quarter 2014 and 2013, respectively (unaudited and unreviewed) and for the financial year ended 31 December 2013 and 31 December 2012, respectively (audited):

in Euro million	1 January to 31 March		1 January to 31 December	
	2014	2013*	2013	2012** ***
	<i>(unaudited and unreviewed)</i>		<i>(audited)</i>	
Cash inflow/outflow from operating activities.....	1,601	685	3,614	5,076
Cash inflow/outflow from investing activities.....	(1,414)	(1,595)	(6,981)	(5,433)
Cash inflow/outflow from financing activities.....	(338)	450	2,703	952
Effects of exchange rate on cash and cash equivalents	(21)	34	(89)	(14)
Effect of changes in composition of Group on cash and cash equivalents.....	2	-	47	13
Change in cash and cash equivalents	(170)	(426)	(706)	594
Cash and cash equivalents at 1 January ..	7,671	8,374	8370	7,776
Cash and cash equivalents at 31 December	-	-	7,664	8,370
Cash and cash equivalents at 31 March ...	7,501	7,948	-	-

* Prior year's figures adjusted due to first-time application of IFRS 10, IFRS 11 and IFRS 12, see note 4 of the Group Interim Report to 31 March 2014.

** Prior year figures have been adjusted in accordance with the revised version of IAS 19, see note 7 of the group annual report 2013.

*** Prior year figures have been adjusted in accordance with the change in presentation described in note 43 of the group annual report 2013.

The following table shows the composition of financial liabilities of BMW Group on a consolidated basis as at 31 December 2013 and 2012, respectively (audited) and as at 31 March 2014 (unaudited and unreviewed):

in Euro million	31 March 2014 <i>(unaudited and unreviewed)</i>	31 December 2013 <i>(audited)</i>	31 December 2012 <i>(audited)</i>
Long-term financial liabilities			
Bonds	24,634	23,204	22,425
Liabilities to banks	4,584	4,264	4,889
Liabilities from customer deposits (banking).....	3,192	3,115	2,942
Asset backed financing transactions..	7,141	7,549	7,314
Derivative instruments	550	677	925
Other	786	641	600
Total long-term financial liabilities ..	40,887	39,450	39,095
Short-term financial liabilities			
Bonds	7,193	7,166	7,427
Liabilities to banks	4,794	4,326	4,595
Liabilities from customer deposits (banking).....	9,033	9,342	10,076
Commercial paper	4,275	6,292	4,577
Asset backed financing transactions...	2,573	2,579	2,097
Derivative instruments	503	426	865
Other.....	617	723	775
Total short-term financial liabilities .	28,988	30,854	30,412
Total financial liabilities.....	69.875	70,304	69,507

4. Risk Factors

The operations of BMW AG and BMW Group involve certain risks typically associated with the business BMW AG and BMW Group engages in.

A description of such risks is set out in Part A.II. of this Prospectus ("Risk Factors") under item 2.

5. Information about BMW AG

General

BMW AG dates its foundation from the founding of "Bayerische Flugzeugwerke" on 7 March 1916, from which it acquired all plants and installations, patents, and designs and all rights and obligations arising from the engine manufacturing operations in 1922.

BMW AG acts under its legal and commercial name "Bayerische Motoren Werke Aktiengesellschaft".

BMW AG has its registered seat in Munich and is registered under the Reg. No. HRB 42243 of the Commercial Register in Munich. Registered branch offices are located in Berlin, Bonn, Bremen, Chemnitz, Darmstadt, Dortmund, Dresden, Düsseldorf, Essen, Frankfurt am Main, Hamburg, Hanover, Kassel, Leipzig, Mannheim, Munich, Nürnberg, Saarbrücken and Stuttgart.

The head office of BMW AG is at Petuelring 130, 80788 Munich, Federal Republic of Germany. Its telephone number is +49 89 382 0.

BMW AG is incorporated as a public stock corporation (Aktiengesellschaft) under the laws of the Federal Republic of Germany ("Germany").

6. Business Overview

Purpose of BMW AG

According § 2 of its articles of association, the general purpose of BMW AG is to engage, directly or indirectly, in the production and sale of engines and engine-equipped vehicles, along with their respective accessories, as well as of any products of the machinery, metal and timber industries. Within these limits BMW AG is entitled to take all actions and measures, which may be incidental to the foregoing purposes. In particular, BMW AG may acquire or alienate real property, set up domestic and foreign subsidiaries, establish or purchase other companies of the same or a similar kind, acquire interests in such companies and enter into agreements on community of interests and similar contracts.

Principal Activities

The activities of BMW Group are broken down into the operating segments Automobiles, Motorcycles, Financial Services and Other Entities.

The Automobiles segment develops, manufactures, assembles and sells cars and off-road vehicles, under the brands BMW, MINI and Rolls-Royce as well as spare parts and accessories. BMW and MINI brand products are sold in Germany through branches of BMW AG and by independent, authorised dealers. Sales outside Germany are handled primarily by subsidiary companies and, in a number of markets, by independent import companies. Rolls-Royce brand vehicles are sold in the USA via a subsidiary company and elsewhere by independent, authorised dealers.

The BMW Motorcycles segment develops, manufactures, assembles and sells BMW brand motorcycles as well as spare parts and accessories.

The principal lines of business of the Financial Services segment are primarily on car leasing, fleet business, retail customer and dealer financing, customer deposit business and insurance activities.

Revenues by segment (audited)

in Euro million	1 January to 31 December 2013	1 January to 31 December 2012*
Automotive.....	70,629	70,208
Motorcycles**	1,504	1,490
Financial Services.....	19,874	19,550
Other Entities	6	5
Eliminations	(15,955)	(14,405)
Group.....	76,058	76,848

Profit before tax by segment (unaudited)

in Euro million	1 January to 31 December 2013	1 January to 31 December 2012*
Automotive.....	6,561	7,170
Motorcycles**	76	6
Financial Services.....	1,639	1,561
Other Entities	164	3
Eliminations	(527)	(937)
Group.....	7,913	7,803

*Prior year figures have been adjusted in accordance with the revised version of IAS 19, see note 7 of the group annual report.

**Includes impact of exceptional items relating to the sale of the Husqvarna Group.

New Products

In 2014, BMW Group will continue to expand its product range and global presence with the introduction of new vehicles and the replacement of certain existing model lines.

Principal Markets

In 2013, the key automobile markets for BMW Group were as follows:

BMW Group – key automobile markets 2013	Percentage of total sales volume
USA	19.2
Germany	13.2
China*	19.9
Great Britain	9.6
France	3.3
Italy	3.0
Japan	3.3
Other	28.5

*including automobiles from the joint venture BMW Brilliance

Sales volume at new all-time high

BMW Group sold a total of 1,963,798* BMW, MINI and Rolls-Royce brand vehicles during the year 2013, the best sales volume performance ever achieved in the company's history (2012: 1,845,186* units; + 6.4 %). Despite increasing volatility on many markets, particularly in Europe, BMW Group retained its pole position in the premium segment worldwide.

All three brands set new sales volume records. Sales of BMW brand cars rose by 7.5 % to 1,655,138* units (2012: 1,540,085* units). In addition, 305,030 MINI brand vehicles (2012: 301,526 units; + 1.2 %) and 3,630 Rolls-Royce brand vehicles (2012: 3,575 units; + 1.5 %) were sold.

Sharp sales volume rise in Asia

In Asia, BMW Group sold a total of 578,678* BMW, MINI and Rolls-Royce brand cars in 2013 (+ 17.3 %), easily surpassing the 500,000 threshold for the first time. Sales on the Chinese mainland rose by 19.7 % to 391,713* units.

The Americas also made a good contribution to the overall performance, with 463,822 units (+9.0 %) sold in this region, including 376,636 units sold in the USA (+8.1 %).

Despite ongoing uncertainties in Europe, sales in this region were almost at the previous year's level with a sales volume of 859,546 units (– 0.7 %). In Germany, BMW Group was unable to escape the steep downward market trend, which resulted in sales volume falling by 9.8 % to 259,219 units. It was a very different story in the UK, where the keys to 189,121 BMW, MINI and Rolls-Royce brand cars (+ 8.4 %) were handed over to customers during the twelve-month period under report.

*including automobiles from the joint venture BMW Brilliance

In 2013, the key motorcycles markets for BMW Group were as follows:

BMW Group – key motorcycle markets 2013	Percentage of total sales volume
Germany	18.6
USA	12.2
France	9.0
Italy	8.9
Brazil	6.6
Great Britain	5.5
Spain	4.5
Other	34.7

BMW Motorrad sets new sales volume record

The Motorcycles segment also achieved its best sales volume of all time in 2013, despite persistently

difficult market conditions. In total, BMW Group sold 115,215 BMW motorcycles (2012: 106,358 units; + 8.3 %) worldwide.

Motorcycle sales up in nearly all markets

Motorcycle sales in Europe rose to 68,961 units (+ 4.7 %), despite the fact that a number of markets suffered further contraction. Sales volume in Germany also grew by 4.7 % and reached 21,473 units. Motorcycles business in Italy stabilised at 10,230 units (+ 0.3 %). The only country in the region with lower sales than one year earlier was France (10,400 units; – 5.0 %). By contrast, at 14,100 units, motorcycle sales in the USA were well above the previous year's level (+ 16.5 %).

7. Organisational Structure

The BMW AG is parent company within BMW Group.

BMW AG presents below its "List of Investments" pursuant to § 285 and § 313 HGB. Figures for equity and earnings are not disclosed if they are of "minor significance" for the net assets, financial and earnings position of BMW AG pursuant to § 286 (3) sentence 1 no. 1 HGB. It is also shown in the list which subsidiaries apply the exemptions available in § 264 (3) and 264 b HGB with regard to the publication of annual financial statements and the drawing up of a management report and notes to the financial statements (footnotes 5 and 6). The Group Financial Statements of BMW AG serve as exempting consolidated financial statements for these companies. The attached "List of Investments" is a component of the notes to the financial statements.

As at 31 December 2013, the List of Investments pursuant to § 285 and § 313 HGB of BMW AG were the following:

List of Investments pursuant to § 285 and § 313 HGB	Notes	Equity in euro million	Net result in euro million	Capital investment in %
at 31 December 2013				
BMW AG's subsidiaries at 31. 12. 2013				
Domestic				
	1			
BMW INTEC Beteiligungs GmbH, Munich	3, 6	3.558	-	100
BMW Bank GmbH, Munich	3	1.988	-	100
BMW Finanz Verwaltungs GmbH, Munich		321	6	100
BMW Verwaltungs GmbH, Munich	3, 6	-	-	100
Alphabet Fuhrparkmanagement GmbH, Munich	4	-	-	100
Alphabet International GmbH, Munich	4, 6	-	-	100
MITEC Mikroelektronik Mikrotechnik Informatik GmbH, Dingolfing	4	-	-	100
LARGUS Grundstücks-Verwaltungsgesellschaft mbH & Co. KG, Munich		-	-	95
BMW Vertriebszentren Verwaltungs GmbH, Munich		-	-	100
BMW Hams Hall Motoren GmbH, Munich	4, 5, 6	-	-	100
BMW Fahrzeugtechnik GmbH, Eisenach	3, 5	-	-	100
Parkhaus Oberwiesenfeld Gesellschaft mit beschränkter Haftung, Munich		-	-	100
LARGUS Grundstücks-Verwaltungsgesellschaft mbH, Munich		-	-	100
Bürohaus Petuelring GmbH, Munich		-	-	100
Rolls-Royce Motor Cars GmbH, Munich	4, 5, 6	-	-	100
BAVARIA-LLOYD Reisebüro GmbH, Munich		-	-	51
Bavaria Wirtschaftsagentur GmbH, Munich	3, 5, 6	-	-	100
BMW M GmbH Gesellschaft für individuelle Automobile, Munich	3, 5, 6	-	-	100
BMW Anlagen Verwaltungs GmbH, Munich	3	-	-	100
Foreign				
	2			
Europe				
BMW Holding B. V., The Hague		11.191	1.915	100

BMW Österreich Holding GmbH, Steyr	2.003	1.299	100
BMW (UK) Manufacturing Ltd., Bracknell	1.388	84	100
BMW Malta Ltd., St. Julians	1.278	89	100
BMW Malta Finance Ltd., St. Julians	1.114	58	100
BMW (UK) Ltd., Bracknell	1.017	184	100
BMW Motoren GmbH, Steyr	917	209	100
BMW Financial Services (GB) Ltd., Hook	668	163	100
BMW Coordination Center V. o. F., Bornem	592	-	100
BMW España Finance S. L., Madrid	517	11	100
BMW (Schweiz) AG, Dielsdorf	439	36	100
BMW Finance N. V., The Hague	365	39	100
BMW Iberica S. A., Madrid	342	19	100
BMW Italia S. p. A., Milan	324	(1)	100
BMW (UK) Capital plc, Bracknell	281	8	100
BMW France S. A., Montigny-le-Bretonneux	278	(35)	100
BMW Finance S. N. C., Guyancourt	262	26	100
BMW Belgium Luxembourg S. A. / N. V., Bornem	227	(2)	100
BMW (UK) Holdings Ltd., Bracknell	166	(65)	100
Rolls-Royce Motor Cars Ltd., Bracknell	166	16	100
Alphabet Nederland B. V., Breda	142	43	100
BMW International Investment B. V., Rijswijk	134	-	100
BMW Russland Trading OOO, Moscow	129	14	100
ALPHABET (GB) Ltd., Hook	113	45	100
Swindon Pressings Ltd., Bracknell	105	8	100
BMW Services Italia S. p. A., San Donato Milanese	104	24	100
BMW Financial Services Scandinavia AB, Solna	101	13	100
APD Industries plc, Bracknell	-	-	100
BMW Austria Leasing GmbH, Salzburg	-	-	100
BMW Bank OOO, Moscow	-	-	100
Alphabet (UK) Fleet Management Ltd., Glasgow	-	-	100
BMW Vertriebs GmbH, Salzburg	-	-	100
BMW Austria Bank GmbH, Salzburg	-	-	100
BMW Financial Services Belgium S. A. / N. V., Bornem	-	-	100
Bavaria Reinsurance Malta Ltd., St. Julians	-	-	100
Alphabet Belgium Long Term Rental NV, Aartselaar	-	-	100
Alphabet France SAS, Rueil Malmaison	-	-	100
BMW Austria Ges.m.b.H., Salzburg	-	-	100
BMW Services Ltd., Bracknell	-	-	100
BMW Sverige AB, Stockholm	-	-	100
BMW Leasing (GB) Ltd., Hook	-	-	100
BMW Finanzdienstleistungen (Schweiz) AG, Dielsdorf	-	-	100
BMW Portugal Lda., Porto Salvo	-	-	100
Alphabet Belgium S. A. / N. V., Bornem	-	-	100
BMW Hellas Trade of Cars A.E., Athens	-	-	100
Alphabet Fuhrparkmanagement (Schweiz) AG, Dielsdorf	-	-	100
Alphabet Polska Fleet Management Sp. z o.o., Warsaw	-	-	100
BMW Financial Services B. V., Rijswijk	-	-	100
BMW Services Belgium S. A. / N. V., Bornem	-	-	100
BMW Automotive (Ireland) Ltd., Dublin	-	-	100
Alphabet Austria Fuhrparkmanagement GmbH, Salzburg	-	-	100
BMW Roma S. r. l., Rome	-	-	100
BMW Renting (Portugal) Lda., Porto Salvo	-	-	100
BMW Danmark A / S, Kolding	-	-	100
Bavaria NTTBL Company Ltd., Dublin	-	-	100

BMW Österreich Finanzierungs GmbH, Steyr	-	-	100
Noord Lease B. V., Groningen	-	-	100
Park Lane Ltd., Bracknell	-	-	100
Oy BMW Suomi AB, Helsinki	-	-	100
BMW Financial Services Denmark A / S, Copenhagen	-	-	100
BMW Financial Services (Ireland) Ltd., Dublin	-	-	100
BMW Nederland B. V., The Hague	-	-	100
BMW (UK) Investments Ltd., Bracknell	-	-	100
Société Nouvelle WATT Automobiles SARL, Rueil Malmaison	-	-	100
Alphabet Italia Fleet Management S. p. A., Rome	-	-	100
Alphabet España Fleet Management S. A.U., Madrid	-	-	100
BLMC Ltd., Bracknell	-	-	100
Alphabet Luxembourg S. A., Leudelange	-	-	100
BMW Norge AS, Oslo	-	-	100
Alphabet France Fleet Management S. N. C., Rueil Malmaison	-	-	100
The British Motor Corporation Ltd., Bracknell	-	-	100
BMW Central Pension Trustees Ltd., Bracknell	-	-	100
Riley Motors Ltd., Bracknell	-	-	100
Triumph Motor Company Ltd., Bracknell	-	-	100
The Americas			
BMW (US) Holding Corp., Wilmington, DE	2.075	381	100
BMW Manufacturing Co., LLC, Wilmington, DE	1.112	136	100
BMW Bank of North America, Inc., Salt Lake City, UT	787	112	100
Financial Services Vehicle Trust, Wilmington, DE	548	204	100
BMW US Capital, LLC, Wilmington, DE	364	57	100
BMW of North America, LLC, Wilmington, DE	338	349	100
BMW do Brasil Ltda., São Paulo	155	36	100
BMW Financial Services NA, LLC, Wilmington, DE	153	39	100
BMW Financeira S. A. Credito, Financiamento e Investimento, São Paulo	-	-	100
BMW Canada Inc., Whitby	-	-	100
BMW Financial Services de Mexico S.A. de C.V., Mexico City	-	-	100
BMW de Mexico, S. A. de C. V., Mexico City	-	-	100
BMW Leasing do Brasil, S. A., São Paulo	-	-	100
BMW Acquisitions Ltda., São Paulo	-	-	100
SB Acquisitions, LLC, Wilmington, DE	-	-	100
Rolls-Royce Motor Cars NA, LLC, Wilmington, DE	-	-	100
BMW de Argentina S. A., Buenos Aires	-	-	100
BMW Leasing de Mexico S. A. de C. V., Mexico City	-	-	100
BMW Insurance Agency, Inc., Wilmington, DE	-	-	100
BMW Extended Services Corp., Hilliard, FL	-	-	100
BMW Consolidation Services Co., LLC, Wilmington, DE	-	-	100
BMW Auto Leasing, LLC, Wilmington, DE	-	-	100
BMW Facility Partners, LLC, Wilmington, DE	-	-	100
BMW FS Funding Corp., Wilmington, DE	-	-	100
BMW FS Receivables Corp., Wilmington, DE	-	-	100
BMW FS Securities LLC, Wilmington, DE	-	-	100
BMW Manufacturing LP, Woodcliff Lake, NJ	-	-	100
BMW Receivables 1 Inc., Whitby	-	-	100
BMW Receivables 2 Inc., Whitby	-	-	100
BMW Receivables Limited Partnership, Whitby	-	-	100
BMW of Manhattan, Inc., Wilmington, DE	-	-	100
Africa			

BMW (South Africa) (Pty) Ltd., Pretoria	458	46	100
BMW Financial Services (South Africa) (Pty) Ltd., Pretoria	143	17	100

Asia

BMW China Automotive Trading Ltd., Beijing	664	614	100
BMW Automotive Finance (China) Co., Ltd., Beijing	611	35	58
BMW Japan Corp., Tokyo	526	(18)	100
BMW Japan Finance Corp., Tokyo	273	30	100
BMW Financial Services Korea Co., Ltd., Seoul	129	25	100
BMW (Thailand) Co., Ltd., Bangkok	128	112	100
BMW Malaysia Sdn Bhd, Kuala Lumpur	112	31	51
BMW Korea Co., Ltd., Seoul	-	-	100
BMW Asia Pte. Ltd., Singapore	-	-	100
BMW India Private Ltd., Gurgaon	-	-	100
PT BMW Indonesia, Jakarta	-	-	100
BMW Manufacturing (Thailand) Co., Ltd., Bangkok	-	-	100
BMW Tokyo Corp., Tokyo	-	-	100
BMW Asia Technology Centre Sdn Bhd, Kuala Lumpur	-	-	100
BMW Leasing (Thailand) Co., Ltd., Bangkok	-	-	74
BMW Asia Pacific Capital Pte Ltd., Singapore	-	-	100
BMW China Services Ltd., Beijing	-	-	100
BMW Credit (Malaysia) Sdn Bhd, Kuala Lumpur	-	-	100
BMW Holding Malaysia Sdn Bhd, Kuala Lumpur	-	-	100
BMW Lease (Malaysia) Sdn Bhd, Kuala Lumpur	-	-	100
BMW India Financial Services Private Ltd., Gurgaon	-	-	100
BMW Osaka Corp., Osaka	-	-	100

Oceania

BMW Australia Finance Ltd., Melbourne, Victoria	315	47	100
BMW Australia Ltd., Melbourne, Victoria	212	29	100
BMW Financial Services New Zealand Ltd., Auckland	-	-	100
BMW New Zealand Ltd., Auckland	-	-	100
BMW Melbourne Pty. Ltd., Melbourne, Victoria	-	-	100
BMW Sydney Pty. Ltd., Sydney, New South Wales	-	-	100

BMW AG's non-consolidated companies at 31. 12. 2013

Domestic

Automag GmbH, Munich	7	-	-	100
Bavaria Betriebs-Gastronomie GmbH, Munich	4, 7	-	-	100
BMW Apparatebau (8) GmbH, Munich	7	-	-	100
BMW Car IT GmbH, Munich	7	-	-	100
BMW Forschung und Technik GmbH, Munich	3, 7	-	-	100
Fleetlevel + Services GmbH, Stuttgart	7	-	-	100

Foreign

Europe

BMW Distribution S. A. S., Montigny-le-Bretonneux	7	-	-	100
BMW Car Club Ltd., Bracknell	7	-	-	100
BMW Drivers Club Ltd., Bracknell	7	-	-	100
BMW (GB) Ltd., Bracknell	7	-	-	100
BMW Group Benefit Trust Ltd., Bracknell	7	-	-	100

BMW Motorsport Ltd., Bracknell	7	-	-	100
BMW (P + A) Ltd., Bracknell	7	-	-	100
BMW (UK) Pensions Services Ltd., Redditch	7	-	-	100
John Cooper Garages Ltd., Bracknell	7	-	-	100
John Cooper Works Ltd., Bracknell	7	-	-	100
BMW Milano S. r. l., Milan	7	-	-	100
BMW Services Netherlands B. V., Rijkswijk	7	-	-	100
BMW Amsterdam B. V., Amsterdam	7	-	-	100
BMW Den Haag B. V., The Hague	7	-	-	100
BMW Retail Nederland B. V., Haaglanden	7	-	-	100
BMW i Ventures B. V., Rijswijk	7	-	-	100
OOO BMW Leasing, Moscow	7	-	-	100
BMW Financial Services Polska Sp. z o. o., Warsaw	7	-	-	100
BMW Madrid S. L., Madrid	7	-	-	100
BMW Barcelona S. L., Barcelona	7	-	-	100
The Americas				
BMW Hybrid Technology Corp., Troy, MI	7	-	-	100
BMW Operations Corp., Wilmington, DE	7	-	-	100
Designworks / USA, Inc., Newbury Park, CA	7	-	-	100
217-07 Northern Boulevard Corp., Wilmington, DE	7	-	-	100
BMW i Ventures LLC, Wilmington, DE	7	-	-	100
BMW Experience Centre Inc., Whitby	7	-	-	100
BMW Leasing de Argentina S. A., Buenos Aires	7	-	-	100
Toluca Planta de Automoviles, S. A. de C.V., Lerma	7	-	-	100
BMW de Latinoamerica, S. A., Panama City	7	-	-	100
BMW Car Sharing, LLC, Wilmington, DE	7	-	-	100
Africa				
BMW Automobile Distributors (Pty) Ltd., Rosslyn	7	-	-	100
BMW Waterfront (Pty) Ltd., Pretoria	7	-	-	100
BPF Midrand Property Holdings (Pty) Ltd., Midrand	7	-	-	100
Multisource Properties (Pty) Ltd., Pretoria	7	-	-	100
Asia				
BMW Financial Services Hong Kong Limited, Hong Kong	7	-	-	51
BMW Financial Services Singapore Pte Ltd., Singapore	7	-	-	100
BMW Philippines Corp., Manila	7	-	-	70
BMW India Leasing Pvt. Ltd., Gurgaon	7	-	-	100
BMW Finance (United Arab Emirates) Ltd., Dubai	7	-	-	100
BMW Insurance Services Korea Co. Ltd., Seoul	7	-	-	100
THEPSATRI Co., Ltd., Bangkok	7, 9	-	-	49
Oceania				
MG Australia (Holdings) Pty. Ltd., Melbourne, Victoria	7	-	-	50
BMW AG's associated companies and joint ventures at 31. 12. 2013				
Equity accounted investments				
Domestic				
SGL Automotive Carbon Fibers GmbH & Co. KG, Munich	8	12	(25)	49
SGL Automotive Carbon Fibers Verwaltungs GmbH, Munich	8	-	-	49
DriveNow GmbH & Co. KG, Munich	8	5	(7)	50
DriveNow Verwaltungs GmbH, Munich	8	-	-	50

Foreign				
BMW Brilliance Automotive Ltd., Shenyang	8	1.868	834	50
SGL Automotive Carbon Fibers, LLC, Dover, DE	8	15	6	49
Not equity accounted investments				
Domestic				
Joblinge gemeinnützige AG, Bayerwald	7	-	-	25
Joblinge gemeinnützige AG, Leipzig	7	-	-	20,8
The Retail Performance Company GmbH, Munich	7	-	-	50
Foreign				
ParkNow LLC, Wilmington, DE	7	-	-	80
U.T. E. Universal Lease-Carsan-Bujarkay Ley, Sevilla	7	-	-	47,5
Bavarian & Co. Ltd., Incheon	7	-	-	20
BMW AG's participations at 31. 12. 2013				
Domestic				
SGL Carbon SE, Wiesbaden	7	-	-	18,6
Joblinge gemeinnützige AG Berlin, Berlin	7	-	-	10,0
Joblinge gemeinnützige AG München, Munich	7	-	-	7,6
Hubject GmbH, Berlin	7	-	-	16,7
IVM Industrie-Verband Motorrad GmbH & Co. Dienstleistungs KG, Essen	7	-	-	14,5
Deutsches Forschungszentrum für Künstliche Intelligenz GmbH, Kaiserslautern	7	-	-	5,0
GSB Sonderabfall-Entsorgung Bayern GmbH, Baar-Ebenhausen	7	-	-	3,1
RA Rohstoffallianz GmbH, Berlin	7	-	-	10,5
Foreign				
Srividya Tech Inc., New York, NY	7	-	-	11,8
Parkatmyhouse Ltd., London	7	-	-	14,3
Parkopedia Ltd., Birmingham	7	-	-	10,6
ChargePoint, Inc., Campbell	7	-	-	5,5
kringlan composites AG, Otelfingen	7	-	-	16,7
Life 360 Inc., San Fransisco	7	-	-	3,6
Chargemaster PLC, Luton	7	-	-	2,0

1 The amounts shown for the domestic affiliated companies correspond to the annual financial statements drawn up in accordance with German accounting rules (HGB).

2 The amounts shown for the foreign affiliated companies correspond to the annual financial statements drawn up in accordance with uniform IFRS rules.

Equity and earnings not denominated in euro are translated in euro using the closing exchange rate at the balance sheet date.

3 Profit and Loss Transfer Agreement with BMW AG.

4 Profit and Loss Transfer Agreement with a subsidiary of BMW AG.

5 Exemption from drawing up a management report applied in accordance with § 264 (3) and § 264 b HGB.

6 Exemption from publishing annual financial statements applied in accordance with § 264 (3) and § 264 b HGB.

7 These entities are neither consolidated nor accounted for using the equity method on the basis of their overall materiality for the Group Financial Statements.

8 The amounts shown for entities accounted for using the equity method correspond to the annual financial statements drawn up in accordance with uniform IFRS rules.

Equity not denominated in euro is translated in euro using the closing exchange rate at the balance sheet date and earnings not denominated in euro is translated in euro using the average rate.

9 Including power to appoint representative bodies.

8. Trend Information

Save as disclosed in the following sub-paragraph of this section, there has been no material adverse change in the prospects of BMW AG since the date of its published audited financial statements for the financial year ended 31 December 2013.

General concerns regarding the stability of the financial system, fears of adverse developments in the sovereign debt crisis and other adverse external factors will continue to affect reported earnings in 2014. Currency factors, high raw material prices and intense competition will again affect reported earnings in 2014.

9. Administrative, Management, and Supervisory Bodies

Corporate Bodies: Names, Business Addresses, and Functions

The corporate bodies of the BMW AG are:

- (i) The Board of Management;
- (ii) The Supervisory Board; and
- (iii) The General Meeting of Shareholders

(i) The Board of Management

In accordance with the Articles of Association, the Board of Management consists of two or more members. The Supervisory Board determines the number of the members of the Board of Management and appoints the members of the Board of Management.

As at the date of this Prospectus, members of the Board of Management are:

Name and Position	Other Mandates*
Dr.-Ing. Dr.-Ing.E.h. Norbert Reithofer Chairman	– Henkel AG & Co.KGaA
Harald Krüger Production (in such capacity since 1 April 2013)	– Rolls-Royce Motor Cars Limited (Chairman) (until March 31, 2013) – BMW Motoren GmbH (since April 1, 2013) (Chairman since June 7, 2013) – BMW (South Africa) (Pty) Ltd. (Chairman) (April 1, 2013)
Dr.-Ing. Herbert Diess Development	
Dr.-Ing. Klaus Draeger Purchasing and Supplier Network	
Dr. Friedrich Eichiner Finance	– Allianz Deutschland AG – FESTO Aktiengesellschaft (since July 30, 2013) – BMW Brilliance Automotive Ltd. (Deputy Chairman) – FESTO Management Aktiengesellschaft (since July 30, 2013)
Peter Schwarzenbauer (since April 1, 2013) MINI, Motorcycles, Rolls-Royce, After Sales BMW Group	– Rolls-Royce Motor Cars Limited (Chairman) (since April 4, 2013)
Ian Robertson Sales and Marketing BMW, Sales Channels BMW Group	– Dyson James Group Limited

Name and Position	Other Mandates*
Milagros Caiña Carreiro-Andree Human Resources, Industrial Relations Director	
General Counsel: Dr. Jürgen Reul (since 1 April 2014)	

* Based on information available from the Annual Report 2013.
 – Membership of other statutory supervisory boards
 – Membership of equivalent national or foreign boards of business enterprises

The business address of the Board of Management of BMW AG is Bayerische Motoren Werke Aktiengesellschaft, Projekthaus, 80788 Munich.

(ii) The Supervisory Board

In accordance with the Articles of Association, the Supervisory Board consists of twenty members, of whom ten are elected by the General Meeting of Shareholders and ten are elected by the employees in accordance with the German Co-determination Act (*Mitbestimmungsgesetz*).

As at the date of this Prospectus, members of the Supervisory Board are:

Name and Position	Other Mandates**¹
Prof. Dr.-Ing. Dr. h. c. Dr.-Ing. E. h. Joachim Milberg Chairman Former Chairman of the Board of Management of BMW AG	– Bertelsmann Management SE (Deputy Chairman) – Bertelsmann SE & Co KGaA (Deputy Chairman) – FESTO AG (Chairman) – Deere & Company
Chairman of the Presiding Board, Personnel Committee and Nomination Committee; member of Audit Committee and the Mediation Committee	– FESTO Management Aktiengesellschaft (Deputy Chairman since April 19, 2013)
Manfred Schoch² Deputy Chairman Chairman of the European and General Works Council Industrial Engineer	
Member of the Presiding Board, Personnel Committee, Audit Committee and Mediation Committee	
Stefan Quandt Deputy Chairman Entrepreneur	– DELTON AG (Chairman) – AQTON SE (Chairman) – DataCard Corp.
Member of the Presiding Board, Personnel Committee, Audit Committee, Nomination Committee and Mediation Committee	

¹ Based on information available from the Annual Report 2013.
¹ Employee representatives (company employees).
² Employee representatives (union representatives).
³ Employee representative (member of senior management).
 – Membership of other statutory supervisory boards
 – Membership of equivalent national or foreign boards of business enterprises

Name and Position	Other Mandates**¹
<p>Stefan Schmid¹ Deputy Chairman Chairman of the Works Council, Dingolfing</p> <p>Member of the Presiding Board, Personnel Committee, Audit Committee and Mediation Committee</p>	
<p>Dr. jur. Karl-Ludwig Kley Deputy Chairman Chairman of the Executive Management of Merck KGaA</p> <p>Chairman of the Audit Committee and Independent Finance Expert; member of the Presiding Board, Personnel Committee and Nomination Committee</p>	<ul style="list-style-type: none"> – Bertelsmann Management SE – Bertelsmann SE & Co KGaA – Deutsche Lufthansa Aktiengesellschaft (since May 7, 2013) – 1.FC Köln GmbH & Co. KGaA (Chairman) (until June 30, 2013)
<p>Bertin Eichler³ Former Executive Member of the Executive Board of IG Metall</p>	<ul style="list-style-type: none"> – BGAG Beteiligungsgesellschaft der Gewerkschaften GmbH (Chairman) – Luitpoldhütte AG (since December 3, 2013) – ThyssenKrupp AG (Deputy Chairman) (until January 17, 2014)
<p>Franz Haniel Engineer, MBA</p>	<ul style="list-style-type: none"> – DELTON AG (Deputy Chairman) – Franz Haniel & Cie. GmbH (Chairman) – Heraeus Holding GmbH – Metro AG (Chairman) – secunet Security Networks AG – Giesecke & Devrient GmbH – TBG Limited
<p>Prof. Dr. rer. nat. Dr. h. c. Reinhard Hüttl Chairman of the Executive Board of Helmholtz-Zentrum Potsdam Deutsches GeoForschungsZentrum – GFZ University professor</p>	
<p>Prof. Dr. rer. nat. Dr.-Ing. E. h. Henning Kagermann President of acatech – Deutsche Akademie der Technikwissenschaften e.V.</p>	<ul style="list-style-type: none"> – Deutsche Bank AG – Deutsche Post AG – Franz Haniel & Cie. GmbH – Münchner Rückversicherungs-Gesellschaft Aktiengesellschaft in München – Nokia Corporation – Wipro Limited

¹ Employee representatives (company employees).

² Employee representatives (union representatives).

³ Employee representative (member of senior management).

– Membership of other statutory supervisory boards

– Membership of equivalent national or foreign boards of business enterprises

Name and Position	Other Mandates**1
<p>Susanne Klatten Entrepreneur Member of the Nomination Committee</p>	<ul style="list-style-type: none"> – ALTANA AG (Deputy Chairman) – SGL Carbon SE (Chairman since April 30, 2013) – UnternehmerTUM GmbH (Chairman)
<p>Prof. Dr. rer. pol. Renate Köcher Director of Institut für Demoskopie Allensbach Gesellschaft zum Studium der öffentlichen Meinung mbH</p>	<ul style="list-style-type: none"> – Allianz SE – Infineon Technologies AG – Nestlé Deutschland AG – Robert Bosch GmbH
<p>Dr. h. c. Robert W. Lane Former Chairman and Chief Executive Officer of Deere & Company</p>	<ul style="list-style-type: none"> – General Electric Company – Northern Trust Corporation – Verizon Communications Inc.
<p>Horst Lischka² General Representative of IG Metall Munich</p>	<ul style="list-style-type: none"> – KraussMaffei AG – MAN Truck & Bus AG
<p>Willibald Löw¹ Chairman of the Works Council, Landshut</p>	
<p>Wolfgang Mayrhuber Chairman of the Supervisory Board of Deutsche Lufthansa AG</p>	<ul style="list-style-type: none"> – Deutsche Lufthansa Aktiengesellschaft (Chairman) (since May 7, 2013) – Infineon Technologies AG (Chairman) – Lufthansa Technik Aktiengesellschaft (until June 30, 2013) – Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München – Austrian Airlines AG (until June 27, 2013) – HEICO Corporation – Österreichische Luftverkehrs-Holding-GmbH (Chairman) (until June 27, 2013)– UBS AG (until May 2, 2013)
<p>Dr Dominique Mohabeer¹ Member of the Works Council, Munich</p>	
<p>Brigitte Rödiger¹ Member of the Works Council, Dingolfing</p>	
<p>Dr. Markus Schramm³ (since 1 April 2013) Head of Aftersales Business Management BMW Group</p>	
<p>Jürgen Wechsler² Regional Head of IG Metall Bavaria</p>	<ul style="list-style-type: none"> – Schaeffler AG (Deputy Chairman)
<p>Werner Zierer¹ Chairman of the Works Council, Regensburg</p>	

The business address of the Supervisory Board of BMW AG is Bayerische Motoren Werke Aktiengesellschaft, Projekthaus, 80788 Munich.

(iii) The General Meeting of Shareholders

The General Meeting of Shareholders, which is called by the Board of Management or, as provided by law, by the Supervisory Board, is held at the registered office of BMW AG, the seat of a branch or subsidiary of BMW AG or at the seat of a stock exchange within the territory of the Federal Republic of

Germany or if the convening of the General Meeting of Shareholders at these places should create difficulties, the General Meeting of Shareholders may be held at any other location.

The voting right of each common bearer share gives entitlement to one vote.

Administrative, Management, and Supervisory Bodies Conflicts of Interests

The members of the Supervisory Board of BMW AG hold in total 27.62 % (2012: 27.63 %) of the issued common and preferred stock shares, of which 16.07 % (2012: 16.08 %) relates to Stefan Quandt, Bad Homburg v. d. H. and 11.55 % (2012: 11.55 %) to Susanne Klatten, Munich.

As at the end of the previous financial year, shareholdings of members of the BMW AG Board of Management account, in total, for less than 1 % of issued shares.

As at the date of this Prospectus, the above-mentioned members of the corporate bodies of BMW AG do not have potential conflicts of interests between any duties to BMW AG and their respective private interests or duties.

10. Board Practices

Audit Committee

The Audit Committee consists of the Chairman and the Deputy Chairmen of the Supervisory Board of BMW AG.

As at the date of this Prospectus, the members of the Audit Committee are:

Dr. jur. Karl-Ludwig Kley (Chairman of the Audit Committee and independent finance expert within the meaning of § 100 (5) AktG and § 107 (4) AktG)
Prof. Dr.-Ing. Dr. h.c. Dr.-Ing. E.h. Joachim Milberg
Manfred Schoch
Stefan Quandt
Stefan Schmid

In line with the recommendations of the German Corporate Governance Code, the Chairman of the Audit Committee is independent and not a former Chairman of the Board of Management. He is required to have specific know-how and experience in applying financial reporting standards and internal control procedures. Alongside other members of the Supervisory Board, he also fulfills the requirements of being an independent financial expert as defined by § 100 (5) and § 107 (4) AktG.

Corporate Governance

Declaration by the Board of Management and the Supervisory Board of Bayerische Motoren Werke Aktiengesellschaft with respect to the recommendations of the “Government Commission on the German Corporate Governance Code” in accordance with § 161 German Stock Corporation Act

The Board of Management and the Supervisory Board of Bayerische Motoren Werke Aktiengesellschaft (“BMW AG”) declare the following regarding the recommendations of the “Government Commission on the German Corporate Governance Code”:

1. Since filing the last declaration of 14 May 2013, BMW AG has complied with all of the recommendations officially published on 15 June 2012 in the Federal Gazette (Code version of 15 May 2012).
2. BMW AG will in future comply with all of the recommendations officially published on 10 June 2013 in the Federal Gazette (Code version of 13 May 2013) as of the date when they apply.

Munich, December 2013

Bayerische Motoren Werke
Aktiengesellschaft

Supervisory Board

Board of Management

11. Major Shareholders

Since the shares of BMW AG are issued in bearer form, in principle they can be transferred without the necessity to inform BMW AG of such transfer. Only in case a shareholding reaches, exceeds or falls short of the thresholds determined by law of 3 per cent., 5 per cent., 10 per cent., 15 per cent., 20 per cent., 25 per cent., 30 per cent., 50 per cent. or 75 per cent. of voting rights of BMW AG, BMW AG has to be notified and to publish the respective information. In the event that the shareholding of members of the Board of Directors and Supervisory Board of BMW AG exceeds 1 per cent. of the issued share capital, BMW AG shall publish the aggregate shareholding (including common and preferred shares) in the Notes to the Annual Report of BMW Group in accordance with section 6.6 GCGC.

BMW AG can therefore only give an indication of the shareholdings as of the last date in respect of which BMW AG was notified of a change in the shareholding (legally relevant in the above sense), or in the case of members of the Board of Directors or the Supervisory Board of BMW AG, as of the date of the latest annual financial statements. Since that time of notification and publication there may have been changes, of which the corporation need not be notified. The number of shares held by the major shareholders indicated in the below table may therefore have increased or decreased in the meantime (since the last notification by each of them) within the limits that do not require a notification.

	Direct share of voting rights (%)*	Indirect share of voting rights (%)*
Stefan Quandt, Bad Homburg v.d.Höhe, Germany		17.4
AQTON SE, Bad Homburg v.d.Höhe, Germany	17.4	
Johanna Quandt, Bad Homburg v.d.Höhe, Germany	0.4	16.3
Johanna Quandt GmbH, Bad Homburg v.d.Höhe, Germany		16.3
Johanna Quandt GmbH & Co. KG für Automobilwerte, Bad Homburg v.d.Höhe, Germany	16.3	
Susanne Klatten, Munich, Germany		12.6
Susanne Klatten Beteiligungs GmbH, Bad Homburg v.d.Höhe, Germany ..	12.6	

* Based on voluntary balance notifications provided by the listed shareholders at 31 December 2012

The voting power percentages disclosed above may have changed subsequent to the stated date if these changes were not required to be reported to BMW AG. Due to the fact that BMW AG's shares are issued to bearer, BMW AG is generally only aware of changes in shareholdings if such changes are subject to mandatory notification rules.

BMW AG considers itself to be not controlled by any of its shareholders. Certain major shareholders hold positions in corporate bodies of BMW AG (as described herein) but no measures have been taken, and no such measures are believed to be necessary, in order to avoid a potential abuse of the influence of such major shareholders on BMW AG by virtue of the respective stake of share capital so held by them.

12. Financial Information concerning BMW AG's Assets and Liabilities, Financial Position and Profits and Losses

Historical Financial Information

The following information is extracted from the consolidated financial statements as of 31 December 2013 of BMW AG ("BMW Group Financial Statements" or "Group Financial Statements") as published in BMW Group Annual Report 2013 of which parts are incorporated by reference into this Prospectus. Such information should be read and analysed together with the "Notes to the Group Financial Statements" included in BMW Group Annual Report 2013. Parts of the consolidated interim financial statements of BMW AG as of 31 March 2014 (unaudited and unreviewed) are incorporated by reference into this Prospectus as well. Copies of BMW Group Annual Report 2013 and the interim financial statements can be obtained, free of charge, in the case of securities listed on a recognised stock exchange, at the offices of the

respective listing agent in connection with such issue of securities and, in any event, at the registered address of BMW AG set out above and will be published on the website of the Luxembourg Stock Exchange under “www.bourse.lu”.

BMW Group Financial Statements Accounting Policies

The consolidated financial statements of Bayerische Motoren Werke Aktiengesellschaft (BMW Group Financial Statements or Group Financial Statements) at 31 December 2013 have been drawn up in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. The designation “IFRS” also includes all valid International Accounting Standards (IAS). All Interpretations of the IFRS Interpretations Committee (IFRIC) mandatory for the financial year 2013 are also applied.

The Group Financial Statements comply with § 315 a of the German Commercial Code (HGB). This provision, in conjunction with the Regulation (EC) No. 1606 / 2002 of the European Parliament and Council of 19 July 2002, relating to the application of International Financial Reporting Standards, provides the legal basis for preparing consolidated financial statements in accordance with international standards in Germany and applies to financial years beginning on or after 1 January 2005.

The financial information set out in this Prospectus gives, when read in conjunction with the financial statements incorporated herein, a true and fair view of the financial position of BMW AG in conformity with applicable accounting policies.

BMW Group Group and sub-group Income Statements

The following table shows the income statements of BMW Group for the financial years ended 31 December 2013 and 31 December 2012, respectively:

	Group (audited)		Automotive (unaudited supplementary information)		Motorcycles (unaudited supplementary information)	
in euro million	2013	2012*	2013	2012*	2013	2012* **
Revenues	76.058	76.848	70.629	70.208	1.504	1.490
Cost of sales	(60.784)	(61.354)	(57.771)	(56.525)	(1.253)	(1.236)
Gross profit	15.274	15.494	12.858	13.683	251	254
Sales and administrative costs	(7.255)	(7.032)	(6.112)	(5.862)	(177)	(181)
Other operating income	841	829	741	673	7	8
Other operating expenses	(874)	(1.016)	(830)	(895)	(2)	(72)
Profit/loss before financial result	7.986	8.275	6.657	7.599	79	9
Result from equity accounted investments	398	271	398	271	-	-
Interest and similar income	184	224	303	353	-	-
Interest and similar expenses	(449)	(375)	(534)	(552)	(3)	(3)
Other financial result	(206)	(592)	(263)	(501)	-	-
Financial result	(73)	(472)	(96)	(429)	(3)	(3)
Profit/loss before tax	7.913	7.803	6.561	7.170	76	6
Income taxes	(2.573)	(2.692)	(2.153)	(2.453)	(25)	(22)
Net profit / loss	5.340	5.111	4.408	4.717	51	(16)

Attributable to minority interest	26	26	17	24	-	-
Attributable to shareholders of BMW AG	5.314	5.085	4.391	4.693	51	(16)
Earnings per share of common stock in euro	8,10	7,75				
Earnings per share of preferred stock in euro	8,12	7,77				

	Financial Services (unaudited supplementary information)		Other Entities (unaudited supplementary information)		Eliminations (unaudited supplementary information)	
in euro million	2013	2012*	2013	2012*	2013	2012
Revenues	19.874	19.550	6	5	(15.955)	(14.405)
Cost of sales	(17.270)	(16.984)	-	-	15.510	13.391
Gross profit	2.604	2.566	6	5	(445)	(1.014)
Sales and administrative costs	(953)	(980)	(23)	(18)	10	9
Other operating income	57	101	115	122	(79)	(75)
Other operating expenses	(65)	(129)	(54)	(51)	77	131
Profit/loss before financial result	1.643	1.558	44	58	(437)	(949)
Result from equity accounted investments	-	-	-	-	-	-
Interest and similar income	5	1	1.340	1.542	(1.464)	(1.672)
Interest and similar expenses	(7)	(5)	(1.279)	(1.499)	1.374	1.684
Other financial result	(2)	7	59	(98)	-	-
Financial result	(4)	3	120	(55)	(90)	12
Profit/loss before tax	1.639	1.561	164	3	(527)	(937)
Income taxes	(527)	(545)	(68)	5	200	323
Net profit / loss	1.112	1.016	96	8	(327)	(614)
Attributable to minority interest	8	1	1	1	-	-
Attributable to shareholders of BMW AG	1.104	1.015	95	7	(327)	(614)
Earnings per share of common stock in euro		-		-		-
Earnings per share of preferred stock in euro		-		-		-

* Prior year figures have been adjusted in accordance with the revised version of IAS 19, see note 7 of the group annual report.

** Includes impact of exceptional items relating to the sale of the Husqvarna Group.

Earnings Performance

BMW Group is able to look back on another successful year. The number of BMW, MINI and Rolls-Royce brand cars sold rose by 6.4 % to 1,963,798* units, enabling BMW Group to retain pole position at the head of the premium segment.

BMW Group recorded a net profit of € 5,340 million (2012: € 5,111 million) for the financial year 2013. The post-tax return on sales was 7.0% (2012: 6.7%). Earnings per share of common and preferred stock were € 8.10 and € 8.12 respectively (2012: € 7.75 and € 7.77 respectively).

Group revenues decreased by 1.0% to € 76,058 million (2012: € 76,848 million). Inter-segment revenue eliminations increased as a result of the steep rise in new leasing business. The depreciation of some of the major currencies in which BMW Group does business - such as the US dollar, the Japanese yen, the Australian dollar and the South African rand - also caused revenues to fall slightly, despite the fact that sales volumes were higher than one year earlier. Adjusted for exchange rate factors, the increase in revenues was 1.9 %.

Revenues comprise mainly the sale of cars and motorcycles (2013: € 56,811 million; 2012: € 58,039 million), lease instalments (2013: € 7,296 million; 2012: € 6,900 million), the sale of products previously leased to customers (2013: € 6,412 million; 2012: € 6,399 million) and interest income on loan financing (2013: € 2,868 million; 2012: € 2,954 million).

Revenues from the sale of BMW, MINI and Rolls-Royce brand cars were slightly down on the previous year (2.1%). Adjusted for exchange factors, revenues increased by 0.9%. Motorcycles business revenues were 1.2% up on the previous year. Revenues generated with Financial Services operations grew by 2.3 %. Adjusted for exchange rate factors, revenues of the Motorcycles and Financial Services segments rose by 4.6% and 4.7% respectively.

Group revenues were spread fairly evenly across all regions, with the Europe region (including Germany) accounting for 45.2 % (2012: 45.7 %), the Americas region for 20.7 % (2012: 21.2 %) and the Africa, Asia and Oceania region for 34.1 % (2012: 33.1 %) of business.

Revenues in the Africa, Asia and Oceania region totaled € 25,916 million (2012: € 25,420 million) and were up by 2.0 % compared to the previous year. These figures include China, where revenues grew by 6.2 % due to higher volumes within a sound economic environment. Revenues generated in Germany and in the Rest of Europe were respectively 3.2 % and 1.8 % lower than one year earlier. Revenues in the Americas region were also 2.9 % below their previous year's high level, affected both by the depreciation of the US dollar and the steep rise in new leasing business (the latter resulting in a higher level of inter-segment eliminations).

Group cost of sales were 0.9 % lower than in the previous year and comprise mainly manufacturing costs (2013: € 36,572 million; 2012: € 37,648 million), cost of sales directly attributable to financial services (2013: € 14,044 million; 2012: € 13,370 million) and research and development expenses (2013: € 4,117 million; 2012: € 3,993 million). In addition to changes in these items, cost of sales for the year was also affected by the loss in value of a number of major currencies and by intersegment elimination.

Gross profit fell by 1.4 % to € 15,274 million, resulting in a gross profit margin of 20.1 % (2012: 20.2 %).

The gross profit margin recorded by the Automotive segment was 18.2. % (2012: 19.5 %), while that of the Motorcycles segment was 16.7 % (2012: 17.0 %). In the Financial Services Segment, the gross remained stable at 13.1 %.

Compared to the previous year, research and development expenses increased by € 124 million to € 4,117 million, mirroring increased expenditure on new vehicle projects and technologies. As a percentage of revenues, the research and development ratio increased by 0.2 percentage points to 5.4 %. Research and development expense includes amortisation of capitalised development costs amounting to € 1,069 million (2012: € 1,130 million). Total research and development expenditure amounted to € 4,792 million (2012: € 3,952 million). This figure comprises research costs, non-capitalised development costs and capitalised development costs (excluding scheduled amortisation). The research and development expenditure ratio was therefore 6.3 % (2012: 5.1 %). The proportion of development costs recognised as assets was 36.4 % (2012: 27.6 %).

Compared to the previous year, selling and administrative expenses increased by € 223 million to € 7,255 million, with the rise in administrative expenses mainly attributable to the higher workforce size

and to groupwide IT restructuring. Overall, selling and administrative expenses were equivalent to 9.5 % (2012: 9.2 %) of revenues. Depreciation and amortisation on property, plant and equipment and intangible assets recorded in cost of sales and in selling and administrative expenses amounted to € 3,739 million (2012: € 3,541 million).

Other operating income and expenses improved from a net expense of € 187 million to one of € 33 million. The main reason for the improvement was that the previous year's figures had included one-time losses recognized in advance of the planned sale of the Husqvarna Group.

The profit before financial result (EBIT) came in at € 7,986 million (2012: € 8,275 million).

The financial result for the twelve-month period was a net expense of € 73 million, an improvement of € 399 million over the previous year. The result from equity accounted investments, which improved by € 127 million, comprised the Group's share of results from interests in the joint venture BMW Brilliance Automotive Ltd., Shenyang, the joint ventures with the SGL Carbon Group, and the two DriveNow entities. Other financial result benefited from the better outcome of changes in the market values of interest rate and commodity derivatives. Compared to the previous year, write-downs on available-for-sale marketable securities had a lower impact on the financial result.

Including all these factors, the profit before tax rose to € 7,913 million (2012: € 7,803 million). The pre-tax return on sales was 10.4 % (2012: 10.2 %).

Income tax expense amounted to € 2,573 million (2012: € 2,692 million), resulting in an effective tax rate of 32.5 % (2012: 34.5 %). Lower non-recoverable withholding taxes, the changed regional earnings mix and intergroup pricing issues contributed to the decrease in the income tax expense for the year.

Earnings performance per segment

Revenues of the Automotive segment increased by 0.6 % to € 70,629 million. The benefits of higher sales volume figures were held down by the negative impact of the depreciation in value of a number of major currencies (including the US dollar and the Japanese yen). Adjusted for exchange rate factors, segment revenues rose by 3.5 %. At 18.2 %, gross profit margin was down on the previous year's high level of 19.5 %.

Selling and administrative expenses went up by € 250 million to € 6,112 million compared to the previous year, with the rise in administrative expenses mainly attributable to the higher workforce size and to group-wide IT restructuring. Segment selling and administrative expenses were equivalent to 8.7 % (2012: 8.3 %) of revenues.

The net expense from other operating income and expenses improved by € 133 million (2012: net expense of € 222 million), helped by positive foreign currency translation effects in 2013 and the fact that the previous year's figure had included negative first-time consolidation effects.

The profit before financial result (EBIT) amounted to € 6,657 million (2012: € 7,599 million), giving an EBIT margin of 9.4 % (2012: 10.8 %).

The segment financial result was a net expense of € 96 million, an improvement of € 333 million over the previous year. The result from equity accounted investments, which improved by € 127 million, comprised the segment's share of results from interests in the joint venture BMW Brilliance Automotive Ltd., Shenyang, the joint ventures with the SGL Carbon Group, and the two DriveNow entities. Favourable changes in market prices of commodity derivatives had a positive impact on other financial result. Compared to the previous year, write-downs on available-for-sale marketable securities had a lower impact on the financial result.

Overall, the segment profit before tax amounted to € 6,561 million (2012: € 7,170 million) and the effective tax rate was 32.8 % (2012: 34.2 %).

In the Motorcycles segment, the number of BMW brand motorcycles handed over to customers increased by 8.3 %, while segment revenues edged up by 0.9 %. Adjusted for exchange rate factors, segment revenues rose by 4.4 %.

The pre-tax segment result improved by € 70 million (2012: € 6 million). The previous year's figure was negatively impacted by one-time losses recognised in conjunction with the planned sale of the Husqvarna Group.

Financial Services segment revenues increased by 1.7 % to € 19,874 million. Adjusted for exchange rate factors, revenues increased by 4.0 %. The segment's performance reflects the growth in the

contract portfolio. The gross profit margin remained at the previous year's level of 13.1 %. Selling and administrative expenses went down slightly. The net amount of other operating income and expenses improved by € 20 million. Overall the Financial Services segment reports a profit before tax of € 1,639 million, 5.0 % up on the previous year's figure of € 1,561 million.

A profit before tax of € 164 million (2012: € 3 million) was recorded for the Other Entities segment. The positive impact of market value changes of interest rate derivatives, recorded in other financial result, was the main reason for the improvement.

The negative impact on earnings at the level of profit before tax reported in the Eliminations column decreased from € 937 million in 2012 to € 527 million in 2013, mainly due to lower inter-segment eliminations. This line item in the Eliminations column also includes a positive exceptional impact of € 129 million, resulting from fine-tuning the methodology used to measure leased products.

BMW Group Group and sub-group Balance Sheets

The following table shows the balance sheets of BMW Group for the financial years ended 31 December 2013 and 31 December 2012, respectively:

	Group (audited)		Automotive (unaudited supplementary information)		Motorcycles (unaudited supplementary information)	
	2013	2012*	2013	2012*	2013	2012
Assets						
Intangible assets	6.179	5.207	5.646	4.648	63	72
Property plant and equipment	15.113	13.341	14.808	13.053	271	242
Leased products	25.914	24.468	19	128	-	-
Investments accounted for using the equity method	652	514	652	514	-	-
Other investments	553	548	5.253	4.789	-	-
Receivables from sales financing	32.616	32.309	-	-	-	-
Financial assets	2.593	2.148	1.183	759	-	-
Deferred tax	1.620	1.967	2.226	2.217	-	-
Other assets	954	803	2.797	3.862	-	-
Non-current assets	86.194	81.305	32.584	29.970	334	314
Inventories	9.585	9.725	9.259	9.366	318	348
Trade receivables	2.449	2.543	2.184	2.305	120	114
Receivables from sales financing	21.501	20.605	-	-	-	-
Financial assets	5.559	4.612	4.479	2.746	-	-
Current tax	1.151	966	1.002	775	-	-
Other assets	4.265	3.664	15.480	16.162	-	31
Cash and cash equivalents	7.664	8.370	6.768	7.484	-	-
Assets held for sale	-	45	-	-	-	45
Current assets	52.174	50.530	39.172	38.838	438	538
Total assets	138.368	131.835	71.756	68.808	772	852
in euro million	2013	2012	2013	2012	2013	2012
Equity and liabilities						
Subscribed capital	656	656				
Capital reserves	1.990	1.973				
Revenue reserves	33.167	28.544				
Accumulated other equity	(358)	(674)				
Minority interest	188	107				
Equity	35.643	30.606	30.909	28.202	-	-

	Financial Services (unaudited supplementary information)		Other entities (unaudited supplementary information)		Eliminations (unaudited supplementary information)	
Equity and liabilities						
Subscribed capital						
Capital reserves						
Revenue reserves						
Accumulated other equity						
Minority interest						
Equity	8.407	7.633	10.805	8.466	(14.478)	(13.695)
Pension provisions	40	88	1.296	1.338	-	-
Other provisions	257	173	299	30	-	-
Deferred tax	5.266	4.777	6	5	(2.790)	(2.193)
Financial liabilities	14.376	14.174	24.115	23.613	(645)	(467)
Other liabilities	20.084	19.653	68	18	(20.451)	(19.907)
Non-current provisions and liabilities	40.023	38.865	25.784	25.004	(23.886)	(22.567)
Other provisions	309	289	3	235	3	3
Current tax	123	136	93	77	-	-
Financial liabilities	16.006	16.830	14.805	12.720	(682)	(427)
Trade payables	502	474	5	13	-	-
Other liabilities	26.960	24.470	8.744	10.235	(47.686)	(46.586)
Liabilities in conjunction with assets held for sale	-	-	-	-	-	-
Current provisions and liabilities	43.900	42.199	23.650	23.280	(48.365)	(47.010)
Total equity and liabilities	92.330	88.697	60.239	56.750	(86.729)	(83.272)

* Prior year figures have been adjusted in accordance with the revised version of IAS 19, see note 7 of the group annual report.

Net assets position*

The Group balance sheet total increased by € 6,533 million (+5.0 %) to stand at € 138,368 million at 31 December 2013. Adjusted for exchange rate factors, the balance sheet total increased by 8.8 %.

The increase in non-current assets on the assets side of the balance sheet related primarily to property, plant and equipment (13.3 %), leased products (5.9 %) intangible assets (18.7 %) and receivables from sales financing (1.0 %). At the same time, deferred tax assets decreased by 17.6 %.

Within current assets, increases were registered in particular for financial assets (20.5 %), receivables from sales financing (4.3 %) and other assets (16.4 %). By contrast, decreases were recorded for inventories (1.4 %), cash and cash equivalents (8.4 %) and trade receivables (3.7 %).

Property, plant and equipment increased by € 1,772 million compared to the previous year. The main focus in 2013 was on product investments for production startups (including the BMW 2 Series) and infrastructure improvements. In total, € 4,470 million was invested, most of which related to the Automotive segment. Depreciation on property, plant and equipment totalled € 2,492 million (2012: € 2,298 million). At 31 December 2013, property, plant and equipment accounted for 10.9 % of total assets (2012: 10.1 %). Adjusted for exchange rate factors, property, plant and equipment increased by 14.5 %. Capital commitments for the acquisition of items of property, plant and equipment totalled € 2,661 million at the end of the reporting period.

At € 6,179 million, the carrying amount of intangible assets was € 972 million higher than at 31 December 2012. Within intangible assets, capitalised development costs rose by € 675 million. Investments in capitalized development costs totalled € 1,744 million in the year under report and

were thus significantly up on the previous year's figure (€ 1,089 million). Intangible assets also include the acquisition of licences amounting to € 379 million, which are being amortised on a straightline basis over a period of six years. The proportion of development costs recognised as assets was 36.4 % (2012: 27.6 %). Adjusted for exchange rate factors, intangible assets increased by 18.8 %. In total, € 2,217 million was invested, most of which related to the Automotive segment.

Total capital expenditure on intangible assets and property, plant and equipment as a percentage of revenues increased to 8.8 % (2012: 6.8 %). Capital commitments for intangible assets totalled € 446 million at the end of the reporting period.

The growth in business reported by the Financial Services segment is reflected in increases in leased products (€ 1,446 million) as well as in current and non-current receivables from sales financing (€ 896 million and € 307 million respectively). At the end of the reporting period, leased products accounted for 18.7 % of total assets, similar to their level one year earlier (18.6 %). Adjusted for exchange rate factors, they went up by 8.1 %.

Non-current receivables from sales financing accounted for 23.6 % (2012: 24.5 %) of total assets, current receivables from sales financing for 15.5 % (2012: 15.6 %). Total receivables from sales financing relate to retail customer and dealer financing (€ 40,841 million) and finance leases (€ 13,276 million). Adjusted for exchange rate factors, non-current receivables from sales financing went up by 7.6 %, while current receivables from sales financing rose by 10.4 %. This includes the negative impact of the depreciation in value of a number of major currencies against the euro.

Within current assets, increases were registered for other assets (€ 601 million) and financial assets (€ 947 million). Favourable developments with currency derivatives as well as the purchase of commercial paper and investment certificates caused financial assets to rise. Other assets relate to receivables from other companies in which an investment is held, advance payments to suppliers and collateral receivables.

Compared to the end of the previous year, inventories decreased by € 140 million (1.4 %) to € 9,585 million and accounted for 6.9 % (2012: 7.4 %) of total assets. The decrease relates primarily to finished goods. Adjusted for exchange rate factors, inventories increased by 1.7 %.

Trade receivables were € 94 million lower than at the end of the previous year and accounted for 1.8 % of total assets (2012: 1.9 %). Adjusted for exchange rate factors, trade receivables decreased by 1.2 %.

Cash and cash equivalents went down by € 706 million to € 7,664 million.

On the equity and liabilities side of the balance sheet, increases were recorded for equity (16.5 %), trade payables (16.2 %), non-current financial liabilities (0.9 %) and current financial liabilities (1.5 %). By contrast, pension provisions decreased by 39.6 %.

Group equity rose by € 5,037 million to € 35,643 million, mainly due to the profit attributable to shareholders of BMW AG totalling € 5,314 million. Currency translation differences reduced equity by € 635 million. Deferred taxes on items recognised directly in equity had the effect of reducing equity by € 779 million. Group equity increased on account of remeasurements of the net defined benefit liability for pension plans (€ 1,308 million), primarily as a result of the higher discount rates used in Germany and the USA. Fair value measurement of derivative financial instruments (€1,357 million) and marketable securities (€8 million) had a positive impact on equity. Income and expenses relating to equity accounted investments and recognised directly in equity (before tax) reduced equity by € 7 million. The dividend payment decreased equity by € 1,640 million. Minority interests increased by € 81 million. Other changes amounted to € 13 million.

A portion of the Authorised Capital created at the Annual General Meeting held on 14 May 2009 in conjunction with the employee share scheme was used during the financial year under report to issue shares of preferred stock to employees. An amount of € 17 million was transferred to capital reserves in conjunction with this share capital increase.

The equity ratio of BMW Group improved overall by 2.6 percentage points to 25.8 %. The equity ratio of the Automotive segment was 43.1 % (2012: 41.0 %) and that of the Financial Services segment was 9.1 % (2012: 8.6 %).

Pension provisions decreased from € 3,813 million to € 2,303 million at the two respective year ends, mainly as a result of the higher discount factors used in Germany and the USA.

Trade payables went up from € 6,433 million to € 7,475 million, mainly reflecting higher production volumes and increased capital expenditure levels. Trade payables accounted for 5.4 % of the balance sheet total at the end of the reporting period (2012: 4.9 %). Adjusted for exchangerate factors, they increased by 17.9 %.

Current and non-current financial liabilities increased from € 69,507 to € 70,304 million over the twelve-month period. Within financial liabilities, commercial paper went up by 37.5 %, ABS transactions by 7.6 % and bonds by 1.7 %. By contrast, liabilities to banks went down by 9.4 % and deposit liabilities by 4.3 %. Adjusted for exchange rate factors, both non-current financial liabilities and current financial liabilities increased by 4.4 %.

Overall, the earnings performance, financial position and net assets position of BMW Group continued to develop very positively during the financial year under report.

*Prior year figures have been adjusted in accordance with the revised version of IAS 19, see note 7 of the group annual report 2013.

BMW Group Group and sub-group Cash Flow Statements

The following table shows the cash flow statements of BMW Group for the financial years ended 31 December 2013 and 31 December 2012, respectively:

	Group (audited)		Automotive (unaudited supplementary information)		Financial Services (unaudited supplementary information)	
	2013	2012* **	2013	2012* **	2013	2012**
in euro million						
Net profit	5.340	5.111	4.408	4.717	1.112	1.016
Reconciliation between net profit and cash inflow/ outflow from operating activities	-	-	-	-	-	-
Current tax	2.435	2.908	2.516	3.026	(137)	(104)
Other interest and similar income / expenses	126	(4)	153	104	(3)***	***
Depreciation and amortisation of other tangible, intangible and investment assets	3.830	3.716	3.745	3.679	20	38
Changes in provisions	479	443	373	267	153	(2)
Change in leased products	(2.048)	(1.421)	109	23	(2.895)	(2.256)
Change in receivables from sale financing	(4.501)	(3.988)	-	-	(4.501)	(3.988)
Change in deferred taxes	138	(216)	(239)	(391)	678	497
Other non-cash income and expense items	(551)	407	(55)	265	54	(13)
Gain / loss of tangible and intangible assets and marketable securities	(22)	(16)	(22)	(14)	-	(2)
Result from equity accounted investments	(398)	(271)	(398)	(271)	-	-
Changes in working capital	983	1.755	1.015	1.622	24	18
- Change in inventories	(192)	(108)	(226)	(54)	4	-
- Change in trade receivables	22	744	53	722	(25)	19
- Change in trade payables	1.153	1.119	1.188	954	45	(1)
Change in other operating assets and liabilities	453	(1.065)	141	(1.918)	269	743
Income taxes paid	(2.787)	(2.462)	(2.487)	(2.191)	(132)	(139)
Interest received	137	179	191	249	***	***
Cash inflow/ outflow from operating activities	3.614	5.076	9.450	9.167	(5.358)	(4.192)
Investment in intangible assets and property, plant and equipment	(6.669)	(5.236)	(6.575)	(5.074)	(9)	(37)
Proceeds from the disposal of intangible assets and property, plant and equipment	22	42	15	35	7	7
Expenditure for investments	(90)	(171)	(528)	(384)	-	-
Proceeds from the disposal of investments	137	107	137	65	163	-
Cash payments for the purchase of marketable securities	(3.631)	(1.265)	(3.445)	(1.167)	(179)	(97)

	Group (audited)		Automotive (unaudited supplementary information)		Financial Services (unaudited supplementary information)	
Cash proceeds from the sale of marketable securities	3.250	1.090	2.908	995	342	95
Cash inflow/ outflow from investing activities	(6.981)	(5.433)	(7.488)	(5.530)	324	(32)
Issue / buy-back of treasury shares	-	-	-	-	-	-
Payments into equity	17	19	17	19	-	-
Payment of dividend for the previous year	(1.653)	(1.516)	(1.653)	(1.516)	-	-
Intragroup financing and equity transactions	-	-	(582)	(833)	3.844	1.505
Interest paid	(122)	(102)	(149)	(157)	-***	-***
Proceeds from the issue of bonds	8.982	7.977	-	-	1.099	1.189
Repayment of bonds	(7.242)	(6.727)	-	-	(1.383)	(842)
Proceeds from new non-current other financial liabilities	6.626	7.427	85	600	6.015	6.523
Repayment of non-current other financial liabilities	(4.996)	(5.498)	(26)	(127)	(4.940)	(5.101)
Change in other financial liabilities	(721)	230	125	35	517	231
Change in commercial paper	1.812	(858)	(489)	(4)	-	-
Cash inflow / outflow from financing activities	2.703	952	(2.672)	(1.983)	5.152	3.505
Effect of exchange rate on cash and cash equivalents	(89)	(14)	(53)	(11)	(36)	(3)
Effect of changes in composition of Group on cash and cash equivalents	47	13	47	12	-	1
Change in cash and cash equivalents	(706)	594	(716)	1.655	82	(721)
Cash and cash equivalents as at 1 January	8.370	7.776	7.484	5.829	797	1.518
Cash and cash equivalents as at 31 December	7.664	8.370	6.768	7.484	879	797

* Prior year figures have been adjusted in accordance with the revised version of IAS 19, see note 7 of the group annual report.

** Prior year figures have been adjusted in accordance with the change in presentation described in note 43 of the group annual report.

*** Interest relating to financial services business is classified as revenues / cost of sales.

Financial position

The consolidated cash flow statements for the Group and the Automotive and Financial Services segments show the sources and applications of cash flows for the financial years 2013 and 2012, classified into cash flows from operating, investing and financing activities. Cash and cash equivalents in the cash flow statements correspond to the amount disclosed in the balance sheet.

Cash flows from operating activities are determined indirectly, starting with Group and segment net profit. By contrast, cash flows from investing and financial activities are based on actual payments and receipts.

The cash inflow from operating activities in 2013 decreased by € 1,462 million to € 3,614 million (2012: € 5,076 million), mainly due to rises in leased products and receivables from sales financing totaling € 6,549 million (2012: € 5,409 million) brought about by sales volume factors.

The cash outflow for investing activities amounted to € 6,981 million (2012: € 5,433 million) and was thus 28.5 % higher than in the previous year. The increase primarily reflects investments in property, plant and equipment and intangible assets which went up by € 1,433 million to € 6,669 million. Net investments in marketable securities resulted in a cash outflow of € 381 million (2012: € 175 million).

Further information on investments is provided in the section on the net assets position.

Cash inflow from financing activities totalled € 2,703 million (2012: € 952 million). Proceeds from the issue of bonds amounted to € 8,982 million (2012: € 7,977 million), compared with an outflow of € 7,242 million (2012: € 6,727 million) for the repayment of bonds. Non-current other financial liabilities resulted in a cash inflow of € 6,626 million (2012: € 7,427 million) and a cash outflow of € 4,996 million (2012: € 5,498 million). The net cash outflow for current other financial liabilities was € 721 million (2012: net cash inflow of € 230 million). The change in commercial paper gave rise to a net cash inflow of € 1,812 million (2012: net cash outflow of € 858 million). By contrast, the payment of dividends resulted in a cash outflow of € 1,653 million (2012: € 1,516 million).

The cash outflow for investing activities exceeded cash inflow from operating activities in 2013 by € 3,367 million, compared to a shortfall of € 357 million in the previous year.

After adjusting for the effects of exchange-rate fluctuations and changes in the composition of BMW Group with a total negative amount of € 42 million (2012: negative amount of € 1 million), the various cash flows resulted in a decrease of cash and cash equivalents of € 706 million (2012: increase of € 594 million).

The cash flow statement for the Automotive segment shows that the cash inflow from operating activities exceeded the cash outflow for investing activities by € 1,962 million (2012: € 3,637 million). Adjusted for net investments in marketable securities amounting to € 537 million (2012: € 172 million), mainly in conjunction with strategic liquidity planning, the excess amount was € 2,499 million (2012: € 3,809 million).

The cash outflow for operating activities of the Financial Services segment is driven primarily by cash flows relating to leased products and receivables from sales financing and totalled € 5,358 million (2012: € 4,192 million). Investing activities resulted in a cash inflow of € 324 million (2012: cash outflow of € 32 million).

BMW Group Statement of Changes in Equity

The following table shows the statement of changes in equity for BMW Group for the financial years ended 31 December 2013 and 31 December 2012, respectively:

in Euro million	Subscribed capital	Capital reserves	Revenue reserves* **	Accumulated other equity			Equity attributable to shareholders of BMW AG**	Minority interest	Total
				Translation differences	Securities	Derivative financial instruments			
1 January 2012, as originally reported	655	1.955	26.102	(863)	(61)	(750)	27.038	65	27.103
Impact of application of revised IAS 19	-	-	241	-	-	-	241	-	241
1 January 2012 (adjusted)	655	1.955	26.343	(863)	(61)	(750)	27.279	65	27.344
Dividends paid	-	-	(1.508)	-	-	-	(1.508)	-	(1.508)
Net profit	-	-	5.085	-	-	-	5.085	26	5.111
Other comprehensive income for the period after tax	-	-	(1.376)	(128)	169	952	(383)	-	(383)
Comprehensive income 31 December 2012	-	-	3.709	(128)	169	952	4.702	26	4.728
Subscribed share capital increase out of Authorised Capital	1	-	-	-	-	-	1	-	1
Premium arising on capital increase relating to preferred stock	-	18	-	-	-	-	18	-	18
Other changes	-	-	-	7	-	-	7	16	23
31 December 2011	656	1.973	28.544	(984)	108	202	30.499	107	30.606

in Euro million	Subscribed capital	Capital reserves	Revenue reserves* **	Accumulated other equity			Equity attributable to shareholders of BMW AG**	Minority interest	Total
				Translation differences	Securities	Derivative financial instruments			

in Euro million	Subscribed capital	Capital reserves	Revenue reserves*	Accumulated other equity			Equity attributable to shareholders of BMW AG**	Minority interest	Total
			**	Translation differences	Securities	Derivative financial instruments			
			Other revenue reserves						
1 January 2013, as originally reported	656	1.973	28.340	(984)	108	202	30.295	107	30.402
Impact of application of revised IAS 19	-	-	204	-	-	-	204	-	204
1 January 2013 (adjusted)	656	1.973	28.544	(984)	108	202	30.499	107	30.606
Dividends paid	-	-	(1.640)	-	-	-	(1.640)	-	(1.640)
Net profit	-	-	5.314	-	-	-	5.314	26	5.340
Other comprehensive income for the period after tax	-	-	936	(645)	27	934	1.252	-	1.252
Comprehensive income 31 December 2013	-	-	6.250	(645)	27	934	6.566	26	6.592
Subscribed share capital increase out of Authorised Capital	-	-	-	-	-	-	-	-	-
Premium arising on capital increases relating to preferred stock	-	17	-	-	-	-	17	-	17
Other changes	-	-	13	-	-	-	13	55	68
31 December 2013	656	1.990	33.167	(1.629)	135	1.136	35.455	188	35.643

* With effect from the first quarter of the financial year 2013, other revenue reserves and the effect of pension obligations recognised directly in equity are presented on a net basis.

** Prior year figures have been adjusted in accordance with the revised version of IAS 19, see note 7 of the group annual report.

Auditing of Historical Annual Financial Information

KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft has audited in accordance with German generally accepted auditing standards (i) the unconsolidated financial statements of BMW AG as of 31 December 2012 and 2013 which have been prepared by BMW AG on the basis of the German generally accepted accounting principles and (ii) the consolidated financial statements of BMW AG and its consolidated subsidiaries for the business years from 1 January to 31 December 2012 and 2013 on the basis of International Financial Reporting Standards (IFRS) and have for each year issued their unqualified opinion.

Legal and Arbitration Proceedings

As at the date of this Prospectus, BMW Group is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BMW Group is aware) during a period covering the previous 12 months which could have a significant impact on the economic position of the Group. Like all enterprises, BMW Group is exposed to the risk of warranty claims. Adequate provisions have been recognised in the balance sheet to cover such claims. Part of the risk, especially relating to the US market, has been insured externally up to economically acceptable levels.

Significant Change in BMW AG's Financial or Trading Position

There is no significant change in BMW AG's financial or trading position which has occurred since the date of its last unaudited published interim financial statements for the first quarter of the financial year 2014 ended 31 March 2014.

Additional Information

Share Capital

The subscribed capital (share capital) of BMW AG amounted to € 656,254,983 at 31 December 2013 (2012: €655,989,413) and, in accordance with Article 4 (1) of the Articles of Incorporation, is subdivided into 601,995,196 shares of common stock (91.73 %) (2012: 601,995,196; 91.77 %) and 54,259,787 shares of non-voting preferred stock (8.27 %) (2012: 53,994,217; 8.23 %), each with a par value of € 1.

The common shares and the preferred shares of BMW AG are listed in Germany at the stock exchanges of Frankfurt am Main and Munich.

Address List

Issuers (business (and where marked “” registered) addresses):**

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BMW Australia Finance Limited
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Arranger:

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