

1003142

**NOTARIES**  
**MITTENZWEI + STEINBAUER**

Ernst Mittenzwei  
Dr. Karl-Heinz Steinbauer

Karlsplatz 10/III  
80335 München  
Phone 089/551804-0



EDX  
COMPANIES HOUSE

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0234

09 1031 02

M 4807

Urk. R. Nr. ....

14. DEZ. 1999

URNrM 4807



Geschäftsanteilsabtretung

Heute, den vierzehnten Dezember  
neunzehnhundertneunundneunzig

- 14.12.1999 -

erscheinen gleichzeitig vor mir,

*Ernst Mittenzwei*

Notar in München,

an der Amtsstelle Karlsplatz 10/III, 80335 München:

1.a) Herr Dr. Herbert Grebenc,

Prokurist in München,

b) Herr Dr. Jürgen Reul,

Prokurist in München,

beide hier h a n d e l n d für die Firma

BMW INTEC Beteiligungs GmbH

mit dem Sitz in München

(Geschäftsadresse: Petuelring 130, 80788 München)

-im folgenden „Verkäuferin“ genannt-

aufgrund beigefügter Vollmacht bzw. als deren Proku-  
rist.

2.a) Herr Antony Robert Eley,

Director-BRR Engines,

b) Herr Stuart Andrew Holliday,

Senior Legal Adviser,

Deed Roll Nr. M 4807  
December 14, 1999

Certified Copy

Deed Roll Nr. M 4807/99

T r a n s f e r   o f   s h a r e s

Today, the fourteenth of December  
nineteen hundred and ninety-nine

- 14.12.1999 -

the following appeared before me at the same time,

Ernst Mittenzwei  
notary in Munich,

at my office in Karlsplatz 10/III, 80335 Munich:

1.    a)    Dr Herbert Grebenc,  
         Prokurist in Munich
- b)    Dr Jürgen Reul,  
         Prokurist in Munich

both here acting for the company

**BMW INTEC Beteiligungs GmbH**

with business seat in Munich  
(business address: Petuelring 130, 80788 Munich)

-       hereinafter "Seller" -

on the basis of the enclosed power of attorney or as Prokurist respectively.

2. a) Mr Anthony Robert Eley,  
Director-BRR Engines
- b) Mr Stuart Andrew Holliday,  
Senior Legal Adviser

both here acting for the company

**Rolls-Royce plc**

with business seat in London (England)  
(business address: P.O. Box 31, Derby DE2488J, England)  
on the basis of a power of attorney, which was presented in the original today  
and enclosed as a certified copy with this document.

The persons appearing under 1. a) and b) are personally known.

The persons appearing under 2. a) and b) provided evidence of their identity with their  
official photo identification cards.

The persons appearing under 2. a) and b) convinced me that they were not capable of  
acting in the German language but only in the English language. I, notary, thus  
employed the services of the following interpreter:

Mr Hartmut **Nitschke**, lawyer,  
born on 26 July 1969,  
Heumarkt 14, 50667 Cologne,  
identified by his official photo identification card.

The interpreter was instructed that he was obliged to translate and transmit the contents  
correctly and conscientiously. The interpreter has not been sworn. The parties waived  
such swearing in.

The interpreter is neither related by blood nor by law to the persons appearing.

The persons appearing declared in response to a corresponding question by the notary  
that there was no prior involvement within the meaning of sect. 3 para. 1 no. 7  
BeurkG.

At the request of the persons appearing I herewith notarise the declarations issued  
before me as follows:

## Share sale and purchase Agreement

between

BMW Intec Beteiligungs GmbH  
Petuelring 130  
80788 München, Germany

- hereinafter "Seller" -

and

Rolls-Royce plc  
65 Buckingham Gate  
London SW1E 6AT  
England

-hereinafter "Purchaser"

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## **Preamble**

With a view to the fact that

- the parties agreed the establishment of the joint undertaking BMW Rolls-Royce GmbH as joint venture in the vehicle motor sector by way of Shareholders' Agreement of 28 June 1990,
- the Seller holds 50.5% and the Purchaser 49.5% of the shares in BMW Rolls-Royce GmbH,
- the parties aim to restructure BMW Rolls-Royce GmbH and to achieve a stronger participation of the Seller in the Purchaser,
- the Seller intends to sell its shares in BMW Rolls Royce GmbH to the Purchaser in exchange for shares in the Purchaser,

the parties conclude the following Agreement:

### **1. Object of the Agreement**

#### **1.1 The Seller holds in BMW Rolls-Royce GmbH**

- which is registered in the commercial-register of the local court of Bad Homburg v. d. Höhe under HRB 2400 (hereinafter "BRR")
- one share in the amount of DM 15,100,000,--, one share in the amount of DM 50,000,-- and one share in the amount of DM 505,000,-- together accounting for 50.5 % of the shares amounting to DM 15,655,000,-- (in words Deutsche Mark fifteen million six hundred and fifty-five thousand) in the total share capital of DM 31,000,000,--. These shares have been fully paid in.

#### **1.2 The object of the agreement is the sale of the shares mentioned in clause 1.1 by the Seller to the Purchaser. The transfer of the shares shall be effected by a separate notarial deed.**

## **2. Sale, Economic Benefit**

- 2.1 The Seller offers the shares mentioned in clause 1.1 for sale to the Purchaser. The Purchaser accepts this offer. The economic benefit of the shares shall be attributable to the Purchaser as of 31 December 1999, midnight, 24:00 hours (Transfer date), even if the conditions precedent set out in clause 2.2 are only fulfilled after this date.
- 2.2 The obligation to sell the shares according to clause 2.1 is subject to the fulfilment of the following condition precedent:

Approval of the acquisition of the shares by the Federal Cartel Office or if the Federal Cartel Office fails to become active within the applicable periods according to the Act against Restraints of Competition (*Gesetz gegen Wettbewerbsbeschränkungen*).

## **3. Purchase Price and Loss Compensation**

### **A) Purchase Price**

- 3.1 As purchase price, the Purchaser shall provide the Seller with 33.3 million newly issued fully paid in ordinary shares in the Purchaser, within the scope of a capital increase against contribution in kind. These ordinary shares must enjoy in all respects equal rights to the other ordinary shares in the Purchaser issued and must be traded on the London Stock Exchange, and also be admitted to the London Stock Exchange.

### **B) Loss Compensation**

- 3.2 The Purchaser and Seller acknowledge that the Seller will terminate the Profit and Loss Transfer Agreement between himself and BRR as a consequence of the sale of the BRR shares by the Seller and that, accordingly, the Seller would not enter into this Share and Sale Transfer Agreement without the termination of the Profit and Loss Transfer Agreement and the payment by the Purchaser of the Balancing Payment calculated in accordance with the terms of clause 5.1(b) of the Framework Agreement.
- 3.3 The Seller undertakes to compensate the losses of BRR in the business year 1999 in accordance with the Profit and Loss Transfer Agreement concluded between the Seller and BRR subject to this clause 3.



- 3.4 By 28 February 2000, the Seller shall pay BRR a sum agreed with the Purchaser as down payment towards the loss compensation. This sum to be agreed shall correspond to BRR's losses for the business year 1999 as assessed by the Finance Committee in its December 1999 meeting. Any excess payment or deficit shall be compensated once the annual statement of accounts 1999 has been prepared in accordance with this clause 3.
- 3.5 The annual statement of accounts 1999 shall be drawn up in accordance with the former practice upon maintaining balance sheet continuity and retaining the accounting principles of BRR applied to date, unless the parties reach an individual alternative agreement in writing. The Seller shall be involved in drawing up the annual statement of accounts 1999 to the extent which has been usual in the past.
- 3.6 The Purchaser shall ensure that BRR provides the Seller with a draft of the annual statement of accounts 1999 by 21 January 2000, and with an audit report prepared by the auditing company by 28 February 2000. Within 30 days of receiving the audit report, the Seller shall inform the Purchaser whether it agrees with the draft or not and, should it not agree with the draft in its present form, notify the Seller in writing where it requires changes in the annual statement of accounts and for what reason.

The parties shall discuss any requests for change which the Seller may have, upon disclosing all documents necessary for the evaluation of the annual statement of accounts. If necessary, the balance sheet auditor of BRR and the auditor of the Seller shall be included in these discussions.

- 3.7 If the parties cannot reach agreement on the contents of the annual statement of accounts within 30 days of receiving the notification of the Seller concerning the failure to accept the draft of the annual statement of accounts 1999, the disputed items are to be established by an arbitrator's opinion of an auditor, to be jointly appointed by the parties, of one of the five largest auditing companies. Should the parties not agree on the nomination of an arbitrator within further 14 days, then the arbitrator shall be nominated by the President of the Chambre of Industry and Commerce in Frankfurt/Main.

Should an auditor become involved in the proceedings, the parties shall each prepare a statement concerning the facts in dispute. The costs of the auditor shall be borne by the parties in proportion to the extent to which their claims are accepted by the auditor.

- 3.8 Once the parties have reached agreement as to the contents of the annual statement of accounts, or the matter has been decided by an auditor, the loss shown in the annual statement of accounts for the business year 1999 shall form the basis of the loss compensation. Should there be any difference between this amount and the loss originally estimated in accordance with clause 3.3, the parties shall compensate any excess payment or deficit within 30 days of reaching agreement or a decision regarding the annual statement of accounts 1999.
- 3.9 Any further loss compensation, for whatever objective or legal reason, is excluded. This shall not include a loss compensation due to subsequent tax demands of the German tax authorities for the business years 1991-1999.
- 3.10 The Purchaser is aware that the Seller, on the acquisition of the Seller's shareholding in BRR, will terminate the Profit and Loss Transfer Agreement with BRR as of 31 December 1999, 24:00 hours, and that insofar no claims to profit and loss transfer will exist in the year 2000 or any subsequent years.

#### **4. Due Date**

The Purchaser shall transfer the shares owed under clause 3 to the Seller (or the BMW AG) with effect as of 31 December 1999, midnight (24.00 hours).

#### **5. Warranties (*Zusicherungen*)**

- 5.1 Since the establishment of BRR as joint venture, the Purchaser has held 49.5% in the company, has provided at least one managing director and one member of the supervisory board, has been involved in all major decisions passed by the shareholders' committee and the shareholders' meeting with equal entitlement and in agreement with the Seller, has provided BRR with the essential know-how for its business activities and is the most important supplier of BRR. The Purchaser is thus familiar with BRR's business at least to the same degree as the Seller. With a view to this fact, the Seller provides the Purchaser only with the following warranties.
- 5.2 Warranties with respect to corporate law issues and to the Seller's power to dispose of the shares:

The Seller warrants that

- a) it is owner of the shares sold under this agreement
- b) the shares sold are not encumbered with any rights of third parties and the Seller can freely dispose of them
- c) the share capital of the company has been fully paid in and no repayments of the share capital have been effected to the advantage of the Seller or an affiliated undertaking
- d) the information in the preamble, as well as in clause 1 of this agreement, is complete and correct.

5.3 Further warranties:

The Seller warrants that

- a) the list of services rendered by the Seller for BRR, enclosed as Annex 1, is complete with regard to the year 1999.
- b) the list of BRR employees with a claim to return to BMW, enclosed as Annex 2, is complete
- c) the list in Annex 3 containing the insurances concluded or arranged by the Seller for BRR is complete; to the best knowledge of the Seller these insurance policies will be maintained after the transfer date, and to the best knowledge of the Seller there are no facts which could enable the insurer to refuse payment under the respective insurance policy, except for those facts which are also known to the Purchaser.
- d) it has no knowledge of any of the following facts which are unknown to the Purchaser:
  - a serious breach of contract by BRR which would entitle the other party to terminate for cause
  - a material violation of relevant legislation or official permits by BRR which would entitle the authorities to prohibit BRR from carrying out its business activity or to impose a fine of more than DM 500,000

- a pending legal action or a claim arising from a breach of contract or from a civil wrong of more than DM 500,000 which could be asserted against BRR

e) it has fulfilled its obligations arising from the Shareholders' Agreement with the exception of the obligations relating to the business premises in Oberursel.

To the extent that the above warranties relate to the knowledge of the Purchaser, the knowledge of employees sent or allocated to BRR and the knowledge of former employees of the Purchaser shall be attributed to the Purchaser.

5.4 No further warranties are given.

## **6. Liability of the Seller**

6.1 If any one of the warranties given in clause 5 is wholly or partly incorrect, the Purchaser can reduce the purchase price by a reasonable amount. The reduction shall take place by way of payment of the corresponding DM amount.

Any more far-reaching claims, in particular claims to rescission (*Wandlung*) and damages due to non-performance, are excluded. The Purchaser can only assert a claim for a reduction of the purchase price once it has requested the Seller in writing to place it, within a period of three weeks after receiving the demand, in the position it would have been in had the warranty been correct and after this period of time has expired without result.

6.2 Apart from the warranties given in clause 5 and the obligations deriving therefrom, the Seller does not assume any further guarantee regarding the legal and economic relations of the company or, in particular, any more far-reaching warranty regarding the continuation of the former financial and profit position of the undertaking beyond the Transfer Date.

6.3 Apart from claims relating to the guaranteed characteristics (*zugesicherten Eigenschaften*), the Purchaser cannot derive any further claims against the Seller for any legal reason whatsoever, from the contravention of pre-contractual or statutory obligations or as a result of a breach of contract (*positive Forderungsverletzungen*) except in the event of a deliberate violation of the Seller's obligations.

- 6.4 The Purchaser is, at its option, entitled to withdraw from the agreement if there are restrictions of sale opposing the acquisition of shares which cannot be eliminated by the Seller.

More far-reaching claims to withdrawal (*Rücktrittsansprüche*), for whatever legal reason, are excluded. In addition, all claims to rescission (*Wandlungsansprüche*) are excluded.

- 6.5 The Purchaser can only assert a claim to reduction of the purchase price or to damages which it may have against the Seller as a result of this agreement if the disadvantages suffered by it or BRR have not been, or cannot be, compensated by releasing the relevant reserves shown in the balance sheet. Furthermore, claims can only be asserted insofar as the Purchaser or BRR has not received any compensation payment or other benefits from third parties in connection with this claim. If neither the Purchaser nor BRR has received any compensation payment, but corresponding claims of the Purchaser or BRR exist, the Purchaser shall ensure that these claims are assigned to the Seller.

The Purchaser shall inform the Seller in writing and without delay in the event that third parties have asserted or threatened any claim against the Purchaser or BRR which could lead to a liability of the Seller under this agreement. The Purchaser shall give the Seller the opportunity to become reasonably involved in averting such claims. In the event of a judgement or notice of objection (*Widerspruchsbescheid*) being delivered against BRR, the Purchaser shall, at the request of the Seller, exhaust the legal procedural possibilities if the Seller declares that it is prepared to indemnify the Purchaser against the further costs of proceeding.

- 6.6 Insofar as the Purchaser has any claims to a reduction of the purchase price or to damages due to simple or gross negligence against the Seller under this agreement, the Purchaser can only then assert such claims if the sum of all claims to payment amounts to at least DM 500,000.00.

Apart from this, corresponding claims to payment are restricted to a maximum total amount of DM 25 million.

The above restrictions do not apply with respect to the liability for legal defects of the sold shares.

- 6.7 Unless anything to the contrary arises from this agreement, all guarantee and liability claims shall become time-barred six months after the date at which the Purchaser obtains knowledge, but at the latest one year after the Transfer Date.

## **7. Merger control**

- 7.1 The Purchaser is to report the merger plans, with the cooperation of the Seller and of BRR, to the Federal Cartel Office.
- 7.2 If there are any indications that the planned merger may be refused, the parties shall aim to eliminate the circumstances opposing the merger to the greatest extent possible.
- 7.3 The Purchaser shall be responsible for notifying the implementation of the planned merger.

## **8. Assignment and set-off**

- 8.1 The assignment of rights and duties arising from this agreements is excluded, except for the assignment of rights to affiliated undertakings.
- 8.2 The setting off against claims arising from this agreement is excluded.

## **9. Costs**

The costs of notarisation of this agreement and the official fees of registering the merger with the Federal Cartel Office shall be divided equally between the parties. The Purchaser shall bear the burden of the land transfer tax. Unless anything to the contrary is provided in this agreement, apart from this each party shall bear its own costs.

## **10. Concluding Provisions**

- 10.1 This agreement shall comprise the complete agreement between the parties. There are no collateral agreements. This agreement shall replace all written and

oral declarations of the contractual parties given in connection with the contractual negotiations. The English translation provided by the Purchaser shall not be binding.

- 10.2 All amendments and supplements to this agreement are only effective if made in writing unless the notarised form is required by law. This applies equally with respect to the cancellation of the requirement of the written form.
- 10.3 Should any provision of this agreement prove to be invalid, ineffective or unenforceable for any reason whatsoever, this shall not affect the remaining provisions of this agreement. In this event the provision in question is to be replaced by a provision with an economic purpose coming as close as possible to that of the invalid, inactive or unenforceable provision. The same applies if the agreement contains a gap. In all such cases, the parties shall be obliged to use their joint efforts to reach a corresponding agreement.
- 10.4 This agreement is subject to German Law.
- 10.5 The parties shall make all efforts to settle any disputes in connection with this agreement in the manner of partners by way of negotiation. The legal venue for all disputes arising out of and in connection with this agreement is Munich.

## **11. Copies**

Each of the contractual parties shall receive one certified copy of this document, as shall also the tax office for corporations (*Finanzamt für Körperschaften*) and the real property acquisition tax office (*Finanzamt - Grunderwerbsteuerstelle*).

## **12. Approval**

No approvals are necessary by way of law or under the articles of association. Apart from the contractual parties, no further shareholders are present.

## **13. Real Property**

The Company owns real property.

14. The parties waived a reading aloud of annexes 1, 2 and 3. These annexes were presented to the parties involved for informational purposes.
15. The notary informed the parties involved that they were entitled to demand a written translation of the documents and could ask for them to be presented for inspection. They did not do so.

This document was read aloud by the notary in the German language and orally translated by the interpreter in place of reading it aloud in the English language.

The document was approved by all parties involved and personally signed by them and the interpreter and the notary as follows:

(SIGNATURES)

(STAMP OF THE NOTARY)



### Power of Attorney

Dr Herbert Grebenc, employee of the Bayerische Motoren Werke Aktiengesellschaft, is herewith authorised, together with Dr Jürgen Reul, in the name and on behalf of the company to sign the sale and assignment agreement with Rolls-Royce plc regarding the shares in BMW Rolls-Royce GmbH belonging to the company and to give all declarations in connection with this sale in the name of the company.

Munich, 14 December 1999

BMW INTEC Beteiligungs GmbH

pp.

(SIGNATURE)      (SIGNATURE)

Dr Lüderitz

Dr Löchelt

**Certification of Representation**

On the basis of an inspection of the commercial register with the local court of Munich of 14 December 1999, I herewith certify that, under HRB 78223, the trading name of the company is entered as

**BMW INTEC Beteiligungs GmbH**  
**with seat in Munich**

and Dr Hagen Lüderitz is entered as Managing Director and Dr Dieter Löchelt as Prokurist and that latter are jointly entitled to represent the above mentioned companies.

Munich, 14 December 1999

Mittenzwei, notary

(STAMP OF THE NOTARY)

# Beglaubigte Abschrift

Power of Attorney

Vollmacht

**Rolls Royce plc**

65 Buckingham Gate, London, SW1E 6AT, United Kingdom

a company incorporated under the laws  
of England and registered in the  
companies register under n° 1003142

eine nach englischem Recht gegründete  
und im Gesellschaftsregister unter der  
Nr. 1003142 eingetragene Gesellschaft

represented by

vertreten durch

**Mr Colin Henry Green**

acting in his capacity as a Director of  
Rolls Royce plc with the power of sole  
representation granted by a Resolution  
of the Board dated 26 February 1980

handelnd in seiner Eigenschaft als  
alleinvertretungsberechtigter Direktor  
von Rolls Royce plc aufgrund eines  
Board-Beschlusses vom 26 Februar  
1980

hereby authorizes

bevollmächtigt hiermit

John Edward Victor Rose  
Timothy Charles Coltman  
Antony Robert Eley  
Keith Harding  
Simon Richard Hart  
Stuart Andrew Holliday  
Michael Maurice Sufrin

all business residents of / allesamt geschäftsansässig  
65 Buckingham Gate, London, SW1E 6AT, England

each of them severally to represent Rolls Royce plc in the matters referred to hereafter:

1. Conclusion of a share sale agreement and a share transfer agreement with BMW INTEC Beteiligungs GmbH (hereinafter "INTEC") with respect to all of INTEC's shares in BMW Rolls Royce GmbH with its seat in Oberursel, registered in the commercial register of the local court in Bad Homburg v.d. Höhe under HRB 2400 (hereinafter "BRR");

2. Representation in a shareholders' meeting of BRR and adoption of a shareholders' resolution concerning new articles of association of BRR (including a change of the name and changes in the corporate governance structure).

The representatives are authorized to make and accept all declarations and to enter into all transactions which they deem necessary or useful in connection with the before-mentioned matters.

The representatives are released from the restrictions of § 181 BGB.

The representatives are also authorized to sub-delegate their powers and to release sub-delegates from the restrictions of § 181 BGB.

jeweils einzeln, Rolls Royce plc in den nachfolgend bezeichneten Angelegenheit zu vertreten:

1. Abschluß eines Verkaufs- sowie eines Anteilsübertragungsvertrages mit der BMW INTEC Beteiligungs GmbH bezüglich sämtlicher von dieser gehaltenen Anteile an der BMW Rolls Royce GmbH mit Sitz in Oberursel, eingetragen im Handelsregister des Amtsgerichts Bad Homburg v.d. Höhe unter HRB Nr. 2400 (nachfolgend "BRR");

2. Vertretung in einer Gesellschafterversammlung der BMW Rolls Royce GmbH und Beschlußfassung zur Neufassung des Gesellschaftsvertrages der BRR (einschließlich Änderungen der Firmierung und der Verwaltungsstruktur der Gesellschaft).

Die Bevollmächtigten sind befugt, alle Erklärungen abzugeben und entgegenzunehmen sowie Geschäfte vorzunehmen, die sie im Zusammenhang mit den vorbezeichneten Angelegenheiten für notwendig oder zweckmäßig erachten.

Die Bevollmächtigten sind von den Beschränkungen des § 181 BGB befreit.

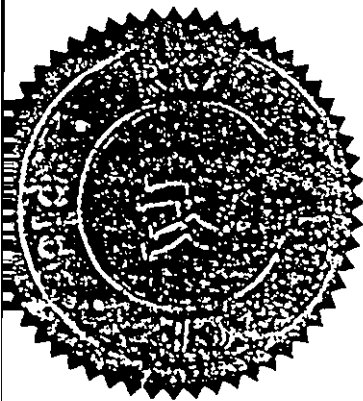
Die Bevollmächtigten sind weiterhin befugt, Untervollmacht zu erteilen und Unterbevollmächtigte von den Beschränkungen des § 181 BGB zu befreien.

This power of attorney shall be valid  
and remain in force until the end of 31  
March 2000.

Diese Vollmacht soll mit Ablauf des  
31. März 2000 erlöschen.

The Common Seal of Rolls-Royce plc  
was hereunto affixed in the presence  
of

Das Siegel von Rolls-Royce plc wurde  
unter dieses Dokument gesetzt in der  
Gegenwart von



DERBY, ENGLAND. 10<sup>TH</sup> DECEMBER 1999.  
(place/Ort) (date/Datum)

A handwritten signature in dark ink, appearing to be "H. Green", written over a horizontal line.

(Director)

A handwritten signature in dark ink, appearing to be "J. C. Warren", written over a horizontal line.

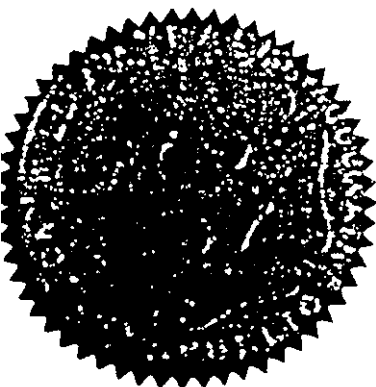
(Assistant Secretary)

I certify and attest that the signatures  
"G. H. Green" and "J. C. Warren" hereto subscribed  
are the true signatures and proper handwritings  
of Colin Henry Green and John Emerson Warren  
a Director and Assistant Company Secretary respectively  
of Rolls-Royce plc and that they are duly authorised  
to sign on behalf of the Company

A handwritten signature in dark ink, appearing to be "John Benjamin", written over a horizontal line.

NOTARY PUBLIC,  
DERBY, ENGLAND

10.12.1999




The Chairman referred to the Secretary's note on sealing procedure, and it was RESOLVED

'That with effect from 1st March 1980

- (1) any one Director shall constitute a Committee of the Board for the purpose of authorising the entry into and execution of such documents relating to normal business transactions as are required to be executed either under seal or under hand on the authority of a resolution of the Board:
- (2) the Company Secretary or in his absence an Assistant Secretary shall act as Secretary of the Sealing Committee:
- (3) all actions of the Sealing Committee shall be reported to the next scheduled meeting of the Board, and
- (4) the Common Seal of the Company shall not be affixed to any deed, instrument or document of any description except in pursuance of a resolution either of the Board or of a Committee of Directors authorised by the Board in that behalf and in the presence of at least one Director and of the Company Secretary or an Assistant Secretary who shall respectively testify by their signatures that the Seal has been so duly affixed'.

I hereby confirm that:-

1. The above minute No 905 was passed at the duly convened meeting of the Board of Directors of Rolls-Royce plc on 26 February 1980 at which a quorum was present.
2. No amendment or variation to minute No 905 has been made on this day in relation to the constitution of the Sealing and Signing Committee.

  
J. Warren  
Assistant Company Secretary  
ROLLS-ROYCE plc

10 December 1999.

The above copy corresponds  
to the original.

Munich, December 14, 1999

Notary

(STAMP OF THE NOTARY)

# BMW Services to BRR

		Costs invoiced to BRR p.a.	To be continued (y/n)	End of Transition Period
Financial Services				
	Forward Contracts	0	y (for existing contracts)	defined by individual contracts
	Loans	market rate plus handling fee 40 bp		as defined in the loan agreement
	Insurance	3,1 mDM	n (list of insurance attached)	1.1.2000
Tax Services				
	Tax Declaration	0	n (for 2000 onwards)	1.1.2000
	Tax Advise	0	n (for 2000 onwards)	1.1.2000
Human Resources				
	Senior Management Remuneration	0	n	28.2.2000
	Company Cars	1,563 mDM	y (market proposal for total fleet will be submitted)	30.04.2000
Legal Services				
	General Legal Advise	0	n	1.1.2000
	Patent	0,25 mDM	n	1.1.2000
EDP Services		4,137 mDM	transition to be agreed	30.06.2001
Rental Services				
	Test Facilities Munich (VP-18)	0,095 mDM	y (until re- location to Brandenburg)	30.06.2001 (with obligation to move)

Attestation

Paul G.



	Lilium Lease Rates	0	y	31.12.2008 (latest)
Other		0,018	n	
				28.2.2000

Michael, Arthur

Paul

According to the present state of knowledge, the following employees have a suspended agreement with the BMW AG:

Dr Klaus Nittinger	since 01.08.1997 for 5 years	A
Undine Bebermeyer	since 01.07.1999 for 3+3 years	Manager of Reportage and Controlling for area A
Ingo Jäckel	since 01.03.1999 for 3+3 years	Manager of Personnel Development/Organisation
Peter Kübler	since 01.07.1999 for 3+2 years	Manager of Personnel and Organisation, business area Oberursel
Werner Rothfuß	since 01.02.1998 for 3+2 years	Manager PR
Gerhard Winter	since 01.02.1991 unlimited	Manager Controlling
Dr. Otto Fernholz	since 01.01.1991 unlimited	Manager Measurement Technology
Manfred Schulz	limited until 31.07.2000	Manager Personnel
Tajana Witzigmann	since 01.01.1991 unlimited	OFK-Secretary
Norman Schäfer	since 31.12.1998	"Zerspannungsmechaniker"
Peter Meyer-Guizetti	since 1998 for 3 years	AU-4, Manager IV

Employees leased by BMW AG to BRR:

Helmut Haußmann	since 21.07.1999 30.06.2002	until Manager Economic Affairs OU
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Bavaria Wirtschaftsagentur GmbH

## MEMO

To: AJ - 2, Dr. Reul

From: ZW - 3, Ursula Stöckl

Reference: Insurances BMW Rolls Royce GmbH

Date: December 14, 1999

For the BMW Rolls-Royce GmbH the following insurances existed in the year 1999:

Area	Insurer	Policy-Number	Annual premium 1999
Group-Accident-Insurance	Gerling	22-5932298-0 & 22-5932297-2	36.320,00
Business-Trip-Accident-Insurance	Gerling	included in the BMW agreement	2.525,50
Foreign-Health-Insurance	Hallesche Nationale	included in the BMW agreement	995,60

Apart from this, under Group-Insurance-Number 6/874714 with the Allianz Lebensversicherungs AG there are 155 direct life insurance agreements.

Should you have any questions, please do not hesitate to contact us.

Yours sincerely

ZW-3

Ursula Stöckl

# Bavaria Wirtschaftsagentur GmbH

BMW Rolls-Royce GmbH

Corporate Insurances

Premium Forecast 1999

(without "Employee Benefits")



Type of contract	Premium*DM
1. All Risks Property Insurance	483.449,--
2. All Risks Business Interruption Insurance	
1) Basis Coverage DM 216.108,--	
2) Contingency <u>DM 115.000,--</u>	331.108,--
3. Public Liability Insurance **	
1) Primary DM 7.475,--	
2) 1.Layer <u>DM 3.450,--</u>	10.925,--
4. (Non-Aviation) Product Liability Insurance **	
1) Primary DM 9.541,--	
2) 1.Layer <u>DM 1.016,--</u>	10.557,--
5. Environmental Liability Insurance **	
1) Primary DM 25.875,--	
2) 1. Layer <u>DM 17.250,--</u>	43.125,--
6. Liability Master Cover ** (BMW-Cover including BRR)	15.032,--
7. Aviation Product Liability Insurance	1.322.500,--
8. Motor Insurance (Company's own vehicles)	
1) DM 3.156,--	
1b) DM 32.791,--	
2) <u>DM 455,--</u>	36.402,--
9. Motor Insurance (Employees' own vehicles)	3.000,--
10. Marine Insurance	203.714,--
11. Machinery Breakdown Insurance	2.455,--
	<hr/>
	2.462.267,--
	=====

\* Premiums to be paid in advance at the beginning of the insurance period. Premium adjustment at years end are not considered. This explains the differences between the above mentioned and the budget figures.

\*\* Premiums refer to 6 months only. The premium July 1<sup>st</sup> to Dec. 31<sup>st</sup> will be advised as soon as the new Liability Program has been established.

June 1999/ms

*Handwritten signatures and initials:*  
Haidar, Haidar, R. E. G. L.

**Bavaria Wirtschaftsagentur GmbH**

**Insurance premiums budget 2000**

Type or area of insurance	Diversification company Germany
	BMW Rolls Royce GmbH gross premium DM
1. Property insurance (All Risks)	501.000
2. Business interruption insurance (All Risks)	422.000
3. Contribution to property insurance pool (own contribution)	0
4. Machine breakage insurance	3.000
5. Reliance damage insurance	0
6. Aviation insurance (liability insurance/comprehensive)	0
7. Vehicle insurance total	40.000
8. Liability insurance	58.000
9. Aviation product liability insurance	1.700.000
10. Hole-In-one/Deficiency insurance	0
11. Specific personal insurance (open cover)	0
12. Transport insurance in total for own business	320.000
- of which the premium for transport "work to branch" is	0
- of which the remaining premiums imposed via freight rate:	0
Transport insurance in total for third party businesses	0
13. Repair costs insurance - service	0

vehicles	
14. Accident insurance (group)	38.000
15. Foreign health insurance	1.000
16. Additional health insurance	
own business	0
third party business	0
BMW-Own Business	3.083.000
BMW-Third Party Business	0
Total	3.083.000

Ad 1. and 2.: The separate property and FBU-insurance were cancelled as per 1.1.99 and integrated into the property (All Risks) or BU (All Risks)-main agreement of BMW AG-BRR as co-insured.

The fees for the HPR engineering through FM (DM 60.000,-) are not included in the above mentioned sums.

Ad 9.: The premium is based on an increase of the coverage amount from DM 1 billion to DM 1.5 billion.

The above copy corresponds  
to the original.

Munich, December 16, 1999

(SIGNATURE)

Notary

(SEAL OF THE NOTARY)