

## **Bayerische Motoren Werke Aktiengesellschaft, Munich.** Notice of Annual General Meeting.\*

We hereby give notice to shareholders of Bayerische Motoren Werke Aktiengesellschaft, Munich, that the 94<sup>th</sup> Annual General Meeting of the Company will take place

**on Thursday, 15 May 2014, at 10:00 a.m. local time (CEST), at the Olympiahalle of the Olympiapark, Coubertinplatz, 80809 Munich, Federal Republic of Germany.**

### **I. Agenda.**

#### **1. Presentation of the Company Financial Statements and the Group Financial Statements for the financial year ended 31 December 2013, as approved by the Supervisory Board, together with the Combined Company and Group Management Report, the Explanatory Report of the Board of Management on the information required pursuant to § 289 (4) and § 315 (4) and § 289 (5) and § 315 (2) no. 5 of the German Commercial Code (HGB) and the Report of the Supervisory Board.**

The documents listed above will be explained at the Annual General Meeting and will be available for inspection at the meeting. They will also be available before the Annual General Meeting, including access and download via the BMW Group Internet website at the address "www.bmwgroup.com" using the link "Annual General Meeting". They will also be sent to shareholders on request. Requests should be submitted electronically to [Geschaeftsberichte@bmwgroup.com](mailto:Geschaeftsberichte@bmwgroup.com) or by post to: Bayerische Motoren Werke Aktiengesellschaft, Dept. FF-2, 80788 Munich. You may also submit your request by telephone at the number +49 (0)89/382-0.

In accordance with statutory provisions, no resolution is proposed to be adopted on this Agenda point at the Annual General Meeting, since the Supervisory Board has already approved the Company Financial Statements and Group Financial Statements.

#### **2. Resolution on the utilisation of unappropriated profit.**

The Board of Management and the Supervisory Board propose that the unappropriated profit for the financial year 2013 amounting to € 1,706,650,833.30 be utilised as follows:

Payment of a dividend of € 2.62 per share of non-voting preferred stock, each with a par value of € 1, on the preferred stock (53,993,635 shares of preferred stock) entitled to receive a dividend, amounting to: € 141,463,323.70

Payment of a dividend of € 2.60 per share of common stock, each with a par value of € 1, on the common stock entitled to receive a dividend (601,995,196 shares of common stock), amounting to: € 1,565,187,509.60

Unappropriated profit available for distribution	€ 1,706,650,833.30
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The number of shares entitled to receive dividends shown above is based on the situation at 31 December 2013 and may change prior to the Annual General Meeting. In this case, the Board of Management and Supervisory Board will put forward an updated resolution at the Annual

\* (Non-binding convenience translation)

General Meeting based on the same dividend rates and will propose to carry forward another amount of unappropriated profit not to be paid as a dividend.

**3. Ratification of the acts of the Board of Management.**

The Board of Management and the Supervisory Board propose that the acts of the members of the Board of Management in the financial year 2013 be ratified for this period.

**4. Ratification of the acts of the Supervisory Board.**

The Board of Management and the Supervisory Board propose that the acts of the members of the Supervisory Board in the financial year 2013 be ratified for this period.

**5. Election of the auditor.**

On the recommendation of the Audit Committee, the Supervisory Board proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, be appointed

(1.) as Company and Group external auditor for the financial year 2014 and

(2.) as auditor to carry out a review of the Interim Group Financial Statements and Interim Group Management Report for the first six months of the

5. ~~Management Board (to be elected by the Board of Management) to be elected by the Board of Management~~ (The Board)20he Supe

The aforementioned authorisation to acquire the Company's own shares shall remain valid until 14 May 2019. It may also be exercised in parts on more than one occasion. The acquisition may not be effected for the purposes of trading in the Company's own shares.

7.2 The Board of Management shall also be authorised on the basis of the above-mentioned authorisation to use the acquired Company's own shares of non-voting preferred stock for all legally admissible purposes, specifically including the right to offer and transfer shares to persons employed by the Company or one of its affiliated companies for up to a proportionate amount of € 5,000,000 of share capital. The subscription rights of existing shareholders to the new shares of preferred stock used for the purpose stated above shall be excluded. The authorisation may also be exercised in parts on more than one occasion.

## **8. Resolution on the creation of Authorised Capital 2014 (non-voting preferred stock) excluding the statutory subscription rights of existing shareholders and amendment to the Articles of Incorporation.**

The Authorised Capital 2009 stipulated in § 4 (5) of the Articles of Incorporation for the Employee Share Scheme expires on 13 May 2014. In order to give the Company the flexibility to continue to service the Employee Share Scheme with non-voting preferred stock out of Authorised Capital, the Board of Management and the Supervisory Board propose that the following resolution be taken:

8.1 The Management Board shall be authorised, with the approval of the Supervisory Board, to increase the Company's share capital in the period up to 14 May 2019 by up to € 5,000,000 in total by the issuance of new shares of non-voting preferred stock, carrying the same rights as existing non-voting preferred stock, in return for cash contributions. The authorisation may also be used in parts on more than one occasion.

Shareholders' subscription rights shall be excluded. The new shares may only be used for issuing shares to employees of the Company and its affiliated companies. The Board of Management shall be authorised, with the approval of the Supervisory Board, to stipulate further details of the rights attached to the shares and the conditions of their issue.

8.2 § 4 (5) of the Articles of Incorporation shall be deleted and newly worded as follows:

"5. The Management Board is authorised, with the approval of the Supervisory Board, to increase the Company's share capital in the period up to 14 May 2019 by up to € 5,000,000 in total by the issuance of new shares of non-voting preferred stock, carrying the same rights as existing non-voting preferred stock, in return for cash contributions. The authorisation may also be used in parts on more than one occasion.

Shareholders' subscription rights are excluded. The new shares may only be used for issuing shares to employees of the Company and its affiliated companies. The Board of Management is authorised, with the approval of the Supervisory Board, to stipulate further details of the rights attached to the shares and the conditions of their issue (Authorised Capital 2014)".

## **9. Resolution on the approval of the compensation system for members of the Board of Management.**

The Board of Management and Supervisory Board wish to give shareholders the opportunity once again to decide on the approval of the compensation system for members of the Board of Management.

The Compensation Report provided on pages 185 et seq. of the Annual Report 2013 contains a description of the compensation system for Board of Management members. Reference is made to this description for the purposes of this resolution. Point 1 of the Agenda explains how the Annual Report can be obtained.

The Board of Management and Supervisory Board propose that the applicable system used to determine the compensation of Board of Management members be approved.

## **Report of the Board of Management on Point 7 of the Agenda.**

The intention is to renew the Company's ability to acquire some of its own shares of non-voting preferred stock via the stock exchange, thus offering a commercially reasonable alternative to a share capital increase.

At the same time, the Annual General Meeting is also being requested to authorise the Board of Management to be allowed to use bought-back shares of non-voting preferred stock on a small scale of up to 5,000,000 shares (which is less than 1% of the Company's share capital) to service an employee share scheme. For this to work, it is necessary for the subscription rights of preferred stock shareholders to be excluded.

Employee shares have been used as a tried and tested instrument at BMW since 1989 to give employees the opportunity to participate in the enterprise's success, whilst at the same time encouraging their commitment to the BMW Group.

The Employee Share Scheme is currently aimed at employees of Bayerische Motoren Werke Aktiengesellschaft and that entity's wholly owned German affiliated companies to the extent that the respective affiliated companies decide to participate. Under the scheme, employees can – usually once per annum and over a period of a few weeks – acquire a specified number of non-voting shares of preferred stock against payment at a reasonable discount compared to the prevailing stock exchange price. In this context, it is usually agreed with the employees that they may not dispose of the relevant shares for several years (Lock-Up Period).

The proposed number of shares covers the estimated demand for employee shares during the five-year period of the preferred stock programme.

### **Report of the Board of Management on Point 8 of the Agenda.**

The proposed Authorised Capital is intended to make it possible for the Board of Management to offer shares of non-voting preferred stock to employees in conjunction with the Employee Share Scheme regardless of any buy-back via the stock exchange. For this reason, it is proposed to the Annual General Meeting that the subscription rights of existing shareholders to the new shares of preferred stock should be excluded.

Employee shares have been used as a tried and tested instrument at BMW since 1989 to give employees the opportunity to participate in the enterprise's success, whilst at the same time encouraging their commitment to the BMW Group.

The Employee Share Scheme is currently aimed at employees of Bayerische Motoren Werke Aktiengesellschaft and that entity's wholly owned German affiliated companies to the extent that the respective affiliated companies decide to participate. Under the scheme, employees can – usually once per annum and over a period of a few weeks – acquire a specified number of non-voting shares of preferred stock against payment at a reasonable discount compared to the prevailing stock exchange price. In this context, it is usually agreed with the employees that they may not dispose of the relevant shares for several years (Lock-Up Period).

As in 2009 (the most recent year in which such a proposal was made), a share capital increase of up to a proportionate amount of € 5,000,000 of share capital is proposed. This figure represents less than 1% of the Company's share capital. The proposed number of shares covers the estimated demand for employee

shares during the period of the Board of Management's authorisation i.e. during the five-year period of the preferred stock programme.

## **II. Other information.**

### **1. Total number of shares and voting rights at the date of notice.**

At the date on which notice of the Annual General Meeting is given, the Company's share capital amounts to € 656,254,983 and is sub-divided into 656,254,983 shares with a par value of € 1 each, comprising 601,995,196 shares of common stock, to which 601,995,196 votes are attached, and 54,259,787 non-voting shares of preferred stock. The voting power attached to each share for which the statutory minimum contribution has been paid up corresponds to the share's par value. Each € 1 of par value of share capital represented at a vote confers one vote.

Only holders of common stock are entitled to vote on the Annual General Meeting Agenda points listed in section 1 above.

### **2. Prerequisites for attending the Annual General Meeting and for exercising voting rights.**

Shareholders are only entitled to attend the Annual General Meeting and exercise their voting rights, either in person or represented by an authorised person (proxy), if, prior to the meeting, they have submitted notification of attendance in the form prescribed by § 126b of the German Civil Code (BGB), either in German or English.

Shareholders are also required to provide proof of their entitlement to attend and exercise their voting rights. For this purpose, documentary evidence of the shareholding, issued by the custodian bank (in the form prescribed by § 126b BGB), in either English or German, is required. The documentary evidence must be based on the situation at the beginning of the 21st day before the Annual General Meeting ("Record Date") i.e. at 00:00 (CEST) on 24 April 2014. The entitlement to attend the Annual General Meeting and to exercise voting rights is based on shareholdings on that date; for the purposes of the relationship between shareholders and Company, the sole criterion for attendance at the Annual General Meeting and the exercise of voting rights as a shareholder is whether evidence of shareholding has been registered as at the Record Date.

As with the notification of attendance, the documentary evidence of a shareholding must be received by the Company at the latest by the end of 8 May 2014 at the following address:

Bayerische Motoren Werke Aktiengesellschaft  
c/o UniCredit Bank AG  
CBS51GM  
80311 Munich  
Telefax: +49 (0)89 5400 -2519  
E-Mail: [hauptversammlungen@unicreditgroup.de](mailto:hauptversammlungen@unicreditgroup.de)

Shares are not blocked as a result of notification of attendance at the Annual General Meeting. In other words, shares remain available for disposal once notification of attendance has been successfully registered.

Custodian banks normally make the notification of attendance and provide the documentary evidence of shareholdings on behalf of their customers after the customers concerned have requested an attendance card for the Annual General Meeting. Shareholders are therefore requested to contact their custodian bank and to apply for an attendance card as soon as possible.

### **3. Proxies; procedure for exercising voting rights via an authorised proxy.**

Shareholders who do not wish to attend the Annual General Meeting and/or exercise their voting rights in person, may exercise their rights, and in particular their voting rights, via an authorised proxy, e. g. a bank or a shareholders' association.

The granting of proxy authorisations, their revocation and the communication of proof of proxy authorisation to the Company must be executed in text form or electronically using the procedure made available at [www.bmwgroup.com/ir/proxyvoting](http://www.bmwgroup.com/ir/proxyvoting).

Banks and shareholders' associations as well as persons and institutions which are deemed equivalent to such by the German Stock Corporation Act may, in conjunction with the special regulation (§ 135 AktG), stipulate different requirements with regard to their own appointment as proxies. Details of these requirements may be obtained from the relevant authorised proxies.

Bayerische Motoren Werke Aktiengesellschaft also offers holders of common stock the option of exercising their rights via representatives appointed by the Company who are bound to vote in accordance with the shareholder's instructions. If a proxy is granted to Company representatives, the appropriate voting instructions must be issued. The proxy authorisation is invalid if this is not done. The Company representatives are obliged to vote in accordance with the instructions given. Proxy authorisations and instructions given to Company representatives can be submitted in

advance of the Annual General Meeting using the proxy forms stipulated by the Company. Common stock shareholders will receive these proxy forms together with the attendance card. In this case, the completed proxy forms must be sent to reach Bayerische Motoren Werke Aktiengesellschaft, Dept. FF-2, 80788 Munich by 12 May 2014, 24:00 (CEST) at the latest. Proxy authorisations and instructions may also be given to Company representatives electronically via the Internet, using the procedure made available at [www.bmwgroup.com/ir/proxyvoting](http://www.bmwgroup.com/ir/proxyvoting). This procedure will remain available until 14 May 2014, 12:00 (CEST).

### **4. Procedure for exercising voting rights by postal vote.**

Common stock shareholders may cast their votes either in writing or electronically (postal voting) without attending the Annual General Meeting.

Common stock shareholders wishing to use the postal voting option should use the form sent to them with the attendance card. In this case, the completed postal voting form must be sent to reach Bayerische Motoren Werke Aktiengesellschaft, Dept. FF-2, 80788 Munich by 12 May 2014, 24:00 (CEST) at the latest. It is also possible to cast votes electronically using the using the procedure made available by the Company at [www.bmwgroup.com/ir/proxyvoting](http://www.bmwgroup.com/ir/proxyvoting). This procedure for exercising voting rights by postal vote will remain available until 14 May 2014, 12:00 (CEST).

### **5. Requests for items to be added to the Agenda.**

Shareholders jointly representing at least one twentieth of the share capital or a proportionate amount of € 500,000 of the share capital (equivalent to 500,000 shares with a par value of € 1) may, in accordance with § 122 (2) AktG request that items be placed on the Agenda and be disclosed. Each new item must be accompanied by a statement of reasons or a draft resolution. Such requests are to be addressed to the Company's Board of Management ("Vorstand") in writing and submitted to the following address:

Bayerische Motoren Werke Aktiengesellschaft  
The Board of Management  
Postal address: 80788 Munich  
or  
Office address: Petuelring 130, 80809 Munich

The request must have been received by the Company at least 30 days before the meeting i.e. by 14 April 2014, 24:00 (CEST) at the latest.

## 6. Countermotions and nominations for election.

Each shareholder has the right to propose countermotions at the Annual General Meeting to the resolutions proposed by the Board of Management and/or the Supervisory Board on specific Agenda items and to propose nominations for Agenda items 5 (Election of the Auditor) and 6 (Elections to the Supervisory Board) (§ 126(1), § 127 AktG). If countermotions and nominations are submitted in advance they must be addressed solely to:

Bayerische Motoren Werke Aktiengesellschaft  
Dept. FF-2  
Postal address: 80788 Munich  
Telefax: +49 (0)89 382 -14661  
or  
E-Mail: hv@bmw.de

Countermotions must be provided with a statement of reasons. Nominations for election do not require a statement of reasons.

All countermotions and nominations received at least 14 days before the meeting (i.e. received at this address by no later than by 30 April 2014, 24:00 (CEST)), and which are required to be made accessible to the other shareholders, will, upon proof of shareholder status be published without delay on the Internet at [www.bmwgroup.com](http://www.bmwgroup.com) and can be accessed via the link "Annual General Meeting".

## 7. Right to information.

Pursuant to § 131(1) AktG upon request, each shareholder will be provided with information at the Annual General Meeting by the Board of Management on the Company's affairs, the legal and business relationships of the Company with affiliated companies and on the situation of the Group and of the companies included in the Group Financial Statements to the extent that such information is necessary for a proper evaluation of an item on the Agenda.

## 8. Supplementary disclosures with respect to item 6 of the Agenda (Elections to the Supervisory Board).

Further information about the nominees, including curriculum vitae, can be found on the Company's website at [www.bmwgroup.com](http://www.bmwgroup.com) via the link "Annual General Meeting".

8.1 Details of membership in other statutory supervisory boards (□) and membership of equivalent national or foreign company boards (○).

Franz Haniel  
 DELTON AG (Deputy Chairman)  
 Franz Haniel & Cie. GmbH (Chairman)  
 Heraeus Holding GmbH  
 Metro AG (Chairman)  
 secunet Security Networks AG  
 Giesecke & Devrient GmbH  
 TBG Limited

Susanne Klatten  
 ALTANA AG (Deputy Chairman)  
 SGL Carbon SE (Chairman)  
 UnternehmerTUM GmbH (Chairman)

Dr. h.c. Robert W. Lane  
 General Electric Company  
 Northern Trust Corporation  
 Verizon Communications Inc.

Wolfgang Mayrhuber  
 Deutsche Lufthansa Aktiengesellschaft (Chairman)  
 Infineon Technologies AG (Chairman)  
 Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in Munich  
 HEICO Corporation

Stefan Quandt  
 DELTON AG (Chairman)  
 AQTON SE (Chairman)  
 DataCard Corp.

8.2 Disclosures relating to personal or business relations of nominees pursuant to section 5.4.1 paragraphs 4 to 6 of the German Corporate Governance Code.

The proposed nominees are already members of the Supervisory Board. Susanne Klatten and Stefan Quandt, like their mother, Johanna Quandt, are shareholders holding a material interest in the Company within the meaning of section 5.4.1 paragraph 6 of the German Corporate Governance Code. Stefan Quandt is Deputy Chairman of the Company's Supervisory Board and member of the Supervisory Board's Personnel Committee, Audit Committee, Nomination Committee and Mediation Committee. Susanne Klatten is a member of the Supervisory Board's Nomination Committee.

Apart from the above disclosures, based on the Supervisory Board's evaluation, none of the aforementioned nominees have personal or business relations with the Company or Group entities, its executive bodies or a shareholder holding a material interest in the Company within the meaning of section 5.4.1 paragraph 5 of the German Corporate Governance Code.

Disclosures of the BMW Group's relationships with related parties as defined by IAS 24 can be found on pages 158 et seq. of the Annual Report 2013.

**9. Notifications on the website; transmission of speech of the Chairman of the Management Board; additional information.**

Notice of the Annual General Meeting, documents and information and other explanations of shareholders' rights pursuant to § 122 (2), § 126 (1), § 127 and § 131 (1) AktG as well as information relating to item 6 on the Agenda can be found on the Company's website at [www.bmwgroup.com](http://www.bmwgroup.com) via the link "Annual General Meeting". The voting results will also be published there after the Annual General Meeting. Shareholders and other interested parties will also be able to listen to the speech of the Chairman of the Management Board on 15 May 2014 live over the Internet at [www.bmwgroup.com](http://www.bmwgroup.com). The speech will also be available as a replay after the Annual General Meeting.

Further details with respect to attendance at the Annual General Meeting and the exercising of voting rights, including postal voting, the issuance of proxies and instructions as well as proxy and postal voting forms will be sent to shareholders with their attendance card.

Notice of the Annual General Meeting was published in the Federal Gazette on 27 March 2014.

Munich, 27 March 2014

**Bayerische Motoren Werke  
Aktiengesellschaft**

The Board of Management