

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

Notice is hereby given to the shareholders of the Company that the 89<sup>th</sup> ordinary Annual General Meeting will be held at the Olympiahalle in the Olympiapark, Coubertinplatz, 80809 Munich, Federal Republic of Germany, on Thursday, 14 May 2009 at 10:00 a.m. local time.

## Agenda.

### 1. Presentation of the approved Annual Financial Statements and the approved Group Financial Statements for the financial year ended 31 December 2008, the combined Company and Group Management Report, the Board of Management's Explanatory Report on Disclosures pursuant to § 289 (4) and § 315 (4) of the German Commercial Code (HGB) and the Report of the Supervisory Board.

The above documents have also been published on the Internet and can be downloaded via the link "Annual General Meeting" ["Hauptversammlung"] at [www.bmwgroup.com](http://www.bmwgroup.com). They will also be sent to shareholders upon request. Please address any questions to the e-mail address [Geschaeftsberichte@bmwgroup.com](mailto:Geschaeftsberichte@bmwgroup.com) or to the postal address BMW AG, Department FF-2, D-80788 Munich, Germany.

### 2. Resolution on the unappropriated surplus.

The Board of Management and the Supervisory Board propose that the unappropriated surplus for the financial year 2008 amounting to EUR 197,129,532.24 be appropriated as follows:

Distribution of a dividend of EUR 0.30 per share of common stock with a par value of EUR 1 on share capital entitled to receive dividends (601,995,196 shares of common stock),

amounting to: 180,598,558.80 EUR

Distribution of a dividend of EUR 0.32 per non-voting share of preferred stock with a par value of EUR 1 on share capital entitled to receive dividends (51,296,162 shares of preferred stock), amounting to: 16,414,771.84 EUR

Profit carried forward 116,201.60 EUR

Unappropriated surplus 197,129,532.24 EUR

The number of shares entitled to receive dividends shown above is based on the situation as per 31 December 2008 and may change prior to the Annual General Meeting. In this case, the Board of Management and the Supervisory Board will submit an updated proposed resolution to the Annual General Meeting based on the same dividend rates and will propose that a portion of the unappropriated surplus that is not apportionable to the payment of dividends be carried forward.

### 3. Resolution on the approval of the actions of the members of the Board of Management.

The Board of Management and the Supervisory Board propose that the actions of the members of the Board of Management in the financial year 2008 be approved.

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Rolls-Royce  
Motor Cars Limited



**BMW Group**

**4. Resolution on the approval of the actions of the members of the Supervisory Board.**

The Board of Management and the Supervisory Board propose that the actions of the members of the Supervisory Board in the financial year 2008 be approved.

**5. Election of the Auditor.**

Upon recommendation of its Audit Committee, the Supervisory Board proposes THAT

KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin be appointed as the Company's and Group's auditor for the financial year 2009 and as the auditor for the auditorial review of the financial statements and the interim management report for the first six months of the financial year 2009.

**6. Election to the Supervisory Board.**

The Supervisory Board is composed in accordance with § 96 (1) and § 101 (1) of the German Stock Corporation Act (Aktiengesetz) and § 7 (1) sentence 1 no. 3 of the German Co-Determination Act (MitbestG). The Annual General Meeting is not bound by nominations for election.

The term of office of seven members of the Supervisory Board elected to represent the shareholders shall in each case end when the ordinary Annual General Meeting closes on 14 May 2009.

Upon recommendation of its Nomination Committee, the Supervisory Board proposes THAT

Franz M. Haniel, Engineer, MBA, Munich, for a term of office up until the close of the ordinary Annual General Meeting in the year 2014,

Susanne Klatten, Business Administrator, MBA, Honorary Senator of the Technical University of Munich, Munich, for a term of office up until the close of the ordinary Annual General Meeting in the year 2014,

Robert W. Lane, Chairman and Chief Executive Officer, Deere & Company, Moline, Illinois, USA, for a term of office up until the close of the ordinary Annual General Meeting in the year 2014,

Wolfgang Mayrhuber, Chairman of the Board of Management of Deutsche Lufthansa AG, Hamburg, for a term of office up until the close of the ordinary Annual General Meeting in the year 2014,

Prof. Joachim Millberg, Engineer, Chairman of the Supervisory Board of BMW AG, Baldham, for a term of office up until the close of the ordinary Annual General Meeting in the year 2013,

Stefan Quandt, Industrial Engineer, Bad Homburg, for a term of office up until the close of the ordinary Annual General Meeting in the year 2014, and

Prof. Dr. Jürgen Strube, Chairman of the Supervisory Board of BASF SE, Mannheim, for a term of office up until the close of the ordinary Annual General Meeting in the year 2010

be elected as members of the Supervisory Board to represent the interests of the shareholders.

Like last year, the intention is to hold the elections as individual elections.

Details of memberships in other statutory supervisory boards and memberships of comparable domestic or foreign supervisory bodies of business enterprises:

Franz M. Haniel

Membership of domestic statutory supervisory boards:

- DELTON AG (Deputy Chairman)
- Franz Haniel & Cie. GmbH (Chairman)
- Heraeus Holding GmbH
- Metro AG (Chairman)
- secunet Security Networks AG

Membership of comparable supervisory bodies:

- Giesecke & Devrient GmbH

Susanne Klatten

Membership of domestic statutory supervisory boards:

- ALTANA AG (Deputy Chairman)
- Membership of comparable supervisory bodies:
- UnternehmerTUM GmbH (Chairman)

Robert W. Lane

Membership of comparable supervisory bodies:

- General Electric Company
- Verizon Communications Inc.

#### Wolfgang Mayrhuber

Membership of domestic statutory supervisory boards:

- Fraport AG
- Lufthansa Technik AG
- Münchener Rückversicherungs-Gesellschaft AG

Membership of comparable supervisory bodies:

- HEICO Corp.
- SWISS International Air Lines AG

#### Prof. Joachim Milberg

Membership of domestic statutory supervisory boards:

- Bertelsmann AG
- FESTO AG
- SAP AG
- ZF Friedrichshafen AG

Membership of comparable supervisory bodies:

- Deere & Company

#### Stefan Quandt

Membership of domestic statutory supervisory boards:

- DELTON AG (Chairman)

Membership of comparable supervisory bodies:

- DataCard Corp.

#### Prof. Dr. Jürgen Strube

Membership of domestic statutory supervisory boards:

- Allianz Deutschland AG (until 2 April 2009)
- BASF SE (Chairman) (until 30 April 2009)
- Bertelsmann AG (Deputy Chairman)
- Fuchs Petrolub AG (Chairman)

### **7. Resolution on a new authorization to acquire and to use the Company's own shares and to exclude the subscription right.**

The Board of Management and the Supervisory Board propose that the following resolution be adopted:

- 7.1 The Company is authorized to acquire shares of common stock and/or non-voting shares of preferred stock of the Company via the stock exchange, up to a maximum of 10 % of the share capital existing at the date of the resolution. The consideration paid by the Company per share of

common stock or non-voting share of preferred stock (excluding incidental acquisition costs) may not be more than 10 % more than, and may not be more than 10 % less than, the market price determined for the relevant class of stock in the XETRA trading system (or a successor system having a comparable function) by the opening auction on the day of trading.

The above new authorization to acquire the Company's own shares shall remain valid until 12 November 2010. The new authorization 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. The authorization to acquire the Company's own shares resolved at the Company's Annual General Meeting on 8 May 2008 pursuant to item 7.1 of the Agenda of the Annual General Meeting 2008 is rescinded for the period as of the date on which the new resolution granting authorization passed by the Annual General Meeting on 14 May 2009 takes effect.

- 7.2 The Board of Management is authorized to hold the Company's own shares of common stock and/or non-voting preferred stock, which have been acquired on the basis of the above authorization or previously, for an unlimited period and, apart from disposal via the stock exchange, to use the same as follows:

- (a) Shares of common stock and/or non-voting shares of preferred stock can be redeemed without the redemption or the implementation thereof requiring any further resolution of the Annual General Meeting. The authorization may also be exercised in parts on more than one occasion.
- (b) Shares of common stock and/or non-voting shares of preferred stock in an amount of up to EUR 2,000,000 pro rata of the share capital may be offered for acquisition by, and transferred to, persons, who are employed by the Company or one of its affiliated undertakings. The shareholders' right to subscribe to the Company's own shares of non-voting preferred stock used for this purpose is excluded. The authorization may also be exercised in parts on more than one occasion.

### **8. Resolution on an Amendment to the Articles of Association to bring them in line with a New Act.**

The Government draft of an Act to Integrate the Shareholders' Rights Directive (ARUG) of 5 November 2008 provides, inter alia, as part of

an amendment to § 118 (4) of the German Stock Corporation Act (Aktengesetz), that the Articles of Association can authorize the Board of Management to allow a visual or audio transmission of the Annual General Meeting.

The authorization so far provided in BMW AG's Articles of Association authorizing the Chairman of the Meeting to allow an audio and visual transmission is to be replaced by an authorization of the Board of Management in the event that the amendment to § 118 (4) of the German Stock Corporation Act (Aktengesetz) enters into force. This is intended to ensure that the possibility of allowing a visual and audio transmission of the Annual General Meeting continues to subsist also for the Company's next Annual General Meeting following the entry into force of the Act.

The Board of Management and the Supervisory Board therefore propose that it be resolved to amend and reword Article 16 (1) sentence 4 of the Articles of Association as follows:

"The Board of Management is authorized to allow the visual and audio transmission of the Annual General Meeting, either in whole or in part, and more particularly also such that the public has unrestricted access."

The above resolution is to be filed for registration in the Commercial Register only if and when the Act to Integrate the Shareholders' Rights Directive (ARUG) has entered into force and the German Stock Corporation Act (Aktengesetz) has been amended to the effect that any authorization in the Articles of Association authorizing a visual and audio transmission of the Annual General Meeting must be addressed to the Board of Management.

## **9. Resolution on amendments to the Articles of Association concerning the Supervisory Board.**

The possibilities for members of the Supervisory Board to cast their votes are to be made more flexible. Furthermore, the Articles of Association should incorporate a clause that the members of the Supervisory Board can be included in the insurance coverage provided by the Company's insurance against economic loss and errors and omissions.

The Board of Management and the Supervisory Board therefore propose that the following resolutions be adopted:

9.1 Article 13 (6) of the Articles of Association be amended and newly worded as follows:

"6.

An absent member of the Supervisory Board can arrange for his/her vote cast in writing to be handed over by another member of the Supervisory Board. This shall also apply to the casting of the second vote of the Chairman of the Supervisory Board. A vote cast by facsimile or by electronic media shall also be deemed to be a vote cast in writing. A vote may be cast subsequently if the Chairman, or if the Chairman is prevented the Chairman's deputy, has permitted said vote to be cast subsequently within a period to be stipulated by him and did so prior to the vote in the meeting and for all absent members of the Supervisory Board."

9.2 Article 13 (7) of the Articles of Association be amended and newly worded as follows:

"7.

If not the same number of shareholders' representatives and employees' representatives take part in the adoption of a resolution, the vote on an agenda item can be postponed by a maximum of four weeks upon the request of two members of the Supervisory Board if the Chairman of the Supervisory Board, or if the Chairman is prevented the Chairman's deputy, does not allow all of the members of the Supervisory Board, who are absent, to cast their votes subsequently in accordance with sub-article (6). A further postponement of the same agenda item is not permitted."

9.3 Article 15 (5) of the Articles of Association be amended and newly worded as follows:

"5.

The Company shall reimburse each member of the Supervisory Board his/her reasonable expenses as well as the value added tax attributable to his/her remuneration. The Company can include the members of the Supervisory Board in the insurance coverage provided by an insurance against economic loss and errors and omissions maintained at the Company's cost."

## **10. Resolution on authorized capital (non-voting shares of preferred stock) excluding the shareholders' statutory subscription right and amendment to the Articles of Association.**

In order to give the Company the flexibility to also make the shares of preferred stock, which are needed to continue the Employee Stock Ownership Programme, available from authorized capital, the Board of Management and the Supervisory Board propose that the following resolution be adopted:

10.1 The Board of Management is authorized to increase the share capital in the period up until 13 May 2014 with the consent of the Supervisory Board by up to EUR 5,000,000 in consideration for contributions in cash by issuing new non-voting shares of preferred stock which are equivalent to the non-voting shares of preferred stock issued so far. The authorization may also be exercised in partial amounts on more than one occasion.

The shareholders' subscription right is excluded. The new shares may be used only for issuing employees' shares to employees of the Company and its affiliated companies.

10.2 Article 4 of the Articles of Association be amended and be supplemented by a sub-article (5) as follows:

"5.  
The Board of Management is authorized to increase the share capital in the period up until 13 May 2014 with the consent of the Supervisory Board by up to EUR 5,000,000 in consideration for contributions in cash by issuing new non-voting shares of preferred stock which are equivalent to the non-voting shares of preferred stock issued so far. The authorization may also be exercised in partial amounts on more than one occasion. The shareholders' subscription right is excluded. The new shares may be used only for issuing employees' shares to employees of the Company and its affiliated companies (Authorized Capital 2009)."

10.3 The Supervisory Board is authorized to amend Article 4 of the Articles of Association in accordance with the extent to which the Authorized Capital 2009 is used from time to time.

#### **Report on item 7 of the Agenda.**

At this year's Annual General Meeting the Company is once again to be granted the possibility of acquiring its own shares via the stock exchange.

The Annual General Meeting shall thereby also be asked to authorize the Board of Management to use a small number of the repurchased non-voting shares of preferred stock (0.31% of the share capital or 2,000,000 non-voting shares of preferred stock) for an Employee Stock Option Programme. This means that the shareholders' right to subscribe to said shares of preferred stock must be excluded.

Employees' shares have been a tried and tested instrument at BMW since 1989 for allowing employees to participate in the success of the business and to thereby encourage their commitment to the business.

The Employee Stock Option Programme is aimed at employees of Bayerische Motoren Werke Aktiengesellschaft and its affiliated companies to the extent that the respective affiliated companies decide to participate in said Programme. Under the Programme, employees can – usually once per annum – in a period of a few weeks acquire a particular number of non-voting shares of preferred stock against payment but with a reasonable discount compared with the then current stock exchange price. In so doing it is usually agreed with the employees that they may not dispose of said shares for several years (Lock-Up Period).

#### **Report on item 10 of the Agenda.**

The proposed Authorized Capital is intended to enable the Board of Management to also offer the employees shares of non-voting preferred stock under the Employee Share Option Programme independently of any repurchase on the stock exchange. For this purpose the proposal is made to the Annual General Meeting that it excludes the shareholders' right to subscribe to the new shares of non-voting preferred stock.

Employees' shares have been a tried and tested instrument at BMW since 1989 for allowing employees to participate in the success of the business and to thereby encourage their commitment to the business.

The Employee Stock Option Programme is aimed at employees of Bayerische Motoren Werke Aktiengesellschaft and its affiliated companies to the extent that the respective affiliated companies decide to participate in said Programme. Under the Programme, employees can – usually once per annum – in a period of a few weeks acquire a particular number of non-voting shares of preferred stock against payment but with a reasonable discount compared with the then current stock exchange price. In so doing it is usually agreed with the employees that they may not dispose of said shares for several years (Lock-Up Period).

The proposed maximum increase of EUR 5,000,000 makes allowance for the estimated demand for employees' shares over the period for which the Board of Management is authorized, i.e. the period of 5 years.

#### **Requirements for participation and the exercise of voting rights**

Only those shareholders, who have in writing (§ 126b of the German Civil Code (BGB)) registered their intention to participate, either in German or in English, prior to the Annual General Meeting are entitled to participate in the Annual General Meeting and to exercise their voting rights.

The shareholders are also required to provide evidence of their entitlement to participate and to exercise their voting rights. For this purpose, evidence of the shareholding, issued in writing (§ 126 b of the German Civil Code (BGB)) by the custodian bank, in either English or German, is required. The evidence must refer to the beginning of 23 April 2009. It must be received by the Company by the end of 7 May 2009 at the latest and, like the registration of the intention to participate, must be sent to the following address:

Bayerische Motoren Werke Aktiengesellschaft  
c/o Bayerische Hypo- und Vereinsbank AG  
CBD5HV  
80311 Munich, Germany  
Facsimile: ++49 (0)89/5400-2519  
E-mail: hauptversammlungen@hvb.de

In order to meet the above requirements for attendance, the shareholders are requested to contact their custodian bank and to apply for an attendance card as soon as possible.

#### **Total number of shares and voting rights at the time when notice of the meeting is given.**

At the time when notice of the Annual General Meeting is given, the Company's share capital amounts to EUR 654,191,358 and is sub-divided into 654,191,358 shares with a par value of EUR 1 each, comprising 601,995,196 shares of common stock, conferring a total of 601,995,196 votes, and 52,196,162 non-voting shares of preferred stock. The voting right of each share, for which the statutory minimum contribution has been paid up, corresponds to its par value, and each EUR 1 of par value of the share capital represented at a vote confers one vote. Only the common stockholders are entitled to vote on the agenda items set out above.

#### **Proxies.**

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

Bayerische Motoren Werke Aktiengesellschaft also provides its shareholders the option of exercising their rights via proxies appointed by the Company who are bound to vote as instructed. Shareholders, who wish to make use of this possibility, also require an attendance card for the Annual General Meeting. If a power-of-attorney is granted to proxies appointed by the Company, said proxies must in any event be given instructions for exercising the voting right.

Without said instructions the power-of-attorney shall be void. The proxies are obliged to vote in accordance with the instructions given.

Powers-of-attorney and instructions given to the proxies appointed by the Company, who are bound by the instructions, must be given in writing using the proxy forms intended for this purpose or electronically via the Internet, using the application provided under [www.bmwgroup.com](http://www.bmwgroup.com).

Banks, shareholders' associations and persons and institutions treated as equivalent by the German Stock Corporation Act (Aktiengesetz) can stipulate their own requirements for powers-of-attorney to be granted to them in accordance with the special provision that exists for them under the German Stock Corporation Act (Aktiengesetz) (§ 135 of the German Stock Corporation Act (Aktiengesetz)).

Powers-of-attorney granted to other proxies are required to be in writing.

Shareholders will be sent further information regarding proxies, instructions and proxy forms together with their attendance card.

#### **Counter-proposals and nominations for election.**

Counter-proposals and nominations for election pursuant to § 126 and § 127 of the German Stock Corporation Act (Aktiengesetz) relating to specific agenda items must be sent solely to:

Postal address: BMW AG, Department FF-2,  
80788 Munich, Germany  
Facsimile: ++49 (0)89/382-14661  
E-mail: [hv@bmw.de](mailto:hv@bmw.de)

All counter-proposals and nominations for election received at this address by no later than 29 April 2009, and which are required to be made available to the other shareholders, will be published on the Internet promptly at [www.bmwgroup.com](http://www.bmwgroup.com).

Notice of the Annual General Meeting was published in the electronic version of the German Federal Gazette (Bundesanzeiger) on 23 March 2009.

Munich, 23 March 2009

#### **Bayerische Motoren Werke Aktiengesellschaft**

The Board of Management