

# Notice of Annual General Meeting.\*

## Bayerische Motoren Werke Aktiengesellschaft, Munich.

Notice is hereby given that the 90<sup>th</sup> Annual General Meeting of the Company will be held at the Olympiahalle of the Olympiapark, Coubertinplatz, 80809 Munich, Federal Republic of Germany, on Tuesday, 18 May 2010 at 10:00 a.m. local time.

### I. Agenda.

#### 1. Presentation of the Annual Financial Statements and the Group Financial Statements for the financial year ended 31 December 2009, 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) of the German Commercial Code (HGB) and the Report of the Supervisory Board.

The documents listed above are also available for download on the Internet at "www.bmwgroup.com" via the link "Annual General Meeting". They will be made accessible at the Annual General Meeting and also 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, Federal Republic of Germany.

In accordance with statutory provisions, no resolution is proposed to be adopted on this agenda point at the Annual General Meeting. On 11 March 2010 the Supervisory Board approved the Company Financial Statements and Group Financial Statements drawn up by the Board of Management; the Company Financial Statements are therefore adopted. Adoption of the Company Financial Statements and approval of the Group Financial Statements by the Annual General Meeting are therefore not required.

#### 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 2009 amounting to EUR 197,185,418.64 be utilised as follows:

Payment of a dividend of EUR 0.30 per share of common stock, each with a par value of EUR 1, on the common stock entitled to receive a dividend (601,995,196 shares of common stock), amounting to: EUR 180,598,558.80

Payment of a dividend of EUR 0.32 per share of preferred stock, each with a par value of EUR 1, on the preferred stock entitled to receive a dividend (51,833,937 shares of preferred stock), amounting to: EUR 16,586,859.84

Unappropriated profit available for distribution EUR 197,185,418.64

The number of shares entitled to receive dividends shown above is based on the situation at 31 December 2009 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 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.

\* (Non-binding convenience translation)

**BMW Group**

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**Rolls-Royce**  
Motor Cars Limited



### **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 2009 be ratified for this period.

of the Annual General Meeting at which ratification of the acts of the Supervisory Board is resolved for the financial year 2014.

### **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 2009 be ratified for this period.

Details of membership in other statutory supervisory boards and membership of equivalent national or foreign company boards:

Membership in statutory supervisory boards:  
Deutsche Bank AG  
Deutsche Post AG  
Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München

### **5. Election of the auditor.**

The Supervisory Board proposes on the recommendation of the Audit Committee that KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, be appointed (a) as Company and Group external auditor for the financial year 2010 and (b) 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 financial year 2010.

Membership in equivalent boards:  
Nokia Corporation  
Wipro Limited

In the opinion of the Supervisory Board and the Nomination Committee, the Supervisory Board should have another independent financial expert. Prof. Kagermann is qualified as financial expert pursuant to § 100 (5) of the German Stock Corporation Act (AktG) as a result of his experience as Chairman of the Audit Committee of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft.

### **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 (AktG) 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 proposed by the Supervisory Board.

The term of office of one of the shareholder Supervisory Board members, namely Prof. Dr. Jürgen Strube, comes to an end at the close of the ordinary Annual General Meeting on 18 May 2010.

The Supervisory Board proposes on the recommendation of the Nomination Committee that

Prof. Dr. rer. nat. Dr.-Ing. E. h. Henning Kagermann, President of acatech – Deutsche Akademie der Technikwissenschaften e.V., Königs Wusterhausen, be elected to the Supervisory Board as a shareholder representative for a term of office starting at the close of the Annual General Meeting and running to the date

### **7. Resolution on amendments to the Articles of Incorporation with respect to the Annual General Meeting in line with new legislation.**

The Act transforming the EU Rights of Shareholders Directive in German law came into force in 2009 and has changed the laws relating to the Annual General Meeting. Amongst other things, the new provisions allow casting votes in writing or via electronic communication channels without physically attending the General Meeting (“postal voting”) if the Articles of Incorporation contain a corresponding regulation. The proposed change to the Articles of Incorporation is intended to give the Board of Management the authority to implement postal voting procedures flexibly depending on future technical developments in this area. Furthermore, the use of proxy authorisations is to be brought into line with the new form allowed under the amended law.

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

17 of the Articles of Incorporation shall be changed and worded as follows:

**“§ 17 Requirements for Attendance and the Exercise of Voting Rights**

1.  
Shareholders shall only be entitled to attend the Annual General Meeting and exercise their voting rights if, prior to the meeting, they have given written notice (in the form prescribed by § 126b of the German Civil Code), either in German or English, of their intention to attend. Shareholders shall also be required to provide evidence of their entitlement to attend and exercise their voting rights at the Annual General Meeting. For this purpose, documentary evidence of the shareholding, issued by the custodian bank (in the written form prescribed by § 126b BGB), in either German or English, shall be required.

2.  
The Board of Management is authorised to make provisions for shareholders to vote in writing or electronically without attending the Annual General Meeting (postal voting). The Board of Management is also authorised to determine the relevant details for this procedure.

3.  
Voting rights may also be exercised via an authorized person (proxy). The Board of Management is authorised to make provisions in the Notice of the Annual General Meeting for shareholders to grant a proxy authorisation, revoke a proxy authorisation and provide evidence of a proxy authorisation to the Company and to include details on contents and procedures, as well as on the use of forms. § 135 AktG shall remain unaffected.”

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

The Appropriateness of Management Board Compensation Act (VorstAG), which came into law on 5 August 2009, has introduced the option of allowing the Annual General Meeting to make resolutions with respect to the approval of the remuneration system for Board of Management members (§ 120 (4) AktG).

The Board of Management and Supervisory Board wish to apply this option.

The Supervisory Board familiarised itself with the details of the new legislation in 2009 and

fully supports the objective set out therein to bring about compensation structures that promote sustainable and long-term oriented business performance. In this context, the Supervisory Board has set out the parameters for the financial years 2010–2012. The Compensation Report section of the Annual Report 2009 (cf. pages 151 et seq.) contains a description of the system used to determine the compensation of Board of Management members both for the financial year 2009 and for the financial years 2010–2012. 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. It will also be available at the Annual General Meeting. The principles of the compensation system and any changes thereto will also be explained orally by the Chairman of the Supervisory Board at the Annual General Meeting.

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

**9. Resolution on the approval of new versions of existing profit and loss transfer agreements.**

Profit transfer agreements (also called profit and loss transfer agreements in specific cases) are in place between Bayerische Motoren Werke Aktiengesellschaft and the following companies (hereafter also referred to as “tax group entities”):

- a) Bavaria Wirtschaftsagentur GmbH, Munich
- b) BMW Anlagen Verwaltungs GmbH, Munich
- c) BMW Bank GmbH, Munich
- d) BMW Fahrzeugtechnik GmbH, Eisenach
- e) BMW Forschung und Technik GmbH, Munich
- f) BMW INTEC Beteiligungs GmbH, Munich
- g) BMW Leasing GmbH, Munich
- h) BMW M GmbH Gesellschaft für individuelle Automobile, Munich
- i) BMW Verwaltungs GmbH, Munich

These profit transfer agreements are to be brought into line in a standardised form with the current situation and each one therefore needs to be rewritten. They will only become valid in their new versions following approval by the Annual General Meeting. The shareholders of the tax group entities concerned have already approved the relevant new version of the agreements at their own shareholders’ meetings.

The profit transfer agreements will contain the following main provisions:

- The tax group entities listed are required to transfer the full amount of their profit to Bayerische Motoren Werke Aktiengesellschaft. The amount to be transferred is – subject to the transfer to or from other revenue reserves in the circumstances described below – the net profit for the year before profit transfer, less any accumulated deficit brought forward and less any other amounts to be deducted as listed in the relevant version of § 301 AktG and to the extent relevant for the tax group entities concerned.
- With the exception of transfers to statutory reserves (if relevant), the tax group entities concerned may only transfer amounts from net profit to revenue reserves (§ 272 (3) HGB) (“other revenue reserves”) to the extent that this is justified on the basis of reasonable management judgement. Amounts transferred to other revenue reserves during the term of contract, must, at Bayerische Motoren Werke Aktiengesellschaft’s request, be released and used for offset against annual net losses or transferred as a profit. Bayerische Motoren Werke Aktiengesellschaft may also request that profits are transferred before the end of a financial year if and to the extent that an interim distribution is permitted.
- In accordance with § 302 (1) AktG, Bayerische Motoren Werke Aktiengesellschaft is required to offset any net loss of the tax group entities arising during the term of the agreement unless such loss is offset by a transfer from other revenue reserves created during the term of the agreement. In a corresponding application of § 302 (3) AktG, the tax group entity concerned may neither waive nor settle its claim for offset before the expiry of three years after the date on which the entry in the commercial register terminating the agreement becomes known. This does not apply if Bayerische Motoren Werke Aktiengesellschaft is insolvent and has reached a settlement with its creditors to avoid insolvency proceedings or if the obligation to settle the claim is included in an insolvency plan. The provisions contained in § 302 AktG (in the version relevant) also apply in all other respects.
- The new profit transfer agreements will become valid on the date on which they are entered into the commercial register of the relevant tax group entity with effect from the

start of the financial year in which the entry is made. They are concluded for a minimum period of five years. The agreements are automatically extended by one calendar year unless terminated by one of the parties with six weeks’ notice. The right to terminate the agreement for an important reason without complying with the notice period remains unaffected. The agreements in their new versions replace the previous profit transfer agreements when they become valid with effect from the beginning of the financial year in which they are entered into the commercial register.

The Board of Management and Supervisory Board propose that the profit transfer agreements concluded with the above-listed tax group entities on 15 March 2010 each be approved in their new versions.

## II. Other information.

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

Shareholders shall only be entitled to attend the Annual General Meeting and exercise their voting rights if, prior to the meeting, they have given written notice (in the form prescribed by § 126b of the German Civil Code), either in German or English, of their intention to attend. Shareholders are also required to provide proof of their entitlement to attend and to 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 (documentary evidence date) i. e. at 00.00 CET on 27 April 2010. It is therefore the shareholdings on that date that are relevant.

As with the notice of participation, the documentary evidence of a shareholding must be received by the Company at the latest by the end of 11 May 2010 at the following address:

Bayerische Motoren Werke Aktiengesellschaft  
c/o UniCredit Bank AG  
CBS50HV  
80311 Munich, Federal Republic of Germany  
Telefax: ++ 49 (0)89/5400-2519  
E-mail: hauptversammlungen@hvb.de

Shares are not blocked as a result of a notice of attendance at the Annual General Meeting.

In order to meet the requirements for attendance described above, shareholders are requested to contact their custodian bank and to apply for an attendance card as soon as possible. Custodian banks normally make the necessary notification of participation and provide the documentary evidence of shareholdings on behalf of their customers.

## **2. Proxies; procedure for voting via an authorised proxy.**

Shareholders who do not wish to attend the Annual General Meeting 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 conditions stated in point 1 above must also be fulfilled in the case of attendance and exercise of voting rights by an authorised proxy. In such cases, shareholders are therefore requested first of all to apply for an attendance card via their custodian bank. Along with their attendance card, shareholders will also receive further information with regard to proxies, instructions and proxy forms by post.

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

The granting of proxy authorisations, their revocation and the communication of proof of proxy authorisation to the Company must be executed in text form pursuant to § 134 Abs. 3 AktG; the proof of proxy authorisation can also be submitted electronically by using the procedure made available at [www.bmwgroup.com/ir/proxyvoting](http://www.bmwgroup.com/ir/proxyvoting).

Bayerische Motoren Werke Aktiengesellschaft also offers shareholders the option of exercising their rights via representatives appointed by the Company who are bound to vote in accordance with the shareholder's instructions. Shareholders who wish to make use of this service are also requested to obtain an attendance card for the Annual General Meeting

via their custodian bank. 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 using the proxy forms sent to shareholders with the attendance card or provided electronically via the Internet, using the procedure made available at [www.bmwgroup.com/ir/proxyvoting](http://www.bmwgroup.com/ir/proxyvoting).

## **3. Total number of shares and voting rights at the date of notice of the Annual General Meeting.**

At the date on which notice of the Annual General Meeting is given, the Company's share capital amounts to EUR 654,660,558 and is sub-divided in 654,660,558 shares with a par value of EUR 1 each, comprising 601,995,196 shares of common stock, to which 601,995,196 votes are attached, and 52,665,362 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 its par value and each EUR 1 of par value of the share capital represented at a vote gives an entitlement to one vote. Only the shareholders of common stock are entitled to vote on the agenda points listed above.

## **4. Requests to amend the agenda.**

Shareholders jointly representing one twentieth of the share capital or a proportionate ownership of at least EUR 500,000 (equivalent to 500,000 shares of stock with a par value of EUR 1) may, in accordance with § 122 (2) AktG request that items be placed on the agenda and be disclosed. Each request must be accompanied by supporting information or a formal resolution proposal. The request must be addressed to the Board of Management of the Company. Please use the following address to submit requests:

Bayerische Motoren Werke Aktiengesellschaft  
The Board of Management  
Postal address: 80788 Munich,  
Federal Republic of Germany

or  
Location: Petuelring 130, 80809 Munich,  
Federal Republic of Germany

Requests must be received by the Company no later than midnight (CET) on 17 April 2010.

**5. Counter-proposals and election nominations.**

At the Annual General Meeting, shareholders are entitled to submit counter-proposals to the resolutions proposed by the Board of Management and/or the Supervisory Board relating to certain agenda points and to make nominations for election with respect to agenda points 5 (election of the auditor) and 6 (election to the Supervisory Board) (§ 126 (1), (§ 127 AktG). If counter-proposals and election nominations are submitted in advance, they must be sent to the following address:

Bayerische Motoren Werke Aktiengesellschaft  
Dept. FF-2  
Postal address: 80788 Munich,  
Federal Republic of Germany  
Telefax: ++ 49 (0)89/382-14661  
or  
E-mail: hv@bmw.de

Counter-proposals must be accompanied by supporting information.  
All counter-proposals and election nominations received no later than 3 May 2010 at this address and accompanied by proof of status of shareholder will be posted on the BMW Group Internet website at [www.bmwgroup.com](http://www.bmwgroup.com) if they are required to be made accessible to other shareholders.

**6. Right to obtain information.**

In accordance with § 131 (1) AktG, every shareholder present at the Annual General

Meeting may request from the Board of Management information on matters concerning the Company, the legal and business relationships of the Company with affiliated companies and the position of the Group and the Company's consolidated subsidiaries, to the extent that it serves to help to make an informed judgement about the agenda item under discussion.

**7. Information published on the internet.**

Notice of the Annual General Meeting, documents and information and other explanations of shareholders' rights pursuant to § 122 (2), § 126 (1), §§ 127, 131 (1) AktG are available for download 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.

The Notice of the Annual General Meeting was published in the Electronic Federal Gazette on 30 March 2010.

Munich, 30 March 2010

**Bayerische Motoren Werke  
Aktiengesellschaft**

The Board of Management