

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

We hereby give notice to shareholders of Bayerische Motoren Werke Aktiengesellschaft, Munich, that the 96<sup>th</sup> Annual General Meeting of the Company will take place

**on Thursday, 12 May 2016, at 10:00 a.m. local time (CEST), at the Olympiahalle of the Olympiapark, Coubertinplatz, 80809 Munich, Germany.**

### **I. Agenda.**

#### **1. Presentation of the Company Financial Statements and the Group Financial Statements for the financial year ended 31 December 2015, 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 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, Germany. You may also submit your request by telephone at the number +49 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 2015 amounting to € 2,101,872,888.40 be utilised as follows:

Payment of a dividend of € 3.22 per share of non-voting preferred stock, each with a par value of € 1, on the preferred stock entitled to receive a dividend (54,499,460 shares of preferred stock), amounting to	€ 175,488,261.20
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Payment of a dividend of € 3.20 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:	<u>€ 1,926,384,627.20</u>
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Unappropriated profit available for distribution	€ 2,101,872,888.40
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The number of shares entitled to receive dividends shown above is based on the situation at 31 December 2015 and may change prior to

\* (Non-binding convenience translation)

the Annual General Meeting. In this case, the Board of Management and the 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.

**3. Resolution on the 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 2015 be ratified for this period.

**4. Resolution on the 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 2015 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 2016 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 financial year 2016.

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

The Annual General Meeting is required to elect one Supervisory Board member to represent shareholders. The term of office of Simone Menne ends at the close of the Annual General Meeting on 12 May 2016.

The Supervisory Board is composed in accordance with § 96 (1) and (2) and § 101 (1) of the German Stock Corporation Act (AktG) and § 7 (1) sentence 1 no. 3 of the German Co-Determination Act (MitbestG) and comprises accordingly ten shareholder representatives and ten employee representatives. The Supervisory Board is required to be made up of at least 30 per cent women and at least 30 per cent men (statutory rule for minimum gender quotas).

The minimum gender quotas are required to be complied with for the Supervisory Board as a whole. No objection has been raised against

compliance with the rule for the full Supervisory Board. For this reason, a minimum of six members of the Supervisory Board must be women and a minimum of six members must be men. The Supervisory Board currently comprises six women and 14 men. In order to continue to comply with the minimum quota of six women, it is necessary to appoint a woman to the vacant seat.

The Supervisory Board proposes that

Ms. Simone Menne, Kiel, member of the Executive Board of Deutsche Lufthansa Aktiengesellschaft, Chief Financial Officer, be re-appointed to the Supervisory Board as shareholder representative as from the close of the Annual General Meeting on 12 May 2016 until the close of the Annual General Meeting, at which the ratification of the acts of the Supervisory Board is resolved for the financial year 2020.

The Supervisory Board's proposal is based on the recommendation of the Nomination Committee and takes account of the targets decided upon by the Supervisory Board for its own composition. In the Supervisory Board's opinion, Simone Menne fulfils the requirements of being an independent financial expert as defined by § 100 (5) AktG.

**7. Resolution on amendments to Article 2 of the Articles of Incorporation.**

The wording in Article 2 of the Articles of Incorporation (Purpose of the Corporation) is to be revised. In particular, the provision of services related to the production and sale of vehicles or other products is to be mentioned explicitly in the Article on the Corporation's purpose.

The Board of Management and the Supervisory Board propose that Article 2 (Purpose of the Corporation) be amended and reworded as follows:

- “1. The general purpose of the Corporation is to engage in the production and sale of engines, engine-equipped vehicles, related accessories and products of the machinery and metalworking industry as well as the rendering of services related to the aforementioned items.
2. The Corporation shall be entitled to take all actions and measures, which appear necessary or desirable in order to accomplish the foregoing purposes. In particular, the Corporation shall be entitled to acquire or sell land, set up domestic and foreign branches, establish, acquire and participate in other companies and enter into affiliation and similar agreements.”

## II. Other information.

### 1. 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 € 656,804,600 and is sub-divided into 656,804,600 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 54,809,404 shares of non-voting 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 and carrying voting rights confers one vote.

Only holders of common stock are entitled to vote on the Annual General Meeting Agenda points listed in section I. 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 German or English, 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 21 April 2016. 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 as at the Record Date has been registered.

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 5 May 2016 at the following address:

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

Shares are not blocked as a result of notification of attendance at the Annual General Meeting. In other words, shares also remain available for disposal after 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 and may be submitted electronically using the procedure made available at [www.bmwgroup.com/lir/proxyvoting](http://www.bmwgroup.com/lir/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 relevant 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, specific 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 the Company at the latest by 10 May 2016, 24:00 (CEST) at the following address:

Bayerische Motoren Werke Aktiengesellschaft  
c/o Computershare Operations Center  
80249 Munich, Germany  
Telefax: +49 89 30903-74675  
E-Mail: anmeldestelle@computershare.de

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 11 May 2016, 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. Votes submitted in writing must be sent to reach the Company at the latest by 10 May 2016, 24:00 (CEST) at the following address:

Bayerische Motoren Werke Aktiengesellschaft  
c/o Computershare Operations Center  
80249 Munich, Germany  
Telefax: +49 89 30903-74675  
E-Mail: anmeldestelle@computershare.de

It is also possible to cast votes electronically 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 11 May 2016, 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 of stock 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 an explanation or a draft resolution. Such requests are to be addressed to the Company's Board of Management in writing. Please use the following address:

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

The request must have been received by the Company at least 30 days before the meeting i.e. at the latest by 11 April 2016, 24:00 (CEST).

#### **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 (Election 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, Germany  
Telefax: +49 89 382-11793  
E-Mail: hv@bmw.de

All countermotions and nominations received at least 14 days before the meeting i.e. received at this address by no later than 27 April 2016, 24:00 (CEST), and which are required to be made accessible to the other shareholders, will, upon proof of shareholder status be published without undue 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 (Election to the Supervisory Board).**

Further information about the nominee, 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 (□), membership of equivalent national or foreign company boards (○) and other mandates (--).

Simone Menne

- Delvag Luftfahrtversicherungs-AG (Chair)\*
- Deutsche Post AG
- LSG Lufthansa Service Holding AG (Chair)\*
- Lufthansa Cargo AG\*
- Lufthansa Technik AG\*
- FWB Frankfurter Wertpapierbörse (Exchange Council)
- Miles & More GmbH (Advisory Board, Chair)\*

\* Mandate in Deutsche Lufthansa Group entity

- 8.2 Disclosures relating to personal or business relations of the nominee pursuant to section 5.4.1 paragraphs 5 to 7 of the German Corporate Governance Code.

Simone Menne has been a member of the Company's Supervisory Board since 13 May 2015.

Apart from the above disclosures, based on the Supervisory Board's evaluation, the aforementioned nominee has no personal or business relations with the Company or Group entities, with the Company's representative bodies or with a shareholder holding a material interest in the Company which are to be disclosed in accordance with section 5.4.1 paragraphs 5 and 6 of the German Corporate Governance Code.

## 9. Information available on the website; transmission of speech of the Chairman of the Management Board; additional information.

Notice of the Annual General Meeting, documents and information, required to be made available, and further 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 follow the speech of the Chairman of the Management Board on 12 May 2016 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 24 March 2016.

Munich, 24 March 2016

**Bayerische Motoren Werke  
Aktiengesellschaft**

The Board of Management