

Notice of Annual General Meeting.

Bayerische Motoren Werke

Aktiengesellschaft, Munich.

Notice is hereby given that the Annual General Meeting of the Company will be held at the Olympiahalle of the Olympiapark, Coubertinplatz, 80809 Munich, Federal Republic of Germany, on Thursday, 8 May 2008 at 10:00 a.m. local time.

Agenda.

- 1. Presentation of the Annual Financial Statements and the Group Financial Statements for the financial year ended 31 December 2007, as approved by the Supervisory Board, together with the combined Company and Group Management Report, the Explanatory Report on Take-over Disclosures pursuant to § 289 (4) and § 315 (4) of the German Commercial Code (HGB) and the Report of the Supervisory Board.**

- 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 2007 amounting to EUR 693,773,633.32 be utilised as follows:

Distribution of a dividend of EUR 1.06 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: EUR 638,114,907.76

Distribution of a dividend of EUR 1.08 per non-voting share of preferred stock with a par value of EUR 1 on share capital entitled to receive dividends (51,535,857 shares of preferred stock) amounting to EUR 55,658,725.56

Unappropriated profit EUR 693,773,633.32

The number of shares entitled to receive dividends shown above is based on the situation at 31 December 2007 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 Resolution based on the same dividend rates and will propose, where appropriate, to carry forward another amount of unappropriated profit on shares not entitled to receive 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 2007 be ratified.

- 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 2007 be ratified.

- 5. Appointment of Company and Group auditors for the financial year 2008.**

The Supervisory Board proposes that the following resolution be taken:

Rolls-Royce
Motor Cars Limited



BMW Group

KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Munich, shall be appointed as Company and Group auditors for the financial year 2008.

Dr. iur. Karl-Ludwig Kley

Membership of statutory supervisory boards
– Bertelsmann AG
– WestLB AG

6. Elections to the Supervisory Board.

The terms of office of Arthur L. Kelly, Heinz-Joachim Neubürger and Dr. Hans-Dietrich Winkhaus come to an end at the close of the Annual General Meeting on 8 May 2008.

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.

The Supervisory Board proposes that the following persons be elected as members of the Supervisory Board to represent the interests of shareholders for a term of office up to the close of the Annual General Meeting 2013:

Prof. Dr. rer. nat. Dr. h.c. Reinhard Hüttli,
Potsdam,
Chairman of the Management Board and Scientific Board of GeoForschungsZentrum Potsdam Stiftung des Öffentlichen Rechts and holder of the Chair for Soil Protection and Recultivation at the Brandenburg Technical University of Cottbus

Dr. iur. Karl-Ludwig Kley, Cologne,
Chairman of the Executive Management of Merck KGaA

Prof. Dr. rer. pol. Renate Köcher, Constance,
Director of Institut für Demoskopie Allensbach Gesellschaft zum Studium der öffentlichen Meinung mbH

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

Prof. Dr. rer. pol. Renate Köcher

Membership of statutory supervisory boards
– Allianz SE
– Infineon Technologies AG
– MAN AG

7. Resolution for a new authorization to acquire treasury shares and to withdraw them from circulation.

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

- 7.1 The Company shall be authorised to acquire shares of common and/or non-voting preferred stock of the Company via the stock exchange, up to a maximum of 10 % of the share capital in place at the date of the resolution.

The consideration paid by the Company per share of common or non-voting preferred stock (excluding transaction costs) shall not be more than 10 % above or below the market price as determined by the opening auction on the date of trading for the relevant category of stock in the XETRA trading system (or comparably functioning successor system).

This new authorisation to acquire shares shall remain valid until 6 November 2009. The authorisation may be exercised fully or in partial amounts, in the latter case also on several occasions. The Company's shares shall not be acquired for the purpose of trading. The authorisation resolved at the Company's Annual General Meeting on 15 May 2007 (point 7.1 of the Agenda to the Annual General Meeting 2007) to acquire treasury shares shall be rescinded from the date on which the new authorisation passed by the Annual General Meeting on 8 May 2008 becomes valid.

- 7.2 The Board of Management shall be authorised to withdraw from circulation any shares of common and/or non-voting preferred stock acquired on the basis of the new authorisation, without any requirement for a further resolution to be passed at the Annual General Meeting to withdraw those shares from circulation. The authorisation may be exercised fully or in partial amounts, in the latter case also on several occasions.

8. Resolution regarding the amendment to § 15 of the Articles of Incorporation (Remuneration of the Supervisory Board).

The fixed remuneration of the Company's Supervisory Board, at EUR 6,000 p.a., is comparatively low and has not been adjusted since the financial year 1999. In order to reflect the control and advisory functions exercised by the Supervisory Board in a more balanced way in the total compensation amount, it is planned that the fixed proportion should be raised and the variable proportion reduced. Under the new rule, the variable compensation will – subject to a predefined upper limit – be based in the future on earnings per share (EPS) if the latter exceeds a predefined minimum amount. In this way, compensation will be based to a greater extent on the actual success of the business.

The Supervisory Board and Board of Management therefore propose that a resolution be taken to amend § 15 of the Articles of Incorporation and reword it as follows:

“§ 15 Remuneration of the Supervisory Board

1.
Each member of the Supervisory Board shall receive the following for each financial year (remuneration year)

- a) a fixed amount of EUR 55,000 payable at the end of the financial year and
- b) a profit-oriented variable remuneration of EUR 220 for each full EUR 0.01 by which the earnings per share (EPS) of common stock reported in the Group Financial Statements for the relevant financial year (remuneration year) exceeds a minimum amount of EUR 2.30, up to a maximum amount of EUR 110,000. The variable remuneration shall be payable at the end of the Annual General Meeting at which the Group Financial Statements for the remuneration year are presented or at which the resolution concerning their approval is taken.

2.
The Chairman of the Supervisory Board shall receive three times the amount resulting from sub-section 1. Each Deputy Chairman of the Supervisory Board shall receive twice the amount resulting from sub-section 1. Provided the relevant committee convened for meetings on at least 3 days during the financial year, the chairmen of the Supervisory Board's commit-

tees shall receive twice the amount resulting from sub-section 1 and the members of those committees shall receive one and a half times the amount resulting from sub-section 1. If a member of the Supervisory Board exercises more than one function that is subject to remuneration pursuant to sentence 1 or 2, the remuneration shall be measured only on the basis of the function which is remunerated with the highest amount.

3.
In the event that a member of the Supervisory Board has only belonged to the Supervisory Board for a part of the financial year or has exercised more than one function that is subject to remuneration pursuant to sub-section 2 sentence 1 or 2, the amount of remuneration payable to that member pursuant to sub-sections 1 and 2 shall be reduced on a time-apportioned basis.

4.
In addition, each member of the Supervisory Board shall receive an attendance fee of EUR 2,000 for each full meeting of the Supervisory Board which the member has attended. These fees are payable at the end of the financial year. Attendance at more than one meeting on the same day shall not be remunerated separately.

5.
The Company shall reimburse each member of the Supervisory Board for reasonable out-of-pocket expenses and the value added tax attributable to any remuneration.

6.
This regulation shall apply for the first time for the financial year commencing on 1 January 2008 (remuneration year)”.

Requirements for participation and the exercise of voting rights.

Shareholders are only entitled to participate at 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 participate at the meeting.

Shareholders are also required to provide proof of their entitlement to participate 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 refer to the beginning of 17 April 2008. It must be received by the Company at the latest by the end of 30 April 2008 and must be sent, like the notification of attendance, to the following address:

Bayerische Motoren Werke Aktiengesellschaft
c/o Bayerische Hypo- und Vereinsbank AG
CBD5HV
80311 Munich
Telefax: 089/5400-2519
E-mail: hauptversammlungen@hvb.de

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.

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 654,191,358 and is sub-divided in 654,191,358 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 52,196,162 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.

Proxies.

Shareholders who meet the participation requirements described above, but 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.

Bayerische Motoren Werke Aktiengesellschaft also provides 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 must also obtain an attendance card for the Annual General Meeting. In order to ensure that the attendance card is obtained in good time, applications should also be made to the custodian bank as soon as possible.

If a proxy is granted to Company representatives, the appropriate voting instructions must be issued. The proxy authorisation is invalid if this is not the case. The Company representatives are obliged to vote in accordance with the instructions given.

Proxies and instructions given to Company representatives must be submitted in writing using the proxy forms provided or electronically via the Internet, using the procedure made available at www.bmwgroup.com. Proxies to other authorized persons must be issued in writing unless stipulated otherwise by law. Shareholders will receive further information with regard to proxies, instructions and proxy forms by post with their attendance card.

Counter-proposals and nominations for election.

Counter-proposals and nominations for election pursuant to §§ 126, 127 AktG relating to specific points of the agenda must be sent to:

Postal address: BMW AG, Dept. FF-2, 80788
Munich
Telefax: 089/382-14661
E-mail: hv@bmw.de

All counter-proposals and nominations for election received no later than 23 April 2008 at this address, which are required to be made accessible to other shareholders, will be posted on the BMW Group Internet website at www.bmwgroup.com.

Notice of the Annual General Meeting has been published in the electronic version of the German Federal Gazette on 20 March 2008.

Munich, 20 March 2008

**Bayerische Motoren Werke
Aktiengesellschaft**

The Board of Management