

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

We hereby give notice to shareholders of Bayerische Motoren Werke Aktiengesellschaft, Munich, that the 95th Annual General Meeting of the Company will take place

on Wednesday, 13 May 2015, 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 2014, 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 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 2014 amounting to € 1,904,224,588.04 be utilised as follows:

Payment of a dividend of € 2.92 per share of non-voting preferred stock, each with a par value of € 1, on the preferred stock entitled to receive a dividend (54,259,767 shares of preferred stock), amounting to	€ 158,438,519.64
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Payment of a dividend of € 2.90 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>€ 1,745,786,068.40</u>
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Unappropriated profit available for distribution	€ 1,904,224,588.04
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The number of shares entitled to receive dividends shown above is based on the situation at 31 December 2014 and may change prior to

* (Non-binding convenience translation)

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.

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 2014 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 2014 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 2015 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 2015.

6. Elections to the Supervisory Board.

The Annual General Meeting is required to elect three Supervisory Board members to represent shareholders. The term of office of the Supervisory Board member, Prof. Dr. rer. nat. Dr.-Ing. E. h. Henning Kagermann ends at the close of the Annual General Meeting on 13 May 2015. The Supervisory Board members, Wolfgang Mayrhuber and Prof. Dr.-Ing. Dr. h. c. Dr.-Ing. E. h. Joachim Milberg, have resigned their respective Supervisory Board mandates with effect from the same point in time.

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 Supervisory Board members representing shareholders with effect from the close of the Annual General Meeting on 13 May 2015:

6.1 Prof. Dr. rer. nat. Dr.-Ing. E. h. Henning Kagermann, Königs Wusterhausen, President of acatech – Deutsche Akademie der Technikwissenschaften e. V., for a term of office up to the close of the Annual General Meeting, at which the ratification of the acts of the Supervisory Board is resolved for the financial year 2016,

6.2 Simone Menne, Kiel, member of the Executive Board of Deutsche Lufthansa Aktiengesellschaft, for a term of office up to the close of the Annual General Meeting, at which the ratification of the acts of the Supervisory Board is resolved for the financial year 2015, and

6.3 Dr.-Ing. Dr.-Ing. E. h. Norbert Reithofer, Penzberg, Chairman of the Board of Management of Bayerische Motoren Werke Aktiengesellschaft (until the close of the Annual General Meeting on 13 May 2015), for a term of office up to the close of the Annual General Meeting, at which the ratification of the acts of the Supervisory Board is resolved for the financial year 2019.

In accordance with Article 10 no. 4 sentence 1 of the Articles of Incorporation, a Supervisory Board member elected to replace a member having resigned before the expiry of his/her term of office shall be elected for the remainder of the term of office of the resigned member. Since the Supervisory Board members Wolfgang Mayrhuber and Prof. Dr. Joachim Milberg are leaving the Supervisory Board before expiry of their term of office, two Supervisory Board members are to be elected for the respective remainder of the terms of office of the resigned members.

It is planned that the elections will be carried out individually.

The proposed nominations for election to the Supervisory Board are based on the recommendation of the Nomination Committee and take account of the targets decided upon by the Supervisory Board for its own composition. In the Supervisory Board's opinion, Prof. Dr. Henning Kagermann and Simone Menne both fulfil the requirements of being an independent financial expert as defined by § 100 (5) AktG.

The Supervisory Board's proposal for Dr Norbert Reithofer to be elected member of the Super-

visory Board, is also supported by proposals of the shareholders of AQTON SE and Susanne Klatten Beteiligungs GmbH, both with their seat in Bad Homburg v. d. Höhe, Germany, which together hold more than 25 percent of the Company's voting rights (see Annual Report 2014, page 83).

7. Resolution on amendments to Article 10 of the Articles of Incorporation.

A number of provisions in Article 10 of the Articles of Incorporation (Composition of the Supervisory Board) no longer appear to be relevant for current needs and the intention is therefore for them to be deleted.

In the case that a Supervisory Board member resigns office before expiry of his/her term of office, the Articles of Incorporation currently stipulate that a replacement member shall be elected for the remainder of the term of office of the resigned member. In similar cases in the future, the Annual General Meeting should have more flexibility when determining periods of office. For this reason, it is proposed that the provision be removed.

The option of appointing substitute members for shareholder representatives has not been applied in recent years. Moreover, the appointment of substitute members is permissible under German law without any specific provision in the Articles of Incorporation. The provisions relating to substitute members therefore appear unnecessary.

The Board of Management and the Supervisory Board propose that points 3 and 4 of Article 10 (Composition of the Supervisory Board) be deleted. The previous point 5 will become the new point 3 of this Article.

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 € 656,494,740 and is sub-divided into 656,494,740 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 54,499,544 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, 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 22 April 2015. 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 6 May 2015 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

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 or may be submitted electronically using the procedure made available at 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 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 Bayerische Motoren Werke Aktiengesellschaft, Dept. FF-2, 80788 Munich by 8 May 2015, 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. This procedure will remain available until 12 May 2015, 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 8 May 2015, 24:00 (CEST) at the latest.

It is also possible to cast votes electronically using the procedure made available by the Company at www.bmwgroup.com/ir/proxyvoting. This procedure for exercising voting rights by postal vote will remain available until 12 May 2015, 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 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 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 12 April 2015, 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 - 11793
or
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 28 April 2015, 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 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 relating to the nominees, including curricula vitae, can be found on the Company's website at 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 (○).

Prof. Dr. rer. nat. Dr.-Ing. E. h. Henning Kagermann

- Deutsche Bank AG
- Deutsche Post AG
- Franz Haniel & Cie. GmbH (anticipated end of mandate: 25 April 2015)
- Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München

Simone Menne

- Delvag Luftfahrtversicherungs-AG (Chair)*
- Deutsche Post AG
- LSG Lufthansa Service Holding AG (Chair)*
- Lufthansa Cargo AG*
- Lufthansa Technik AG*

* Mandates in Deutsche Lufthansa Group entities

Dr.-Ing. Dr.-Ing. E. h. Norbert Reithofer
 Siemens Aktiengesellschaft
 Henkel AG & Co. KGaA (Shareholder Committee)

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 nominee, Prof. Dr. Henning Kagermann, has been a member of the Company's Supervisory Board since 2010.

The nominee, Dr Norbert Reithofer, has been a member of the Company's Board of Management since 2000, initially with responsibility for Production, and subsequently, since 2006, as Chairman of the Board of Management. He will resign from the Board of Management at the close of the Annual General Meeting on 13 May 2015.

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 representative bodies or a shareholder holding a material interest in the Company, which are recommended to be disclosed in accordance with section 5.4.1 paragraphs 4 and 5 of the German Corporate Governance Code.

8.3 Disclosures with respect to the proposed nominee for the chair of the Supervisory Board pursuant to section 5.4.3 sentence 3 and 5.4.4 sentence 2 of the German Corporate Governance Code

The Supervisory Board supports the proposal that Dr Norbert Reithofer – subject to his election to the Supervisory Board – be appointed as Chairman of the Supervisory Board after the Annual General Meeting held on 13 May 2015, in order to bring about a parallel generational change at the head of both the Board of Management and the Supervisory Board. The intention is to retain Dr Norbert Reithofer's wealth of knowledge and experience within the Company's leadership and to benefit the Supervisory Board's work in a key role. The Supervisory Board is of the opinion that a direct move by Dr Reithofer to the position of Chairman of the Supervisory Board – without an interim phase – will strengthen the role of the Supervisory Board and is thus in the interests of the Company.

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 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 13 May 2015 live over the Internet at 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 26 March 2015.

Munich, 26 March 2015

**Bayerische Motoren Werke
Aktiengesellschaft**

The Board of Management