

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

We hereby give notice to shareholders of Bayerische Motoren Werke Aktiengesellschaft, Munich, that the 98th Annual General Meeting of the Company will take place

**on Thursday, 17 May 2018, at 10:00 (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 2017, 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 § 289a (1) and § 315a (1) of the German Commercial Code (HGB) and the Report of the Supervisory Board.**

The documents listed above will be available for inspection and explained at the Annual General Meeting. They will also be available prior to the Annual General Meeting, including access and download via the BMW Group 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 by e-mail 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 the 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 2017 amounting to € 2,629,540,229.80 be utilised as follows:

Payment of a dividend of € 4.02 per share of preferred stock, each with a par value of € 1, on the preferred stock entitled to receive a dividend (55.114.290 shares of preferred stock), amounting to:	€ 221,559,445.80
---	------------------

Payment of a dividend of € 4.00 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>€ 2,407,980,784.00</u>
---	---------------------------

Unappropriated profit	€ 2,629,540,229.80
-----------------------	--------------------

The number of shares entitled to receive dividends shown above is based on the situation at the date on which the financial statements were drawn up and may change prior to 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 that any part of the unappropriated profit which is not paid as a dividend be carried forward.

\* (Non-binding convenience translation)

The dividend falls due for payment on the third business day following the Annual General Meeting (§ 58 (4) sentence 2 of the German Stock Corporation Act). Payment is scheduled for 22 May 2018.

### **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 2017 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 2017 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 as Company and Group auditor for the financial year 2018 and as auditor to carry out a review of the Condensed Interim Group Financial Statements and Interim Group Management Report for the first six months of the financial year 2018.

### **6. Elections to the Supervisory Board.**

The Annual General Meeting is required to elect four Supervisory Board members to represent shareholders. The periods of office of the Supervisory Board members Prof. Dr. rer. nat. Dr. h.c. Reinhard Hüttl, Dr. jur. Karl-Ludwig Kley and Prof. Dr. rer. pol. Renate Köcher all end at the close of the Annual General Meeting on 17 May 2018. Furthermore, Dr. h. c. Robert W. Lane has resigned his mandate with effect from the same point in time.

The Supervisory Board is composed in accordance with § 96 (1) and (2) and § 101 (1) 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 was 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. Excluding the Supervisory Board members referred to above, the Supervisory Board comprises five women and eleven men. In order to remain in compliance with the minimum gender quotas, it is therefore necessary to elect at least one woman to the Supervisory Board.

The Supervisory Board proposes that the following persons be elected to the Supervisory Board with effect from the close of the Annual General Meeting on 17 May 2018 to represent shareholders:

- 6.1 Dr. rer. pol. Kurt Bock, Heidelberg, Chairman of the Board of Directors of BASF SE (until 4 May 2018), 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 2022,
- 6.2 Prof. Dr. rer. nat. Dr. h.c. Reinhard Hüttl, Berlin, Chairman of the Executive Board of Helmholtz-Zentrum Potsdam Deutsches GeoForschungsZentrum – GFZ, for a term of office up to the close of the Annual General Meeting at which ratification of the acts of the Supervisory Board is resolved for the financial year 2022,
- 6.3 Dr. jur. Karl-Ludwig Kley, Cologne, Chairman of the Supervisory Boards of E.ON SE and 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 2020, and
- 6.4 Prof. Dr. rer. pol. Renate Köcher, Konstanz, Managing Director of Institut für Demoskopie Allensbach Gesellschaft zum Studium der öffentlichen Meinung mbH, for a term of office up to the close of the Annual General Meeting at which ratification of the acts of the Supervisory Board is resolved for the financial year 2021.

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, take account of the targets decided upon by the Supervisory Board for its own composition and aim to meet the competency profile requirements set for the Supervisory Board as a whole. Dr. Karl-Ludwig Kley and Dr. Kurt Bock both fulfil the requirements of being a financial expert as defined by § 100 (5) AktG.

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

The Supervisory Board has resolved to revise the compensation system for Board of Management members with effect from the financial year 2018. Approval is now sought from the Annual General Meeting for the new compensation system in accordance with § 120 (4) AktG.

The Board of Management and the Supervisory Board propose that the compensation system for Board of Management members applicable since 1 January 2018 be approved.

The Compensation report section of the Annual Report 2017 (page 221 et seq.) contains a description of the compensation system for Board of Management members applicable from the financial year 2018 onwards. Reference is made to this description for the purposes of this resolution. The Annual Report is available in electronic and/or printed form before and during the Annual General Meeting (see the explanatory comments under item 1 of the Agenda).

## **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 € 657,600,600 and is sub-divided into 657,600,600 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 55,605,404 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 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 21<sup>st</sup> day before the Annual General Meeting ("Record Date") i.e. at 00.00 (CEST) on 26 April 2018. 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 10 May 2018 at the following address:

Bayerische Motoren Werke Aktiengesellschaft  
c/o UniCredit Bank AG  
CBS51DS/GM  
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. Common stock shareholders wishing to grant a proxy to Company representatives must issue specific voting instructions. 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 15 May 2018, 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 the beginning of the Annual General Meeting.

During the Annual General Meeting, proxy authorisations and instructions may be given to Company representatives prior to the beginning of voting, using the proxy authorisation card contained in the voting card booklet.

#### **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 15 May 2018, 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 will remain available until the beginning of the Annual General Meeting.

#### **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 argument in favour 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 16 April 2018, 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 (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, 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 2 May 2018, 24:00 (CEST), and which are required to be made accessible to the other shareholders, will – upon receipt 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.

since 2011

since 2011

since 2012

since 2016

since 2016

Insurance & Intellectual Property, Corporate Development, Corporate Communications & Government Relations, Senior Executive Human Resources, Investor Relations and Compliance  
 Verband der Chemischen Industrie e.V. (VCI), Frankfurt am Main, since 2016 President  
 International Council of Chemical Associations, ICCA  
 Member of the United Nations Global Compact Board (UNGC), New York, USA  
 Member of the Advisory Board of B. Metzler seel. Sohn & Co Holding AG, Frankfurt  
 Vice President of Bundesverband der Deutschen Industrie (BDI), Berlin

## 8. Supplementary disclosures with respect to item 6 of the Agenda (Elections to the Supervisory Board).

8.1 Curricula vitae and mandates in other statutory supervisory boards (□) and equivalent national or foreign company boards (○):

**Dr. rer. pol. Kurt Bock**, Heidelberg  
 Chairman of the Board of Directors of BASF SE (until 4 May 2018)

1958 born in Rahden, nationality: German

Studied Business Administration at Münster and Cologne universities and at Pennsylvania State University, USA

1985–1987 Joined finance division, BASF Aktiengesellschaft  
 1987–1991 Executive Assistant to CFO, BASF Aktiengesellschaft  
 1991–1992 Head of Technology, Director Planning and Controlling for Engineering Plastics, BASF Aktiengesellschaft  
 1992–1996 Senior Vice President of Finance and Accounting, Robert Bosch GmbH, Stuttgart  
 1996–1998 Managing Director, Robert Bosch Ltda., Campinas, Brazil  
 1998–2000 CFO of BASF Corporation, New Jersey, USA  
 2000–2002 President of Logistics and Information Services, BASF Aktiengesellschaft  
 2003–2011 Member of the Board of Executive Directors and CFO of BASF Aktiengesellschaft (with effect from January 2008 BASF SE), since 2007 also Chairman and CEO of BASF Corporation, New Jersey, USA  
 since 2011 Chairman of the Board of Executive Directors, BASF SE, currently responsible for Legal, Taxes,

Mandates:

□ Fresenius Management SE, Bad Homburg

**Prof. Dr. rer. nat. Dr. h.c. Reinhard Hüttli**, Berlin

Chairman of the Executive Board of Helmholtz-Zentrum Potsdam Deutsches GeoForschungsZentrum – GFZ

1957 born in Regensburg, nationality: German

Diplom-Forstwirt, studied forest and soil sciences, Albert-Ludwigs-University Freiburg i. Br. and Oregon State University, Corvallis, USA

1986–1992 Head of the International Research Department of the mining company Kali und Salz AG (BASF Group), Kassel  
 1987–1990 Scientific Advisor for the World Resources Institute, Washington D.C., USA  
 1990–1991 Assistant Professor, University of Hawaii, USA, Chair of Geobotany  
 since 1993 Chair of Soil Protection and Recultivation, Brandenburg University of Technology, Cottbus  
 since 2007 Scientific Advisor to the Federal Ministry of Education and Research on the High-Tech Strategy for Climate Protection  
 since 2007 Scientific Executive Director and Chairman of the Executive Board of Helmholtz-Zentrum Potsdam Deutsches GeoForschungsZentrum – GFZ  
 since 2008 acatech – Deutsche Akademie der Technikwissenschaften e.V., 2008–2017 President, since 2017 Vice President  
 since 2011 Member of the German Federal Government’s “Ethics Commission Safe Energy Supply”

Mandates: none



**Dr. jur. Karl-Ludwig Kley**, Cologne  
Chairman of the Supervisory Board of E.ON SE,  
Chairman of the Supervisory Board of Deutsche  
Lufthansa Aktiengesellschaft

1951 born in Munich, nationality: German

Industrial business apprenticeship at Siemens  
AG, studied law at the Ludwig-Maximilians-  
University of Munich, completed practical training  
as a lawyer in Hamburg and Johannesburg  
(South Africa)

1982–1998	Bayer AG, including senior positions within Corporate Finance and Pharmaceuticals in Germany, Japan and Italy
1998–2006	Member of the Executive Board of Deutsche Lufthansa Aktiengesellschaft, Chief Financial Officer
2006–2007	Deputy Chairman of the Executive Board of Merck KGaA
2007–2016	Chairman of the Executive Board of Merck KGaA
since 2016	Chairman of the Supervisory Board of E.ON SE
since 2017	Chairman of the Supervisory Board of Deutsche Lufthansa Aktiengesellschaft

Mandates:

- E.ON SE (Chairman)
- Deutsche Lufthansa Aktiengesellschaft (Chairman)
- Verizon Communications Inc. (until 3 May 2018)

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

1952 born in Frankfurt am Main,  
nationality: German

Diplom-Volkswirtin, studied economics, journalism  
and sociology in Mainz and Munich, Germany

since 1977	Research associate
since 1988	Managing Director of Institut für Demoskopie Allensbach Gesellschaft zum Studium der öffentlichen Meinung mbH

Mandates:

- Infineon Technologies AG
- Nestlé Deutschland AG
- Robert Bosch GmbH

- 8.2 Disclosures relating to personal or business relations of nominees pursuant to section 5.4.1 of the German Corporate Governance Code.

Dr. Karl-Ludwig Kley, Prof. Dr. Renate Köcher and Prof. Dr. Reinhard Hüttl are members of the Company's Supervisory Board. Based on the Supervisory Board's evaluation, none of the proposed nominees have personal or business relations with the Company or Group entities, its executive bodies or a shareholder holding a material interest in the Company within the meaning of section 5.4.1 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 additional information relating to 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 17 May 2018 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.

Holders of American Depositary Shares relating to BMW common stock will receive information regarding the Annual General Meeting via the Bank of New York Mellon, New York, USA (Depositary).

Notice of the Annual General Meeting was published in the Federal Gazette on 22 March 2018.

Munich, 22 March 2018

## Bayerische Motoren Werke Aktiengesellschaft

The Board of Management