Notified Countermotions* to the Resolutions proposed by the Management.

Status: 30 April 2020

* The content of the shareholder's countermotions and reasons have been reproduced unchanged. This translation is non-binding and for convenience purposes only.
Countermotions to the Annual General Meeting of BMW AG on 14 May 2020

Countermotion to Agenda Item 2:
Due to the current corona-crisis and the associated financial risks, no dividend shall be paid. The unappropriated profit shall be carried forward to new account.

Countermotion to Agenda Item 3:
The acts of the Board of Management shall not be ratified.
Reason:
In the period from 2018 to 2019, warranty costs have almost doubled from €1.7 billion to €2.6 billion. Almost one third of the Group’s earnings must be spent on poor quality. The Management has failed to introduce measures to ensure quality.

Countermotion to Agenda Item 4:
The acts of the Supervisory Board shall not be ratified.
Reason:
The Supervisory Board did not sufficiently monitor the development of the Company with regard to product quality. According to the German Stock Corporation Act, the Supervisory Board is committed to the welfare of the Company. A proposal for the payment of a dividend in the current situation in no way corresponds to the welfare of the Company.

Countermotion to Agenda Item 6:
Mr. Dr.-Ing. Dr.-Ing. E.h. Reithofer shall not be elected to the Supervisory Board.
Reason:
While competitors have cars with electric drive and a range of 540 km on the market, BMW has focused on a niche product i3 in the small car sector, which does not fit into existing production structures. Anyone who is familiar with the development periods in automotive engineering knows that this decision was made under Dr. Reithofer as Chairman of the Board of Management. The election of Dr. Reithofer directly from the Board of Management to the Supervisory Board did not comply with the Corporate Governance Code. Anyone who proposes the payment of a dividend in the current situation is not acting in the interest of the Company and is not suitable for the Supervisory Board.
Dachverband der Kritischen Aktionärinnen und Aktionäre (Association of Ethical Shareholders), Cologne, has given notice of the following countermotions regarding agenda items 2 and 3 (Utilisation of unappropriated profits; Ratification of the acts of the Board of Management)

Countermotions of the Dachverband der Kritischen Aktionärinnen und Aktionäre to the General Meeting of BMW AG on 14 May 2020

To Agenda Item 2, Resolution on the utilisation of the unappropriated profit

The Dachverband der Kritischen Aktionärinnen und Aktionäre proposes that no dividend be paid. Instead, the unappropriated profit for the 2019 financial year in the amount of EUR 1,646,417,589.64 is to be used as a provision for:

a) the conversion of the current products away from the internal combustion engine and towards battery electric drives.

b) necessary conversion measures to transform the Group from a producer of vehicles for motorised private transport to a producer of rail vehicles and electric buses for local and long-distance public transport.

c) the compensation of risks from the Corona pandemic.

Reasons:

In view of the climate crisis and the resulting social pressure on motorised private transport as a major emitter of CO2, the market for passenger cars will undergo lasting changes as a result of the imminent turnaround in transport. The production of vehicles for motorised private transport will become less important. BMW is not well prepared for these challenges by concentrating on above-average sized, heavy and powerful passenger cars. BMW AG is currently unable to meet the increased demand for rail vehicles and electric buses for local and long-distance public transport expected as a result of the climate crisis. The Board of Management has so far failed to set the strategic course for an appropriate response to these developments. It is urgently necessary to provide financial resources for the forthcoming restructuring of the Group in connection with the turnaround in transport.

In the current crisis situation, it would also be negligent to distribute profits in view of the enormous drop in sales and the looming deep recession. The Profits from 2019 must be used to secure jobs in the company by switching production to alternative products.

BMW is also heating up the climate

While emission levels in other sectors have fallen in recent years, traffic-related emissions have been growing by 2 per cent annually since 2013. This is not least due to the fact that the improvements achieved in engine technology in recent years have also been more than offset at BMW by the increase in weight and performance of its vehicles. BMW must therefore reduce its real CO2 fleet values, starting with the particularly heavy and climate-damaging SUVs and luxury sedans in the luxury class.
**Electric car, but right**

With the upcoming change from a combustion engine to an electric car, it should be noted that the production process consumes many times more scarce metals such as copper, nickel and lithium as well as rare earths and also causes high CO² emissions. It is therefore necessary for electric cars to be small, light and economical, using as few raw materials as possible, both in production, operation and disposal. Simply converting the current BMW AG model range now to electric drive makes little sense, as such oversized and powerful vehicles can never be sustainable. In addition, BMW AG must stop "burning" money in the development of fuel cell passenger cars. German competitors have dropped out of this technology for passenger cars, which makes a nationwide development of the very expensive fueling infrastructure unrealistic.

**Products for public transport**

For a sustainable turnaround in transport, such as the one Attac is promoting in its campaign "einfach.umsteigen: Klimagerechte Mobilität für alle!" campaign, a massive expansion of local and long-distance public transport is essential. 
https://www.attac.de/kampagnen/verkehrswende/startseite-einfachumsteigen/

This will increase the demand for rail vehicles and electric buses in the medium term. BMW AG must prepare for this development in order to compensate for the expected slump in the number of cars for individual transport by building vehicles for public transport. To this end, a conversion project must be set up quickly in order to adapt production capacities to the requirements of climate and resource protection and to social developments. This project should be financed from the reserves.

**To Agenda Item 3, Resolution on the Ratification of the acts of the Board of Management**

The Dachverband der Kritischen Aktionärinnen und Aktionäre proposes that the acts of the members of the Board of Management be refused.

**Reasons:**

The Board of Management of BMW AG does not sufficiently fulfil its responsibility to implement more effective measures for climate protection and to observe human rights due diligence. It is not sufficient to merely formally commit to the objectives of the Paris Climate Protection Agreement, the UN Sustainability Agenda 2030 and the UN Global Compact.

**Failure to comply with the UN's human rights due diligence requirements**

BMW AG, which is a member of the UN Global Compact, still does not fully comply with the requirements of the UN's guiding principles for business and human rights (UNGPs) with regard to corporate conduct. BMW does not provide sufficient evidence of how and whether human rights risks are identified, assessed and minimised. In comparison with the 20 largest German corporations, BMW is only in 11th place, according to a recent study by the Business & Human Rights Resource Centre and the ZHAW School of Management and Law. The results of the study are summarised here: https://www.business-humanrights.org/de/kurzbewertung-deutscher-unternehmen.

According to research by the Australian Strategic Policy Institute (Aspi), tens of thousands of Uighurs in China are forced to work in factories that supply international companies, including BMW. The report "Uyghurs for sale. Re-education, forced labour and surveillance beyond Xinjiang" (Source: https://www.aspi.org.au/report/uyghurs-sale) mentions Highroad, a company that manufactures components for flat screens. Highroad's setting displays and a Chinese directory of the LCD industry also claim that Highroad's end customers include BMW in addition to many well-known companies.
Because of the coronacrisis, BMW has stopped production in the U.S. and has given thousands of working people leave - allegedly without sick pay. According to BMW, the closure has forced the company to adjust its production volume and personnel structure, and further changes are possible. In its largest US plant in Spartanburg (South Carolina), BMW employs about 11,000 people. BMW did not answer media inquiries about possible leave of absence and dismissals of employees.

**Aligning products with climate goals**

If all companies had a climate balance like BMW, the climate would warm up by 2.6 degrees Celsius by 2050. This is shown in a report by the consulting firm Right: [https://www.right-basedonscience.de/](https://www.right-basedonscience.de/) from the end of 2019. A fundamental problem for BMW AG is the product range with vehicles that are too large, heavy and powerful. In addition, the true consumption and thus CO2 values of the vehicles are withheld from the customers*. We demand the specification of real Consumption values, so that customers know how expensive and climate-damaging the operation of the respective vehicle is. This is particularly true for vehicles with plug-in hybrid technology. Here, it must be clearly shown how much fuel the vehicles consume during which driving behaviour. The official standard specifications have no significance whatsoever.

**Impending penalties for failure to meet CO2 targets**

BMW will in all probability fail to meet its CO2 fleet limits for 2021 and 2022 set by the EU. If in 2018 the BMW fleet averaged 123.6 g CO2 per kilometer driven, this value will probably be around 110 grams in 2021. However, the permitted fleet limit for BMW in 2021 will be 102.5 g CO2/km. The car manufacturer is thus threatened with a fine of 754 million euros, as analysts from PA Consulting have calculated.

(Source: [https://www.paconsulting.com/insights/2019/co2-emissions-are-increasing/](https://www.paconsulting.com/insights/2019/co2-emissions-are-increasing/))

**Illegal shut-off device at BMW diesel**

For the first time, a court in Germany has come to the conclusion that BMW has also resorted to illegal technical means in the diesel exhaust gas scandal. The car manufacturer had used an inadmissible shut-off device in the vehicle, a BMW X1 with a diesel engine of the Euro 5 emission class. For example, the vehicle’s engine software controlled the effectiveness of the exhaust gas purification depending on the outside temperature (a so-called "thermal window"). Contrary to what is claimed, BMW is therefore part of the diesel exhaust gas scandal, just like its competitors. This may lead to a number of lawsuits, reworking, penalties and compensation claims against the Group. The amount of funding required for this cannot be quantified at present, but could be enormous.

Cologne, 29.04.2020

[www.kritischeaktionäre.de](http://www.kritischeaktionäre.de)