

**(Convenience translation)**

**Declaration of the Board of Management and of the Supervisory Board  
of Bayerische Motoren Werke Aktiengesellschaft  
with respect to the recommendations of the  
“Government Commission on the German Corporate Governance Code”  
pursuant to § 161 German Stock Corporation Act**

The Board of Management and Supervisory Board of Bayerische Motoren Werke Aktiengesellschaft (“BMW AG”) declare the following regarding the recommendations of the “Government Commission on the German Corporate Governance Code”:

1. Since issuance of the last Declaration in December 2016, BMW AG has complied with all of the recommendations published officially on 12 June 2015 in the Federal Gazette (Code version dated 5 May 2015), with the exception – as previously reported – of section 4.2.5 sentences 5 and 6.
2. BMW AG will in future comply with all of the recommendations published officially on 24 April 2017 in the Federal Gazette (Code version dated 7 February 2017), with the exception of section 4.2.3 sentence 9 and section 4.2.5 sentences 5 and 6.
3. It is recommended in section 4.2.3 sentence 9 of the Code that subsequent amendments to performance targets or comparison parameters for variable remuneration components be excluded. BMW AG remains committed to this principle. A one-off departure from the recommendation is, however, planned for the financial year 2018 in conjunction with the implementation of a new remuneration system for the Board of Management: In order to implement the new remuneration system with effect from the coming financial year 2018 – rather than with effect from the financial year 2020 – it is intended to cancel the targets previously set for the variable remuneration components for the financial years 2018 and 2019 and to replace them for the financial year 2018 onwards with targets based on the target system specified in the new remuneration system.
4. It is recommended in section 4.2.5 sentences 5 and 6 of the Code that specified information pertaining to management board compensation be disclosed in the Compensation Report. These recommendations have not been and will not be complied with, due to uncertainties whether the supplementary use of model tables – particularly in view of the transition from one remuneration system to a new system – would be instrumental in making the BMW AG's Compensation Report transparent and generally understandable in accordance with generally applicable financial reporting requirements (see section 4.2.5 sentence 3 of the Code).

Munich, December 2017

Bayerische Motoren Werke Aktiengesellschaft

On behalf of the Supervisory Board

On behalf of the Board of Management

Dr.-Ing. Dr.-Ing. E.h. Norbert Reithofer  
Chairman

Harald Krüger  
Chairman