

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

We hereby give notice to shareholders of Bayerische Motoren Werke Aktiengesellschaft, Munich, that the 99th Annual General Meeting of the Company will take place

**on Thursday, 16 May 2019, 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 2018, 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.**

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 2018 amounting to EUR 2,302,714,123.60 be utilised as follows:

Payment of a dividend of EUR 3.52 per share of preferred stock, each with a par value of EUR 1, on the preferred stock entitled to receive a dividend (55,605,380 shares of preferred stock),
amounting to: EUR 195,730,937.60

Payment of a dividend EUR 3.50 per share of common stock, each with a par value of EUR 1, on the common stock entitled to receive a dividend (601,995,196 shares of common stock),
amounting to: EUR 2,106,983,186.00

Unappropriated profit EUR 2,302,714,123.60

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.

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 (AktG). Payment is scheduled for 21 May 2019.

- 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 2018 be ratified for this period.

* Non-binding convenience translation.

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 2018 be ratified for this period.

5. Election of the auditor.

On the recommendation of the Audit Committee, the Supervisory Board proposes that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, be appointed as Company and Group auditor for the financial year 2019 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 2019.

In accordance with Article 16 (2) of Regulation (EU) No. 537/2014 (EU Statutory Auditor Regulation), the Audit Committee of the Supervisory Board has recommended PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, and Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, for the above-mentioned audit services and communicated a justified preference for PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt/Main. In its recommendation to the Supervisory Board, the Audit Committee stated that its recommendation was free from influence by a third party and that no clause of the kind referred to in Article 16 (6) of the EU Statutory Auditor Regulation has been imposed upon it.

6. Elections to the Supervisory Board.

The Annual General Meeting is required to elect three Supervisory Board members to represent shareholders. The periods of office of the Supervisory Board members Franz Haniel, Susanne Klatten and Stefan Quandt all end at the close of the Annual General Meeting on 16 May 2019.

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 Employee 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 shareholder representatives on the Supervisory Board raised an objection against the fulfilment of the ratio by the Supervisory Board as a whole pursuant to § 96 (2) sentence 3 AktG, so that the minimum ratio for these Supervisory

Board elections must be complied with separately on the shareholder representative side. The shareholders must therefore be represented on the Supervisory Board by at least three women and three men. Excluding the Supervisory Board members referred to above, the Supervisory Board on the shareholder representative side comprises two women and five men. In order to remain in compliance with the statutory rule for minimum gender ratios, 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 16 May 2019 to represent shareholders:

- 6.1 Susanne Klatten, Munich, Entrepreneur, 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 2023,
- 6.2 Stefan Quandt, Bad Homburg, Entrepreneur, 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 2023,
- 6.3 Dr. Vishal Sikka, Los Altos Hills, California, USA, founder and CEO of Vian Systems, Inc. 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 2023.

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.

7. Resolution on the creation of Authorised Capital 2019 (non-voting preferred stock) excluding the statutory subscription rights of existing shareholders and the related amendment to the Articles of Incorporation.

The Authorised Capital 2014 stipulated in § 4 (5) of the Articles of Incorporation for the Employee Share Programme expires on 14 May 2019. In order to give the Company the flexibility to continue to be able to service the Employee Share Programme with non-voting preferred stock out of Authorised Capital, the Board of Management and the Supervisory Board propose that the following resolution be taken:

7.1 The Board of Management shall be authorised, with the approval of the Supervisory Board, to increase the Company's share capital in the period up to 15 May 2024 by up to EUR 5,000,000 in total by the issuance of new shares of non-voting preferred stock, carrying the same rights as existing non-voting preferred stock, in return for cash contributions. The authorisation may also be used in parts on more than one occasion.

Shareholders' subscription rights shall be excluded. The new shares may only be used for issuing shares to employees of the Company and its affiliated companies. The Board of Management shall be authorised, with the approval of the Supervisory Board, to stipulate further details of the rights attached to the shares and the conditions of their issue.

7.2 § 4 (5) of the Articles of Incorporation shall be revoked and newly worded as follows:

“5. The Board of Management is authorised, with the approval of the Supervisory Board, to increase the Company's share capital in the period up to 15 May 2024 by up to EUR 5,000,000 in total by the issuance of new shares of non-voting preferred stock, carrying the same rights as existing non-voting preferred stock, in return for cash contributions. The authorisation may also be used in parts on more than one occasion.

The subscription right of existing shareholders is excluded. The new shares may only be used for issuing shares to employees of the Company and its affiliated companies. The Board of Management is authorised, with the approval of the Supervisory Board, to stipulate further details of the rights attached to the shares and the conditions of their issue (Authorised Capital 2019).“

Report of the Board of Management on Point 7 of the Agenda.

The proposed Authorised Capital is intended to enable the Board of Management to offer shares of non-voting preferred stock to employees in conjunction with the Employee Share Programme without the Company having to perform a share buyback. It is necessary for subscription rights to the new shares to be excluded in order to be able to transfer them to employees.

Employee shares have been used as a tried and tested instrument at BMW since 1989 to give employees the opportunity to participate in the enterprise's success, whilst at the same time encouraging their commitment to the BMW Group.

The Employee Share Programme is currently aimed at employees of Bayerische Motoren Werke Aktiengesellschaft and its fully owned affiliated companies in Germany to the extent that the respective affiliated companies decide to participate. Under the programme, employees can – usually once per annum and over a period of a few weeks – acquire a specified number of non-voting shares of preferred stock against payment at a reasonable discount compared to the prevailing stock exchange price. In this context, it is usually agreed with the employees that they may not dispose of said shares for a stipulated number of years (Lock-Up Period).

As in 2014 (the most recent year in which such a proposal was made), a share capital increase of up to a proportionate amount of EUR 5,000,000 of share capital is proposed. This figure represents less than 1 % of the Company's share capital. The proposed number of shares covers the estimated demand for employee shares under the Employee Share Programme during the five-year period of the Board of Management's authorisation.

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 EUR 658,122,100 and is sub-divided into 658,122,100 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 56,126,904 non-voting shares of preferred stock. The voting right attached to each share corresponds to the share's par value. Each EUR 1 of par value of share capital represented at a vote and carrying voting rights confers one vote.

For the purposes of passing resolutions, 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 written 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 21st day before the Annual General Meeting (“Record Date”) i.e. at 00.00 (CEST) on 25 April 2019. 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 9 May 2019, 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

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 via an authorised proxy, e. g. a bank or a shareholders’ association. The prerequisite for exercising voting rights via an authorised proxy is compliance with the formalities and deadlines stipulated for registering for the Annual General Meeting.

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 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. 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 14 May 2019, 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. This procedure will remain available until 16 May 2019, 10:00 (CEST).

During the Annual General Meeting, proxy authorisations and instructions may be given to Company representatives up to the beginning of voting, using the proxy form provided with the attendance card.

4. Procedure for exercising voting rights by postal vote.

Common stock shareholders may cast their votes either in writing or electronically without attending the Annual General Meeting (postal voting). The prerequisite for exercising voting rights by postal vote is compliance with the formalities and

deadlines stipulated for registering for 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 14 May 2019, 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. This procedure will remain available until 16 May 2019, 10:00 (CEST).

5. Requests for items to be added to the Agenda.

Shareholders jointly representing one twentieth of the share capital or a proportionate ownership of EUR 500,000 of the share capital (equivalent to 500,000 shares of stock with a par value of EUR 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 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, 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 15 April 2019, 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 1 May 2019, 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 shall 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).

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

Susanne Klatten, Munich, Germany
Entrepreneur

Member of the Supervisory Board of BMW AG since 1997
Year/Place of birth: 1962, Bad Homburg, Germany
Nationality: German

Professional background and education:

since 1991	Entrepreneur
1988	MBA, International Institute for Management Development (IMD), Lausanne, Switzerland
1985	Bachelor of Science, University of Buckingham (UoB), United Kingdom

Expertise and focus of activities:

Entrepreneur and shareholder with a significant stake in BMW AG, monitoring and control through supervisory board mandates (with a focus on strategy and human resources) at various industrial companies

Committee memberships on the Supervisory

Board of BMW AG:

– Nomination Committee

Mandates:

- ALTANA AG* (Deputy Chairwoman)
- SGL Carbon SE (Chairwoman)
- UnternehmerTUM GmbH* (Chairwoman)

* not listed on stock exchange

Stefan Quandt, Bad Homburg, Germany
Entrepreneur

Member of the Supervisory Board of BMW AG since 1997

Deputy Chairman of the Supervisory Board since 1999

Year/Place of birth: 1966, Frankfurt/Main, Germany

Nationality: German

Professional background and education:

- since 1996 Entrepreneur
- 1994–1996 Marketing Manager for the Asia Pacific region, Datacard Asia Pacific, Hong Kong
- 1993–1994 Internship in the Controlling and Accounting divisions of Datacard Corporation (since 2014: Entrust Datacard Corp.), Minneapolis, USA
- 1993 Internship, Boston Consulting Group, Munich, Germany
- 1987–1993 Degree as Diplom-Wirtschaftsingenieur (industrial engineer) at the University of Karlsruhe (TH), Germany

Expertise and focus of activities:

Entrepreneur and shareholder with a significant stake in BMW AG, corporate strategy, future technologies, portfolio management

Committee memberships on the Supervisory

Board of BMW AG:

- Presiding Board
- Personnel Committee
- Audit Committee
- Nomination Committee
- Mediation Committee

Mandates:

- DELTON Health AG* (Chairman)
- DELTON Technology SE* (Chairman)
- AQTON SE* (Chairman)
- Entrust Datacard Corp.*

* not listed on stock exchange

Dr. Vishal Sikka, Los Altos Hills, California, USA
Founder and CEO of Vian Systems, Inc.

Year/Place of birth: 1967, Shajapur, India

Nationality: Indian

Professional background and education:

- since 2018 Founder and CEO of Vian Systems, Inc., Los Altos, USA

- 2014–2017 CEO and Managing Director of Infosys Limited, Bangalore, India
- 2010–2014 Member of the Executive Board of SAP AG (since May 2014: SAP SE), Head of all Products and Technology
- 2002–2010 Various positions at SAP AG
- 1996–2002 Stations at Xerox, iBrain und Bodha.com
- 1990–1996 Doctoral studies (Ph.D.) at Stanford University in Artificial Intelligence, USA
- 1990 B.Sc. in Computer Science from Syracuse University, New York, USA

Expertise and focus of activities:

Information technology and digitalization, artificial intelligence, database and software platform technologies, innovation management

Mandates: none

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

Susanne Klatten and Stefan Quandt are already members of the Company's Supervisory Board. They are siblings and shareholders with a material interest in the Company within the meaning of section 5.4.1, paragraphs 6 and 8, of the German Corporate Governance Code.

Based on the Supervisory Board's evaluation, apart from the foregoing none of the proposed nominees have personal or business relations with the Company or Group companies, the governing bodies of the Company or a shareholder with a material interest in the Company within the meaning of section 5.4.1 of the German Corporate Governance Code.

Disclosures of the BMW Group's relationships with related parties as defined by IAS 24 can be found on page 180 et seq. of the Annual Report 2018.

9. Access to documents; 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 will be available on the Company's website at www.bmwgroup.com via the link "Annual General Meeting" as from the date of notice of the Annual General Meeting.

The voting results will also be published there after the Annual General Meeting.

On request, the documents required to be made available at the Annual General Meeting will also be sent. Requests should be submitted electronically to 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. The documents required to be made available may also be inspected at the Annual General Meeting.

Shareholders and other interested parties will also be able to follow the speech of the Chairman of the Board of Management on 16 May 2019 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.

Holder 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).

10. Information on data protection.

Information on how your personal data is processed in conjunction with the Annual General Meeting is provided on the Company's website at www.bmwgroup.com via the link "Annual General Meeting".

Notice of the Annual General Meeting was published in the Federal Gazette (Bundesanzeiger) on 21 March 2019.

Munich, 21 March 2019

Bayerische Motoren Werke Aktiengesellschaft

The Board of Management