

Bayerische Motoren Werke Aktiengesellschaft, Munich. Notice of the Separate Meeting of the Preferred Stock Shareholders.*

We hereby give notice to the holders of preferred stock of Bayerische Motoren Werke Aktiengesellschaft, Munich, that a Separate Meeting of the Preferred Stock Shareholders will be held

on Thursday, 16 May 2019 at the Olympiahalle of the Olympiapark, Coubertinplatz, 80809 Munich, Germany.

The Separate Meeting of the Preferred Stock Shareholders will take place after the Company's ordinary Annual General Meeting, at the earliest, however, at 13:00 (CEST). The start of the Separate Meeting of the Preferred Stock Shareholders may be delayed depending on the length of the preceding Annual General Meeting. The preceding Annual General Meeting commences at 10:00 (CEST) on 16 May 2019.

I. Agenda.

1. Notification of the resolution of the Annual General Meeting on 16 May 2019 on the creation of Authorised Capital 2019 (non-voting preferred stock) excluding the statutory subscription rights of existing shareholders and on 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 the following resolution to the Annual General Meeting (point 7 of the Agenda):

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)."

* Non-binding convenience translation.

2. Special resolution of the holders of preferred stock with regard to the approval of the resolution taken at the Annual General Meeting 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 in accordance with the resolution of the Annual General Meeting, as notified in point 1 of this Agenda.

In order for the resolution of the Annual General Meeting notified under point 1 of this Agenda to become valid, it is necessary that the holders of preferred stock give their approval by special resolution.

The Board of Management and the Supervisory Board propose that the resolution of the Annual General Meeting held on 16 May 2019, as notified under point 1 of this Agenda, be approved.

Report of the Board of Management on Point 2 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 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.

At the date on which notice of the Separate Meeting of the Preferred Stock Shareholders 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 no voting rights are attached at the Separate Meeting of the Preferred Stock Shareholders, and 56,126,904 shares of preferred stock, to which 56,126,904 voting rights are attached at the Separate Meeting of the Preferred Stock Shareholders. 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. Only the holders of preferred stock are entitled to vote at the Separate Meeting of the Preferred Stock Shareholders.

2. Prerequisites for attending the Separate Meeting of the Preferred Stock Shareholders and for exercising voting rights.

Preferred stock shareholders are only entitled to attend the Separate Meeting of the Preferred Stock Shareholders and exercise their voting rights, either in person or represented by an authorised person (proxy), if, prior to the Separate Meeting of the Preferred Stock Shareholders, they have submitted notification of attendance in the form prescribed by § 126b of the German Civil Code, either in German or English.

Preferred stock 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 21st day before the Separate Meeting of the Preferred Stock Shareholders ("Record Date") i.e. at 00.00 (CEST) on 25 April 2019. The entitlement to attend and to exercise voting rights is therefore based on shareholdings on that date; for the purposes of the relationship between the preferred stock shareholders and the Company, the sole criterion for attendance at the Separate Meeting of the Preferred Stock Shareholders 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 Separate Meeting of the Preferred Stock Shareholders. In other words, shares remain available for disposal once 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 Shareholders' Meetings. Preferred stock 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.

Preferred stock shareholders who do not wish to attend the Separate Meeting of the Preferred Stock Shareholders 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 Separate Meeting of the Preferred Stock Shareholders.

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 preferred 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. Preferred 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 Separate Meeting of the Preferred Stock Shareholders using the proxy forms stipulated by the Company. Preferred 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).

Prior to and during the Separate Meeting of the Preferred Stock Shareholders up to the beginning of voting, proxy authorisations and instructions may be given to Company representatives, using the proxy form provided with the attendance card.

4. Procedure for exercising voting rights by postal vote.

Preferred stock shareholders may cast their votes either in writing or electronically without attending the Separate Meeting of the Preferred Stock Shareholders (postal voting). The prerequisite for exercising voting rights by postal vote is compliance with the formalities and deadlines stipulated for registering for the Separate Meeting of the Preferred Stock Shareholders.

Holders of preferred stock 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 at least one twentieth of the share capital or one tenth of the shares for which voting rights can be exercised at the Separate Meeting of the Preferred Stock Shareholders or a proportionate amount of the share capital equivalent to EUR 500,000 (equivalent to 500,000 shares with a par value of EUR 1) may, in accordance with §§ 138, 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. Counter motions.

Each holder of preferred stock has the right to propose counter motions at the Separate Meeting of the Preferred Stock Shareholders to the resolutions proposed by the Board of Management and/or the Supervisory Board on specific Agenda items. If counter motions 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 counter motions 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 share-

holder 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 §§ 138, 131 (1) AktG, upon request, each preferred stock shareholder will be provided with information at the Separate Meeting of the Preferred Stock Shareholders 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. Information available on the website; additional information.

Notice of the Separate Meeting of the Preferred Stock Shareholders, documents and information required to be made available and further explanations of shareholders' rights pursuant to §§ 138, 122 (2), 126 (1) and 131 (1) AktG will be available 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 Separate Meeting of the Preferred Stock Shareholders.

Further details with respect to attendance at the Separate Meeting of the Preferred Stock Shareholders 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 preferred stock shareholders with their attendance card.

9. Information on data protection.

Information on how your personal data is processed in conjunction with the Separate Meeting of the Preferred Stock Shareholders is provided on the Company's website at www.bmwgroup.com via the link “Annual General Meeting”.

Notice of the Separate Meeting of the Preferred Stock Shareholders was published in the Federal Gazette (Bundesanzeiger) on 21 March 2019.

Munich, 21 March 2019

Bayerische Motoren Werke Aktiengesellschaft

The Board of Management