

(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 2015, 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), as announced with the exception of section 4.2.5 sentences 5 and 6.
2. BMW AG will in future comply with all of the recommendations published officially on 12 June 2015 in the Federal Gazette (Code version dated 5 May 2015), with the exception of section 4.2.5 sentences 5 and 6.
3. 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 with respect to their interpretation and doubts as to whether the supplementary use of model tables 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 2016

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