

OVERVIEW

DriveNow.

<u>DriveNow</u> is the flexible, premium car sharing program from BMW Group, introduced to the U.S. market in 2012 in San Francisco, and exclusively features BMW ActiveE electric vehicles. Designed to be as convenient as having your own car, DriveNow can be used for one-way trips. DriveNow's mobility concept is based on the motto "pick up anywhere, drop off anywhere." The idea is that a short trip should cost less than a taxi.

Customers can take a drive on their own terms with more flexibility than traditional car renting programs. To sign up, customers simply locate a car online or with the DriveNow app, register, and they're on their way. They can keep the car for as long as they like. When they're done, they simply return it to any DriveNow location or sanctioned street parking zone.

 Richard Steinberg is the CEO of DriveNow USA. He was previously Manager, Electric Vehicle Operations and Strategy for BMW of North America.

• The DriveNow Fleet.

The fleet currently consists of 70 BMW ActiveE all-electric cars with zero emission driving, based on the BMW 1 Series Coupe. Eighty all-electric BMW ActiveE vehicles will be added to the DriveNow fleet in the summer of 2014, increasing the total number of ActiveE vehicles in the San Francisco Bay Area to 150.

What Makes DriveNow "Premium?"

DriveNow features premium vehicles, easy interface and supplementary services (including navigation, SiriusXM Satellite radio, various location-based mobility services and other services that will be added over time). Vehicles are also available in close proximity to members and can be returned to any DriveNow location.

Bringing DriveNow to Other Cities.

DriveNow is available in Germany (Berlin, Munich, Dusseldorf, Cologne and Hamburg) and launched in San Francisco in June 2012. The long-term plan is to introduce DriveNow to additional cities in the U.S. and abroad. Future cities will be announced at a later date.

HOW IT WORKS

Join

Becoming a DriveNow Member.

Customers register using DriveNow's website (https://us.drive-now.com), smartphone app or in person at select DriveNow Stations and pay a one-time \$39 membership fee. Once approved, their DriveNow ID is mailed to them.

Eligibility for Membership.

To become a DriveNow member, customers must be at least 21 years of age. DriveNow also requires a valid credit card – debit cards and prepaid credit cards are not accepted.

DriveNow ID.

The DriveNow ID, with an RFID sticker, functions as the car key, used to unlock, lock, and start a car.

Find

DriveNow Vehicle Locations.

All available DriveNow vehicles are displayed on an interactive map on the DriveNow app in the Apple App Store or Google Play and on the DriveNow website. The number of vehicles at each DriveNow location is shown, and as customers zoom in, the name and charging status of each vehicle is displayed.

DriveNow Stations.

DriveNow Stations, where customers pick up and drop off their vehicle, are conveniently located in and around the San Francisco Bay Area. The 17 DriveNow Station locations include:

- Downtown San Francisco:
 - 169 Stillman Street
 - 433 Mason Street (ProPark Garage)
 - 655 Beach Street (ProPark Garage)
 - 520 Mason Street
 - 220 Bush Street (The Mills Building)
 - 101 California Street
 - 225 Bush Street (ProPark Garage)
- South San Francisco:
 - San Francisco International Airport
 - 1350 Bayhill Drive in San Bruno, CA (YouTube San Bruno Parking Lot)
- East Bav:
 - Oakland International Airport
 - 155 Grand Avenue in Oakland, CA (Lake Merritt Tower Garage)
 - 2603 Camino Ramon in San Ramon, CA (Bishop Ranch 3 Business Park)
- o Palo Alto:
 - 675 El Camino Real in Palo Alto, CA (Westin Hotel)
- o Santa Clara / San Jose Area:
 - 4343 Stevens Creek Boulevard in Santa Clara, CA (Stevens Creek BMW Santa Clara)

DriveNow is working on additional station expansion around the Bay Area, including San Jose International Airport.

Here, the vehicles are parked, maintained and charged. Public transportation stops or bike sharing services are adjacent to many stations for added convenience.

Street Parking.

Starting in May 2014 in San Francisco's Mission District, members can use the DriveNow app or website to locate, reserve and park cars on specific streets between Potrero Avenue and Folsom Street and between 16th Street and 26th Street. DriveNow members will be informed by the in-car screen and the DriveNow app which streets are in a "green zone," or a DriveNow drop-off zone, designating that it is approved for parking. If a DriveNow member attempts to end a reservation outside the DriveNow drop-off zone, the in-car screen will alert the driver that the reservation cannot be ended, and if applicable, help identify the appropriate streets for parking.

By the end of 2014, DriveNow has committed to extending street parking to include areas of Bernal Heights, Haight Ashbury, Noe Valley, North Panhandle (NOPA), Alamo Square and Potrero Hill in San Francisco.

Reserving a Vehicle.

Customers reserve a specific vehicle by pressing the "Book Now" button on the DriveNow app or website. For the next 15 minutes, that vehicle is reserved for them, and no other customer can book it. This gives them the time to go to the nearest vehicle and pick up the car. Or they can swipe in to any car displaying a green light on the windshield card reader.

• Time Limits.

There are no time limits. Drivers keep the car for as little or as long as they like.

Drive

Initiating the Car Sharing Session.

Customers unlock the vehicle by holding the DriveNow ID with RFID sticker on the windshield detector at the driver's side of the vehicle. Once in the driver's seat, customers:

- o Type their PIN into the in-car touch screen
- Evaluate the cleanliness of the vehicle
- Take note of any damage
- o Confirm their booking
- o Press the "Start" button to begin their reservation

Park and Return

Parking DriveNow Vehicles in San Francisco.

Customers may park the DriveNow vehicle in any legal parking spot (additional parking costs may apply). They may return the vehicle and close their reservation at any DriveNow Station or available street parking spot within the DriveNow drop-off zone.

DriveNow Stations in the San Francisco Bay Area.

There are currently 17 DriveNow Stations in and around San Francisco, including Palo Alto, the San Francisco International Airport and Oakland International Airport. DriveNow also working on additional station expansion around the Bay Area, including the San Jose International Airport. There are six DriveNow corporate locations and dealership stations.

Locking a DriveNow Vehicle When Parking for a Short Period.

Drivers simply exit and lock the car with their DriveNow ID. Additional parking costs may apply.

Returning the DriveNow Vehicle.

Customers simply drive their vehicle back to any DriveNow Station or available street parking spot within the DriveNow drop-off zone and finish the rental session by pushing the "End Booking" button on the in-car screen. They exit the car and lock the vehicle with their DriveNow ID card. This will officially end their rental session.

• One-Way Trips.

One-way trips are welcome. Drivers can bring the car to any DriveNow Station or available street parking spot within the DriveNow drop-off zone.

Charge

ChargePoint.

ChargePoint is an electric vehicle charging network with stations all around the Bay Area. Using the ChargePoint app or website customers can quickly and easily find public charging stations.

The Benefits of Opening a ChargePoint Account.

The ChargePoint Network – the largest network of independently-owned electric vehicle charging stations – is the easiest way to recharge at public stations. With ChargePoint, customers can pay any applicable fees automatically.

Finding a Charging Station.

Available ChargePoint stations can be found online at www.chargepoint.net, or by using the free ChargePoint mobile app for iPhone or Android. While ChargePoint is the largest network of public charging stations in the U.S., customers may use any charging station they wish (additional charging fees may apply).

Charging Fees.

When drivers park or charge the BMW ActiveE within the rental period, they pay only \$0.13 per minute. Charging fees at DriveNow Stations are included in the rates.

Registering for a ChargePoint Card.

After registering at DriveNow, customers will receive their DriveNow ID, which also has a ChargePoint Card to charge their BMW ActiveE at the ChargePoint Network. They must visit www.chargepoint.net to register as a ChargePoint member. Additional costs for charging and parking may apply.

• The DriveNow ID/ChargePoint Card.

The DriveNow ID/ChargePoint Card has two functions. First, it is the car key to open the vehicle and begin booking and close by returning the vehicle. Second, the card is the ChargePoint Card, for using ChargePoint Network stations shown on the navigation screen.

Charging the BMW ActiveE.

The U.S. Environmental Protection Agency official range for the BMW ActiveE is 94 miles.

Charging is done in DriveNow Stations before customers use the vehicles and should cover all trips during a day. DriveNow will also charge the vehicles at DriveNow stations after customers have completed their reservations.

If customers wish to charge the BMW ActiveE during their reservation and have signed up for a ChargePoint account, they can use any of the public charging stations.

Upon arrival, customers should put the car in "Park" mode. They simply authorize their account by holding their ChargePoint Card in front of the charging station. Once activated, the station will then be ready for use. Attach the charging plug to the BMW ActiveE per the charging station instructions. Once they remove the plug from the car and return it to its holster, their charging session is complete. For additional help, customers can refer to the station display or call the service number on their ChargePoint Card.

Rates and Billing

DriveNow Rates.

There is a one-time \$39 activation fee. After booking a car, customers pay \$12 for the first half hour and \$0.32 for each additional driving minute. When drivers park or charge the car within the rental period, they pay only \$0.13 per minute. An entire day, up to 180 miles, is just \$90. Additional minutes over 180 miles are billed at \$0.55 per mile. The billing period starts after the customer has entered their DriveNow PIN.

Included in the rates are:

- Charging fees at DriveNow Stations
- Navigation system in every car
- Collision & liability insurance (\$750 deductible see legal disclaimer)

An example of a one-way trip using DriveNow is from downtown San Francisco to the San Francisco International Airport (or back) for \$12 – an affordable alternative to a taxi or private car service.

Payment.

When a rental has been completed, the customer's credit card will be charged the amount due.

Additional Charges.

While all costs related to car sharing operations are covered by the DriveNow pay-as-one-uses fees, additional charges may apply to customers in the following circumstances:

- o Tolls
- o Parking fees outside of DriveNow Stations
- Charging fees outside of DriveNow Stations
- Violations of traffic regulations
- Violations of Terms & Conditions
- Taxes

Insurance

Damages and Liability.

All DriveNow vehicles are covered by liability and comprehensive insurance policies. However, traffic accidents or damages to the vehicle for which drivers are wholly or partially responsible require them to pay the specified deductible. The standard deductible amount is \$750 for each instance of damage. Customers have the option to lower the amount of the deductible when registering. DriveNow staff will explain the various insurance options to customers when they register.

Recording Damage.

Customers are encouraged to inspect the vehicle before their booking and report any damage. At the start of the reservation, an input dialogue in the DriveNow system allows any new damage not already recorded to be reported. In the event of damage which also adversely affects safety and comfort, the customer is supplied with a replacement vehicle or another solution to meet their mobility requirement.

BMW ActiveE vehicles

DriveNow Fleet Vehicle Features.

DriveNow brings its members the Ultimate Driving Machine for the ultimate BMW driving experience. Each car comes fully loaded and features:

- Active Cruise control
- Xenon headlamps
- SiriusXM satellite radio
- o Professional navigation system
- USB audio interface
- Automatic climate control
- Heated front seats
- Park Distance Control
- o Rain-sensing intermittent wipers
- All-access HOV stickers

Tips for Driving Electric.

In general, the BMW ActiveE can be driven like a regular car. But there are a few specifics to be aware of if customers have never driven an electric vehicle:

- Silence: At higher speeds, tire and wind noise are comparable to a typical internal combustion engine. At low speeds, the vehicles are very quiet. Drivers should keep in mind that the absence of noise could mean that pedestrians may not hear the car approaching. BMW is working closely with the U.S. National Federation of the Blind and the U.S. Department of Transportation to include an attention-catching system that is noticeable, but not objectionable.
- Regeneration: When the driver takes his or her foot off the pedal, the BMW ActiveE will
 regenerate energy. This has the same effect as braking, thus your brake lights will go on. This
 is nothing to worry about drivers just have to keep in mind when signaling other drivers. Once
 they are familiar with pedal regeneration, they will find cruising through the city without
 pushing the brake very comfortable.
 - Even though drivers can come to a complete stop using Brake Energy Recuperation, we strongly suggest that they use the brake pedal when they come to a complete stop, especially when they're located on an incline. Even though the car has an automatic transmission, keeping the foot on the brake pedal will ensure that they maintain their position.
- o Range: Depending on driving style, the topography of your route or the outside temperature, customers can drive as much as 80-100 miles in real world conditions in a BMW ActiveE.
- o Charging: Full battery charging takes up to five hours. Charging is done in DriveNow Stations and should cover all trips during a day. However, customers can easily top-up during their

rental period. When customers register for DriveNow, they will get a ChargePoint Card that gives them access to the ChargePoint network, a BMW partner. Customers must register for a ChargePoint membership online at www.chargepoint.net (additional fees may apply) to activate the ChargePoint account. With their ChargePoint account, they can easily find ChargePoint electric vehicle charging stations and will be automatically billed for any charging fees. DriveNow will charge the vehicles after customers have completed their reservations.

BMW i

BMW i is about the development of visionary vehicles and mobility services, inspiring design, and a new premium perception strongly guided by sustainability. Under the banner of the sub-brand, the BMW Group is developing purpose-built vehicle concepts which redefine the understanding of personal mobility. Key elements include groundbreaking technologies, intelligent lightweight design and the innovative use of materials, all with the aim of creating vehicles with extremely low weight, the greatest possible range, generous interior space, poised and authoritative driving characteristics, and exceptional safety.

Cars and mobility services are intelligently linked to promote urban mobility both with and without automobiles. DriveNow is a part of BMW i, aimed at consumers who do not own a vehicle, and introduces this audience to the BMW brand and electric mobility before they are car owners.

SUSTAINABILITY AT THE BMW GROUP

With its corporate Strategy Number ONE, the BMW Group plans to become the leading producer of premium products and premium services for individual mobility. In our view, premium includes the idea of sustainability, which is why we are working to establish sustainable business practices along the entire value chain and throughout all processes. Key elements in our sustainability management are our environmental monitoring system, our ongoing dialogue with stakeholders, and the integration of sustainability criteria into every aspect of our corporate development.

Since 2011, the BMW Group has been ranked first place among all car companies in the CDP Global 500 Ranking. And for eight consecutive years, the BMW Group was named most sustainable car company in the Dow Jones Sustainability Index.

Product responsibility.

We are realizing our commitment to product responsibility in a wide range of ways: making our production network increasingly resource-efficient, implementing holistic recycling concepts and a sustainability strategy that encompasses every one of our sales organisations around the world. As we work to enhance Efficient Dynamics even further, new technologies make our vehicles safer with consistently positive effects on accident statistics. Our collaborations with research partners and metropolises around the world are bringing forth new concepts to make tomorrow's transport more efficient and eco-friendly.

Group-wide environmental protection.

Can any carmaker run a completely "clean" operation? We are well on the way to doing so. With our "Clean Production" program and integrated environmental management, we are continually reducing our use of natural resources and the environmental impact of all production processes within the BMW Group worldwide.

Employees.

We support our employees with a wide range of services and offers – positioning the BMW Group as the most attractive employer in the automotive industry. We make every effort to attract the best people to join us and offer the greatest possible job security. Our increasingly diverse workforce is motivated, competent and highly effective – and a major contributor to the future success of the BMW Group.

Corporate social responsibility.

Wherever in the world the BMW Group is active, it is committed to help resolve social challenges. The main focus of our efforts in this area is on community relations, intercultural understanding, culture, education, road safety and health. In all of these areas, our core competencies enable us to add measurable value for society as well as for the company. Our activities mesh effectively with those of BMW AG's independent foundations.

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