

# REMUNERATION REPORT (PART OF THE COMBINED MANAGE- MENT REPORT)

The following section describes the principles governing the remuneration of the Board of Management and the stipulations set out in the statutes relating to the remuneration of the Supervisory Board. In addition to explaining the system of remuneration for the financial years 2018 to 2020, details of components of remuneration are also provided with figures. Furthermore, the remuneration of each member of the Board of Management and the Supervisory Board for the financial year 2020 is disclosed by individual member and analysed with its component parts.

The Supervisory Board has resolved a new remuneration system for the Board of Management for financial year from 2021 onwards. In accordance with the statutory requirements, the new remuneration system will be submitted to the 2021 Annual General Meeting for resolution.

## 1. Board of Management remuneration Responsibilities

The determination and regular review of the system and structure of Board of Management remuneration is a task of the full Supervisory Board, as is the determination of the individual level of remuneration of Board of Management members. The Supervisory Board's Personnel Committee assumes a preparatory function in determining and reviewing the system and level of Board of Management remuneration.

The Supervisory Board reviews the remuneration system annually for appropriateness in terms of structure, target and maximum remuneration as well as actual remuneration. In preparation, the Personnel Committee also consults remuneration studies. In order to check that the remuneration system is in line with peers, the Supervisory Board compares remuneration paid by other DAX companies in horizontal terms. For a vertical view, it compares Board remuneration with the salaries of executive managers and with the average salaries of employees of BMW AG based in Germany, also with regard to the development over time. Recommendations made by an independent external remuneration expert and suggestions made by investors and analysts are also considered in the consultative process.

The Supervisory Board is required to submit the remuneration system to the Annual General Meeting for approval in the event of significant changes, but at least every four years. The remuneration system valid for the 2020 financial year was approved by the Annual General Meeting in 2018.

## Principles of remuneration

The remuneration system for the Board of Management at BMW AG is designed to encourage a management approach focused on the sustainable and long-term development of the BMW Group. One further principle applied when designing remuneration systems at BMW is that of consistency at different levels. This means that remuneration systems for the Board of Management, senior management and employees of BMW AG are composed of similar elements. The Supervisory Board performs an annual review to ensure that all Board of Management remuneration components are appropriate, individually and in total, and do not encourage the Board of Management to take inappropriate risks for the BMW Group. At the same time, the remuneration model used for the Board of Management needs to be attractive for highly qualified executives in a competitive environment.

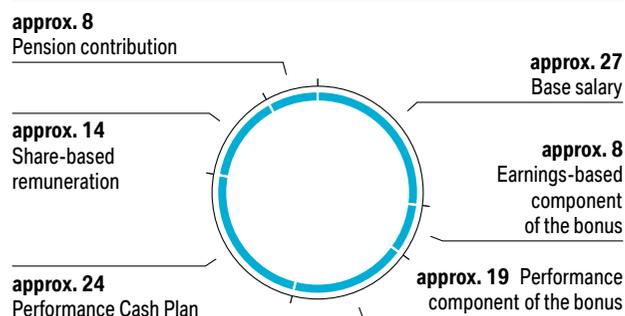
The remuneration of members of the Board of Management is determined by the full Supervisory Board on the basis of performance criteria and after taking into account any remuneration received from Group companies. The principal performance criteria are the tasks and exercise of mandate of the Board member, the economic situation as well as the performance and future prospects of the BMW Group. The Supervisory Board sets ambitious and relevant parameters as the basis for variable remuneration. It also ensures that variable components based on multi-year criteria take account of both positive and negative developments and that the overall incentive is on the long term. As a general rule, targets and comparative parameters may not be changed retrospectively.

### Remuneration system, remuneration components

Board of Management remuneration comprises fixed and variable cash elements as well as a share-based component. Retirement and surviving dependants' benefit entitlements are also in place. The remuneration components are described in more detail below.

### OVERVIEW OF REMUNERATION SYSTEM FOR FINANCIAL YEARS 2018 – 2020: DEPICTION OF ALLOCATION TO CASH BENEFITS (TARGET REMUNERATION) AND PENSION CONTRIBUTION<sup>1</sup>

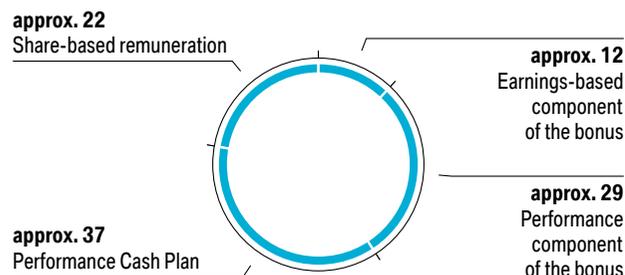
in %



<sup>1</sup> Simplified depiction of target amounts for the variable cash remuneration of the Chairman of the Board of Management and pension contribution. Excludes other remuneration. Based on the assumption that the share price remains unchanged for the calculation of the matching component.

### OVERVIEW OF REMUNERATION SYSTEM FOR FINANCIAL YEARS 2018 – 2020: DEPICTION OF VARIABLE REMUNERATION (TARGET REMUNERATION)<sup>2</sup>

in %



<sup>2</sup> Simplified depiction of target amounts for the variable cash remuneration of the Chairman of the Board of Management. Excludes basic salary, other remuneration and pension contribution. Based on the assumption that the share price remains unchanged for the calculation of the matching component.

### Fixed remuneration

Fixed remuneration consists of a base salary, which is paid monthly, and fringe benefits (other remuneration elements such as the use of Company cars, insurance premiums and contributions towards security systems). The basic remuneration of Board of Management members for the financial year 2020 is €0.8 million p.a. for a Board member during the first period of office, €0.95 million p.a. for a Board member with effect from the second period of office or the fourth year of mandate and €1.8 million p.a. for the Chairman of the Board of Management.

### Variable remuneration

The variable remuneration of the Board of Management comprises three components:

- Bonus
- Performance Cash Plan
- Share-based remuneration

Payment of a discretionary additional bonus is not provided for. An upper limit has been set for each component of variable remuneration (see Overview of remuneration system and remuneration components).

### Bonus

Assuming 100% target achievement, the bonus for the 2020 financial year comprises an earnings-related component of 30% and performance-related component of 70%. The target bonus (100%) is €0.85 million p.a. for a Board member during the first period of office, €1.0 million p.a. from the second period of office or the fourth year of mandate and €1.8 million p.a. for the Chairman of the Board of Management. For all Board members, the upper limit of the bonus is set at 180% of the relevant target bonus.

In order to calculate the earnings-related component, an earnings factor is determined on the basis of the target parameters and multiplied by 30% of the target bonus amount. The level of the earnings-related component depends on the degree to which the targets set by the Supervisory Board for Group net profit and Group post-tax return on sales are achieved. The degree of achievement is expressed in an earnings factor. The underlying measurement values for the bonus payable for the financial year 2020 were determined three financial years ago (i. e. back in 2017) and may not be changed retrospectively. The earnings factor is capped at a maximum value of 1.8. The bonus is paid out after the end of the Annual General Meeting, at which the separate financial statements of BMW AG for the relevant financial year are presented.

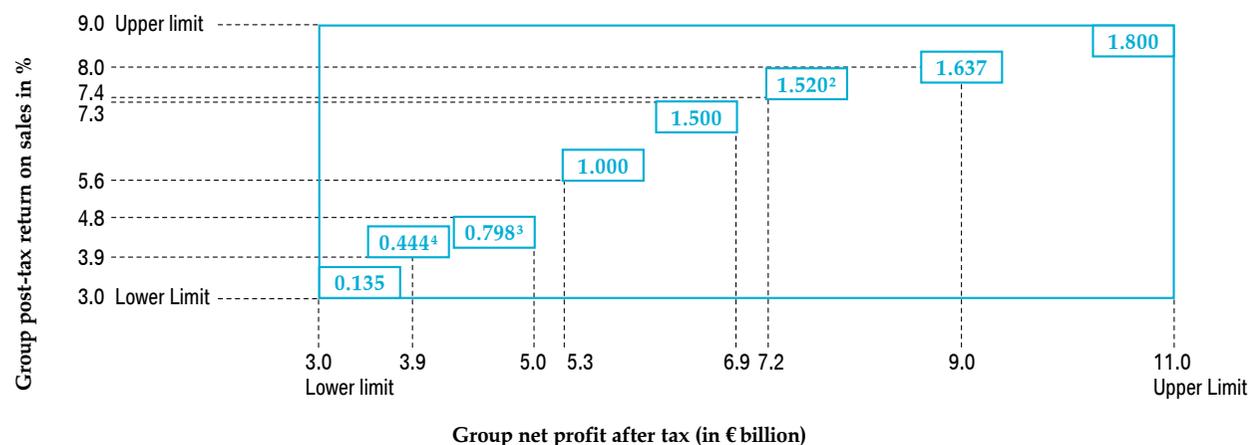
For the financial year 2020, an earnings factor of 1.000 would give rise to an earnings-related component of €0.255 million for a Board member in the first period of office, €0.3 million from the second period of office or the fourth year of mandate and €0.54 million for the Chairman of the Board of Management. For instance, in the event of a Group net profit of €5.3 billion and a post-tax return on sales of 5.6%, the earnings factor is 1.000. Similarly, a Group net profit of €6.9 billion and a post-tax return on sales of 7.3% gives rise to an earnings factor of 1.500 and a Group net profit of €9.0 billion and a post-tax return on sales of 8.0% to one of 1.637. A minimum earnings factor of 0.135 arises in the event of a Group net profit of €3 billion and a post-tax return on sales of 3%. If the Group net profit were below €3 billion or the post-tax return on sales below 3%, the earnings

factor would be zero. In this case, an earnings-related component would not be paid. The maximum earnings factor of 1.800 is reached in the event of a Group net profit of €11 billion and a post-tax return on sales of 9%. In exceptional circumstances, for instance major acquisitions or disposals, the Supervisory Board may adjust the earnings factor.

The performance-related component for the financial year 2020 bonus is calculated using a performance factor which the Supervisory Board has set for each member of the Board of Management and which is multiplied by 70% of the target bonus amount. The Supervisory Board sets the performance factor on the basis of a detailed evaluation of the contribution made by Board members to sustainable and long-term business development over a period of at least three financial years. The evaluation by the Supervisory Board is based on predefined criteria that take into account the Group's long-term success, the interests of shareholders and stakeholders as well as social responsibility.

The criteria include in particular innovation (economic and ecological, for example in the reduction of carbon emissions), the Group's market position compared to its competitors, customer focus, ability to adapt, leadership, corporate culture, promotion of compliance and integrity, contribution to the Group's attractiveness as an employer, progress in implementing the diversity concept, and activities that foster corporate social responsibility. The Supervisory Board also draws comparisons with competitors. The individual performance factor lies between zero and a maximum 1.8.

#### EARNINGS COMPONENTS: ALLOCATION TABLE FOR CALCULATING EARNINGS FACTOR<sup>1</sup>



<sup>1</sup> Simplified depiction <sup>2</sup> Earnings factor 2018 <sup>3</sup> Earnings factor 2019 <sup>4</sup> Earnings factor 2020

## BONUS OVERVIEW

<b>EARNINGS COMPONENT BONUS</b>	<b>+</b>	<b>PERFORMANCE COMPONENT</b>	<b>=</b>	<b>TOTAL</b>
Earnings factor x 0.3 of target amount — Value between 0 and 1.8		Performance factor x 0.7 of target amount — Value between 0 and 1.8		— Cash payment — Capped at 180% of target amount
Basis for earnings factor: — Group net profit — Group post-tax return on sales		Basis for performance factor: — Contribution to sustainable and long-term business development over a period of at least three financial years — Qualitative, mainly non-financial parameters		

**Performance Cash Plan**

Up to and including the grant year 2020, variable cash remuneration includes a multi-year and future-oriented Performance Cash Plan (PCP). The PCP is calculated at the end of a three-year evaluation period by multiplying a predefined target amount by a factor that is based on multi-year target achievement (the PCP factor). The PCP target amount (100%) amounts to €0.85 million p.a. for a Board member in the first period of office, €0.95 million p.a. from the second period of office or the fourth year of mandate and €1.6 million p.a. for the Chairman of the Board of Management. The maximum amount that can be paid to a Board member is capped at 180% of the PCP target amount p.a.

The PCP evaluation period comprises three years, the grant year and the two subsequent years. PCP entitlements are paid in cash. The bonus is paid out after the end of the Annual General Meeting, at which the separate financial statements of BMW AG for the third year of the evaluation period are presented.

In order to determine the PCP factor, a multi-year profit factor is multiplied by a multi-year performance factor. The PCP factor is capped at a maximum value of 1.8.

In order to determine the multi-year earnings factor, an earnings factor is calculated for each year of the three-year evaluation period and an average is then calculated for the evaluation period. As for the earnings-related component of the bonus, the earnings factor for each individual year within the evaluation period is determined on the basis of Group net profit and post-tax return on sales for the relevant year. The maximum earnings factor is 1.8. The underlying measurement values are determined in advance for a period of three financial years and may not be changed retrospectively.

In addition to the multi-year earnings factor, the Supervisory Board also determines a multi-year performance factor after the end of the evaluation period. To this end, the Supervisory Board takes account in particular of the

business development during the evaluation period, the forecast trend in the business development, the Board member's individual contribution to profitability and the status of compliance within the Board member's area of responsibility. The multi-year performance factor can be between 0.9 and 1.1.

Members of the Board of Management who were Board members on 1 January 2018 received and will receive an advance payment out of the 2018–2020 Performance Cash Plan in 2019 and from the 2019–2021 Performance Cash Plan in 2020. At the end of each relevant assessment period, the advance payment is set off or repaid, depending on the amount then determined. The advance payment for each relevant year is €0.5 million for a Board member in the first period of office and €0.6 million from the second period of office or the fourth year of mandate. For the Chairman of the Board of Management the amount is €0.9 million p.a.

## PERFORMANCE CASH PLAN OVERVIEW

<b>TARGET AMOUNT</b>	<b>x</b>	<b>PCP FACTOR</b>	<b>=</b>	<b>CASH PAYMENT</b>
				<ul style="list-style-type: none"> <li>— Cash payment at end of evaluation period</li> <li>— Capped at 180% of target amount</li> </ul>

## PCP FACTOR OVERVIEW

<b>MULTI-YEAR EARNINGS FACTOR</b>	<b>x</b>	<b>MULTI-YEAR PERFORMANCE FACTOR</b>	<b>=</b>	<b>PCP FACTOR</b>
<ul style="list-style-type: none"> <li>— Average earnings factor</li> <li>— Based on Group net profit and Group post-tax return on sales</li> <li>— Value between 0 and 1.8</li> </ul>		Measurement based on multi-year performance factor: <ul style="list-style-type: none"> <li>— Trend in business development</li> <li>— Status of compliance in each Board member's area of responsibility</li> <li>— Individual contribution to profitability</li> <li>— Forecast trend in business development</li> <li>— Value between 0.9 and 1.1</li> </ul>		

**Share-based remuneration**

At the end of the Annual General Meeting at which the separate financial statements of BMW AG for the relevant financial year are presented, members of the Board of Management receive for financial years up to and including the financial year 2020 a cash remuneration (investment component) for the specific purpose of investment – after tax and deductions – in shares of common stock of BMW AG. The investment component corresponds to 45% of the gross bonus. The shares of common stock are purchased immediately after the investment component has been paid out. As a general rule, the acquired shares are required to be held by

Board members for four years. This period also applies if a Board member leaves the Board of Management, including in the case of retirement.

At the end of the holding period, Board members receive from the Company, for every three shares of common stock held, either one additional share of common stock or the cash equivalent, to be decided at the Company's discretion (matching component). Upper limits have been defined for both the investment component and the matching component (see Overview of remuneration system and remuneration components).

**Other**

In the event of death or invalidity, special rules apply for early payment of performance cash plans and share-based remuneration components based on the target amounts. Insofar as the service contract is prematurely terminated and the Company has an extraordinary right of termination, or if the Board member resigns without the Company's agreement, entitlements to amounts as yet unpaid relating to performance cash plans and share-based remuneration are forfeited.

A one-year post-contractual non-competition clause has been agreed with the Board members under specified circumstances against payment of a remuneration amount. Service agreements taking effect after 1 January 2021 provide for the payment of a monthly amount corresponding to the respective monthly base salary during the period of the post-contractual non-competition clause. In accordance with the recommendation of the German Corporate Governance Code dated 16 December 2019, any severance payment is offset against the non-competition clause remuneration amount. The same applies to other income, unless it relates to remuneration for supervisory board mandates approved during the term of office. The Company may unilaterally waive the requirement to comply with the post-contractual non-competition clause.

## Overview for Financial Years 2018 – 2020 of remuneration system and remuneration components

Component	Parameter / measurement base
<b>BASE SALARY</b>	
	Member of the Board of Management: — € 0.80 million p.a. (first period of office) — € 0.95 million p.a. (from second period of office or fourth year of mandate)
	Chairman of the Board of Management: — € 1.80 million p.a.
<b>VARIABLE REMUNERATION</b>	
<b>Bonus</b> (sum of earnings-related bonus and performance-related bonus)	Target amount p.a. (at 100 % target achievement): — € 0.85 million (first period of office) — € 1.0 million (from second period of office or fourth year of mandate) — € 1.8 million (Chairman of the Board of Management) — Capped at 180 % of target amount, see section Remuneration caps — Payment at the end of the Annual General Meeting at which the separate financial statements of BMW AG are presented
a) Earnings-related bonus (at 100 % target achievement corresponds to 30 % of target amount)	— Formula: 30 % target amount x earnings factor — Base amount p.a. (30 % target amount per bonus): — € 0.255 million (first period of office) — € 0.30 million (from second period of office or fourth year of mandate) — € 0.54 million (Chairman of the Board of Management) — Earnings factor is derived from Group net profit and Group post-tax return on sales — Allocation table fixed in advance for a period of three financial years — The earnings factor is 1.0 in the event of a Group net profit of € 5.3 billion and a post-tax return on sales of 5.6 % — Earnings factor may not exceed 1.8 — Maximum amount of earnings-related bonus p.a.: — € 0.459 million (first period of office) — € 0.54 million (from second period of office or fourth year of mandate) — € 0.972 million (Chairman of the Board of Management)

Component	Parameter / measurement base
b) Performance-related bonus (at 100 % target achievement corresponds to 70 % of target amount)	<ul style="list-style-type: none"> <li>— Formula: 70 % target amount x performance factor</li> <li>— Base amount p.a. (70 % target amount per bonus):               <ul style="list-style-type: none"> <li>— € 0.595 million (first period of office)</li> <li>— € 0.70 million (from second period of office or fourth year of mandate)</li> <li>— € 1.26 million (Chairman of the Board of Management)</li> </ul> </li> <li>— Primarily qualitative, non-financial criteria, expressed in terms of a performance factor aimed at measuring the Board member's contribution to the sustainable and long-term development and the future viability of the Company over a period of at least three financial years</li> <li>— Criteria for the performance factor include: innovation (economic and ecological, for example in the reduction of carbon dioxide emissions), the Group's market position compared to its competitors, customer focus, ability to adapt, leadership, corporate culture, promotion of compliance and integrity, contribution to the Group's attractiveness as an employer, progress in implementing the diversity concept, and activities that foster corporate social responsibility, reputation</li> <li>— Performance factor may not exceed 1.8</li> <li>— Maximum amount of performance-related bonus p.a.:               <ul style="list-style-type: none"> <li>— € 1.071 million (first period of office)</li> <li>— € 1.26 million (from second period of office or fourth year of mandate)</li> <li>— € 2.268 million (Chairman of the Board of Management)</li> </ul> </li> </ul>
<b>Performance Cash Plan</b>	<p>Target amount p.a. (at 100 % target achievement):</p> <ul style="list-style-type: none"> <li>— € 0.85 million (first period of office)</li> <li>— € 0.95 million (from second period of office or fourth year of mandate)</li> <li>— € 1.6 million (Chairman of the Board of Management)</li> </ul> <ul style="list-style-type: none"> <li>— Three-year evaluation period</li> <li>— Capped at 180 % of target amount, see section Remuneration caps</li> </ul> <ul style="list-style-type: none"> <li>— Formula: PCP factor x target amount</li> <li>— PCP factor: multi-year earnings factor x multi-year performance factor</li> <li>— PCP factor may not exceed 1.8</li> <li>— Payment at the end of the Annual General Meeting at which the separate financial statements of BMW AG for the third year of the evaluation period are presented</li> </ul>
a) Multi-year earnings factor	<ul style="list-style-type: none"> <li>— Earnings factor for each year of three-year evaluation period derived from Group net profit and Group post-tax return on sale</li> <li>— Earnings factor for each year may not exceed 1.8</li> <li>— Average for evaluation period calculated</li> </ul>
b) Multi-year performance factor	<ul style="list-style-type: none"> <li>— Determined by Supervisory Board at end of evaluation period</li> <li>— Criteria include in particular the trend in business development during the evaluation period, the forecast trend in business development, individual contribution to profitability and the status of compliance within the Board member's area of responsibility</li> <li>— Multi-year performance factor can be between 0.9 and 1.1</li> </ul>

Component	Parameter / measurement base
<b>Share-based remuneration programme</b>	<ul style="list-style-type: none"> <li>— Requirement for Board of Management members to invest an amount of 45 % of the gross bonus after tax and contributions in BMW AG common stock</li> <li>— Requirement for Board of Management members to hold the acquired shares of common stock for four years</li> </ul>
a) Cash remuneration component (investment component)	<ul style="list-style-type: none"> <li>— Earmarked cash remuneration amounting to 45 % of the gross bonus</li> <li>— Cash remuneration p.a. at 100 % target achievement of the bonus:               <ul style="list-style-type: none"> <li>— € 0.3825 million (first period of office)</li> <li>— € 0.45 million (from second period of office or fourth year of mandate)</li> <li>— € 0.81 million (Chairman of the Board of Management)</li> </ul> </li> <li>— Maximum remuneration, see section Remuneration caps</li> <li>— Payment at the end of the Annual General Meeting at which the separate financial statements of BMW AG for the relevant financial year are presented</li> <li>— Share acquisition immediately after payment of earmarked cash remuneration</li> </ul>
b) Share-based remuneration component (matching component)	<ul style="list-style-type: none"> <li>— Once the four-year holding period requirement is fulfilled, Board of Management members receive for each three common stock shares held either – at the Company's option – one further share of common stock or the equivalent amount in cash</li> <li>— Maximum remuneration, see section Remuneration caps</li> </ul>
<b>OTHER REMUNERATION</b>	<p>Contractual agreement, main points: non-cash benefits from use of Company car, use of corporate cars or the BMW chauffeur service, insurance premiums, contributions towards security systems</p>

## Overview for Financial Years 2018 – 2020 of remuneration system and remuneration components onwards

### RETIREMENT BENEFITS

Model	Principal features
Defined contribution system with guaranteed minimum rate of return	<p>Pension based on amounts credited to individual savings accounts for contributions paid and interest earned, various forms of disbursement</p> <p>Pension contributions p. a.:            Member of the Board of Management: € 350,000            Chairman of the Board of Management: € 500,000</p>

### REMUNERATION CAPS (MAXIMUM REMUNERATION)

in € p. a.	Bonus	Performance Cash Plan	Share-based remuneration programme		Total*
			Cash remuneration for share acquisition	Monetary value of matching component	
Member of the Board of Management in the first period of office	1,530,000	1,530,000	688,500	344,500	4,925,000
Member of the Board of Management in the second period of office or from fourth year of mandate	1,800,000	1,710,000	810,000	405,000	5,500,000
Chairman of the Board of Management	3,240,000	2,880,000	1,458,000	729,000	9,850,000

\* Including base salary, other fixed remuneration elements and pension contribution. For the purposes of the overall cap, German accounting rules (HGB) require the relevant grant year to be taken in the calculation for the PCP; in the case of the matching component, the actual amount deemed to have been received is required to be added retrospectively to the total remuneration of the grant year concerned. The overall cap in absolute terms is lower than the sum of the maximum amounts for the individual components.

### Retirement benefits

With effect from 1 January 2010, the provision of retirement benefits for members of the Board of Management was changed to a defined contribution system with a guaranteed minimum return.

If a mandate is terminated, the defined contribution system provides, in the case of death or invalidity, for amounts accumulated on individual pension accounts to be paid out as a one-off amount or in instalments. For

entitlements arising before 2016, there is an option to receive payment as a lifelong pension or in a combined form. Former Board members are entitled to receive the retirement benefit at the earliest upon reaching the age of 60, or in the case of entitlements awarded for the first time after 1 January 2012, upon reaching the age of 62.

The amount of the benefits to be paid is determined on the basis of the amount accrued in each Board member's individual pension savings account. The amount on

this account results from annual contributions paid in, plus interest earned depending on the type of investment.

If a member of the Board of Management with a vested entitlement dies prior to the commencement of benefit payments, a surviving spouse or registered partner, or otherwise surviving children – in the latter case depending on their age and education – are entitled to receive benefits as surviving dependants.

In the case of death or invalidity, a minimum benefit is payable based on the number of contributions possible up to the age of 60 (subject to maximum of ten contributions).

The annual contribution paid by the Company for the financial year 2020 is €350,000 for a Board member and €500,000 for the Chairman of the Board of Management. The guaranteed minimum rate of return p. a. corresponds to the maximum interest rate used to calculate insurance reserves for life insurance policies (guaranteed interest on life insurance policies). When granting pension entitlements, the Supervisory Board considers the targeted level of pension provision in each case as well as the resulting expense for the BMW Group.

Contributions falling due under the defined contribution model are paid into an external fund in conjunction with a trust model that is also used to fund pension obligations to employees.

Income earned on an employed or a self-employed basis up to the age of 63 may be offset against instalment payments. In addition, certain circumstances have been specified, in the event of which the Company no longer has any obligation to pay benefits. Transitional payments are not provided.

In the event of the death of a Board member during the service contract term, the base remuneration for the month of death and a maximum of three further calendar months are paid to entitled surviving dependants.

Members of the Board of Management who retire immediately after their service on the Board, or who are deemed to be in an equivalent position, are entitled to acquire vehicles and other BMW Group products and services at conditions that also apply to BMW pensioners and to lease BMW Group vehicles in accordance with the guidelines applicable to senior heads of departments. Retired Chairmen of the Board of Management are entitled to use a BMW Group vehicle as a company car on a similar basis to senior heads of departments, and depending on availability and against payment, use BMW chauffeur services.

#### **Termination benefits on premature termination of Board activities, benefits paid by third parties**

Klaus Fröhlich left the Board of Management on 30 June 2020. In accordance with the provisions of his service contract, a one-year post-contractual non-competition clause applies. The proportionate amount of remuneration relating to the financial year 2020 is €0.3 million. The corresponding figure for the remaining period from 1 January 2021 to 30 June 2021 is €0.3 million, for which a provision has been recognised.

In line with the recommendation of the German Corporate Governance Code dated 16 December 2019, Board of Management service contracts provide for severance pay to be paid to the Board member in the event of premature termination by the Company without important reason, the amount of which is limited to a maximum of two years' remuneration (severance payment cap). If the remaining term of the contract is less than two years, the severance payment is reduced proportionately. For these purposes, annual remuneration is based on the sum of base remuneration and the target amount of variable remuneration components for the last full financial year before termination. If the relevant target amount for variable remuneration was not reached, the amounts granted are used instead.

No commitments or agreements exist for payment of remuneration in the event of early termination of a Board member's mandate due to a change of control or a takeover offer. No members of the Board of Management received any payments or relevant commitment from third parties in 2020 on account of their activities as members of the Board of Management.

#### **Remuneration caps**

The Supervisory Board has stipulated upper limits for all variable remuneration components and for the remuneration of Board of Management members in total. The total upper limit amounts are lower than the sum of the maximum amounts applicable for the individual components. The upper limits are shown in the table Overview of remuneration system and remuneration components for the financial years 2018 – 2020.

**Total remuneration of the Board of Management for the financial year 2020 (2019)**

The total remuneration of the current members of the Board of Management of BMW AG for the financial year 2020 amounted to €17.5 million (2019: €21.4 million), of which €7.3 million (2019: €8.1 million) relates to fixed components (including other remuneration). Variable components amounted to €9.7 million (2019: €12.6 million) and the share-based remuneration component to €0.5 million (2019: €0.7 million).

For the financial year 2020, the BMW Group achieved a net profit of €3,857 million (2019: €5,022 million) and a post-tax return on sales of 3.9% (2019: 4.8%). According to the defined allocation table, these results yield an earnings factor of 0.444 (2019: 0.798) for the earnings component relevant for the bonus for the financial year 2020.

In determining the performance factor, the Supervisory Board uses agreed-upon criteria to evaluate the contribution of Board members to the sustainable and long-term development and future viability of the BMW Group.

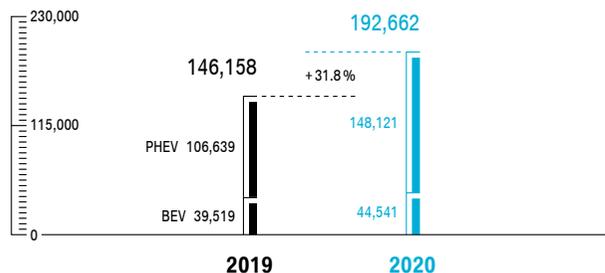
The Supervisory Board’s decision-making process is based on a detailed, documented analysis of performance based on all agreed-upon criteria, as well as in-depth discussions at Personnel Committee and full Supervisory Board level.

In particular, the members of the Board of Management jointly exceeded the targets for the following criteria deemed particularly relevant by the Supervisory Board:

- Market position compared to competitors: Despite the restrictions due to the pandemic, the BMW Group remained the world’s leading manufacturer of premium automobiles for the 17th year in succession. Sales of electrified vehicles saw a sharp rise compared to the previous year.

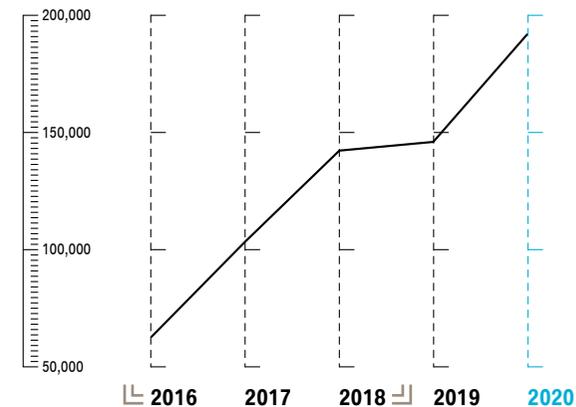
**DELIVERIES OF ELECTRIFIED VEHICLES**

Units / Year



**DELIVERIES OF ELECTRIFIED VEHICLES**

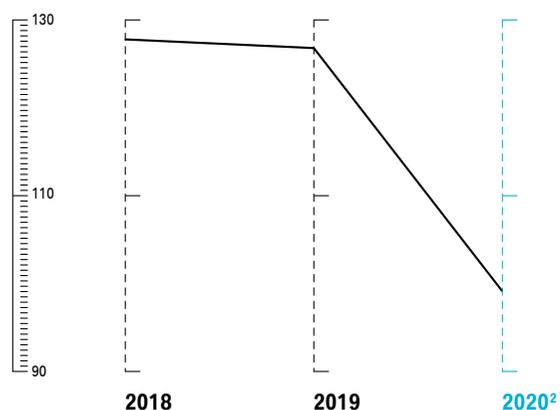
Units / Year



— Ecological benefits from innovation: At 99 g/km<sup>1,2</sup> the figure for the BMW Group's fleet carbon emissions was 5 g/km below the EU legal limit, as in previous years. Further progress is likely to be made in the foreseeable future on the back of measures already adopted.

### FLEET EMISSIONS IN THE EU<sup>1</sup>

in CO<sub>2</sub> g/km



<sup>1</sup> Based on the New European Driving Cycle (NEDC) test procedure. With effect from September 2018, all vehicles in the EU are required to be approved in accordance with the new WLTP testing cycle. However, the EU Commission will not start using WLTP to calculate fleet CO<sub>2</sub> emissions until 2021. For this reason, WLTP fleet emissions must be retroactively calculated as NEDC values for the purposes of reporting up to and including 2020.

<sup>2</sup> Taking into account the offset of certain flexibilities that are defined in the regulatory requirements (phase-in with 5 g/km, supercredits BEV/PHEV with 7.5 g/km and eco-innovations with 2.4 g/km). This is a preliminary internal calculation with a potential variation of ± 0.5 g CO<sub>2</sub>/km, as official registration figures from the authorities are not available from all EU states. Officially published values by the EU Commission are not expected to be available until November 2021.

— Customer orientation: As in previous years, the BMW Group won several industry awards for concept studies on various vehicles and plants, assessed on the basis of the concept of quality.

— Customer orientation and innovative solutions: New software was installed in approximately 624,000 vehicles via remote upgrades, without the need for a visit to a service partner. The proportion of new vehicles sold with the new software has risen sharply over the past few years, and a further increase in the number of such vehicles is foreseeable as a result of product decisions already taken.

— Reputation: Capital market rating agencies once again ranked the BMW Group as the best European automobile manufacturer. The BMW Group again performed excellently in sustainability indices such as the Dow Jones Sustainability Index, taking first place in the "Automobiles" segment as the most sustainable manufacturer. It is also in the top CDP grouping (Climate A List).

— Adaptability: Prudent management limited the impact of the pandemic on the Group, particularly in terms of keeping global supply chains running.

On the basis of these criteria, the Supervisory Board's first calculated and then set a performance factor of 1.15 for all members of the Board of Management for the financial year 2020 (2019: 1.20).

The performance cash plan (PCP) included in the remuneration system for the financial years 2018 to 2020 serves as a long-term incentive. The PCP is paid out in cash after the end of the relevant three-year assessment period.

In the case of the 2020 grant year, the PCP assessment period covers the financial years 2020 to 2022. The target amount for the PCP 2020–2022 is €1.6 million for Mr Zipse, €0.85 million each for Ms Horstmeier, Mr Nedeljković, Mr Nota and Dr Wendt, €0.95 million for Dr Peter and €0.425 million for Mr Weber. The target amount for Mr Fröhlich is €0.475 million. Due to the fact that the criteria established for the PCP 2020–2022 have not yet been fully met, this component is not included in variable remuneration for the financial year 2020.

In the 2020 financial year, in line with contractually agreed arrangements, advances were paid out of the PCP 2019–2021 to the Board members in office at 31 December 2020 (Mr Zipse, Mr Nota and Dr Peter) with a total amount of €1.7 million, and an advance of €0.6 million paid to Mr Fröhlich.

At the end of assessment period, the advance payments will be set off or refunded, depending on the actual entitlement arising. The expense of the PCP for the financial year 2020 recognised in accordance with IAS 19 amounted to €1.3 million (2019: €8.3 million).

Remuneration awarded for the financial year 2020 (2019) is presented in the table below on an individualised basis.

## Remuneration of the individual members of the Board of Management for the financial year 2020 (2019)<sup>1</sup>

in € or number of matching shares	Fixed remuneration			Variable cash remuneration			Share-based remuneration component (matching component) <sup>5</sup>		Sub-total
	Base salary	Other remuneration	Total	Bonus	Share-based remuneration component (investment component)	Total	Number	Monetary value	
<b>Oliver Zipse</b>	<b>1,800,000</b>	<b>66,256</b>	<b>1,866,256</b>	<b>1,688,760</b>	<b>759,942</b>	<b>2,448,702</b>	<b>1,669</b>	<b>123,873</b>	<b>4,438,831</b>
	(1,269,892)	(50,947)	(1,320,839)	(1,404,380)	(631,971)	(2,036,351)	(1,725)	(103,037)	(3,460,227)
<b>Klaus Fröhlich<sup>2</sup></b>	<b>475,000</b>	<b>56,546</b>	<b>531,546</b>	<b>469,100</b>	<b>211,095</b>	<b>680,195</b>	<b>463</b>	<b>34,364</b>	<b>1,246,105</b>
	(950,000)	(71,822)	(1,021,822)	(1,079,400)	(485,730)	(1,565,130)	(1,135)	(79,155)	(2,666,107)
<b>Ilka Horstmeier</b>	<b>800,000</b>	<b>87,374</b>	<b>887,374</b>	<b>797,470</b>	<b>358,862</b>	<b>1,156,332</b>	<b>846</b>	<b>62,790</b>	<b>2,106,496</b>
	(133,333)	(29,375)	(162,708)	(152,915)	(68,812)	(221,727)	(173)	(12,013)	(396,448)
<b>Milan Nedeljković</b>	<b>800,000</b>	<b>101,973</b>	<b>901,973</b>	<b>797,470</b>	<b>358,862</b>	<b>1,156,332</b>	<b>846</b>	<b>62,790</b>	<b>2,121,095</b>
	(200,000)	(5,105)	(205,105)	(229,373)	(103,218)	(332,591)	(280)	(18,026)	(555,722)
<b>Pieter Nota</b>	<b>800,000</b>	<b>18,408</b>	<b>818,408</b>	<b>797,470</b>	<b>358,862</b>	<b>1,156,332</b>	<b>846</b>	<b>62,790</b>	<b>2,037,530</b>
	(800,000)	(20,782)	(820,782)	(917,490)	(412,871)	(1,330,361)	(1,036)	(72,251)	(2,223,394)
<b>Nicolas Peter</b>	<b>950,000</b>	<b>24,231</b>	<b>974,231</b>	<b>938,200</b>	<b>422,190</b>	<b>1,360,390</b>	<b>927</b>	<b>68,802</b>	<b>2,403,423</b>
	(800,000)	(29,988)	(829,988)	(917,490)	(412,871)	(1,330,361)	(965)	(67,299)	(2,227,648)
<b>Frank Weber<sup>3</sup></b>	<b>400,000</b>	<b>28,593</b>	<b>428,593</b>	<b>398,735</b>	<b>179,431</b>	<b>578,166</b>	<b>558</b>	<b>31,360</b>	<b>1,038,119</b>
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Andreas Wendt</b>	<b>800,000</b>	<b>56,319</b>	<b>856,319</b>	<b>797,470</b>	<b>358,862</b>	<b>1,156,332</b>	<b>846</b>	<b>62,790</b>	<b>2,075,441</b>
	(800,000)	(102,701)	(902,701)	(917,490)	(412,871)	(1,330,361)	(1,036)	(72,251)	(2,305,313)
<b>Total<sup>4</sup></b>	<b>6,825,000</b>	<b>439,700</b>	<b>7,264,700</b>	<b>6,684,675</b>	<b>3,008,106</b>	<b>9,692,781</b>	<b>7,001</b>	<b>509,559</b>	<b>17,467,040</b>
	(7,659,140)	(496,271)	(8,155,411)	(8,697,280)	(3,913,778)	(12,611,058)	(9,728)	(659,614)	(21,426,083)

<sup>1</sup> Contains disclosures in accordance with HGB and the requirements of German Accounting Standard No. 17.

<sup>2</sup> Member of the Board of Management until 30 June 2020.

<sup>3</sup> Member of the Board of Management from 1 July 2020.

<sup>4</sup> Disclosures for the previous year include amounts relating to members of the Board of Management who left office during the financial year 2019.

<sup>5</sup> Preliminary number or preliminary monetary value calculated in accordance with German Financial Reporting Standard 17 (DRS 17).

The final number of matching shares is determined in each case when the requirement to invest in BMW AG common stock has been fulfilled.

See note 41 to the Group Financial Statements for a description of the accounting treatment of the share-based remuneration component.

### Remuneration in accordance with HGB and the requirements of German Accounting Standard No. 17

The PCP 2018 – 2020 was awarded for the performance of Board of Management members in the financial year 2018. The three-year assessment period for this remuneration component, which was subject to specified forfeiture provisions, expired on 31 December 2020. The earnings factors determined for each year of the assessment period (financial year 2018: 1.520; financial year 2019: 0.798, financial year 2020: 0.444), give rise to a multi-year earnings factor of 0.921. The Supervisory Board set the multi-year performance factor at 1.0 for members of the Board of Management in office in financial year 2018, so that the PCP factor for the PCP 2018 – 2020 is 0.921. For the purposes of determining the multi-year performance factor, the Supervisory Board took account in particular of business development during the assessment period, the outlook for business development going forward, the Board member's individual contribution to profitability and the status of compliance within the Board member's area of responsibility. When considering actual and forecasted business development for the

relevant periods, the Supervisory Board paid particular attention to the development of certain key performance figures such as the number of deliveries, the EBIT margin and the return on capital employed. For the financial year 2020, the Supervisory Board took account of the impact of the coronavirus pandemic of these figures. It was not necessary to change the assessments relating to individual contributions to profitability or the status of compliance within Board members' area of responsibility.

In accordance with the requirements of HGB and German Accounting Standard No. 17, PCP-related remuneration is required to be included in the total remuneration figure for the financial year in which the plan's conditions are fulfilled. The amount arising for the PCB 2018 – 2020 is therefore required to be included in the financial year 2020. The following tables show the remuneration of the members of the Board of Management in accordance with the requirements of HGB and applicable accounting standards for the financial year 2020 (2019) and in the financial year 2020 (2019) respectively.

in € million	2020		2019	
	Amount	Proportion in %	Amount	Proportion in %
Fixed remuneration	7.3	34.9	8.1	37.8
Variable cash remuneration <sup>1</sup>	13.0	62.6	12.6	58.9
Share-based remuneration component <sup>2</sup>	0.5	2.5	0.7	3.3
<b>Total remuneration</b>	<b>20.8</b>	<b>100.00</b>	<b>21.4</b>	<b>100.0</b>

<sup>1</sup> Variable cash payments for the financial year 2020 also include a payment out of the PCP 2018 – 2020 for the 2018 grant year amounting to €3.3 million. PCP 2018 – 2020 accounts for 16.0 % of total remuneration in accordance with HGB and the requirements of German Accounting Standard No. 17.

<sup>2</sup> Matching component; provisional number/provisional monetary value calculated in accordance with DRS 17. The final number of matching shares is determined in each case when the requirement to invest in BMW AG common stock has been fulfilled.

## Remuneration in accordance with HGB and the requirements of German Accounting Standard No. 17

in €	Sub-total as shown in the table Remuneration of the individual members of the Board of Management for the financial year 2020 (2019) <sup>1</sup>	Variable cash remuneration			Total remuneration in accordance with HGB and the requirements of German Accounting Standard No. 17
		Performance Cash Plan 2018 – 2020 <sup>2</sup>	Performance Cash Plan 2019 – 2021 <sup>3</sup>	Performance Cash Plan 2020 – 2022 <sup>4</sup>	
<b>Oliver Zipse</b>	<b>4,438,831</b>	<b>844,250</b>	(–)	(–)	<b>5,283,081</b>
	(3,460,227)	(–)	(–)	(–)	(3,460,227)
<b>Klaus Fröhlich<sup>5</sup></b>	<b>1,246,105</b>	<b>729,125</b>	(–)	(–)	<b>1,975,230</b>
	(2,666,107)	(–)	(–)	(–)	(2,666,107)
<b>Ilka Horstmeier</b>	<b>2,106,496</b>	(–)	(–)	(–)	<b>2,106,496</b>
	(396,448)	(–)	(–)	(–)	(396,448)
<b>Milan Nedeljković</b>	<b>2,121,095</b>	(–)	(–)	(–)	<b>2,121,095</b>
	(555,722)	(–)	(–)	(–)	(555,722)
<b>Pieter Nota</b>	<b>2,037,530</b>	<b>782,850</b>	(–)	(–)	<b>2,820,380</b>
	(2,223,394)	(–)	(–)	(–)	(2,223,394)
<b>Nicolas Peter</b>	<b>2,403,423</b>	<b>782,850</b>	(–)	(–)	<b>3,186,273</b>
	(2,227,648)	(–)	(–)	(–)	(2,227,648)
<b>Frank Weber<sup>6</sup></b>	<b>1,038,119</b>	(–)	(–)	(–)	<b>1,038,119</b>
	(–)	(–)	(–)	(–)	(–)
<b>Andreas Wendt</b>	<b>2,075,441</b>	<b>195,713</b>	(–)	(–)	<b>2,271,154</b>
	(2,305,313)	(–)	(–)	(–)	(2,305,313)
<b>Gesamt<sup>7</sup></b>	<b>17,467,040</b>	<b>3,334,788</b>	(–)	(–)	<b>20,801,828</b>
	(21,426,083)	(–)	(–)	(–)	(21,426,083)

<sup>1</sup> Breakdown of remuneration for the financial year 2020 (2019) in the table Remuneration of the individual members of the Board of Management for the financial year 2020 (2019).

<sup>2</sup> Amounts include an advance payment made in 2019 in line with contractually agreed arrangements.

<sup>3</sup> PCP 2019 – 2021 will not be reported until the end of the three-year assessment period.

<sup>4</sup> PCP 2020 – 2022 will not be reported until the end of the three-year assessment period.

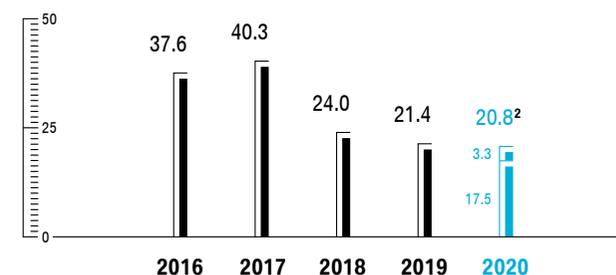
<sup>5</sup> Member of the Board of Management until 30 June 2020. In accordance with the requirements of the HGB, only the proportionate amount of the PCP 2018 – 2020 corresponding to the length of service of the Board member is reported.

<sup>6</sup> Member of the Board of Management since 1 July 2020.

<sup>7</sup> Disclosures for the previous year include amounts relating to members of the Board of Management who left office during the financial year 2019.

## DEVELOPMENT OF BOARD OF MANAGEMENT REMUNERATION FOR THE FINANCIAL YEARS 2016 TO 2020 IN ACCORDANCE WITH HGB<sup>1</sup>

in € million



<sup>1</sup> Total remuneration in accordance with HGB.

<sup>2</sup> Total remuneration in accordance with HGB and the requirements of German Accounting Standard No. 17 for the financial year 2020 include the PCP 2018-2020, amounting to approximately €3.3 million. Total remuneration for the financial year 2020 excluding the PCP 2018-2020 amounted to approximately €17.5 million.

In addition to the disclosures required by HGB and applicable accounting standards, the following tables – based on the model tables contained in the German Corporate Governance Code (GCCG) dated 7 February 2017 – show figures for amounts awarded as well as amounts paid to the individual members of the Board of Management.

**OLIVER ZIPSE**

Chairman of the Board of Management  
since 16 August 2019

Member of the Board of Management  
since 13 May 2015

in €	Grants				Payout	
	FJ 2020	FJ 2020 (Min)	FJ 2020 (Max)	FJ 2019	FJ 2020	FJ 2019
<b>BASE SALARY</b>						
Fixed remuneration	1,800,000	1,800,000	1,800,000	1,269,892	1,800,000	1,269,892
Fringe benefits (other remuneration)	66,256	66,256	66,256	50,947	66,256	50,947
<b>Total</b>	<b>1,866,256</b>	<b>1,866,256</b>	<b>1,866,256</b>	<b>1,320,839</b>	<b>1,866,256</b>	<b>1,320,839</b>
<b>ONE-YEAR VARIABLE REMUNERATION</b>						
Earnings-based component of the bonus <sup>1</sup>	540,000	0	972,000	390,323	239,760	311,477
<b>MULTI-YEAR VARIABLE REMUNERATION</b>						
<b>Performance component of the bonus</b>						
Performance component of the bonus 2019 (three-year plan term) <sup>1</sup>	–	–	–	910,753	–	1,092,903
Performance component of the bonus 2020 (three-year plan term) <sup>1</sup>	1,260,000	0	2,268,000	–	1,449,000	–
<b>Performance Cash Plan</b>						
PCP 2018 – 2020 <sup>2</sup>	–	–	–	–	277,584	–
PCP 2019 – 2021 <sup>3</sup>	–	–	–	1,194,624	–	712,900
PCP 2020 – 2022	1,600,000	0	2,880,000	–	–	–
<b>Share-based remuneration programme</b>						
Cash remuneration component (investment component) 2019 for holding obligation 2020 – 2024 <sup>1</sup>	–	–	–	585,484	–	631,971
Cash remuneration component (investment component) 2020 for holding obligation 2021 – 2025 <sup>1</sup>	810,000	0	1,458,000	–	759,942	–
Share-based remuneration component (matching component) 2015 for holding obligation 2016 – 2020	–	–	–	–	33,423	–
Share-based remuneration component (matching component) 2016 for holding obligation 2017 – 2021	–	–	–	–	–	–
Share-based remuneration component (matching component) 2017 for holding obligation 2018 – 2022	–	–	–	–	–	–
Share-based remuneration component (matching component) 2018 for holding obligation 2019 – 2023	–	–	–	–	–	–
Share-based remuneration component (matching component) 2019 for holding obligation 2020 – 2024	–	–	–	103,037	–	–
Share-based remuneration component (matching component) 2020 for holding obligation 2020 – 2025	123,873	0	729,000	–	–	–
Other	–	–	–	–	–	–
<b>Total</b>	<b>6,200,129</b>	<b>1,866,256</b>	<b>10,173,256</b>	<b>4,505,060</b>	<b>4,625,965</b>	<b>4,070,090</b>
Pension expense <sup>4</sup>	502,626	502,626	502,626	406,452	502,626	406,452
<b>Total remuneration</b>	<b>6,702,755</b>	<b>2,368,882</b>	<b>9,850,000</b> <sup>5</sup>	<b>4,911,512</b>	<b>5,128,591</b>	<b>4,476,542</b>

<sup>1</sup> The bonus components and cash remuneration component reported in accordance with the GCCC for the financial years 2020 and 2019 will be, or were, paid out in 2021 and 2020 respectively.

<sup>2</sup> An advance payment was made out of PCP 2018 – 2020. This was reported as an amount deemed received (Zufluss) for the financial year 2018 and paid out in 2019.

<sup>3</sup> The advance payment out of PCP 2019 – 2021, which is reported deemed received (Zufluss) for the financial year 2019, was paid out in 2020.

<sup>4</sup> The pension expense in accordance with IAS 19 reflects the expense recognised by the BMW Group; this amount was not paid out in the financial year.

<sup>5</sup> Agreed maximum amount. The overall cap in absolute terms is lower than the sum of the maximum amounts for the individual components.

**KLAUS FRÖHLICH**

Development

Member of the Board of Management

since 9 December 2014

until 30 June 2020

in €	Grants				Payout	
	FJ 2020	FJ 2020 (Min)	FJ 2020 (Max)	FJ 2019	FJ 2020	FJ 2019
<b>BASE SALARY</b>						
Fixed remuneration	475,000	475,000	475,000	950,000	475,000	950,000
Fringe benefits (other remuneration)	56,546	56,546	56,546	71,822	56,546	71,822
<b>Total</b>	<b>531,546</b>	<b>531,546</b>	<b>531,546</b>	<b>1,021,822</b>	<b>531,546</b>	<b>1,021,822</b>
<b>ONE-YEAR VARIABLE REMUNERATION</b>						
Earnings-based component of the bonus <sup>1</sup>	150,000	0	270,000	300,000	66,600	239,400
<b>MULTI-YEAR VARIABLE REMUNERATION</b>						
<b>Performance component of the bonus</b>						
Performance component of the bonus 2019 (three-year plan term) <sup>1</sup>	–	–	–	700,000	–	840,000
Performance component of the bonus 2020 (three-year plan term) <sup>1</sup>	350,000	0	630,000	–	402,500	–
<b>Performance Cash Plan</b>						
PCP 2018 – 2020 <sup>2</sup>	–	–	–	–	129,125	–
PCP 2019 – 2021 <sup>3</sup>	–	–	–	950,000	–	600,000
PCP 2020 – 2022	475,000	0	855,000	–	–	–
<b>Share-based remuneration programme</b>						
Cash remuneration component (investment component) 2019 for holding obligation 2020 – 2024 <sup>1</sup>	–	–	–	450,000	–	485,730
Cash remuneration component (investment component) 2020 for holding obligation 2021 – 2025 <sup>1</sup>	225,000	0	405,000	–	211,095	–
Share-based remuneration component (matching component) 2014 for holding obligation 2015 – 2019	–	–	–	–	–	2,966
Share-based remuneration component (matching component) 2015 for holding obligation 2016 – 2020	–	–	–	–	52,723	–
Share-based remuneration component (matching component) 2016 for holding obligation 2017 – 2021	–	–	–	–	–	–
Share-based remuneration component (matching component) 2017 for holding obligation 2018 – 2022	–	–	–	–	–	–
Share-based remuneration component (matching component) 2018 for holding obligation 2019 – 2023	–	–	–	–	–	–
Share-based remuneration component (matching component) 2019 for holding obligation 2020 – 2024	–	–	–	79,155	–	–
Share-based remuneration component (matching component) 2020 for holding obligation 2020 – 2024	34,364	0	202,500	–	–	–
Other	–	–	–	–	–	–
<b>Total</b>	<b>1,765,910</b>	<b>531,546</b>	<b>2,894,046</b>	<b>3,500,977</b>	<b>1,393,589</b>	<b>3,189,918</b>
Pension expense <sup>4</sup>	175,000	175,000	175,000	353,327	175,000	353,327
<b>Total remuneration</b>	<b>1,940,910</b>	<b>706,546</b>	<b>2,750,000</b> <sup>5</sup>	<b>3,854,304</b>	<b>1,568,589</b>	<b>3,543,245</b>

<sup>1</sup> The bonus components and cash remuneration component reported in accordance with the GCCC for the financial years 2020 and 2019 will be, or were, paid in 2021 and 2020 respectively.

<sup>2</sup> An advance payment was made out of PCP 2018 – 2020. This was reported as an amount deemed received (Zufluss) for the financial year 2018 and paid out in 2019. The amount paid out of PCP 2018 – 2020 is allocated proportionately over the assessment period on the basis of period of time in office and as a former member of the Board of Management.

<sup>3</sup> The advance payment out of PCP 2019 – 2021, which is reported deemed received (Zufluss) for the financial year 2019, was paid out in 2020.

<sup>4</sup> The pension expense in accordance with IAS 19 reflects the expense recognised by the BMW Group; this amount was not paid out in the financial year.

<sup>5</sup> Agreed maximum amount. The overall cap in absolute terms is lower than the sum of the maximum amounts for the individual components.

**ILKA HORSTMEIER**

Human Resources, Industrial Relations Director  
Member of the Board of Management  
since 1 November 2019

in €	Grants				Payout	
	FJ 2020	FJ 2020 (Min)	FJ 2020 (Max)	FJ 2019	FJ 2020	FJ 2019
<b>BASE SALARY</b>						
Fixed remuneration	800,000	800,000	800,000	133,333	800,000	133,333
Fringe benefits (other remuneration)	87,374	87,374	87,374	29,375	87,374	29,375
<b>Total</b>	<b>887,374</b>	<b>887,374</b>	<b>887,374</b>	<b>162,708</b>	<b>887,374</b>	<b>162,708</b>
<b>ONE-YEAR VARIABLE REMUNERATION</b>						
Earnings-based component of the bonus <sup>1</sup>	255,000	0	459,000	42,500	113,220	33,915
<b>MULTI-YEAR VARIABLE REMUNERATION</b>						
<b>Performance component of the bonus</b>						
Performance component of the bonus 2019 (three-year plan term) <sup>1</sup>	–	–	–	99,167	–	119,000
Performance component of the bonus 2020 (three-year plan term) <sup>1</sup>	595,000	0	1,071,000	–	684,250	–
<b>Performance Cash Plan</b>						
PCP 2018 – 2020	–	–	–	–	–	–
PCP 2019 – 2021	–	–	–	141,667	–	0
PCP 2020 – 2022	850,000	0	1,530,000	–	–	–
<b>Share-based remuneration programme</b>						
Cash remuneration component (investment component) 2019 for holding obligation 2020 – 2024 <sup>1</sup>	–	–	–	63,750	–	68,812
Cash remuneration component (investment component) 2020 for holding obligation 2021 – 2025 <sup>1</sup>	382,500	0	688,500	–	358,862	–
Share-based remuneration component (matching component) 2019 for holding obligation 2020 – 2024	–	–	–	12,013	–	–
Share-based remuneration component (matching component) 2020 for holding obligation 2020 – 2025	62,790	0	344,500	–	–	–
Other	–	–	–	–	–	–
<b>Total</b>	<b>3,032,664</b>	<b>887,374</b>	<b>4,980,374</b>	<b>521,805</b>	<b>2,043,706</b>	<b>384,435</b>
Pension expense <sup>2</sup>	352,433	352,433	352,433	58,333	352,433	58,333
<b>Total remuneration</b>	<b>3,385,097</b>	<b>1,239,807</b>	<b>4,925,000</b> <sup>3</sup>	<b>580,138</b>	<b>2,396,139</b>	<b>442,768</b>

<sup>1</sup> The bonus components and cash remuneration component reported in accordance with the GCCC for the financial years 2020 and 2019 will be, or were, paid out in 2021 and 2020 respectively.

<sup>2</sup> The pension expense in accordance with IAS 19 reflects the expense recognised by the BMW Group; this amount was not paid out in the financial year.

<sup>3</sup> Agreed maximum amount. The overall cap in absolute terms is lower than the sum of the maximum amounts for the individual components.

**MILAN NEDELJKOVIĆ**

Production

Member of the Board of Management

since 1 October 2019

in €	Grants				Payout	
	FJ 2020	FJ 2020 (Min)	FJ 2020 (Max)	FJ 2019	FJ 2020	FJ 2019
<b>BASE SALARY</b>						
Fixed remuneration	800,000	800,000	800,000	200,000	800,000	200,000
Fringe benefits (other remuneration)	101,973	101,973	101,973	5,105	101,973	5,105
<b>Total</b>	<b>901,973</b>	<b>901,973</b>	<b>901,973</b>	<b>205,105</b>	<b>901,973</b>	<b>205,105</b>
<b>ONE-YEAR VARIABLE REMUNERATION</b>						
Earnings-based component of the bonus <sup>1</sup>	255,000	0	459,000	63,750	113,220	50,873
<b>MULTI-YEAR VARIABLE REMUNERATION</b>						
<b>Performance component of the bonus</b>						
Performance component of the bonus 2019 (three-year plan term) <sup>1</sup>	–	–	–	–	–	–
Performance component of the bonus 2020 (three-year plan term) <sup>1</sup>	595,000	0	1,071,000	148,750	684,250	178,500
<b>Performance Cash Plan</b>						
PCP 2018 – 2020	–	–	–	–	–	–
PCP 2019 – 2021	–	–	–	212,500	–	0
PCP 2020 – 2022	850,000	0	1,530,000	–	–	–
<b>Share-based remuneration programme</b>						
Cash remuneration component (investment component) 2019 for holding obligation 2020 – 2024 <sup>1</sup>	–	–	–	95,625	–	103,218
Cash remuneration component (investment component) 2020 for holding obligation 2021 – 2025 <sup>1</sup>	382,500	0	688,500	–	358,862	–
Share-based remuneration component (matching component) 2019 for holding obligation 2020 – 2024	–	–	–	18,026	–	–
Share-based remuneration component (matching component) 2020 for holding obligation 2020 – 2025	62,790	0	344,500	–	–	–
Other	–	–	–	–	–	–
<b>Total</b>	<b>3,047,263</b>	<b>901,973</b>	<b>4,994,973</b>	<b>743,756</b>	<b>2,058,305</b>	<b>537,696</b>
Pension expense <sup>2</sup>	352,121	352,121	352,121	87,500	352,121	87,500
<b>Total remuneration</b>	<b>3,339,384</b>	<b>1,254,094</b>	<b>4,925,000</b> <sup>3</sup>	<b>831,256</b>	<b>2,410,426</b>	<b>625,196</b>

<sup>1</sup> The bonus components and cash remuneration component reported in accordance with the GCCC for the financial years 2020 and 2019 will be, or were, paid out in 2021 and 2020 respectively.

<sup>2</sup> The pension expense in accordance with IAS 19 reflects the expense recognised by the BMW Group; this amount was not paid out in the financial year.

<sup>3</sup> Agreed maximum amount. The overall cap in absolute terms is lower than the sum of the maximum amounts for the individual components.

**PIETER NOTA**

Customer, Brands, Sales

Member of the Board of Management

since 1 January 2018

in €	Grants				Payout	
	FJ 2020	FJ 2020 (Min)	FJ 2020 (Max)	FJ 2019	FJ 2020	FJ 2019
<b>BASE SALARY</b>						
Fixed remuneration	800,000	800,000	800,000	800,000	800,000	800,000
Fringe benefits (other remuneration)	18,408	18,408	18,408	20,782	18,408	20,782
<b>Total</b>	<b>818,408</b>	<b>818,408</b>	<b>818,408</b>	<b>820,782</b>	<b>818,408</b>	<b>820,782</b>
<b>ONE-YEAR VARIABLE REMUNERATION</b>						
Earnings-based component of the bonus <sup>1</sup>	255,000	0	459,000	255,000	113,220	203,490
<b>MULTI-YEAR VARIABLE REMUNERATION</b>						
<b>Performance component of the bonus</b>						
Performance component of the bonus 2019 (three-year plan term) <sup>1</sup>	–	–	–	595,000	–	714,000
Performance component of the bonus 2020 (three-year plan term) <sup>1</sup>	595,000	0	1,071,000	–	684,250	–
<b>Performance Cash Plan</b>						
PCP 2018 – 2020 <sup>2</sup>	–	–	–	–	282,850	–
PCP 2019 – 2021 <sup>3</sup>	–	–	–	850,000	–	500,000
PCP 2020 – 2022	850,000	0	1,530,000	–	–	–
<b>Share-based remuneration programme</b>						
Cash remuneration component (investment component) 2019 for holding obligation 2020 – 2024 <sup>1</sup>	–	–	–	382,500	–	412,871
Cash remuneration component (investment component) 2020 for holding obligation 2021 – 2025 <sup>1</sup>	382,500	0	688,500	–	358,862	–
Share-based remuneration component (matching component) 2018 for holding obligation 2019 – 2023	–	–	–	–	–	–
Share-based remuneration component (matching component) 2019 for holding obligation 2020 – 2024	–	–	–	72,251	–	–
Share-based remuneration component (matching component) 2020 for holding obligation 2020 – 2025	62,790	0	344,500	–	–	–
Other	–	–	–	–	–	–
<b>Total</b>	<b>2,963,698</b>	<b>818,408</b>	<b>4,911,408</b>	<b>2,975,533</b>	<b>2,257,590</b>	<b>2,651,143</b>
Pension expense <sup>4</sup>	354,680	354,680	354,680	359,979	354,680	359,979
<b>Total remuneration</b>	<b>3,318,378</b>	<b>1,173,088</b>	<b>4,925,000</b> <sup>5</sup>	<b>3,335,512</b>	<b>2,612,270</b>	<b>3,011,122</b>

<sup>1</sup> The bonus components and cash remuneration component reported in accordance with the GCCC for the financial years 2020 and 2019 will be, or were, paid out in 2021 and 2020 respectively.

<sup>2</sup> An advance payment was made out of PCP 2018 – 2020. This was reported as an amount deemed received (Zufluss) for the financial year 2018 and paid out in 2019.

<sup>3</sup> The advance payment out of PCP 2019 – 2021, which is reported deemed received (Zufluss) for the financial year 2019, was paid out in 2020.

<sup>4</sup> The pension expense in accordance with IAS 19 reflects the expense recognised by the BMW Group; this amount was not paid out in the financial year.

<sup>5</sup> Agreed maximum amount. The overall cap in absolute terms is lower than the sum of the maximum amounts for the individual components.

**NICOLAS PETER**

Finance

Member of the Board of Management

since 1 January 2017

in €	Grants				Payout	
	FJ 2020	FJ 2020 (Min)	FJ 2020 (Max)	FJ 2019	FJ 2020	FJ 2019
<b>BASE SALARY</b>						
Fixed remuneration	950,000	950,000	950,000	800,000	950,000	800,000
Fringe benefits (other remuneration)	24,231	24,231	24,231	29,988	24,231	29,988
<b>Total</b>	<b>974,231</b>	<b>974,231</b>	<b>974,231</b>	<b>829,988</b>	<b>974,231</b>	<b>829,988</b>
<b>ONE-YEAR VARIABLE REMUNERATION</b>						
Earnings-based component of the bonus <sup>1</sup>	300,000	0	540,000	255,000	133,200	203,490
<b>MULTI-YEAR VARIABLE REMUNERATION</b>						
<b>Performance component of the bonus</b>						
Performance component of the bonus 2019 (three-year plan term) <sup>1</sup>	–	–	–	595,000	–	714,000
Performance component of the bonus 2020 (three-year plan term) <sup>1</sup>	700,000	0	1,260,000	–	805,000	–
<b>Performance Cash Plan</b>						
PCP 2018 – 2020 <sup>2</sup>	–	–	–	–	282,850	–
PCP 2019 – 2021 <sup>3</sup>	–	–	–	850,000	–	500,000
PCP 2020 – 2022	950,000	0	1,710,000	–	–	–
<b>Share-based remuneration programme</b>						
Cash remuneration component (investment component) 2019 for holding obligation 2020 – 2024 <sup>1</sup>	–	–	–	382,500	–	412,871
Cash remuneration component (investment component) 2020 for holding obligation 2021 – 2025 <sup>1</sup>	450,000	0	810,000	–	422,190	–
Share-based remuneration component (matching component) 2017 for holding obligation 2018 – 2022	–	–	–	–	–	–
Share-based remuneration component (matching component) 2018 for holding obligation 2019 – 2023	–	–	–	–	–	–
Share-based remuneration component (matching component) 2019 for holding obligation 2020 – 2024	–	–	–	67,299	–	–
Share-based remuneration component (matching component) 2020 for holding obligation 2020 – 2025	68,802	0	405,000	–	–	–
Other	–	–	–	–	–	–
<b>Total</b>	<b>3,443,033</b>	<b>974,231</b>	<b>5,699,231</b>	<b>2,979,787</b>	<b>2,617,471</b>	<b>2,660,349</b>
Pension expense <sup>4</sup>	351,746	351,746	351,746	353,327	351,746	353,327
<b>Total remuneration</b>	<b>3,794,779</b>	<b>1,325,977</b>	<b>5,500,000<sup>5</sup></b>	<b>3,333,114</b>	<b>2,969,217</b>	<b>3,013,676</b>

<sup>1</sup> The bonus components and cash remuneration component reported in accordance with the GCCC for the financial years 2020 and 2019 will be, or were, paid out in 2021 and 2020 respectively.

<sup>2</sup> An advance payment was made out of PCP 2018 – 2020. This was reported as an amount deemed received (Zufluss) for the financial year 2018 and paid out in 2019.

<sup>3</sup> The advance payment out of PCP 2019 – 2021, which is reported deemed received (Zufluss) for the financial year 2019, was paid out in 2020.

<sup>4</sup> The pension expense in accordance with IAS 19 reflects the expense recognised by the BMW Group; this amount was not paid out in the financial year.

<sup>5</sup> Agreed maximum amount. The overall cap in absolute terms is lower than the sum of the maximum amounts for the individual components.

**FRANK WEBER**

Development

Member of the Board of Management

since 1 July 2020

in €				Grants	Payout	
	FJ 2020	FJ 2020 (Min)	FJ 2020 (Max)	FJ 2019	FJ 2020	FJ 2019
<b>BASE SALARY</b>						
Fixed remuneration	400,000	400,000	400,000	–	400,000	–
Fringe benefits (other remuneration)	28,593	28,593	28,593	–	28,593	–
<b>Total</b>	<b>428,593</b>	<b>428,593</b>	<b>428,593</b>	<b>–</b>	<b>428,593</b>	<b>–</b>
<b>ONE-YEAR VARIABLE REMUNERATION</b>						
Earnings-based component of the bonus <sup>1</sup>	127,500	0	229,500	–	56,610	–
<b>MULTI-YEAR VARIABLE REMUNERATION</b>						
<b>Performance component of the bonus</b>						
Performance component of the bonus 2019 (three-year plan term)	–	–	–	–	–	–
Performance component of the bonus 2020 (three-year plan term) <sup>1</sup>	297,500	0	535,500	–	342,125	–
<b>Performance Cash Plan</b>						
PCP 2018 – 2020	–	–	–	–	–	–
PCP 2019 – 2021	–	–	–	–	–	–
PCP 2020 – 2022	425,000	0	765,000	–	–	–
<b>Aktienbasiertes Vergütungsprogramm</b>						
Cash remuneration component (investment component) 2019 for holding obligation 2020 – 2024	–	–	–	–	–	–
Cash remuneration component (investment component) 2020 for holding obligation 2021 – 2025 <sup>1</sup>	191,250	0	344,250	–	179,431	–
Share-based remuneration component (matching component) 2020 for holding obligation 2021 – 2025	31,360	0	172,125	–	–	–
Other	–	–	–	–	–	–
<b>Total</b>	<b>1,501,203</b>	<b>428,593</b>	<b>2,474,968</b>	<b>–</b>	<b>1,006,759</b>	<b>–</b>
Pension expense <sup>2</sup>	175,000	175,000	175,000	–	175,000	–
<b>Total remuneration</b>	<b>1,676,203</b>	<b>603,593</b>	<b>2,462,500</b> <sup>3</sup>	<b>–</b>	<b>1,181,759</b>	<b>–</b>

<sup>1</sup> The bonus components and cash remuneration component reported in accordance with the GCCC for the financial 2020 will be paid out in 2021.

<sup>2</sup> The pension expense in accordance with IAS 19 reflects the expense recognised by the BMW Group; this amount was not paid out in the financial year.

<sup>3</sup> Agreed maximum amount. The overall cap in absolute terms is lower than the sum of the maximum amounts for the individual components.

**ANDREAS WENDT**

Purchasing and Supplier Network  
Member of the Board of Management  
since 1 October 2018

in €	Grants				Payout	
	FJ 2020	FJ 2020 (Min)	FJ 2020 (Max)	FJ 2019	FJ 2020	FJ 2019
<b>BASE SALARY</b>						
Fixed remuneration	800,000	800,000	800,000	800,000	800,000	800,000
Fringe benefits (other remuneration)	56,319	56,319	56,319	102,701	56,319	102,701
<b>Total</b>	<b>856,319</b>	<b>856,319</b>	<b>856,319</b>	<b>902,701</b>	<b>856,319</b>	<b>902,701</b>
<b>ONE-YEAR VARIABLE REMUNERATION</b>						
Earnings-based component of the bonus <sup>1</sup>	255,000	0	459,000	255,000	113,220	203,490
<b>MULTI-YEAR VARIABLE REMUNERATION</b>						
<b>Performance component of the bonus</b>						
Performance component of the bonus 2019 (three-year plan term) <sup>1</sup>	–	–	–	595,000	–	714,000
Performance component of the bonus 2020 (three-year plan term) <sup>1</sup>	595,000	0	1,071,000	–	684,250	–
<b>Performance Cash Plan</b>						
PCP 2018 – 2020	–	–	–	–	195,713	–
PCP 2019 – 2021	–	–	–	850,000	–	–
PCP 2020 – 2022	850,000	0	1,530,000	–	–	–
<b>Share-based remuneration programme</b>						
Cash remuneration component (investment component) 2019 for holding obligation 2020 – 2024 <sup>1</sup>	–	–	–	382,500	–	412,871
Cash remuneration component (investment component) 2020 for holding obligation 2021 – 2025 <sup>1</sup>	382,500	0	688,500	–	358,862	–
Share-based remuneration component (matching component) 2018 for holding obligation 2019 – 2023	–	–	–	–	–	–
Share-based remuneration component (matching component) 2019 for holding obligation 2020 – 2024	–	–	–	72,251	–	–
Share-based remuneration component (matching component) 2020 for holding obligation 2020 – 2025	62,790	0	344,500	–	–	–
Other	–	–	–	–	–	–
<b>Total</b>	<b>3,001,609</b>	<b>856,319</b>	<b>4,949,319</b>	<b>3,057,452</b>	<b>2,208,364</b>	<b>2,233,062</b>
Pension expense <sup>2</sup>	351,746	351,746	351,746	353,327	351,746	353,327
<b>Gesamtvergütung</b>	<b>3,353,355</b>	<b>1,208,065</b>	<b>4,925,000<sup>3</sup></b>	<b>3,410,779</b>	<b>2,560,110</b>	<b>2,586,389</b>

<sup>1</sup> The bonus components and cash remuneration component reported in accordance with the GCCC for the financial years 2020 and 2019 will be, or were, paid out in 2021 and 2020 respectively.

<sup>2</sup> The pension expense in accordance with IAS 19 reflects the expense recognised by the BMW Group; this amount was not paid out in the financial year.

<sup>3</sup> Agreed maximum amount. The overall cap in absolute terms is lower than the sum of the maximum amounts for the individual components.

### Share ownership

The members of the Board of Management hold a total of 59,341 shares of BMW common stock (2019: 92,519) which they are required to hold in accordance with the terms of the share-based remuneration programme for the financial years 2016 – 2019. The cash component of the share-based remuneration programme for the financial year 2020 will be paid out after the end of the Annual General Meeting 2021, triggering the requirement to purchase additional shares of BMW common stock.

### Shares of BMW common stock held by individual members of the Board of Management subject to holding requirements in connection with share-based remuneration for the financial years 2016 – 2019<sup>1</sup>

Shares of stock	Total <sup>1</sup>
<b>Oliver Zipse</b>	<b>16,637</b>
	(11,938)
<b>Klaus Fröhlich<sup>2</sup></b>	<b>15,304</b>
	(13,305)
<b>Ilka Horstmeier</b>	<b>782</b>
	(–)
<b>Milan Nedeljković</b>	<b>1,174</b>
	(–)
<b>Pieter Nota</b>	<b>8,650</b>
	(3,954)
<b>Nicolas Peter</b>	<b>11,110</b>
	(6,736)
<b>Frank Weber<sup>3</sup></b>	<b>–</b>
	(–)
<b>Andreas Wendt</b>	<b>5,684</b>
	(988)
<b>Total</b>	<b>59,341</b>
	(92,519) <sup>4</sup>

<sup>1</sup> Includes only shares of BMW common stock acquired using the cash remuneration component of the share-based remuneration programme for members of the Board of Management, for which the four-year holding period has not yet expired.

<sup>2</sup> Member of the Board of Management until 30 June 2020.

<sup>3</sup> Member of the Board of Management from 1 July 2020.

<sup>4</sup> Disclosures for the previous year include shares held by members of the Board of Management who left office during the financial year 2019.

**Share-based remuneration component (matching component) for individual members of the Board of Management for the financial year 2020 (2019)<sup>1</sup>**

in €	Expense in 2020 in accordance with HGB and IFRS	Provision at 31.12.2020 in accordance with HGB and IFRS <sup>1</sup>
<b>Oliver Zipse</b>	<b>73,882</b>	<b>398,503</b>
	(135,272)	(358,043)
<b>Klaus Fröhlich<sup>2</sup></b>	<b>98,458</b>	<b>401,743</b>
	(104,384)	(356,008)
<b>Ilka Horstmeier</b>	<b>28,258</b>	<b>28,925</b>
	(668)	(668)
<b>Milan Nedeljković</b>	<b>32,561</b>	<b>34,078</b>
	(1,516)	(1,516)
<b>Pieter Nota</b>	<b>168,949</b>	<b>269,346</b>
	(76,736)	(100,397)
<b>Nicolas Peter</b>	<b>63,765</b>	<b>295,180</b>
	(150,428)	(231,415)
<b>Frank Weber<sup>3</sup></b>	<b>6,773</b>	<b>398,503</b>
	(–)	(–)
<b>Andreas Wendt</b>	<b>98,843</b>	<b>135,147</b>
	(34,672)	(36,304)
<b>Total<sup>4</sup></b>	<b>571,489</b>	<b>1,961,425</b>
	(957,504)	(2,456,758)

<sup>1</sup> Value at the end of the reporting period calculated on the basis of the closing price of BMW common stock in Xetra trading on 30 December 2020 (€72.23).

<sup>2</sup> Member of the Board of Management until 30 June 2020.

<sup>3</sup> Member of the Board of Management from 1 July 2020.

<sup>4</sup> Disclosures for the previous year include amounts relating to members of the Board of Management who left office during the financial year 2019.

In addition, an expense of €2.6 million (2019: €2.9 million) was recognised in the financial year 2020 for current members of the Board of Management for the period after the end of their service relationship. This relates to the expense for allocations to pension provisions in accordance with IAS 19.

Total benefits paid to former members of the Board of Management and their surviving dependants for the financial year 2020 amounted to €13.1 million (2019: €16.0 million). The total remuneration of former members of the Board of Management also includes the amounts described above amounting to €0.6 million arising in connection with the departure of Mr. Fröhlich. Some of these amounts have not yet been paid out.

Pension obligations to former members of the Board of Management and their surviving dependants are fully covered by pension provisions amounting to €118.8 million (2019: €113.1 million), computed in accordance with IAS 19.

### Pension entitlements

in €	Service cost in accordance with IFRS for the financial year 2020 <sup>1</sup>	Service cost in accordance with HGB for the financial year 2020 <sup>1</sup>	Defined benefit obligation IFRS <sup>1</sup>	Defined benefit obligation HGB <sup>1</sup>
<b>Oliver Zipse</b>	<b>502,626</b>	<b>506,861</b>	<b>3,701,016</b>	<b>3,700,982</b>
	(406,452)	(406,452)	(3,054,273)	(3,054,125)
<b>Klaus Fröhlich<sup>2</sup></b>	<b>175,000</b>	<b>175,000</b>	<b>3,556,660</b>	<b>3,556,660</b>
	(353,327)	(355,573)	(3,256,267)	(3,256,267)
<b>Ilka Horstmeier</b>	<b>352,433</b>	<b>355,375</b>	<b>1,391,936</b>	<b>1,391,331</b>
	(58,333)	(58,333)	(993,548)	(992,662)
<b>Milan Nedeljković</b>	<b>352,121</b>	<b>355,076</b>	<b>1,830,168</b>	<b>1,829,906</b>
	(87,500)	(87,500)	(1,421,605)	(1,421,152)
<b>Pieter Nota</b>	<b>354,680</b>	<b>357,593</b>	<b>1,157,145</b>	<b>1,156,993</b>
	(359,979)	(362,125)	(760,562)	(760,306)
<b>Nicolas Peter</b>	<b>351,746</b>	<b>354,711</b>	<b>3,134,163</b>	<b>3,134,163</b>
	(353,327)	(355,573)	(2,656,550)	(2,656,550)
<b>Frank Weber<sup>3</sup></b>	<b>175,000</b>	<b>175,000</b>	<b>655,460</b>	<b>655,172</b>
	(-)	(-)	(-)	(-)
<b>Andreas Wendt</b>	<b>351,746</b>	<b>354,711</b>	<b>2,863,441</b>	<b>2,863,441</b>
	(353,327)	(355,573)	(2,414,082)	(2,414,082)
<b>Total<sup>4</sup></b>	<b>2,615,352</b>	<b>2,634,327</b>	<b>18,289,989</b>	<b>18,288,648</b>
	(2,876,116)	(2,890,450)	(27,962,636)	(27,960,893)

<sup>1</sup> Service cost differs due to the different valuation bases used to measure the present value of defined benefit pension obligations for IFRS purposes and the expected settlement amount for HGB purposes.

<sup>2</sup> Member of the Board of Management until 30 June 2020.

<sup>3</sup> Member of the Board of Management since 1 July 2020.

<sup>4</sup> Disclosures for the previous year include amounts relating to members of the Board of Management who left office during the financial year 2019.

### Revision of Board of Management remuneration for financial years from 2021 onwards

During the financial year 2020, the Supervisory Board considered in detail the new requirements for Board of Management remuneration resulting from the Act Implementing the Second EU Shareholder Rights Directive (ARUG II) as well as the recommendations and suggestions contained in the German Corporate Governance Code (GCCC) dated December 16, 2019. At its meeting in December 2020, the Supervisory Board, acting on the recommendation of the Personnel Committee, resolved to revise the existing system of Board of Management remuneration for financial years from 2021 onwards. In its deliberations, the Supervisory Board also took into account the recommendations of an independent remuneration expert as well as suggestions from investor representatives and analysts. In agreement with the members of the Board of Management in office at that time, the relevant service contracts were amended with effect from 1 January 2021, in order to implement changes to the remuneration system for financial years from 2021 onwards for all Board members at the same time.

The Supervisory Board will submit the new system for Board of Management remuneration to the 2021 Annual General Meeting for approval. The new remuneration system will be explained in detail in the notice document inviting shareholders to the Annual General Meeting.

Key features of the new remuneration system include in particular:

- The new remuneration system for members of the Board of Management is designed to be simple, clear and easy to understand. It complies with the requirements of the German Stock Corporation Act (AktG) and the recommendations and suggestions of the GCCC for executive board remuneration.
- Under the new remuneration system, variable, earnings-related remuneration will be oriented even more closely towards the company's sustainable development. Non-financial targets, particularly in the areas of the environment (e.g. reduction of carbon emissions), social issues and governance are taken into account appropriately.
- The Performance Cash Plan will no longer apply in the future, resulting in a simplification of the remuneration system.
- In future, most of the variable remuneration of the Board of Management will be determined using a share-based approach, in compliance with the

recommendation of the GCCC in the version dated 16 December 2019. In order to simplify the remuneration system, the matching component that was previously paid out in cash or shares at the end of the four-year holding period no longer applies. As in the past, the company awards a so-called "personal cash investment amount", which is required to be used – after tax and deductions – to acquire shares of BMW common stock. Compared to the previous arrangements, the personal cash investment amount will have a significantly higher weighting within the target structure, given that it replaces the PCP as a long-term incentive. Within the target structure, one half of the personal cash investment amount will be linked to the attainment of an RoCE target for the Automotive segment and one half to the attainment of strategic focus targets set by the Supervisory Board in accordance with corporate planning.

- The members of the Board of Management are required to hold the BMW common stock acquired with the personal cash investment amount on a long-term basis, i.e. at least for a period of four years.
- In the new remuneration system, the payment of variable remuneration components is subject to special malus and clawback clauses.

## Outlook: Remuneration elements, parameters, target remuneration levels and caps for financial years from financial year 2021 onwards

Component	Parameters/ measurement base, applicable amounts
<b>BASE SALARY</b>	<p>Member of the Board of Management:</p> <ul style="list-style-type: none"> <li>— € 0.90 million p.a. (first period of office)</li> <li>— € 1.05 million p.a. (from second period of office or fourth year of mandate)</li> </ul> <p>Chairman of the Board of Management:</p> <ul style="list-style-type: none"> <li>— € 1.95 million p.a.</li> <li>— Monthly payment on time-apportioned basis</li> </ul>
<b>VARIABLE REMUNERATION</b>	<p><b>Bonus</b> (sum of earnings component and performance component)</p> <ul style="list-style-type: none"> <li>— Target amount p.a. (at 100 % target achievement):             <ul style="list-style-type: none"> <li>— € 0.95 million (first period of office)</li> <li>— € 1.15 million (from second period of office or fourth year of mandate)</li> <li>— € 2.1 million (Chairman of the Board of Management)</li> </ul> </li> <li>— Capped at 180 % of target amount</li> <li>— Payment after the Annual General Meeting at which the Company Financial Statements are presented for the relevant financial year</li> </ul> <hr/> <p>a) Earnings component (at 100 % target achievement corresponds to 50 % of target amount)</p> <ul style="list-style-type: none"> <li>— Assessment period one year</li> <li>— Base amount p.a. (50 % of target bonus amount):             <ul style="list-style-type: none"> <li>— € 0.475 million (first period of office)</li> <li>— € 0.575 million (from second period of office or fourth year of mandate)</li> <li>— € 1.050 million (Chairman of the Board of Management)</li> </ul> </li> <li>— Formula: 50 % of target amount x performance factor</li> <li>— Earnings factor is derived from an allocation table based on the parameters profit attributable to shareholders of BMW AG and Group post-tax return on sales in grant year</li> <li>— Allocation table is determined in advance             <ul style="list-style-type: none"> <li>— The earnings factor is 1.0 in case of a profit attributable to shareholders of BMW AG amounting to € 5.3 billion and a post-tax return on sales of 5.6 %</li> <li>— The earnings factor is 1.5 in case of a profit attributable to shareholders of BMW AG amounting to € 6.9 billion and a post-tax return on sales of 7.3 %</li> <li>— The earnings factor is 0 in case of a profit attributable to shareholders of BMW AG below € 3.0 billion or a post-tax return on sales of below 3.0 %</li> </ul> </li> <li>— Earnings factor may not exceed 1.8</li> <li>— Maximum amount of earnings component p.a.:             <ul style="list-style-type: none"> <li>— € 0.855 million (first period of office)</li> <li>— € 1.035 million (from second period of office or fourth year of mandate)</li> <li>— € 1.890 million (Chairman of the Board of Management)</li> </ul> </li> </ul>

Component	Parameters/ measurement base, applicable amounts
b) Performance component (at 100 % target achievement corresponds to 50 % of target amount)	<ul style="list-style-type: none"> <li>— Assessment period one year</li> <li>— Base amount p.a. (50 % of target bonus amount):               <ul style="list-style-type: none"> <li>— € 0.475 million (first period of office)</li> <li>— € 0.575 million (from second period of office or fourth year of mandate)</li> <li>— € 1.050 million (Chairman of the Board of Management)</li> </ul> </li> <li>— Formula: 50 % of target amount x performance factor</li> <li>— Primarily qualitative, non-financial criteria, expressed in terms of a performance factor, aimed at measuring the Board member's contribution to sustainable and long-term performance and corporate orientation</li> <li>— Additional trend analysis over at least three financial years to assess the impact of past decisions and actions in the grant year as well as the impact of decisions and actions in the grant year on future financial years</li> <li>— Composition of the performance factor within target structure               <ul style="list-style-type: none"> <li>— 10 % individual targets</li> <li>— 50 % cross-divisional targets with ESG criteria</li> <li>— 40 % other cross-divisional targets</li> </ul> </li> <li>— Criteria for the cross-divisional targets with ESG criteria include in particular: innovation performance (environmental, e.g. reduction of carbon emissions), development of the BMW Group's reputation based on ESG aspects (e.g. corporate culture, promotion of integrity and compliance), adaptability, attractiveness as an employer, leadership performance</li> <li>— Criteria for the other cross-divisional targets include in particular: market position compared to competitors, innovation performance (economic), development of the BMW Group's reputation based on non-ESG-related aspects (e.g. perception on capital markets, brand strength), customer orientation</li> <li>— Measurement parameters and target values are determined before the start of the financial year</li> <li>— Performance factor may not exceed 1.8</li> <li>— Maximum amount of performance component p.a.:               <ul style="list-style-type: none"> <li>— € 0.855 million (first period of office)</li> <li>— € 1.035 million (from second period of office or fourth year of mandate)</li> <li>— € 1.890 million (Chairman of the Board of Management)</li> </ul> </li> </ul>
<b>Performance Cash Plan</b>	Not applicable

Component	Parameters/ measurement base, applicable amounts
<b>Share-based remuneration programme with holding requirements</b>	<ul style="list-style-type: none"> <li>— Requirement for Board of Management members to invest an earmarked cash amount (personal cash investment amount), net of tax and deductions, in shares of BMW common stock</li> <li>— Requirement for Board of Management members to hold the acquired shares of BMW common stock for at least four years (share ownership)</li> <li>— Assessment period of five years in total (one year for determining the personal cash investment amount, four years holding requirement)</li> </ul>
a) Personal cash investment amount	<ul style="list-style-type: none"> <li>— Target amount p.a. (at 100 % target achievement): <ul style="list-style-type: none"> <li>— € 1.10 million (first period of office)</li> <li>— € 1.28 million (from second period of office or fourth year of mandate)</li> <li>— € 2.35 million (Chairman of the Board of Management)</li> </ul> </li> <li>— 50 % of target amount depends on RoCE achieved in the Automotive segment (RoCE component)</li> <li>— 50 % of the target amount depends on the achievement of predefined strategic focus targets (strategic focus target component)</li> <li>— Capped at 180 % of target amount</li> <li>— Payment after the Annual General Meeting at which the Company Financial Statements are presented for the relevant financial year</li> </ul>
aa) RoCE component (at 100 % target achievement corresponds to 50 % of target amount)	<ul style="list-style-type: none"> <li>— Target amount of RoCE component p.a. (50 % of target amount for personal cash investment amount): <ul style="list-style-type: none"> <li>— € 0.55 million (first period of office)</li> <li>— € 0.64 million (from second period of office or fourth year of mandate)</li> <li>— € 1.175 million (Chairman of the Board of Management)</li> </ul> </li> <li>— Formula: 50 % of target amount x RoCE factor</li> <li>— RoCE factor is derived from the RoCE achieved in the Automotive segment for the grant year</li> <li>— Minimum, target and maximum values for RoCE are defined before the start of the financial year</li> <li>— RoCE factor may not exceed 1.8</li> </ul>
bb) Strategic focus target component (at 100 % target achievement corresponds to 50 % of target amounts)	<ul style="list-style-type: none"> <li>— Strategic focus target component p.a. (50 % of target amount for personal cash investment amount): <ul style="list-style-type: none"> <li>— € 0.55 million (first period of office)</li> <li>— € 0.64 million (from second period of office or fourth year of mandate)</li> <li>— € 1.175 million (Chairman of the Board of Management)</li> </ul> </li> <li>— At least two strategic focus targets of a non-financial nature derived from strategic plan and business forecast</li> <li>— Weighting of the strategic focus targets is decided upon before the start of the financial year</li> <li>— Formula in the case of two strategic focus targets with equal weighting p.a.: 25 % of target amount for personal cash investment amount x factor for strategic focus target 1 + 25 % of target amount for personal cash investment amount x factor for strategic focus target 2</li> <li>— Minimum, target and maximum values for each focus target are defined before the start of the financial year</li> <li>— Factor for each strategic focus target may not exceed 1.8</li> </ul>
b) Share-based remuneration component (matching component)	Not applicable

Component	Parameters/ measurement base, applicable amounts																
<b>RULES FOR WITHHOLDING AND CLAWING BACK REMUNERATION</b>																	
a) Malus	<ul style="list-style-type: none"> <li>— Agreement to withhold variable remuneration in the event of specified serious compliance violations or (withholding amounts provisionally) in the event of reasonable suspicions of such</li> <li>— Amounts may also be withheld in principle after a member has left the Board</li> <li>— Applies from financial year 2021 onwards</li> </ul>																
a) Clawback	<ul style="list-style-type: none"> <li>— Agreement entitling the BMW Group to reclaim variable remuneration already paid out in the event of specified serious incidences of non-compliance, incorrect calculation bases for remuneration or incorrect financial statements</li> <li>— Amounts may also be clawed back in principle after a member has left the Board</li> <li>— Applies from financial year 2021 onwards</li> </ul>																
<b>OTHER FIXED REMUNERATION (FRINGE BENEFITS)</b>																	
	Contractual agreement, main points: non-cash benefits from the use of company cars and the BMW chauffeur service, insurance premiums, contributions towards security systems, employee discounts																
<b>REIMBURSEMENT OF LOSSES AND EXPENSES</b>																	
	The Supervisory Board may award payments to compensate for loss of salary from a previous employment relationship and to cover relocation costs in the case of new entrants. These payments are to be included for the purposes of determining the maximum remuneration																
<b>RETIREMENT BENEFITS</b>																	
Model	Principal features																
Defined contribution system with a guaranteed minimum return	<p>Benefits based on amounts credited to individual savings accounts for contributions paid and interest earned, various forms of disbursement</p> <p>Pension contribution p.a.:</p> <p>Member of the Board of Management: € 400,000</p> <p>Chairman of the Board of Management: € 700,000</p>																
<b>CAPS</b>																	
p. a. in €	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 15%;">Bonus</th> <th style="width: 15%;">Share-based remuneration (personal investment cash amount)</th> <th style="width: 10%;">Maximum remuneration*</th> </tr> </thead> <tbody> <tr> <td>Member of the Board of Management in the first period of office</td> <td style="text-align: right;">1,710,000</td> <td style="text-align: right;">1,980,000</td> <td style="text-align: right;">4,925,000</td> </tr> <tr> <td>Member of the Board of Management from second period of office or fourth year of mandate</td> <td style="text-align: right;">2,070,000</td> <td style="text-align: right;">2,304,000</td> <td style="text-align: right;">5,500,000</td> </tr> <tr> <td>Chairman of the Board of Management</td> <td style="text-align: right;">3,780,000</td> <td style="text-align: right;">4,230,000</td> <td style="text-align: right;">9,850,000</td> </tr> </tbody> </table>		Bonus	Share-based remuneration (personal investment cash amount)	Maximum remuneration*	Member of the Board of Management in the first period of office	1,710,000	1,980,000	4,925,000	Member of the Board of Management from second period of office or fourth year of mandate	2,070,000	2,304,000	5,500,000	Chairman of the Board of Management	3,780,000	4,230,000	9,850,000
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\* Maximum remuneration as defined in section 87a (1) sentence 2 no. 1 AktG. The overall cap is lower than the sum of the maximum amounts for the individual components.