

2. Supervisory Board remuneration

Provisions of Articles of Incorporation, procedures

The remuneration regulation valid for the financial year under report was resolved by shareholders at the Annual General Meeting on 14 May 2020 and is set out in Article 15 of BMW AG's Articles of Incorporation. With effect from the financial year 2020, members of the Supervisory Board are remunerated exclusively on the basis of a fixed remuneration structure. In accordance with the Act Implementing the Second EU Shareholder Rights Directive (ARUG II), a resolution on the remuneration of the members of the Supervisory Board is required to be adopted by the Annual General Meeting of a listed stock corporation at least every four years. A proposal will be submitted to the Annual General Meeting on 12 May 2021 to confirm the existing remuneration arrangements.

Remuneration principles, remuneration components

The exclusively fixed remuneration structure for Supervisory Board remuneration is intended to strengthen the independent exercise of its control and advisory functions and complies with Suggestion G.18 of the German Corporate Governance Code (GCCC) dated 16 December 2019. In accordance with the Articles of Incorporation, each member of the Supervisory Board of BMW AG who does not perform any additional remuneration-relevant functions receives – in addition to reimbursement of reasonable expenses – a fixed remuneration of €200,000, payable after the end of the financial year.

The latest version of the GCCC dated 16 December 2019 recommends that the exercising of chair and deputy chair positions in the Supervisory Board as well

the chair and membership of committees should also be considered when determining the level of remuneration (Recommendation G.17) due to the higher time consumption. Accordingly, the Articles of Incorporation of BMW AG stipulate that the Chairman of the Supervisory Board shall receive three times the amount and each Deputy Chairman twice the amount of remuneration paid to a Supervisory Board member, excluding amounts relating to additional remuneration-relevant functions. The chair of the Audit Committee receives two-and-a-quarter times the amount, the chair of other Supervisory Board committees twice the amount and each member of a committee one-and-a-half times the amount of the remuneration paid to a Supervisory Board member, provided the relevant committee convened on at least three days during the financial year. If a member of the Supervisory Board exercises more than one of the functions referred to above, their remuneration is measured only on the basis of the function receiving the highest amount.

In the event of changes in the composition of the Supervisory Board during the year or in the performance of additional remuneration-relevant functions, remuneration is determined on a proportionate basis.

In addition, each member of the Supervisory Board receives an attendance fee of €2,000 for each full meeting of the Supervisory Board (Plenum) which the member has attended, payable at the end of the financial year. Attendance at more than one meeting on the same day is not remunerated separately.

Furthermore, the Company reimburses each member of the Supervisory Board for their reasonable expenses.

In order to be able to perform his duties, the Chairman of the Supervisory Board is provided with secretariat and chauffeur services.

Overview of remuneration¹

	Factor	Amount in € p.a. ³
Member of the Supervisory Board	1.00	200,000
Chairman of the Supervisory Board	3.00	600,000
Deputy Chairman of the Supervisory Board	2.00	400,000
Chairman of the Audit Committee ²	2.25	450,000
Chairman of another committee ²	2.00	400,000
Member of the Audit Committee ²	2.00	400,000
Member of another committee ²	1.50	300,000

¹ If a Supervisory Board member performs several additional remuneration-relevant functions, their remuneration is measured only on the basis of the function that is remunerated with the highest amount.

² Provided the relevant committee convened for meetings on at least three days during the financial year.

³ Plus attendance fee of €2,000 per plenary session.

Remuneration of the Supervisory Board for the financial year 2020 (total)

In accordance with Article 15 of the Articles of Incorporation, the remuneration of the Supervisory Board for activities during the financial year 2020 totalled €5.6 million (2019: €5.6 million).

in € million	2020		2019	
	Amount	Proportion in %	Amount	Proportion in %
Fixed remuneration	5.6	100.0	2.0	35.7
Variable remuneration	–	–	3.6	64.3
Total remuneration	5.6	100.0	5.6	100.0

Supervisory Board members did not receive any further remuneration or benefits from the BMW Group for advisory or agency services personally rendered.

Remuneration of the individual members of the Supervisory Board for the financial year 2020 (2019)

in €	Fixed remuneration	Attendance fee	Variable remuneration ⁸	Total
Norbert Reithofer (Chairman)	600,000	10,000	–	610,000
	(210,000)	(10,000)	(420,000)	(640,000)
Manfred Schoch (Deputy Chairman)¹	400,000	10,000	–	410,000
	(140,000)	(10,000)	(280,000)	(430,000)
Stefan Quandt (Deputy Chairman)	400,000	10,000	–	410,000
	(140,000)	(10,000)	(280,000)	(430,000)
Stefan Schmid (Deputy Chairman)¹	400,000	10,000	–	410,000
	(140,000)	(10,000)	(280,000)	(430,000)
Karl-Ludwig Kley (Deputy Chairman)²	418,548	10,000	–	428,548
	(140,000)	(8,000)	(280,000)	(428,000)
Kurt Bock (Chairman of the Audit Committee)³	357,930	10,000	–	367,930
	(70,000)	(10,000)	(140,000)	(220,000)
Christiane Benner¹	200,000	10,000	–	210,000
	(70,000)	(10,000)	(140,000)	(220,000)
Verena zu Dohna-Jaeger¹	200,000	10,000	–	210,000
	(43,844)	(8,000)	(87,688)	(139,532)
Heinrich Hiesinger	200,000	10,000	–	210,000
	(70,000)	(10,000)	(140,000)	(220,000)
Reinhard Hüttl⁴	190,000	10,000	–	200,000
	(70,000)	(8,000)	(122,000)	(200,000)
Susanne Klatten	200,000	10,000	–	210,000
	(70,000)	(10,000)	(140,000)	(220,000)
Renate Köcher⁵	74,194	2,000	–	76,194
	(70,000)	(10,000)	(140,000)	(220,000)

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Remuneration of the individual members of the Supervisory Board for the financial year 2020 (2019)

in €	Fixed remuneration	Attendance fee	Variable remuneration ⁸	Total
Horst Lischka¹	200,000	10,000	–	210,000
	(70,000)	(10,000)	(140,000)	(220,000)
Willibald Löw¹	200,000	10,000	–	210,000
	(70,000)	(10,000)	(140,000)	(220,000)
Simone Menne	200,000	10,000	–	210,000
	(70,000)	(10,000)	(140,000)	(220,000)
Dominique Mohabeer¹	200,000	10,000	–	210,000
	(70,000)	(10,000)	(140,000)	(220,000)
Brigitte Rödiger¹	200,000	10,000	–	210,000
	(70,000)	(10,000)	(140,000)	(220,000)
Anke Schäferkordt⁶	126,344	8,000	–	134,344
	(–)	(–)	(–)	(–)
Vishal Sikka	200,000	8,000	–	208,000
	(43,844)	(8,000)	(87,688)	(139,532)
Thomas Wittig	200,000	10,000	–	210,000
	(43,844)	(8,000)	(87,688)	(139,532)
Werner Zierer¹	200,000	10,000	–	210,000
	(70,000)	(10,000)	(140,000)	(220,000)
Total⁷	5,367,016	198,000	–	5,565,016
	(1,820,564)	(196,000)	(3,623,128)	(5,639,692)

¹ In line with the guidelines of the Deutscher Gewerkschaftsbund, these employee representatives have requested that their remuneration be paid into the Hans Böckler-Stiftung.

² Chairman of the Audit Committee until 14 May 2020.

³ Chairman of the Audit Committee since 14 May 2020.

⁴ Due to the requirements of his employer, Prof. Dr. Hüttl has waived his Supervisory Board remuneration until further notice, to the extent that this would exceed the amount of €200,000 p.a.

⁵ Member of the Supervisory Board until 14 May 2020.

⁶ Member of the Supervisory Board since 14 May 2020.

⁷ Figures for the previous year include the remuneration of members of the Supervisory Board who left office during the financial year 2019.

⁸ Earnings-related remuneration for the financial year 2019 was capped at the maximum amount.

3. Other

With exception of the advance payments relating to the PCP 2019–2021 described above, neither BMW AG nor any of its subsidiaries granted loans or advances to members of the Board of Management or the Supervisory Board during the financial year 2020, nor were any contingent liabilities entered into in their favour. During the year under report, members of the Board of Management and the Supervisory Board concluded vehicle purchase, service, rental, leasing and financing contracts for vehicles on customary market terms and conditions.