



**BMW  
GROUP**



**ROLLS-ROYCE**  
MOTOR CARS LTD

# KEY ASPECTS OF CORPORATE GOVERNANCE.

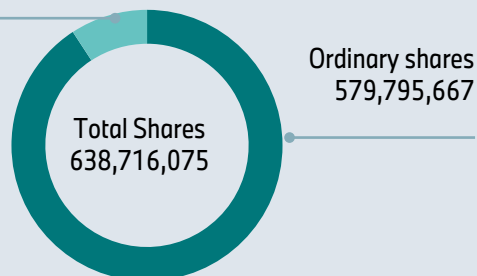
JULY 2024.

# SHAREHOLDER STRUCTURE, BOARD OF MANAGEMENT & SUPERVISORY BOARD.

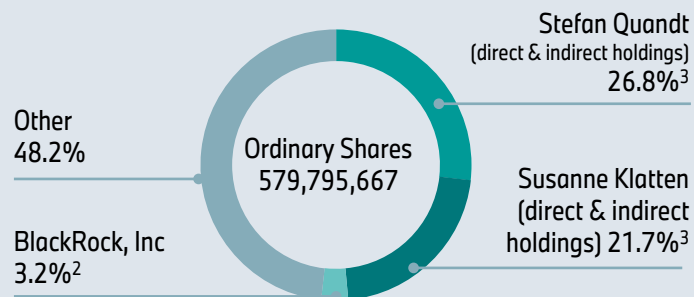
## SHAREHOLDER STRUCTURE.<sup>1</sup>

### Number of Shares Outstanding








Preference shares  
58,920,408



### Distribution of Ordinary Shares



## BOARD OF MANAGEMENT.<sup>1</sup>

	<b>Chairman:</b>	<b>Oliver Zipse</b>
	Customer, Brands, Sales:	Jochen Goller
	People and Real Estate:	Ilka Horstmeier
	Finance:	Walter Mertl
	Production:	Dr Milan Nedeljković
	Purchasing and Supplier Network:	Dr Joachim Post
	Development:	Frank Weber

## SUPERVISORY BOARD.<sup>1</sup>

<b>Chairman:</b>	Dr-Ing Norbert Reithofer
<b>Deputy Chairmen</b>	Dr Martin Kimmich <sup>3</sup> Stefan Quandt Stefan Schmid <sup>3</sup> Dr Kurt Bock
	Ulrich Bauer <sup>3</sup> Dr Marc Bitzer Rachel Empey Dr-Ing Heinrich Hiesinger Dr hc Susanne Klatten Jens Köhler <sup>4</sup> Gerhard Kurz <sup>4</sup> André Mandl <sup>4</sup> Dr Dominique Mohabeer <sup>3</sup> Horst Ott <sup>3</sup> Anke Schäferkordt Prof Dr Christoph Schmidt Dr Vishal Sikka Sibylle Wanke <sup>4</sup> Prof Dr Johanna Wenckeback <sup>4</sup>

<sup>1</sup> As of end of June 2024 | <sup>2</sup> Estimate based on last voting right notifications and revised share capital. | <sup>3</sup> Voluntary notifications provided by the listed shareholders as at end of December 2023. | <sup>4</sup> Employee Representatives

# BMW AG. TWO-TIER GOVERNANCE SYSTEM.

## BOARD OF MANAGEMENT.

- Responsible for **managing and steering** the company.
- Determines **the strategic orientation** of the company, agrees upon it with the Supervisory Board and ensures its implementation.
- Responsible for ensuring that **all provisions of law and international regulations** are complied with and an **appropriate risk management and risk controlling system** is in place.
- **Represents company in dealings with third parties.**
- **Regular reporting** to the Supervisory Board.

<b>Oliver Zipse</b>	CEO
Jochen Goller	Customer, Brands, Sales
Ilka Horstmeier	People and Real Estate
Walter Mertl	Finance
Dr Milan Nedeljković	Production
Dr Joachim Post	Purchasing & Supplier Network
Frank Weber	Development

- Appointed for periods between 3 to 5 years

### Tasks

### Structure

### Length of term

## SUPERVISORY BOARD.

- **Appoints** the Members of the Board of Management.
- Supervises the activities of the Board of Management.
- **Advises** the Board of Management.
- Decides on **remuneration system and level** of the Board of Management.
- Needs to provide **approval for certain major business proceedings.**

Composition in line with German Co-Determination Act:

### Chairman: Dr-Ing Norbert Reithofer

- 10 shareholder representatives elected by AGM.
- 10 employee representatives elected by employees of BMW AG and other Group companies based in Germany.

- Regular length of appointment 5 years, for shareholder representatives' voluntary limitation to 4 years.
- Next shareholder representatives' elections at AGM in 2025.

# BMW AG – BOARD OF MANAGEMENT. COMPOSITION.



**Oliver Zipse**

Chairman of the Board of Management  
(since 05/2015 Member of the Board of Management; since 08/2019 Chairman)



**Jochen Goller**

Customer, Brands, Sales  
(since 11/2023 Member of the Board of Management)



**Ilka Horstmeier**

People and Real Estate  
(since 11/2019 Member of the Board of Management)



**Walter Mertl**

Finance  
(since 05/2023 Member of the Board of Management)



**Dr Milan Nedeljković**

Production  
(since 10/2019 Member of the Board of Management)



**Dr Joachim Post**

Purchasing and Supplier Network  
(since 01/2022 Member of the Board of Management)



**Frank Weber**

Development  
(since 07/2020 Member of the Board of Management)

# BMW AG – SUPERVISORY BOARD. COMPOSITION.

## SHAREHOLDER REPRESENTATIVES.



**Dr-Ing Norbert Reithofer**  
since 2015  
elected until 2025  
Chairman



**Stefan Quandt**  
since 1997  
elected until 2028  
Deputy Chairman



**Dr Kurt Bock**  
since 2018  
elected until 2027  
Deputy Chairman



**Dr Marc Bitzer**  
since 2021  
elected until 2025



**Rachel Empey**  
since 2021  
elected until 2025



**Dr-Ing Heinrich Hiesinger**  
since 2017  
elected until 2026



**Dr hc Susanne Klatten**  
since 1997  
elected until 2028



**Anke Schäferkordt**  
since 2020  
elected until 2025



**Prof Dr Christoph Schmidt**  
since 2021  
elected until 2025



**Dr Vishal Sikka**  
since 2019  
elected until 2028



## EMPLOYEE REPRESENTATIVES.



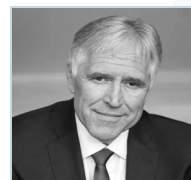
**Dr Martin Kimmich**  
since 2023  
elected until 2029  
Deputy Chairman



**Stefan Schmid**  
since 2007  
elected until 2029  
Deputy Chairman



**Ulrich Bauer**  
since 2024  
elected until 2029



**Horst Ott**  
since 2024  
elected until 2029



**Jens Köhler**  
since 2021  
elected until 2029



**Gerhard Kurz**  
since 2022  
elected until 2029



**André Mandl**  
since 2022  
elected until 2029



**Dr Dominique Mohabeer**  
since 2012  
elected until 2029



**Sibylle Wankel**  
since 2022  
elected until 2029



**Prof Dr Johanna Wenckebach**  
since 2024  
elected until 2029



# PRESIDING BOARD AND SUPERVISORY BOARD COMMITTEES (1/2).

## PRESIDING BOARD. PRÄSIDIUM.



**Dr-Ing Norbert Reithofer**  
Chairman



**Dr Martin Kimmich**



**Stefan Quandt**



**Stefan Schmid**



**Dr Kurt Bock**

## PERSONNEL COMMITTEE. PERSONALAUSSCHUSS.



**Dr-Ing Norbert Reithofer**  
Chairman



**Dr Martin Kimmich**



**Stefan Quandt**



**Stefan Schmid**



**Dr. Kurt Bock**

## AUDIT COMMITTEE. PRÜFUNGS AUSSCHUSS.



**Dr Kurt Bock**  
Chairman  
Financial Expert  
(Audit & Accounting)



**Dr-Ing Norbert Reithofer**  
Financial Expert  
(Audit)



**Dr. Martin Kimmich**



**Stefan Quandt**



**Stefan Schmid**



**Rachel Empey**  
Financial Expert  
(Audit & Accounting)



**Dr Dominique Mohabeer**

 Employee Representative

# PRESIDING BOARD AND SUPERVISORY BOARD COMMITTEES (2/2).

## NOMINATION COMMITTEE. NOMINIERUNGSAUSSCHUSS.



**Dr-Ing Norbert  
Reithofer**  
Chairman



**Dr Kurt  
Bock**



**Dr hc Susanne  
Klatten**



**Stefan  
Quandt**

## MEDIATION COMMITTEE. VERMITTLUNGSAUSSCHUSS.



**Dr-Ing Norbert  
Reithofer**  
Chairman



**Dr Martin  
Kimmich**

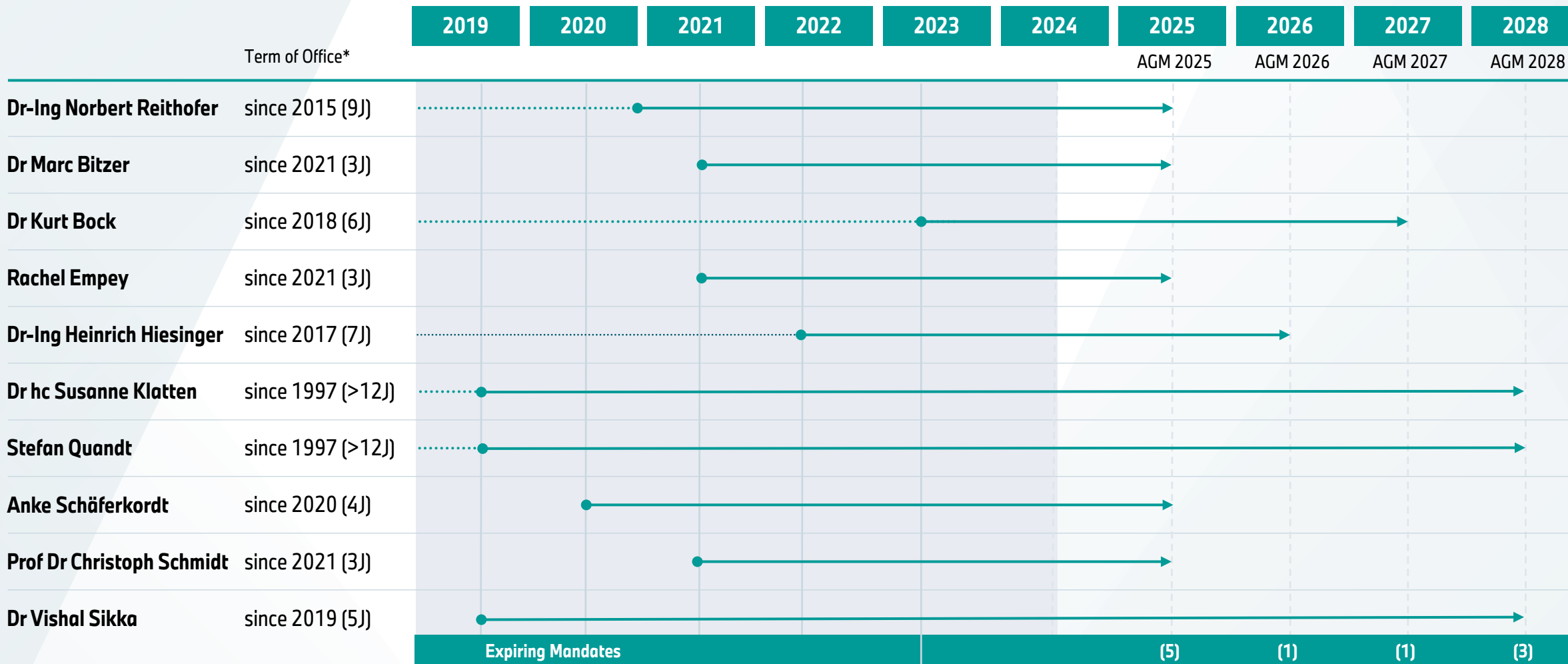


**Stefan  
Quandt**



**Stefan  
Schmid**

# STAGGERED TERMS FOR SHAREHOLDER REPRESENTATIVES (1).



\* Term of Office as per end of June 2024. Only full years of office are reported.



# STAGGERED TERMS FOR SHAREHOLDER REPRESENTATIVES (2).



**Dr Marc Bitzer**



**Anke Schäferkordt**



**Dr-Ing Norbert Reithofer**



**Prof Dr Christoph Schmidt**



**Rachel Empey**



**Dr-Ing Heinrich Hiesinger**



**Dr Kurt Bock**



**Dr hc Susanne Klatten**



**Stefan Quandt**



**Dr Vishal Sikka**

EXPIRING  
MANDATES IN

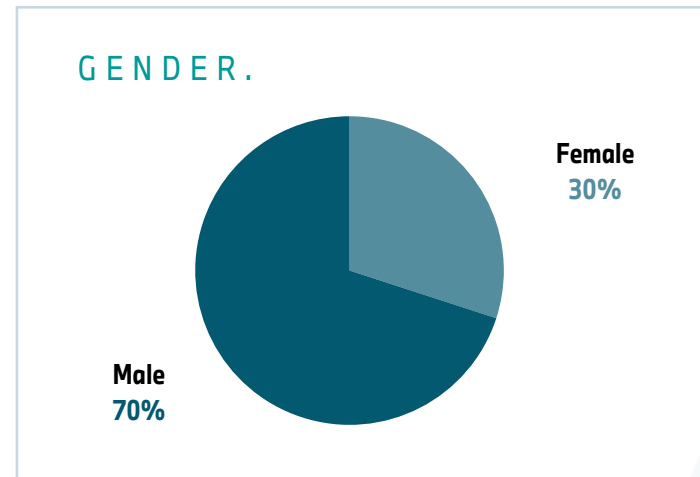
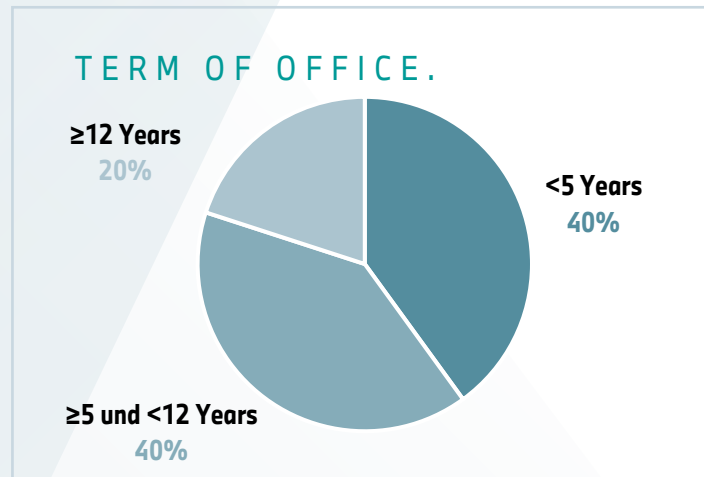
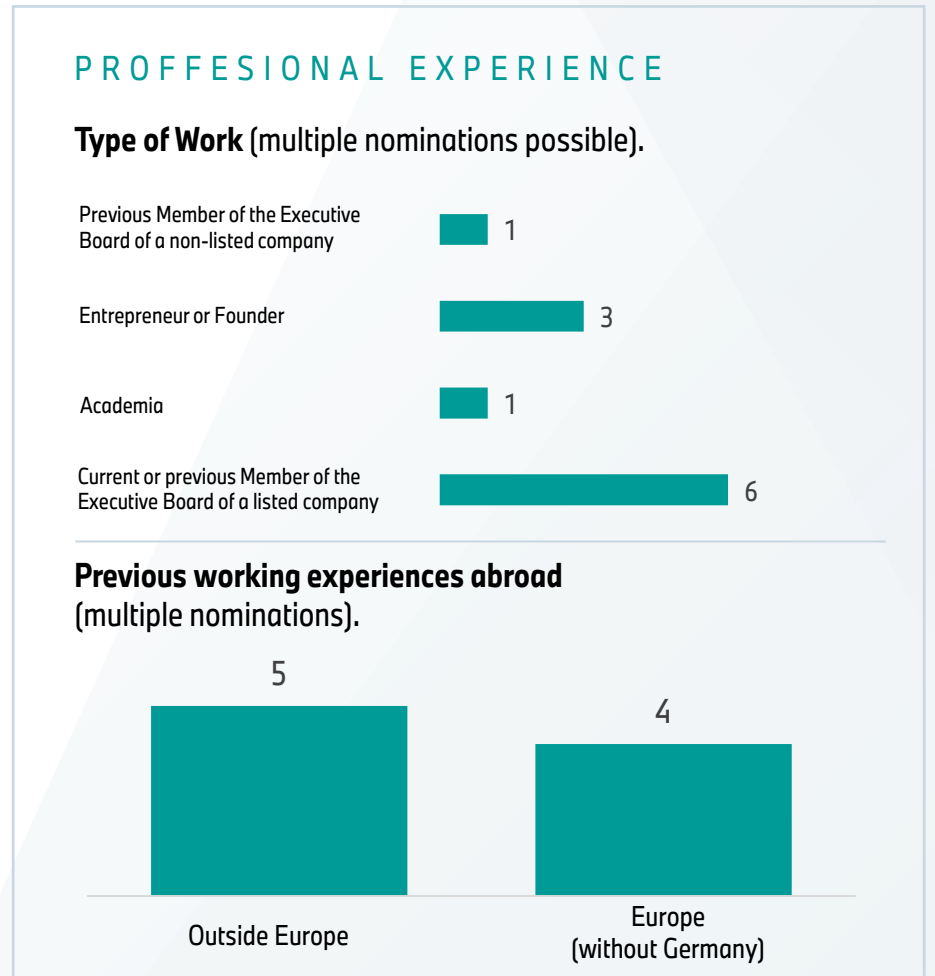
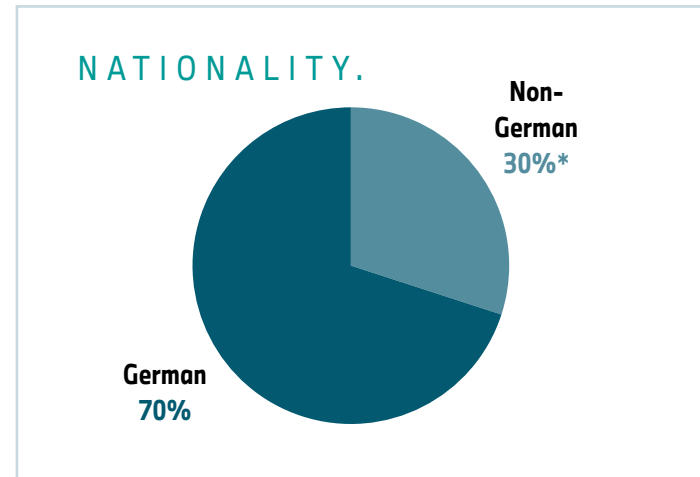
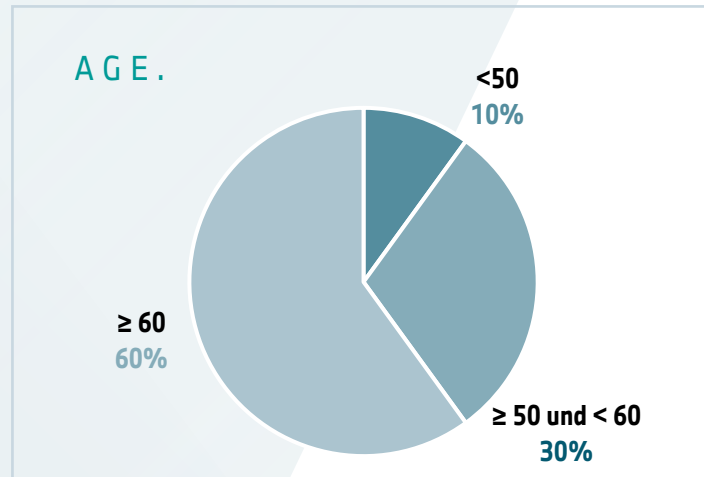
2025

2026

2027

2028

# BMW AG SUPERVISORY BOARD – SHAREHOLDER REPRESENTATIVES. WELL BALANCED STRUCTURE.



\* Incl. dual citizenships (German and other) | Memo: Statistics shown above refer only to shareholder representatives as of end of June 2024.

# BMW AG SUPERVISORY BOARD.

## SKILLS MATRIX.\*

General Information	Reithofer	Kimmich from 18.01.23	Quandt	Schmid	Bock	Bauer	Bitzer	Empey	Hiesinger	Klatten	Köhler	Kurz	Mandl	Monabeer	Ott	Schäferkordt	Schmidt	Sikka	Wankel	Wenckeback
Initial appointment	2015	2023	1997	2007	2018	2024	2021	2021	2017	1997	2021	2022	2022	2012	2024	2020	2021	2019	2022	2024
Independent within the meaning of DCGK (C.6 et seq.)	✓	n/a		n/a	✓	n/a	✓	✓	✓		n/a	n/a	n/a	n/a	n/a	✓	✓	✓	n/a	n/a
No Overboarding (in accordance with DCGK recommendations C.4 and C.5)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Diversity																				
▪ Gender	m	m	m	m	m	m	m	f	m	f	m	m	m	f	m	f	m	m	f	f
▪ Year of birth	1956	1972	1966	1965	1958	1964	1965	1976	1960	1962	1964	1963	1984	1963	1966	1962	1962	1967	1964	1982
▪ Nationality	DE	DE	DE	DE	DE	DE	DE	UK/DE	DE	DE	DE	DE	DE	DE/BEL	DE	DE	DE/AU	USA	DE	DE
Areas of competence																				
International experience	✓		✓		✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓		✓
▪ Europe	✓		✓		✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓		✓
▪ China			✓		✓		✓		✓	✓		✓			✓		✓	✓		
▪ US	✓		✓		✓		✓		✓	✓		✓			✓		✓	✓		
▪ Other	✓				✓		✓										✓	✓		
Knowledge within the BMW Group	✓	✓		✓		✓					✓	✓	✓	✓						
External management or supervisory experience	✓	✓	✓		✓		✓	✓	✓	✓					✓	✓		✓	✓	✓
Corporate strategy	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Technology	✓	✓	✓	✓			✓	✓	✓	✓		✓	✓	✓			✓	✓	✓	✓
Purchasing/supply chains					✓		✓		✓	✓		✓	✓	✓	✓				✓	✓
Production/manufacturing	✓	✓		✓			✓		✓	✓	✓		✓	✓	✓					
Sales/customer needs	✓	✓				✓	✓		✓	✓	✓	✓		✓		✓		✓		
Finance																				
▪ Accounting, control systems	✓	✓	✓	✓	✓		✓	✓	✓					✓		✓	✓		✓	✓
▪ Auditing	✓	✓	✓		✓		✓	✓	✓					✓					✓	✓
▪ Financial expert in accounting					✓			✓	✓											
▪ Financial expert in auditing	✓				✓			✓	✓											
Capital market	✓	✓			✓		✓	✓	✓	✓										
Mobility	✓	✓	✓			✓			✓	✓		✓		✓	✓					✓
Human resources/personnel management	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
Compliance	✓	✓	✓		✓		✓	✓	✓			✓		✓	✓				✓	✓
IT, digitalization or artificial intelligence	✓	✓	✓		✓			✓	✓			✓		✓	✓			✓	✓	✓
Change management/business transformation	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓		✓	✓	✓	✓	✓
ESG Expertise in sustainability																				
▪ Environmental sustainability	✓	✓	✓		✓		✓			✓	✓	✓					✓		✓	✓
▪ Social sustainability		✓		✓			✓		✓	✓	✓		✓	✓	✓		✓		✓	✓
Familiarity with corporate sector	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓				✓	✓

# REMUNERATION SYSTEM FOR BOARD OF MANAGEMENT. OVERVIEW OF COMPENSATION COMPONENTS.

<b>Base remuneration</b>  ~ 27 % <sup>1,4</sup>	<b>Fixed remuneration</b>
<b>Bonus (STI)</b>  ~ 30 % <sup>1,4</sup>	<ul style="list-style-type: none"> <li>▪ <b>Financial goals</b></li> <li>▪ <b>Non-financial goals</b> Target achievement 0 – 180 %</li> </ul>
<b>Share-based remuneration (LTI)</b>  ~ 33 % <sup>1,4</sup>	<ul style="list-style-type: none"> <li>▪ <b>RoCE<sup>5</sup> (Automotive Segment)</b></li> <li>▪ <b>At least 2 strategic focus targets.</b> Target achievement 0 – 180 %</li> </ul>
<b>Retirement benefits<sup>6</sup></b>  ~ 10 % <sup>1,3,4</sup>	
<b>Fringe benefits<sup>7</sup></b>  ~ 0.4 % <sup>1,4</sup>	

## General aspects.

- Maximum remuneration (€ 9.85m; € 5.5m, respectively € 4.925m<sup>2</sup>).
- ESG-criteria as part of the performance criteria.
- Peer group comparison within selected targets.
- Malus and Clawback clauses related to variable compensation.

1 Schematic representation of the proportions based on the target remuneration for the Chairman of the Board of Management for financial year 2023 as an example. | 2 Chairman of the Board of Management, member of the Board of Management in the 2nd period of office or 4th year of mandate, and member of the Board of Management in 1st period of office. | 3 Pension contribution p.a. | 4 Due to roundings, percentage values may not add up to 100 %. | 5 Return on Capital Employed. A description can be found in the [BMW Group Report 2023, p. 49 et seqq.](#) | 6 Further details can be found in the [BMW Group Report 2023, p. 279 et seqq.](#) | 7 Based on contractual agreements; main points cover non-cash benefits from the use of company cars and the BMW chauffeur service, insurance premiums, contributions towards security systems, employee discounts.

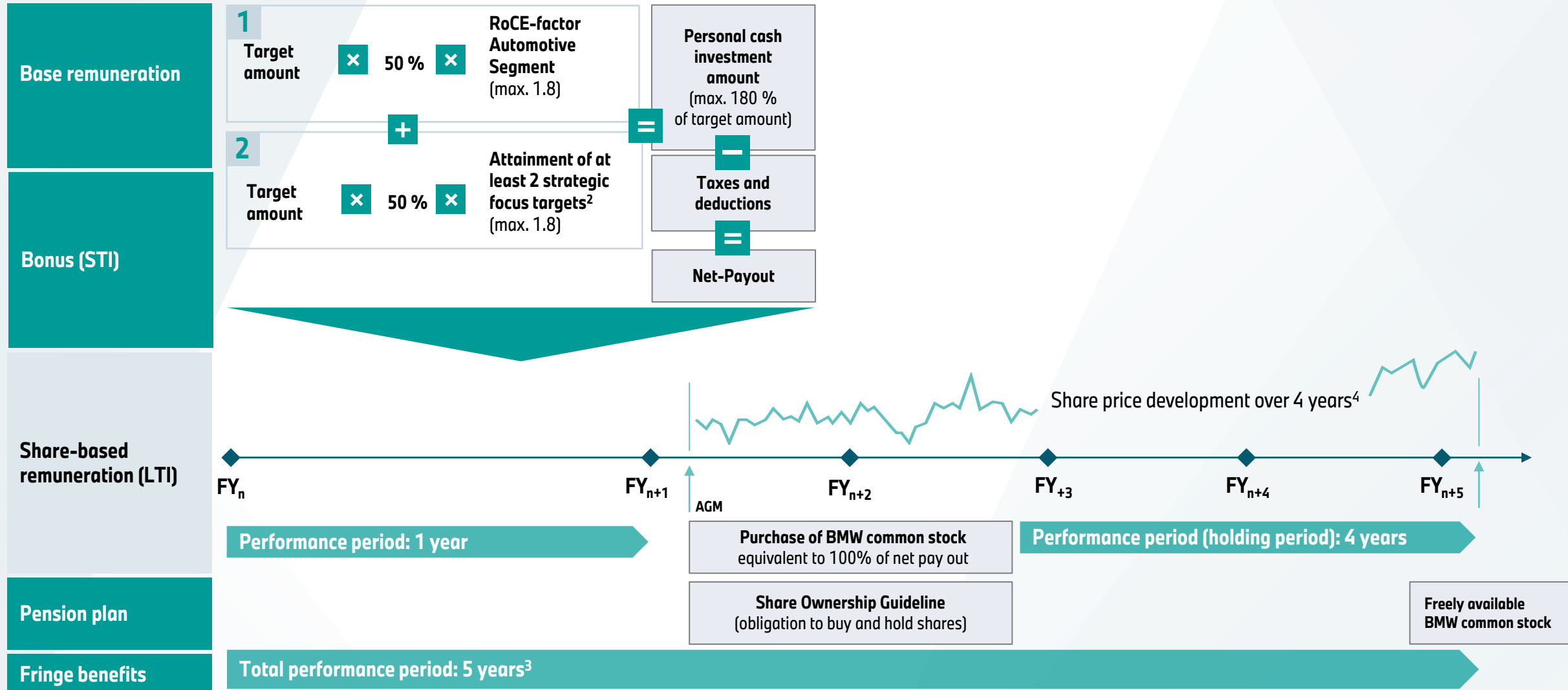
# REMUNERATION SYSTEM FOR BOARD OF MANAGEMENT. BONUS DETAILS (STI).

<b>Base remuneration</b>	<b>1 EARNINGS COMPONENT - „FINANCIAL GOALS“.</b>		
	<b>Target amount</b>	<span style="background-color: #008080; color: white; padding: 2px 5px;">×</span> <b>50 %</b>	<span style="background-color: #008080; color: white; padding: 2px 5px;">×</span> <b>Earnings factor (max. 1.800)</b>
	<b>Basis:</b> 1. Profit attributable to the shareholders of BMW AG. 2. Group post-tax return on sales (in %).		
	<b>Performance period:</b> 1 Year		
<b>Bonus (STI)</b>	<span style="background-color: #008080; color: white; padding: 5px 10px;">+</span>		<span style="background-color: #008080; color: white; padding: 5px 10px;">=</span>
	<b>2 PERFORMANCE COMPONENT - „NON-FINANCIAL GOALS“.</b>		
	<b>Target amount</b>	<span style="background-color: #008080; color: white; padding: 2px 5px;">×</span> <b>50 %</b>	<span style="background-color: #008080; color: white; padding: 2px 5px;">×</span> <b>Earnings factor (max. 1.80)</b>
	<b>Weighting<sup>1</sup></b>	<b>Criteria</b>	
<b>Share-based remuneration (LTI)</b>	<b>10%</b>	1. Individual performance of each Board Member in managing the department and progress in diversity. 2. Innovation performance (environmental, e.g. share of sales of all-electric-vehicles (battery electric vehicle, BEV)). 3. Reputation (corporate reputation, preventive activities in ensuring compliance). 4. Adaptability (investment in training and further education, sustainability).	<b>ESG-criteria 50 %<sup>1,2</sup></b>
	<b>90%</b>	5. Employer attractiveness (e.g. placement in rankings). 6. Leadership performance (employee satisfaction). 7. Market position (e.g. sales volume of the BMW Group). 8. Innovation performance (economic, e.g. sales share of new BMW vehicles with remote software upgrade capability). 9. Customer orientation (product, customer service quality, based on comparative studies and other information). 10. Reputation (e.g. brand strength).	<b>Further criteria 40 %<sup>1</sup></b>
<b>Pension plan</b>	<b>Performance period:</b> 1 year; trend evaluation over 3 years.		
<b>Fringe benefits</b>			
			<b>Total</b>

1 Within the target structure. | 2 Criteria from the areas of environment, social and governance (ESG).

# REMUNERATION SYSTEM FOR BOARD OF MANAGEMENT.

## SHARE-BASED REMUNERATION DETAILS (LTI).<sup>1</sup>



<sup>1</sup> Simplified presentation. | <sup>2</sup> Following strategic focus targets have been set for the year 2023: (1) Reduction of CO2-fleet emissions in Europe and (2) global sales accounted for by all-electric vehicles (BEVs). | <sup>3</sup> One year for the determination of the personal investment cash amount and 4 years holding period, even if board member leaves office (including retirement). | <sup>4</sup> Exemplary presentation.