

BMW
GROUP



ROLLS-ROYCE
MOTOR CARS LTD

INFORMATION ON AGENDA ITEM 7
ON THE ANNUAL GENERAL MEETING.
APPROVAL OF THE REMUNERATION REPORT.



01
REMUNERATION FOR
FINANCIAL YEAR 2023.

APPROVAL OF THE REMUNERATION REPORT (1/2).

For the financial year 2023, the **remuneration system**, which has been in force since 2021, has **remained unchanged**. Target remunerations within the remuneration levels remained constant.

The **Supervisory Board has determined the remuneration** of the members of the Board of Management **within the framework of the remuneration system**. No use was made of the **option to make adjustments** due to extraordinary developments.

The **caps for the overall remuneration as well as for the components of the variable remuneration** were observed.

The Supervisory Board saw no reason to withhold or reclaim variable salary components as part of the **malus/clawback provisions**.

The **remuneration report for financial year 2022** was **approved by the 2023 AGM by a majority of 94.14%**. In view of the high level of approval, there has been **no fundamental change in the reporting format** in the current year. **Transparency was further increased** through **additional information** with respect to the **shares held by members of the Board of Management**.

In addition to the legally required formal examination the **auditing firm PwC** has audited the remuneration report by way of a voluntary **substantive examination**.

Target remuneration for the **financial year 2024 remains constant**. The required **level of performance** for the **earnings component of the bonus** for the **financial year 2024 was raised**.

APPROVAL OF THE REMUNERATION REPORT (2/2).

Approximately **39 % of the variable target remuneration** for vesting year 2023 **was linked to environmental, social or governance targets (ESG-targets)**. The share of the **actual variable remuneration for vesting year 2023 linked to ESG-targets** amounts to approximately **30 %**.¹

The share of the **long-term share-based remuneration (LTI, personal cash investment amount)** amounts to **approximately 53 % of the total variable remuneration for vesting year 2023**.

Based on the **share ownership guidelines** the **personal cash investment amount** has to be used by the board members to **acquire BMW shares** with a minimum holding period of four years. The ratio of the **value** of the **shares** held by the board members to the respective **base remuneration** for the financial year 2023 is **between 75 % and 237 %**.²

The remuneration granted for the financial year 2023 as set out in the remuneration report includes, according to the requirements of section 162 AktG, the **share-based remuneration component** (matching component) 2018, which is a **variable remuneration component granted for a earlier vesting year (2018)**. The **remuneration vested in the financial year 2023** is shown under **section II.11** of the remuneration report.³

The regulation for the **remuneration of members of the supervisory board** remains **unchanged**. In **accordance with the Articles of Incorporation**, the **remuneration of the supervisory board members** consists of a **fixed remuneration** only.

¹ Statements on the relative proportion of remuneration components relate to remuneration for the vesting year 2023, unless otherwise noted. | ² See [page 278 et. seqq. of the BMW Group Report 2023](#). Value of shares as of the last trading day in 2023. | ³ See [page 294 et. seqq. of the BMW Group Report 2023](#).

REPORTING OF TARGET ACHIEVEMENT FOR VARIABLE REMUNERATION FOR VESTING YEAR 2023 IS PRESENTED IN A SIMILAR WAY TO THE PREVIOUS YEAR.¹

			Weighting ²	Min. Value	Target Value	Max. Value	Actual value	Target achievement	
Fixed Remuneration	Base remuneration and fringe benefits								
Bonus (STI)	Earnings component	Profit attributable to shareholders of BMW AG (in € billion)		3.0	5.3	11.0	11.3	168 %	
		Group return on sales after tax (in %)		3.0	5.6	9.0	7.8		
	Performance component <small>The characteristics of the targets for the performance component of the bonus for FY 2023 are listed on p. 6.</small>	Interdepartmental targets– ESG	A	50 %	0 %	100 %	180 %	108.0 %	102 – 103 %
		Interdepartmental targets – Other	B	40 %	0 %	100 %	180 %	92.5 %	
		Departmental targets	C	10 %	0 %	100 %	180 %	[108.1 – 118.8 %] ³	
Share-based remuneration (LTI)	Personal cash investment amount <small>Historical comparison of objectives of the LTI are listed on p. 8.</small>	RoCE in the Automotive Segment (in %)		50 %	12	16	21	20.2	167 %
		Strategic focus targets:							
		Reduce CO ₂ fleet emissions in the EU (g/km)		25 %	125	103	98	102.1	114 %
		Sales of all-electric vehicles (units)		25 %	300,000	380,000	465,000	375,716	97 %

¹ Simplified illustration. For a detailed description see [page 268 et. seqq. of the BMW Group Report 2023](#). | ² Target level. | ³ Individual target achievement.

PERFORMANCE COMPONENT OF THE 2023 BONUS: CHARACTERISTICS OF THE TARGETS.¹

A Interdepartmental targets - ESG	Entire Board of Management ²	<ul style="list-style-type: none"> ▪ Innovation performance (environmental, e.g. proportion of sales attributable to all-electric vehicles (battery electric vehicles, BEV)) ▪ Reputation (corporate reputation, preventive activities in ensuring compliance) ▪ Adaptability (investment in training and further education, sustainability) ▪ Employer attractiveness (e.g. placement in rankings) ▪ Leadership performance (employee satisfaction) 	Weighting 50 %
B Interdepartmental targets - Other		<ul style="list-style-type: none"> ▪ Market position (e.g. sales volume of the BMW Group) ▪ Innovation performance (economic, e.g. sales share of new BMW vehicles with remote software upgrade capability) ▪ Customer orientation (product, customer service quality, based on comparative studies and other information) ▪ Reputation (e.g. brand strength) 	Weighting 40 %
Joint departmental targets	All members of the Board of Management ³	<ul style="list-style-type: none"> ▪ Contribute to meeting growth and profitability targets ▪ Leadership performance in the department and achievement of departmental diversity targets ▪ Preventive activities in ensuring compliance in the department ▪ Increased quality focus 	
C Departmental targets	Oliver Zipse Chairman of the Board of Management.	<ul style="list-style-type: none"> ▪ Coordinate the work of the Board of Management ▪ Represent the Company's interests, present new products ▪ Progress with sustainability strategy and transformation process ▪ Future portfolio of brands 	
	Ilka Horstmeier Member of the Board of Management, People and Real Estate.	<ul style="list-style-type: none"> ▪ Ensure the BMW Group is an attractive employer and ensure labour availability ▪ Managing personnel structures, capacities and costs; oversee skills transformation ▪ Real estate portfolio management ▪ Progress in terms of decarbonisation and energy supply strategies for each location 	
	Milan Nedeljković Member of the Board of Management, Production.	<ul style="list-style-type: none"> ▪ Anticipate market requirements, manage the production network and safeguard the supply chain ▪ Flexible production structure; enhancement of future-oriented production system ▪ Continue development of high-quality standards and ensure compliance with these standards ▪ Progress in terms of decarbonisation and energy supply strategies for each location 	Weighting 10 %
	Pieter Nota (until 31 October 2023) / Jochen Goller (since 1 November 2023) Member of the Board of Management, Customer, Brands, Sales	<ul style="list-style-type: none"> ▪ Plan sales and prices, realise potential in our sales markets ▪ Anticipate market requirements, manage the production network and safeguard the supply chain ▪ Continue development of digital marketing and sales concepts and prepare regional direct sales models ▪ Effective communication and presentation of new products 	
	Nicolas Peter (until 11 May 2023) / Walter Mertl (since 12 May 2023) Member of the Board of Management, Finance	<ul style="list-style-type: none"> ▪ Capital market communication; continue development of non-financial reporting and reporting structure ▪ Risk management and Group financing; optimisation of capital structure; investment planning ▪ Performance programme financial targets including untapped potential in digitalisation processes ▪ Represent the Company in Chinese projects 	
	Joachim Post Member of the Board of Management, Purchasing and Supplier Network	<ul style="list-style-type: none"> ▪ Anticipate market requirements, manage the production network and safeguard the supply chain ▪ Meet quality requirements and cost targets ▪ Ensure access to technology and continued ability to innovate ▪ Continue development of a CO2 management system in the supply chain 	
	Frank Weber Member of the Board of Management, Development	<ul style="list-style-type: none"> ▪ Develop competitive products ▪ Hand over products ready for mass production on time; focus on new vehicle and digital architecture ▪ Continue development of automated driving; develop hydrogen technology ▪ Future MINI portfolio 	

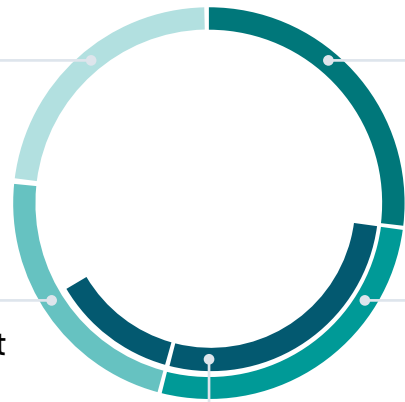
¹ See [page 271 et. seqq. of the BMW Group Report 2023](#) | ² Joint assessment of the Management Board as a team. | ³ Individual assessment per Management Board member.

OVERVIEW VARIABLE TARGET REMUNERATION FOR VESTING YEAR 2023. ESG TARGETS.

OVERVIEW OF VARIABLE TARGET REMUNERATION 2023.

Bonus Earnings component
approx. 23–24 %

Bonus Performance component
approx. 23–24 %
(of which ESG targets: 50 %)



Share-based remuneration
RoCE component approx. 26–27 %

Share-based remuneration
strategic focus target component
approx. 26–27 % (of which ESG targets: 100 %)

Variable target remuneration with
ESG targets approx. 39 %*

Variable target remuneration for vesting year 2023:

- Bonus and
- Share-based remuneration (LTI).

Targets for the variable remuneration for vesting year 2023:

- 50 % of the long term share-based remuneration (LTI) target amount is linked to ESG targets. These comprise targets to reduce fleet carbon emissions in the EU (E) and to increase all-electric vehicle sales (E).
- 50 % of the bonus target amount is linked to ESG targets. These comprise, inter alia, environmental innovation performance (E), development of the Company's reputation (G), adaptability (ESG), employer attractiveness (S), leadership performance (S) as well as preventive activities in ensuring compliance (G). Also the departmental targets are linked to ESG targets, inter alia regarding diversity (S).

* Incorporating the collective department targets for the performance component of the bonus

SHARE-BASED REMUNERATION (LTI): STRATEGIC FOCUS TARGETS.

	Weighting ¹	FY	Min. value	Target value	Max. value	Actual value	Target achievement in %
RoCE Automotive Segment (in %)	50 %	2023	12	16	21	20.2	167 %
		2022	12	15	21	18.1	141 %
		2021 ²	10	16	45	59.9	180 %
Reduction of fleet CO2 emissions in the EU (in g/km) ³	25 %	2023	125	103	98	102.1	114 %
		2022	125	112	98	105.0	140 %
		2021	125	114	100	115.9	91 %
Global sales of all-electric vehicles (BEV) in units	25 %	2023	300,000	380,000	465,000	375,716	97 %
	12.5 %	2022	170,000	230,000	375,000	215,752	88 %
		2021	75,000	101,000	170,000	103,854	103 %
Global sales of plug-in hybrid vehicles (PHEV) in units	Until FY 2022: 12.5 %	2022	167,000	223,000	370,000	218,040	96 %
		2021	180,000	241,000	400,000	224,450	86 %

¹ Within the target structure. | ² Deviations of the target values FY 2022 to FY 2021 are also due to the redefinition of the key figure with effect from financial year 2022; see details in the remuneration report 2022 ([page 278 of the BMW Group Report 2022](#)).

³ Legal limit 128.6 g/km.

SHARE OWNERSHIP GUIDELINE.

Shares of BMW common stock held by members of the Board of Management subject to holding requirements in connection with share-based remuneration for financial years 2019–2022¹

	Share portfolio as at 1 January 2023	Additions in the financial year 2023 ²	End of the holding period in the financial year 2023	Share portfolio as at 31 December 2023	Value in € as at 31 December 2023 ³	Relation value/ base salary 2023 in % ⁴
Oliver Zipse	35,700	14,285	4,117	45,868	4,622,577	237 %
Jochen Goller⁵	(-)	(-)	(-)	(-)	(-)	(-)
Ilka Horstmeier	13,308	7,374	(-)	20,682	2,084,332	199 %
Walter Mertl⁶	(-)	(-)	(-)	(-)	(-)	(-)
Milan Nedeljković	13,700	7,472	(-)	21,172	2,133,714	203 %
Joachim Post	(-)	6,686	(-)	6,686	673,815	75 %
Frank Weber⁷	11,383	7,178	(-)	18,561	1,870,578	192 %
Total	74,091	42,995	4,117	112,969	11,385,016	

1 See [page 278 of the BMW Group Report 2023](#). 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. | 2 Payment of the 2022 cash remuneration component (personal cash investment amount) in May 2023 with subsequent acquisition of reported shares of BMW common stock (purchase date: 31 May 2023; purchase price: € 103.42), for which the four-year holding period until 2027 applies. | 3 Last trading day of 2023: 29 December 2023. XETRA closing price on 29 December 2023: € 100.78. | 4 Value of share portfolio as at 31 December 2023 in relation to base salary paid in 2023. | 5 Member of the Board of Management since 1 November 2023. | 6 Member of the Board of Management since 12 May 2023. | 7 Second remuneration level since 1 July 2023.

TARGET AND ACTUAL REMUNERATION FOR VESTING YEAR 2023.¹

		Chairman of the board ²		Chairman of the board ²		Board member 1 st period of office ³		Board member 1 st period of office ³		Board member 2 nd period of office ⁴		Board member 2 nd period of office ⁴	
		Target remuneration		Actual remuneration		Target remuneration		Actual remuneration		Target remuneration		Actual remuneration	
		in €	in %	in €	in %	in €	in %	in €	in %	in €	in %	in €	in %
Fixed remuneration	Fixed remuneration	1,950,000	30	1,950,000	24	900,000	30	900,000	24	1,050,000	30	1,050,000	24
	Fringe benefits ⁵	50,000	1	26,113	0,3	50,000	2	50,000	1	50,000	1	50,000	1
	Total	2,000,000	31	1,976,113	25	950,000	32	950,000	25	1,100,000	31	1,100,000	25
Variable remuneration	Bonus												
	Earnings component	1,050,000	16	1,764,000	22	475,000	16	798,000	21	575,000	16	966,000	22
	Performance component ⁵	1,050,000	16	1,081,500	13	475,000	16	484,500	13	575,000	16	586,500	13
	Share based Remuneration (personal cash investment amount)												
	RoCE component	1,175,000	18	1,962,250	24	550,000	18	918,500	25	640,000	18	1,068,800	24
	Strategic focus target component	1,175,000	18	1,239,625	15	550,000	18	580,250	16	640,000	18	675,200	15
	Total	4,450,000	69	6,047,375	75	2,050,000	68	2,781,250	75	2,430,000	69	3,296,500	75
Target total remuneration⁶ / Remuneration vesting year 2023 (2022)⁷	6,450,000	100	8,023,488 (7,916,499)	100	3,000,000	100	3,731,250 (3,684,000)	100	3,530,000	100	4,396,500 (4,343,300)	100	
Contribution to the company pension scheme / Service cost ⁸	700,000		712,729		400,000		400,000		400,000		400,000		

¹ Simplified presentation. The target remuneration is set out on p. 263 et seqq. and the actual remuneration on p. 282 et seqq. of the BMW Group Report 2023. Due to rounding, it is possible that the percentages presented here may not be an exact reflection of the absolute values to which they relate. | ² Oliver Zipse. | ³ Jochen Goller (since November 1, 2023), Walter Mertl (since May 12, 2023), Joachim Post. | ⁴ Or as of fourth year of mandate. Ilka Horstmeier, Milan Nedeljković, Frank Weber (since July 1, 2023). | ⁵ Exemplary value of fringe benefits and of a performance factor for the bonus of 1.02 (with exception of the actual remuneration for Oliver Zipse). | ⁶ Excluding a contribution to the company pension scheme. Contributions to the pension scheme do not qualify as remuneration within the meaning of section 162 AktG, subsequent pension payments qualify as such. | ⁷ The calculation of the total remuneration in the remuneration report 2023 includes in some cases, in accordance with section 162 AktG, variable remuneration components granted for an earlier vesting year (matching component 2018). | ⁸ Exemplary value (with exception of the actual remuneration for Oliver Zipse). The service cost are not part of the remuneration according to section 162 AktG. They reflect the expense recognized by BMW and are not paid out to the board members.



02

FURTHER INFORMATION ON THE REMUNERATION SYSTEM FOR THE BOARD OF MANAGEMENT.

OVERVIEW OF COMPENSATION COMPONENTS.

Base salary	Fixed remuneration
~ 27 % ^{1,4}	
Bonus	<ul style="list-style-type: none"> ▪ Financial goals ▪ Non-financial goals Target achievement 0 – 180 %
~ 30 % ^{1,4}	
Share-based remuneration	<ul style="list-style-type: none"> ▪ RoCE⁵ (Automotive Segment) ▪ At least 2 strategic focus targets. Target achievement 0 – 180 %
~ 33 % ^{1,4}	
Retirement benefits⁶	
~ 10 % ^{1,3,4}	
Fringe benefits⁷	
~ 0.4 % ^{1,4}	

General aspects.

- Maximum remuneration (€ 9.85m; € 5.5m, respectively € 4.925m²).
- ESG-criteria as part of the performance criteria.
- Peer group comparison within selected targets.
- Malus and Clawback clauses related to variable compensation.

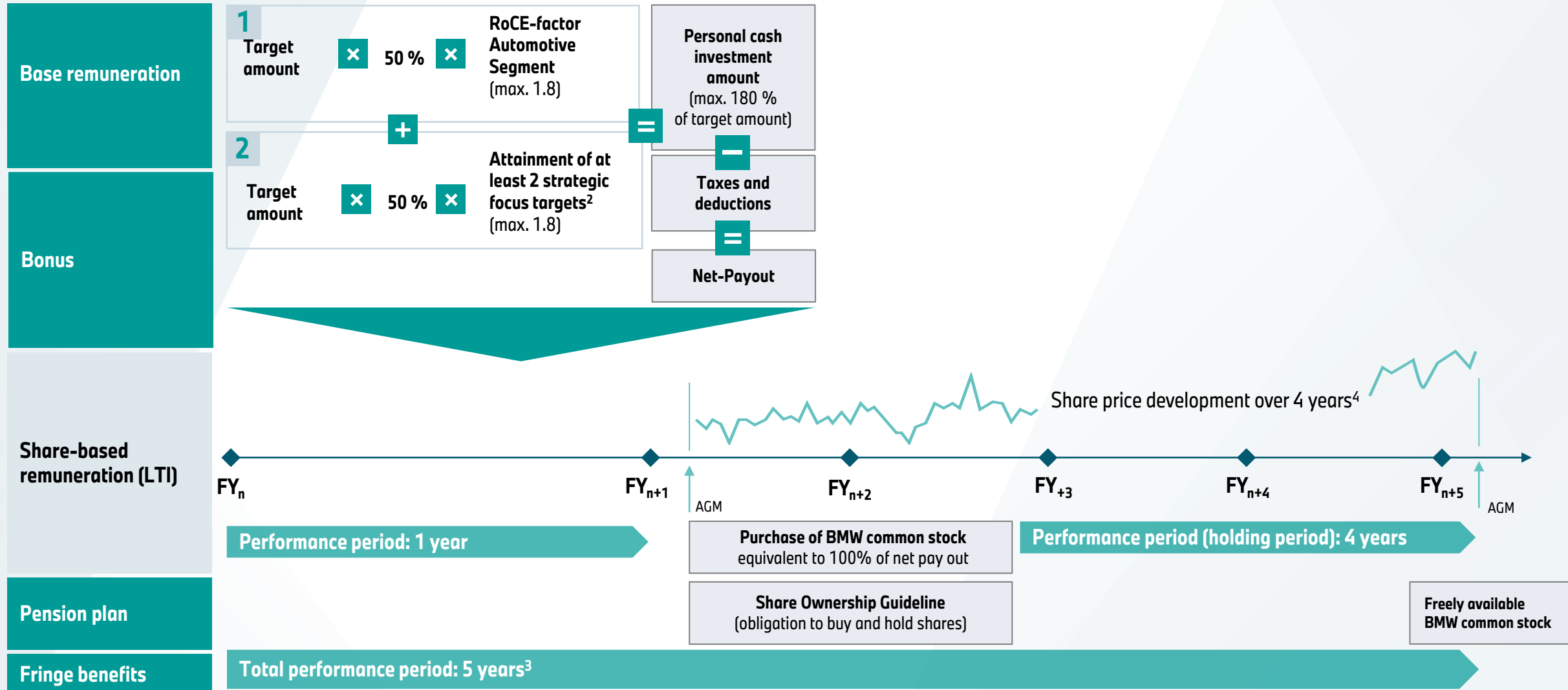
1 Schematic representation of the proportions based on the target remuneration for the Chairman of the Board of Management for financial year 2023 as an example. | 2 Chairman of the Board of Management, member of the Board of Management in the 2nd period of office or 4th year of mandate, and member of 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.

ITEM 7 – REMUNERATION SYSTEM FOR BOARD OF MANAGEMENT. BONUS DETAILS.

Base remuneration	1 EARNINGS COMPONENT – „FINANCIAL GOALS“.		
	Target amount	50 %	Earnings factor (max. 1.800)
	Basis:	1. Profit attributable to the shareholders of BMW AG. 2. Group post-tax return on sales (in %).	
	Performance period:	1 Year	
Bonus			
	2 PERFORMANCE COMPONENT – „NON-FINANCIAL GOALS“.		
	Target amount	50 %	Earnings factor (max. 1.80)
		Weighting¹	Criteria
Share-based remuneration	Departmental targets	10%	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).
	Inter-departmental targets	90%	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).
	Performance period:	1 year; trend evaluation over 3 years.	
Pension plan			
Fringe benefits			
			Total

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

SHARE-BASED REMUNERATION DETAILS (LTI).¹



¹ Simplified presentation. | ² 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). | ³ 1 year for the determination of the personal investment cash amount and 4 years holding period, even if board member leaves office (including retirement). | ⁴ Exemplary presentation.

OVERVIEW REMUNERATION SYSTEM (1/5).*

Component	Parameters/measurement base, applicable amounts
Fixed remuneration components	
Base salary	<p>Member of the Board of Management:</p> <ul style="list-style-type: none"> ▪ € 0.90 million p. a. (first period of office = first remuneration level) ▪ € 1.05 million p. a. (from second period of office or fourth year of mandate = second remuneration level) <p>Chairman of the Board of Management:</p> <ul style="list-style-type: none"> ▪ € 1.95 million p. a. <p>Base salary is paid monthly on a pro rata basis</p>
Fringe benefits	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
Compensation payments	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
Retirement benefits	<p>Defined contribution system with a guaranteed minimum return</p> <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>
Strategic relevance	<ul style="list-style-type: none"> ▪ The base salary counteracts the temptation to take disproportionately high risks in order to achieve short-term goals, and thus contributes to the long-term development of the Company ▪ Fixed remuneration components are required for remuneration to be competitive in order to attract and retain qualified members of the Board of Management

* ↗ BMW Group Report 2023, p. 259 et seqq.

OVERVIEW REMUNERATION SYSTEM (2/5).*

Component	Parameters/measurement base, applicable amounts
Variable remuneration components	
Bonus	
Bonus (sum of earnings component and performance component)	<ul style="list-style-type: none">▪ Target amount p. a. (at 100% target achievement):<ul style="list-style-type: none">▪ € 0.95 million (first period of office = first remuneration level)▪ € 1.15 million (from second period of office or fourth year of mandate = second remuneration level)▪ € 2.10 million (Chairman of the Board of Management)▪ Capped at 180% of target amount▪ Payment as part of the next payroll run after the Annual General Meeting at which the Financial Statements are presented for the relevant vesting year
Earnings component (at 100% target achievement corresponds to 50% of target amount)	<ul style="list-style-type: none">▪ Assessment period one year▪ Base amount p. a. (50% of target bonus amount):<ul style="list-style-type: none">▪ € 0.475 million (first period of office = first remuneration level)▪ € 0.575 million (from second period of office or fourth year of mandate = second remuneration level)▪ € 1.050 million (Chairman of the Board of Management)▪ Formula: 50% of target amount x earnings factor▪ Earnings factor is derived from an allocation matrix determined in advance based on the parameters "profit attributable to shareholders of BMW AG" and "Group post-tax return on sales" in the vesting year<ul style="list-style-type: none">▪ 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%▪ 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%▪ 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%▪ Earnings factor may not exceed 1.8▪ Maximum amount of earnings component p. a.:<ul style="list-style-type: none">▪ € 0.855 million (first period of office = first remuneration level)▪ € 1.035 million (from second period of office or fourth year of mandate = second remuneration level)▪ € 1.890 million (Chairman of the Board of Management)

* ↗ BMW Group Report 2023, p. 259 et seqq.

OVERVIEW REMUNERATION SYSTEM (3/5).¹

Component	Parameters/measurement base, applicable amounts
Bonus (continued)	
Performance component (at 100% target achievement corresponds to 50% of target amount)	<ul style="list-style-type: none">▪ Assessment period one year▪ Base amount p. a. (50% of target bonus amount):<ul style="list-style-type: none">▪ € 0.475 million (first period of office = first remuneration level)▪ € 0.575 million (from second period of office or fourth year of mandate = second remuneration level)▪ € 1.050 million (Chairman of the Board of Management)▪ Formula: 50% of target amount x performance factor▪ 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▪ Relevant period is the vesting year▪ Additional trend analysis over at least three financial years▪ Composition of performance factor:²<ul style="list-style-type: none">▪ 50% cross-divisional targets with ESG criteria▪ 40% other cross-divisional targets▪ 10% individual targets▪ Criteria for 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▪ 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▪ Measurement parameters and target values are determined before the start of the financial year▪ Performance factor may not exceed 1.8▪ Maximum amount of performance component p. a.:<ul style="list-style-type: none">▪ € 0.855 million (first period of office = first remuneration level)▪ € 1.035 million (from second period of office or fourth year of mandate = second remuneration level)▪ € 1.890 million (Chairman of the Board of Management)
Strategic relevance	<ul style="list-style-type: none">▪ Earnings component of bonus rewards attainment of financial targets and is beneficial for earnings-related aspects of business strategy▪ Performance component of bonus motivates the pursuit of non-financial strategic targets and is therefore beneficial for the long-term development of the BMW Group

¹ ↗ BMW Group Report 2023, p. 259 et seqq. | ² For the targets set for financial year 2023, see variable remuneration for financial year 2023 (↗ BMW Group Report 2023, page 271 ff.).

OVERVIEW REMUNERATION SYSTEM (4/5).*

Component	Parameters/measurement base, applicable amounts
Share-based remuneration	
Personal cash investment amount	<ul style="list-style-type: none">▪ 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 immediately after disbursement▪ Payment as part of the next payroll run after the Annual General Meeting at which the Financial Statements are presented for the relevant vesting year▪ Requirement for Board of Management members to hold the acquired shares of common stock for at least four years; this requirement remains in effect for individuals who step down from the Board of Management (share ownership guideline)▪ Assessment period of five years in total (one year for determining the personal cash investment amount, four years holding requirement)
Calculation	<ul style="list-style-type: none">▪ Target amount p. a. (at 100% target achievement):<ul style="list-style-type: none">▪ € 1.10 million (first period of office = first remuneration level)▪ € 1.28 million (from second period of office or fourth year of mandate = second remuneration level)▪ € 2.35 million (Chairman of the Board of Management)▪ 50% of target amount depends on RoCE achieved in the Automotive segment (RoCE component)▪ 50% of the target amount depends on the achievement of predefined strategic focus targets (strategic focus target component)▪ Capped at 180% of target amount▪ Payment after the Annual General Meeting at which the Financial Statements are presented for the relevant vesting year

* ↗ BMW Group Report 2023, p. 259 et seqq.

OVERVIEW REMUNERATION SYSTEM (5/5).*

Component	Parameters/measurement base, applicable amounts
Share-based remuneration (continued)	
RoCE component (at 100% target achievement corresponds to 50% of target amount)	<ul style="list-style-type: none"> ▪ Target amount of RoCE component p. a. (50% of target amount for personal cash investment amount): <ul style="list-style-type: none"> ▪ € 0.55 million (first period of office = first remuneration level) ▪ € 0.64 million (from second period of office or fourth year of mandate = second remuneration level) ▪ € 1.175 million (Chairman of the Board of Management) ▪ Formula: 50% of target amount x RoCE factor ▪ RoCE factor is derived from the RoCE achieved in the Automotive segment for the vesting year ▪ Minimum, target and maximum values for RoCE are defined before the start of the financial year ▪ RoCE factor may not exceed 1.8 ▪ Maximum amount of RoCE component p. a.: <ul style="list-style-type: none"> ▪ € 0.990 million (first period of office = first remuneration level) ▪ € 1.152 million (from second period of office or fourth year of mandate = second remuneration level) ▪ € 2.115 million (Chairman of the Board of Management)
Strategic focus target component (at 100% target achievement corresponds to 50% of target amount)	<ul style="list-style-type: none"> ▪ Target amount of strategic focus target component p. a. (50% of target amount for personal cash investment amount): <ul style="list-style-type: none"> ▪ € 0.55 million (first period of office = first remuneration level) ▪ € 0.64 million (from second period of office or fourth year of mandate = second remuneration level) ▪ € 1.175 million (Chairman of the Board of Management) ▪ At least two strategic focus targets derived from the strategic plan ▪ Weighting of the strategic focus targets is decided before the start of the financial year ▪ Formula in the event 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 ▪ Minimum, target and maximum values are defined before the start of the financial year ▪ Factor for each strategic focus target may not exceed 1.8 ▪ Maximum amount of strategic focus target component p. a.: <ul style="list-style-type: none"> ▪ € 0.990 million (first period of office = first remuneration level) ▪ € 1.152 million (from second period of office or fourth year of mandate = second remuneration level) ▪ € 2.115 million (Chairman of the Board of Management)
Strategic relevance	<ul style="list-style-type: none"> ▪ 50% of the personal cash investment amount within the target structure depends on the RoCE and is therefore directly linked to a key target for the corporate strategy and reflects BMW AG's aspiration to generate a significant premium on the cost of capital ▪ The remaining 50% of the personal cash investment amount encourages achievement of strategic focus targets and therefore contributes to business performance in key strategic areas ▪ Commitment to purchase shares of the Company's common stock and the four-year holding period provide additional motivation to support the Company's long-term development
Malus and clawback rules	
Malus	<ul style="list-style-type: none"> ▪ 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 ▪ Amounts may also be withheld in principle after a member has left the Board
Clawback	<ul style="list-style-type: none"> ▪ 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 or incorrect financial statements ▪ Amounts may also be clawed back in principle after a member has left the Board

* ↗ BMW Group Report 2023, p. 259 et seqq.