

BMW  
GROUP



ROLLS-ROYCE  
MOTOR CARS LTD

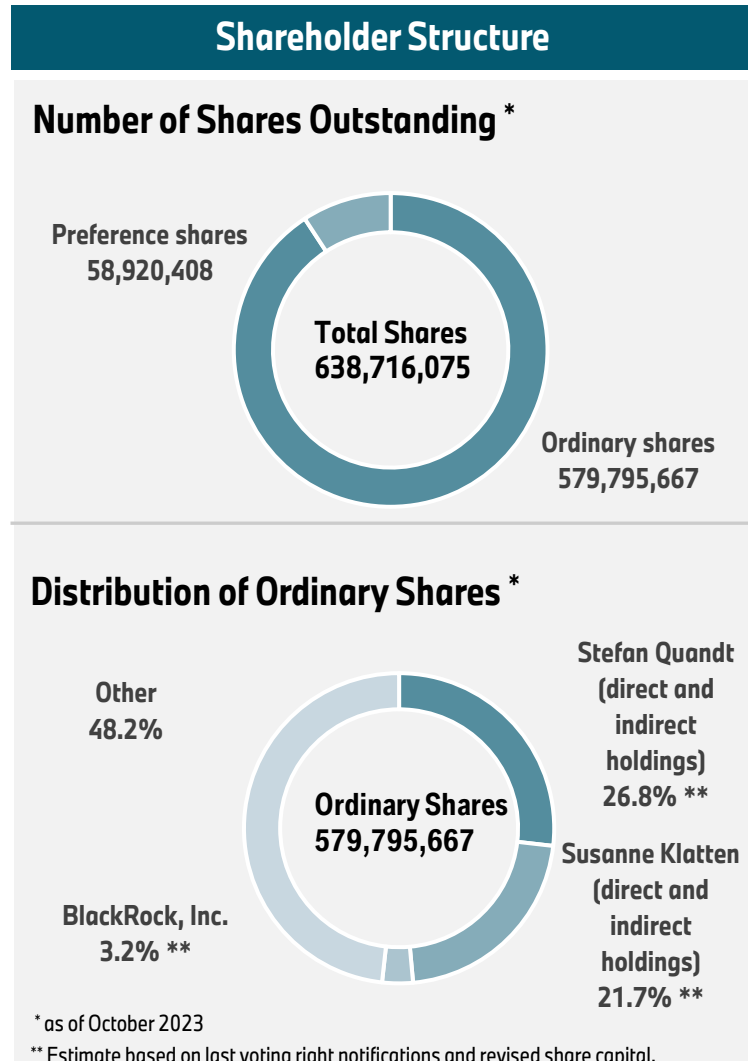
# BMW GROUP.

KEY ASPECTS OF CORPORATE GOVERNANCE.

NOVEMBER 2023.



# BMW AG – PARENT COMPANY OF BMW GROUP. SHAREHOLDER STRUCTURE, BOARD OF MANAGEMENT AND SUPERVISORY BOARD.



## Board of Management

<b>Chairman:</b>	Oliver Zipse
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

<b>Chairman:</b>	Dr Norbert Reithofer
<b>Deputy Chairmen</b>	Dr Martin Kimmich ** Stefan Quandt Stefan Schmid ** Dr Kurt Bock
	Christiane Benner ** Dr Marc Bitzer Bernhard Ebner ** Rachel Empey Dr Heinrich Hiesinger Johann Horn ** Dr h.c. Susanne Klatten Jens Köhler ** Gerhard Kurz ** André Mandl ** Dr Dominique Mohabeer ** Anke Schäferkordt Prof. Dr Christoph Schmidt Dr Vishal Sikka Sibylle Wankel **

\*\* Employee Representatives

# BMW AG – 2-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.

Composition of 7 members:

(2) Jochen Goller	Customer, Brands, Sales
(3) Ilka Horstmeier	People and Real Estate
(4) Walter Mertl	Finance
(5) Dr Milan Nedeljković	Production
(6) Dr Joachim Post	Purchasing & Supplier Network
(7) 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.
- **Monitors** and **advises** the Board of Management.
- Decides on **remuneration system and level** of the Board of Management.
- Provides **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 2024.

# BMW AG - BOARD OF MANAGEMENT.



**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.

## Shareholder Representatives



**Dr Norbert Reithofer**  
since 2015  
elected until 2025

**Chairman of the  
Supervisory board**



**Stefan Quandt**  
since 1997  
elected until 2024

**Deputy Chairman of the  
Supervisory board**



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

**Deputy Chairman of the  
Supervisory board**



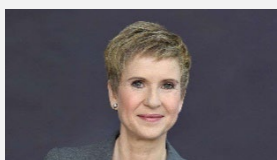
**Dr Marc Bitzer**  
since 2021  
elected until 2025



**Rachel Empey**  
since 2021  
elected until 2025



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



**Dr h.c. Susanne Klatten**  
since 1997  
elected until 2024



**Anke Schäferkordt**  
since 2020  
elected until 2025



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



**Dr Vishal Sikka**  
since 2019  
elected until 2024

## Employee Representatives



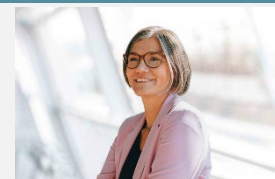
**Dr Martin Kimmich**  
since 2023  
In office until 2024

**Deputy Chairman of the  
Supervisory board**



**Stefan Schmid**  
since 2007  
elected until 2024

**Deputy Chairman of the  
Supervisory board**



**Christiane Benner**  
since 2014  
elected until 2024



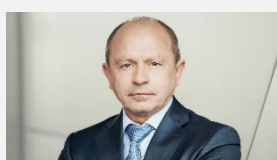
**Bernhard Ebner**  
since 2021  
In office until 2024



**Johann Horn**  
since 2021  
In office until 2024



**Jens Köhler**  
since 2021  
in office until 2024



**Gerhard Kurz**  
since 2022  
in office until 2024



**André Mandl**  
since 2022  
in office until 2024




























**Dr Dominique Mohabeer**  
since 2012  
elected until 2024



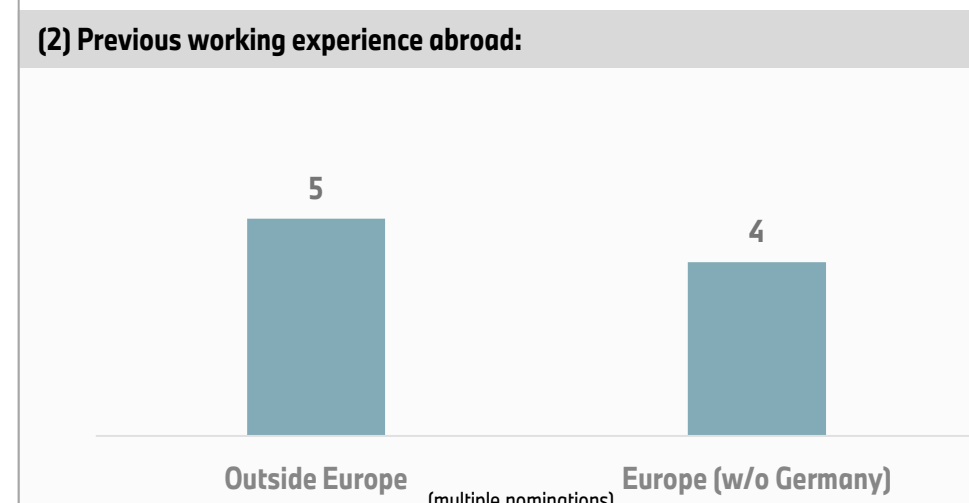
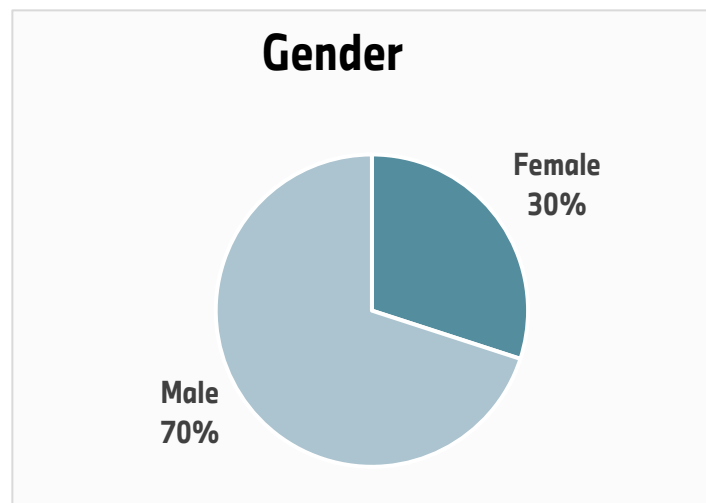
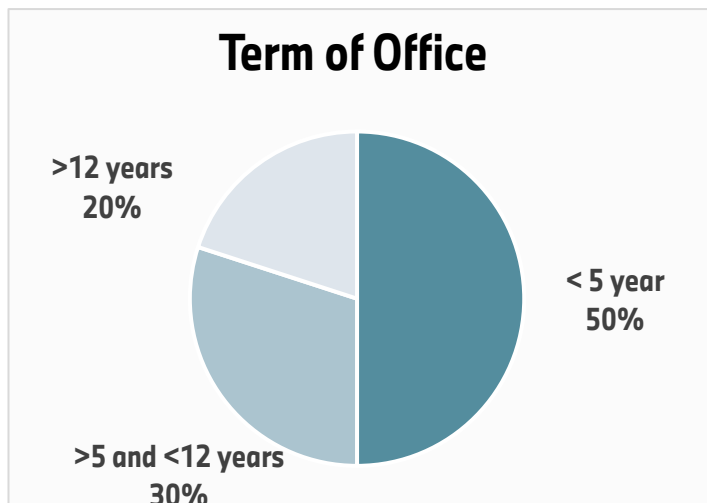
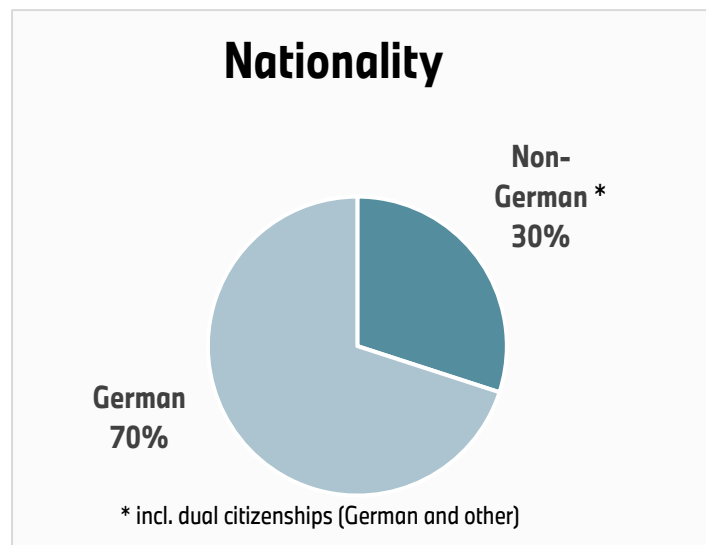
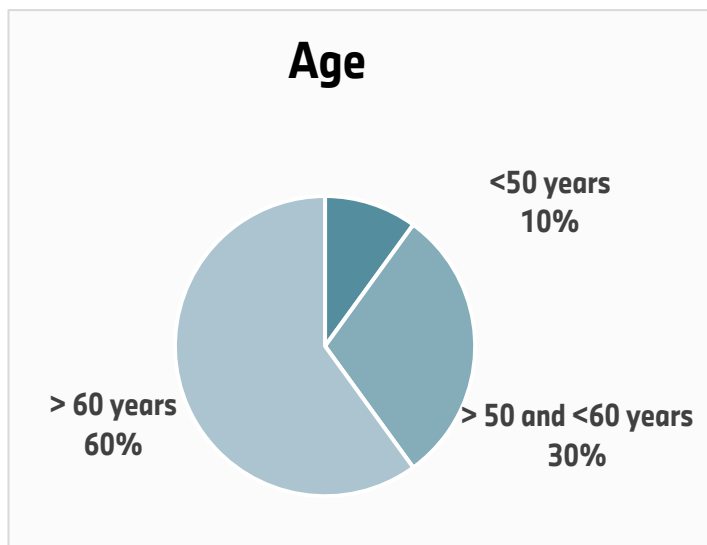
**Sibylle Wankel**  
since 2022  
elected until 2024

# BMW AG – PRESIDING BOARD AND SUPERVISORY BOARD COMMITTEES.

Presiding Board (Präsidium)		Personnel Committee (Personalausschuss)		Audit Committee (Prüfungsausschuss)		Nomination Committee (Nominierungsausschuss)		Mediation Committee (Vermittlungsausschuss)	
									
<b>Dr Norbert Reithofer</b> <b>Chairman</b>	<b>Dr Martin Kimmich</b>	<b>Dr Norbert Reithofer</b> <b>Chairman</b>	<b>Dr Martin Kimmich</b>	<b>Dr Kurt Bock</b> <b>Chairman,</b> <b>Financial Expert</b> <b>(Audit &amp; Accounting)</b>	<b>Dr Norbert Reithofer</b> <b>Financial Expert</b> <b>(Audit)</b>	<b>Dr Norbert Reithofer</b> <b>Chairman</b>	<b>Dr Kurt Bock</b>	<b>Dr Norbert Reithofer</b> <b>Chairman</b>	<b>Dr Martin Kimmich</b>
									
<b>Stefan Quandt</b>	<b>Stefan Schmid</b>	<b>Stefan Quandt</b>	<b>Stefan Schmid</b>	<b>Dr Martin Kimmich</b>	<b>Stefan Quandt</b>	<b>Dr h.c. Susanne Klatten</b>	<b>Stefan Quandt</b>	<b>Stefan Quandt</b>	<b>Stefan Schmid</b>
									
<b>Dr Kurt Bock</b>		<b>Dr Kurt Bock</b>		<b>Stefan Schmid</b>	<b>Rachel Empey</b> <b>Financial Expert</b> <b>(Audit &amp; Accounting)</b>				
									
				<b>Dr. Dominique Mohabeer</b>					

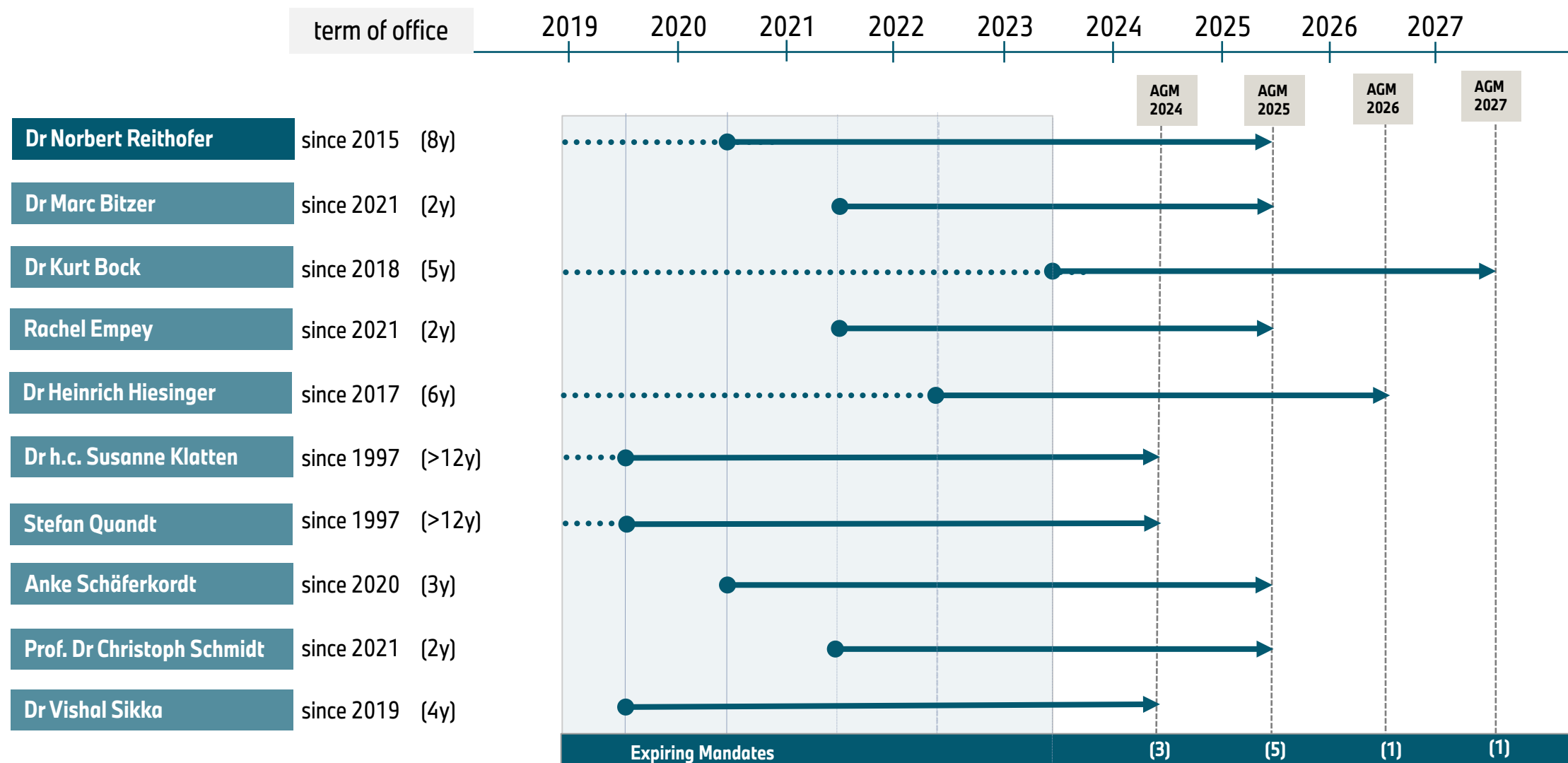
Employee Representative

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



Memo: Statistics shown above refer to shareholder representatives only and as of 31<sup>st</sup> October 2023.

# BMW AG - SUPERVISORY BOARD. STAGGERED TERMS FOR SHAREHOLDER REPRESENTATIVES.





# BMW AG - SUPERVISORY BOARD. STAGGERED TERMS FOR SHAREHOLDER REPRESENTATIVES.



Dr h.c. Susanne Klatten



Stefan Quandt



Dr Vishal Sikka



Dr Heinrich Hiesinger



Dr Kurt Bock

Expiring  
Mandates in

2024

2025

2026

2027



Dr Marc Bitzer



Rachel Empey



Dr Norbert  
Reithofer



Anke  
Schäferkordt



Prof. Dr Christoph  
Schmidt

## QUALIFICATION MATRIX (1)

	Dr Norbert Reithofer	Manfred Schoch *	Dr Martin Kimmich **	Stefan Quandt	Stefan Schmid	Dr Kurt Bock	Christiane Benner	Dr Marc Bitzer	Bernhard Ebner	Rachel Empey
<b>Initial appointment</b>	2015	1988	2023	1997	2007	2018	2014	2021	2021	2021
<b>Independent in acc. with the GCGC *** (C.6 ff.)</b>	✓	n/a	n/a		n/a	✓	n/a	✓	n/a	✓
<b>Diversity</b> Gender	m	m	m	m	m	m	w	m	m	w
Year of birth	1956	1955	1972	1966	1965	1958	1968	1965	1978	1976
Nationality	DE	DE	DE	DE	DE	DE	DE	DE	DE	UK, DE
<b>International experience</b>	✓	✓		✓		✓	✓	✓		✓
<b>Company knowledge</b>	✓	✓	✓		✓				✓	
<b>External management/supervision function</b>	✓		✓	✓		✓	✓	✓		✓
<b>Corporate strategy</b>	✓	✓	✓	✓		✓	✓	✓		✓
<b>Technologies</b>	✓		✓	✓	✓		✓	✓		✓
<b>Procurement/supply chain</b>						✓		✓		
<b>Production</b>	✓	✓	✓		✓			✓		
<b>Sales/customer needs</b>	✓		✓					✓		
<b>Finance</b> Accounting	✓	✓	✓	✓	✓	✓		✓		✓
Audit	✓		✓	✓		✓		✓		✓
Financial expert accounting						✓				✓
Financial expert audit	✓					✓				✓
<b>Capital markets</b>	✓		✓			✓		✓		✓
<b>Mobility</b>	✓	✓		✓			✓		✓	
<b>HR management</b>	✓	✓	✓	✓	✓		✓	✓	✓	
<b>Compliance</b>	✓		✓	✓		✓		✓		✓
<b>IT/digitalization/AI</b>	✓			✓		✓	✓			✓
<b>Change Management/Business Transformation</b>	✓			✓	✓	✓	✓	✓		✓
Ecological sustainability	✓	✓	✓	✓		✓		✓		
Social sustainability		✓	✓		✓		✓	✓	✓	
<b>Familiarity with corporate sector</b>	✓	✓	✓	✓	✓	✓	✓		✓	✓

\* (until 31.12.2022)

\*\* (since 18.01.2023)

\*\*\* German Corporate Governance Code

## QUALIFICATION MATRIX (2)

	Dr Heinrich Hiesinger	Johann Horn	Dr h.c. Susanne Klatten	Jens Köhler	Gerhard Kurz	André Mandl	Dr Dominique Mohabeer	Anke Schäferkordt	Prof. Dr Christoph Schmidt	Dr Vishal Sikka	Sibylle Wankel
<b>Initial appointment</b>	2017	2021	1997	2021	2022	2022	2012	2020	2021	2019	2022
<b>Independent in acc. with the GCGC (C.6 ff.)</b>	✓	n/a		n/a	n/a	n/a	n/a	✓	✓	✓	n/a
<b>Diversity</b> Gender	m	m	w	m	m	m	w	w	m	m	w
Year of birth	1960	1958	1962	1964	1963	1984	1963	1962	1962	1967	1964
Nationality	DE	DE	DE	DE	DE	DE	DE	DE	DE, AUS	USA	DE
<b>International experience</b>	✓	✓	✓		✓		✓	✓	✓	✓	
<b>Company knowledge</b>				✓	✓	✓	✓				
<b>External management/supervision function</b>	✓	✓	✓					✓		✓	✓
<b>Corporate strategy</b>	✓	✓	✓		✓	✓	✓	✓	✓	✓	
<b>Technologies</b>	✓	✓	✓		✓	✓	✓		✓	✓	
<b>Procurement/supply chain</b>	✓		✓		✓	✓	✓				
<b>Production</b>	✓		✓	✓		✓	✓				
<b>Sales/customer needs</b>	✓		✓	✓	✓		✓	✓		✓	
<b>Finance</b> Accounting	✓	✓					✓	✓	✓		
Audit	✓						✓				
Financial expert accounting	✓										
Financial expert audit											
<b>Capital markets</b>	✓		✓								
<b>Mobility</b>	✓	✓	✓		✓		✓				✓
<b>HR management</b>	✓		✓	✓	✓	✓	✓		✓		
<b>Compliance</b>	✓	✓			✓		✓				✓
<b>IT/digitalization/AI</b>	✓				✓		✓			✓	
<b>Change Management/Business Transformation</b>	✓				✓	✓	✓	✓	✓	✓	
Ecological sustainability		✓	✓	✓	✓				✓		✓
Social sustainability	✓	✓	✓	✓		✓	✓		✓		✓
<b>Familiarity with corporate sector</b>	✓	✓	✓	✓	✓	✓	✓				✓

# REMUNERATION SYSTEM FOR THE BOARD OF MANAGEMENT

## OVERVIEW OF COMPENSATION COMPONENTS.

<b>Base salary</b> ~ 27% <sup>1,4</sup>	<ul style="list-style-type: none"> <li>Fixed remuneration</li> </ul>	<div data-bbox="1345 386 2448 451"> <h3>General aspects</h3> </div> <ul style="list-style-type: none"> <li>Maximum remuneration (€ 9.85m; € 5.5m, respectively € 4.925m<sup>2</sup>).</li> <li>ESG criteria as a part of the performance criteria.</li> <li>Peer group comparison within selected targets.</li> <li>Clawback and Malus clauses related to variable compensation.</li> </ul>
<b>Bonus</b> ~ 30% <sup>1,4</sup>	<ul style="list-style-type: none"> <li>Financial goals</li> <li>Non-financial goals</li> </ul> Target achievement 0 – 180%	
<b>Share-based remuneration</b> ~ 33% <sup>1,4</sup>	<ul style="list-style-type: none"> <li>RoCE<sup>5</sup> (Automotive Segment)</li> <li>At least 2 strategic focus targets.</li> </ul> Target achievement 0 – 180%	
<b>Retirement benefits<sup>6</sup></b> ~ 10% <sup>1,3,4</sup>		
<b>Fringe benefits<sup>7</sup></b> ~ 1% <sup>1,4</sup>		

1) Schematic representation of the proportions based on the target remuneration for the Chairman of the Board of Management for financial year 2022 as an example.

2) Chairman of the Board of Management, Member of the Board of Management in the 2<sup>nd</sup> period of office or 4<sup>th</sup> year of mandate, and Member of the Board of Management in 1<sup>st</sup> period of office.

3) Pension contribution.

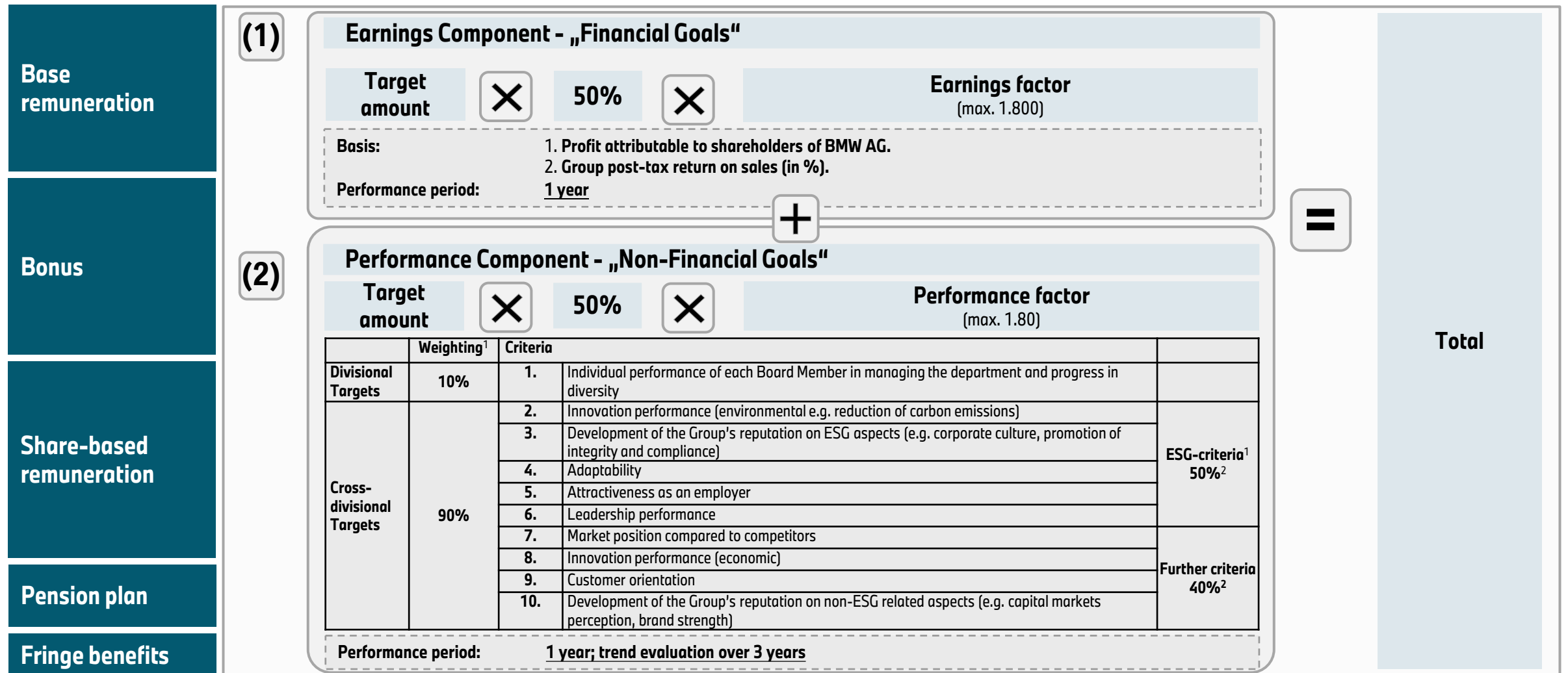
4) Due to roundings, percentage values may not add up to 100%.

5) Return on Capital Employed.  
A description can be found in the annual report 2022, pg. 46ff.

6) Further details can be found in the annual report 2022, pg. 281-282.

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.



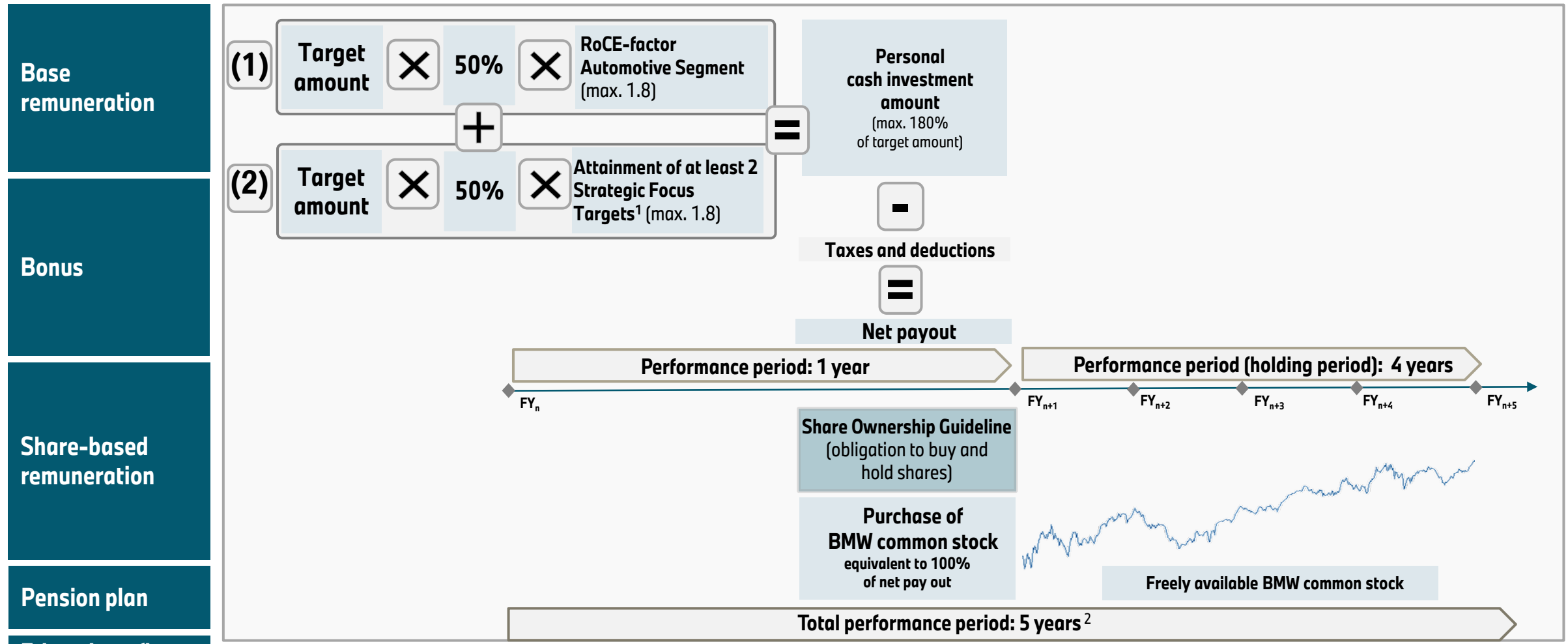
<sup>1</sup> Criteria from the areas of environment, social and governance (ESG).

<sup>2</sup> Within the target structure.



# REMUNERATION SYSTEM FOR BOARD OF MANAGEMENT.

## SHARE-BASED REMUNERATION DETAILS.



<sup>1)</sup> **Following Strategic Focus Targets have been set for the year 2022:**

(1) Reduction of CO<sub>2</sub>-fleet emissions in Europe and (2) global sales accounted for by plug-in hybrid vehicles (PHEVs) and battery electric vehicles (BEVs).

<sup>2)</sup> 1 year for the determination of the personal investment cash amount and 4 years holding period, even if Board member leaves office (including retirement).