

## 2. Supervisory Board compensation

### Responsibilities, provisions of Articles of Incorporation

The compensation of the Supervisory Board is specified either by a resolution of the shareholders at the Annual General Meeting or in the Articles of Incorporation. The compensation provisions valid for the financial year under report were resolved by shareholders at the Annual General Meeting on 14 May 2013 and are set out in Article 15 of BMW AG's Articles of Incorporation, which are available at → [www.bmwgroup.com](http://www.bmwgroup.com) within the section "Company" (menu items "Company Portrait" and "Corporate Governance") as well as in "BMW Group Download Centre".

### Compensation principles, compensation components

The Supervisory Board of BMW AG receives a fixed compensation component as well as an earnings-related compensation component, which is oriented toward sustainable growth. The earnings-related component is based on average earnings per share of common stock for the remuneration year and the two preceding financial years.

The fixed and earnings-related components in combination are intended to ensure that the compensation of Supervisory Board members is appropriate in relation to the tasks of Supervisory Board members and the Company's financial condition and also takes account of the Company's performance over several years.

In accordance with the Articles of Incorporation, each member of BMW AG's Supervisory Board receives, in addition to the reimbursement of reasonable expenses, a fixed amount of €70,000, payable at the end of the year, as well as earnings-related compensation of €170 for each full €0.01 by which the average amount of (undiluted) earnings per share (EPS) of common stock reported in the Group Financial Statements for the remuneration year and the two preceding financial years exceed a minimum amount of €2.00, payable after the Annual General Meeting held in the following year. An upper limit corresponding to twice the amount of the fixed compensation is in place for the earnings-related compensation. The limit for a member of the Supervisory Board with no additional compensation-relevant function is therefore set at €140,000.

With fixed compensation elements and an earnings-related compensation component oriented toward sustainable growth, the compensation structure in place for BMW AG's Supervisory Board complies with the recommendation on supervisory board compensation contained in section 5.4.6 paragraph 2 sentence 2 of the German Corporate Governance Code, in the version dated 7 February 2017.

The German Corporate Governance Code also recommends in section 5.4.6 paragraph 1 sentence 2 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 in the compensation.

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 shall receive twice the amount of the remuneration of a Supervisory Board member. Each chairman of the Supervisory Board's committees receives twice the amount and each member of a committee receives one-and-a-half times the amount of the remuneration of a Supervisory Board member, provided the relevant committee convened for meetings 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, the compensation is measured only on the basis of the function that is remunerated with the highest amount.

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.

The Company also reimburses to each member of the Supervisory Board reasonable expenses and any value-added tax arising on the member's remuneration. The amounts disclosed below are net amounts.

In order to perform his duties, the Chairman of the Supervisory Board has the use of an office, with administrative support, as well as access to the BMW car service.

### Total compensation of the Supervisory Board for the financial year 2018

In accordance with Article 15 of the Articles of Incorporation, the compensation of the Supervisory Board for activities during the financial year 2018 totalled €5.6 million (2017: €5.6 million). This includes fixed

compensation of €2.0 million (2017: €2.0 million) and variable compensation of €3.6 million (2017: €3.6 million). The earnings-related compensation for the financial year 2018 was capped at the maximum amount stipulated in the Articles of Incorporation.

in € million	2018		2017	
	Amount	Proportion in %	Amount	Proportion in %
Fixed compensation	2.0	35.7	2.0	35.7
Variable compensation	3.6	64.3	3.6	64.3
<b>Total compensation</b>	<b>5.6</b>	<b>100.0</b>	<b>5.6</b>	<b>100.0</b>

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

## Compensation of the individual members of the Supervisory Board for the financial year 2018 (2017)

in €	Fixed compensation	Attendance fee	Variable compensation	Total
<b>Norbert Reithofer (Chairman)</b>	<b>210,000</b>	<b>10,000</b>	<b>420,000</b>	<b>640,000</b>
	(210,000)	(10,000)	(420,000)	(640,000)
<b>Manfred Schoch (Deputy Chairman)<sup>1</sup></b>	<b>140,000</b>	<b>10,000</b>	<b>280,000</b>	<b>430,000</b>
	(140,000)	(10,000)	(280,000)	(430,000)
<b>Stefan Quandt (Deputy Chairman)</b>	<b>140,000</b>	<b>10,000</b>	<b>280,000</b>	<b>430,000</b>
	(140,000)	(10,000)	(280,000)	(430,000)
<b>Stefan Schmid (Deputy Chairman)<sup>1</sup></b>	<b>140,000</b>	<b>8,000</b>	<b>280,000</b>	<b>428,000</b>
	(140,000)	(10,000)	(280,000)	(430,000)
<b>Karl-Ludwig Kley (Deputy Chairman)</b>	<b>140,000</b>	<b>10,000</b>	<b>280,000</b>	<b>430,000</b>
	(140,000)	(10,000)	(280,000)	(430,000)
<b>Christiane Benner<sup>1</sup></b>	<b>70,000</b>	<b>8,000</b>	<b>140,000</b>	<b>218,000</b>
	(70,000)	(6,000)	(140,000)	(216,000)
<b>Kurt Bock<sup>2</sup></b>	<b>43,656</b>	<b>8,000</b>	<b>87,312</b>	<b>138,968</b>
	(-)	(-)	(-)	(-)
<b>Franz Haniel</b>	<b>70,000</b>	<b>8,000</b>	<b>140,000</b>	<b>218,000</b>
	(70,000)	(10,000)	(140,000)	(220,000)
<b>Ralf Hattler</b>	<b>70,000</b>	<b>10,000</b>	<b>140,000</b>	<b>220,000</b>
	(70,000)	(10,000)	(140,000)	(220,000)
<b>Heinrich Hiesinger</b>	<b>70,000</b>	<b>10,000</b>	<b>140,000</b>	<b>220,000</b>
	(44,785)	(6,000)	(89,570)	(140,355)
<b>Reinhard Hüttl</b>	<b>70,000</b>	<b>10,000</b>	<b>120,000<sup>4</sup></b>	<b>200,000</b>
	(70,000)	(10,000)	(109,780)	(189,780)
<b>Susanne Klatten</b>	<b>70,000</b>	<b>8,000</b>	<b>140,000</b>	<b>218,000</b>
	(70,000)	(10,000)	(140,000)	(220,000)
<b>Renate Köcher</b>	<b>70,000</b>	<b>10,000</b>	<b>140,000</b>	<b>220,000</b>
	(70,000)	(10,000)	(140,000)	(220,000)
<b>Robert W. Lane<sup>3</sup></b>	<b>26,532</b>	<b>2,000</b>	<b>53,065</b>	<b>81,597</b>
	(70,000)	(8,000)	(140,000)	(218,000)
<b>Horst Lischka<sup>1</sup></b>	<b>70,000</b>	<b>10,000</b>	<b>140,000</b>	<b>220,000</b>
	(70,000)	(10,000)	(140,000)	(220,000)
<b>Willibald Löw<sup>1</sup></b>	<b>70,000</b>	<b>10,000</b>	<b>140,000</b>	<b>220,000</b>
	(70,000)	(10,000)	(140,000)	(220,000)
<b>Simone Menne</b>	<b>70,000</b>	<b>8,000</b>	<b>140,000</b>	<b>218,000</b>
	(70,000)	(8,000)	(140,000)	(218,000)
<b>Dominique Mohabeer<sup>1</sup></b>	<b>70,000</b>	<b>10,000</b>	<b>140,000</b>	<b>220,000</b>
	(70,000)	(10,000)	(140,000)	(220,000)
<b>Brigitte Rödiger<sup>1</sup></b>	<b>70,000</b>	<b>10,000</b>	<b>140,000</b>	<b>220,000</b>
	(70,000)	(10,000)	(140,000)	(220,000)
<b>Jürgen Wechsler<sup>1</sup></b>	<b>70,000</b>	<b>8,000</b>	<b>140,000</b>	<b>218,000</b>
	(70,000)	(8,000)	(140,000)	(218,000)
<b>Werner Zierer<sup>1</sup></b>	<b>70,000</b>	<b>10,000</b>	<b>140,000</b>	<b>220,000</b>
	(70,000)	(10,000)	(140,000)	(220,000)
<b>Total<sup>5</sup></b>	<b>1,820,188</b>	<b>188,000</b>	<b>3,620,377</b>	<b>5,628,565</b>
	(1,820,188)	(188,000)	(3,610,156)	(5,618,344)

<sup>1</sup> These employee representatives have – in line with the guidelines of the Deutscher Gewerkschaftsbund – requested that their remuneration be paid into the Hans Böckler-Stiftung.

<sup>2</sup> Member of the Supervisory Board since 17 May 2018.

<sup>3</sup> Member of the Supervisory Board until 17 May 2018.

<sup>4</sup> Due to the requirements of his employer, Prof. Dr. Hüttl has waived his Supervisory Board compensation until further notice, to the extent that such compensation exceeds the amount of €200,000 (excluding value added tax) p.a.

<sup>5</sup> Disclosures for the previous year include amounts relating to a member of the Supervisory Board who left office during the financial year 2017.

### 3. Other

Apart from vehicle lease and financing contracts entered into on customary market conditions, no

advances or loans were granted to members of the Board of Management and the Supervisory Board by BMW AG or its subsidiaries, nor were any contingent liabilities entered into on their behalf.