Information relating to item 7 of the AGM agenda:

Approval of the remuneration system for the Board of Management. Excerpt from the remuneration report.
Revision of Board of Management remuneration for financial years from 2021 onwards

During the financial year 2020, the Supervisory Board considered in detail the new requirements for Board of Management remuneration resulting from the Act Implementing the Second EU Shareholder Rights Directive (ARUG II) as well as the recommendations and suggestions contained in the German Corporate Governance Code (GCCC) dated December 16, 2019. At its meeting in December 2020, the Supervisory Board, acting on the recommendation of the Personnel Committee, resolved to revise the existing system of Board of Management remuneration for financial years from 2021 onwards.

In its deliberations, the Supervisory Board also took into account the recommendations of an independent remuneration expert as well as suggestions from investor representatives and analysts. In agreement with the members of the Board of Management in office at that time, the relevant service contracts were amended with effect from 1 January 2021, in order to implement changes to the remuneration system for financial years from 2021 onwards for all Board members at the same time.

The Supervisory Board will submit the new system for Board of Management remuneration to the 2021 Annual General Meeting for approval. The new remuneration system will be explained in detail in the notice document inviting shareholders to the Annual General Meeting.

Key features of the new remuneration system include in particular:

— The new remuneration system for members of the Board of Management is designed to be simple, clear and easy to understand. It complies with the requirements of the German Stock Corporation Act (AktG) and the recommendations and suggestions of the GCCC for executive board remuneration.

— Under the new remuneration system, variable, earnings-related remuneration will be oriented even more closely towards the company's sustainable development. Non-financial targets, particularly in the areas of the environment (e.g. reduction of carbon emissions), social issues and governance are taken into account appropriately.

— The Performance Cash Plan will no longer apply in the future, resulting in a simplification of the remuneration system.

— In future, most of the variable remuneration of the Board of Management will be determined using a share-based approach, in compliance with the recommendation of the GCCC in the version dated 16 December 2019. In order to simplify the remuneration system, the matching component that was previously paid out in cash or shares at the end of the four-year holding period no longer applies. As in the past, the company awards a so-called “personal cash investment amount”, which is required to be used – after tax and deductions – to acquire shares of BMW common stock. Compared to the previous arrangements, the personal cash investment amount will have a significantly higher weighting within the target structure, given that it replaces the PCP as a long-term incentive. Within the target structure, one half of the personal cash investment amount will be linked to the attainment of an RoCE target for the Automotive segment and one half to the attainment of strategic focus targets set by the Supervisory Board in accordance with corporate planning.

— In the new remuneration system, the payment of variable remuneration components is subject to special malus and clawback clauses.
Outlook: Remuneration elements, parameters, target remuneration levels and caps for financial years from financial year 2021 onwards

<table>
<thead>
<tr>
<th>Component</th>
<th>Parameters / measurement base, applicable amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BASE SALARY</strong></td>
<td>Member of the Board of Management:</td>
</tr>
<tr>
<td></td>
<td>- € 0.90 million p.a. (first period of office)</td>
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<td></td>
<td>- € 1.05 million p.a. (from second period of office or fourth year of mandate)</td>
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<td></td>
<td>Chairman of the Board of Management:</td>
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<tr>
<td></td>
<td>- € 1.95 million p.a.</td>
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<td></td>
<td>- Monthly payment on time-apportioned basis</td>
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<tr>
<td><strong>VARIABLE REMUNERATION</strong></td>
<td></td>
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<tr>
<td><strong>Bonus</strong> (sum of earnings component and performance component)</td>
<td></td>
</tr>
<tr>
<td>a) Earnings component</td>
<td>- Target amount p.a. (at 100% target achievement):</td>
</tr>
<tr>
<td></td>
<td>- € 0.95 million (first period of office)</td>
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<tr>
<td></td>
<td>- € 1.15 million (from second period of office or fourth year of mandate)</td>
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<tr>
<td></td>
<td>- € 2.1 million (Chairman of the Board of Management)</td>
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<td></td>
<td>- Capped at 180% of target amount</td>
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<td></td>
<td>- Payment after the Annual General Meeting at which the Company Financial Statements are presented for the relevant financial year</td>
</tr>
<tr>
<td></td>
<td>- Assessment period one year</td>
</tr>
<tr>
<td></td>
<td>- Base amount p.a. (50% of target bonus amount):</td>
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<tr>
<td></td>
<td>- € 0.475 million (first period of office)</td>
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<tr>
<td></td>
<td>- € 0.575 million (from second period of office or fourth year of mandate)</td>
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<td></td>
<td>- € 1.050 million (Chairman of the Board of Management)</td>
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<tr>
<td></td>
<td>- Formula: 50% of target amount x performance factor</td>
</tr>
<tr>
<td></td>
<td>- Earnings factor is derived from an allocation table based on the parameters profit attributable to shareholders of BMW AG and Group post-tax return on sales in grant year</td>
</tr>
<tr>
<td></td>
<td>- Allocation table is determined in advance</td>
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<tr>
<td></td>
<td>- 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%</td>
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<tr>
<td></td>
<td>- 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%</td>
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<tr>
<td></td>
<td>- 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%</td>
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<tr>
<td></td>
<td>- Earnings factor may not exceed 1.8</td>
</tr>
<tr>
<td></td>
<td>- Maximum amount of earnings component p.a.:</td>
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<tr>
<td></td>
<td>- € 0.855 million (first period of office)</td>
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<td></td>
<td>- € 1.035 million (from second period of office or fourth year of mandate)</td>
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<tr>
<td></td>
<td>- € 1.890 million (Chairman of the Board of Management)</td>
</tr>
</tbody>
</table>
b) Performance component
(at 100% target achievement corresponds to 50% of target amount)

- Assessment period one year
- Base amount p.a. (50% of target bonus amount):
  - €0.475 million (first period of office)
  - €0.575 million (from second period of office or fourth year of mandate)
  - €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
- Additional trend analysis over at least three financial years to assess the impact of past decisions and actions in the grant year as well as the impact of decisions and actions in the grant year on future financial years
- Composition of the performance factor within target structure
  - 10% individual targets
  - 50% cross-divisional targets with ESG criteria
  - 40% other cross-divisional targets
- Criteria for the 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.:
  - €0.855 million (first period of office)
  - €1.035 million (from second period of office or fourth year of mandate)
  - €1.890 million (Chairman of the Board of Management)

Performance Cash Plan
Not applicable
### Share-based remuneration programme with holding requirements

**a) Personal cash investment amount**
- **Target amount p.a. (at 100% target achievement):**
  - € 1.10 million (first period of office)
  - € 1.28 million (from second period of office or fourth year of mandate)
  - € 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 Company Financial Statements are presented for the relevant financial year

#### aa) RoCE component (at 100% target achievement corresponds to 50% of target amount)
- Target amount of RoCE component p.a. (50% of target amount for personal cash investment amount):
  - € 0.55 million (first period of office)
  - € 0.64 million (from second period of office or fourth year of mandate)
  - € 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 grant year
- Minimum, target and maximum values for RoCE are defined before the start of the financial year
- RoCE factor may not exceed 1.8

#### bb) Strategic focus target component (at 100% target achievement corresponds to 50% of target amounts)
- Strategic focus target component p.a. (50% of target amount for personal cash investment amount):
  - € 0.55 million (first period of office)
  - € 0.64 million (from second period of office or fourth year of mandate)
  - € 1.175 million (Chairman of the Board of Management)
- At least two strategic focus targets of a non-financial nature derived from strategic plan and business forecast
- Weighting of the strategic focus targets is decided upon before the start of the financial year
- Formula in the case 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 for each focus target are defined before the start of the financial year
- Factor for each strategic focus target may not exceed 1.8

**b) Share-based remuneration component**
- **Not applicable**
RULES FOR WITHHOLDING AND CLAWING BACK REMUNERATION

a) Malus

— 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
— Applies from financial year 2021 onwards

a) Clawback

— 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 for remuneration or incorrect financial statements
— Amounts may also be clawed back in principle after a member has left the Board
— Applies from financial year 2021 onwards

OTHER FIXED REMUNERATION (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

REIMBURSEMENT OF LOSSES AND EXPENSES

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. These payments are to be included for the purposes of determining the maximum remuneration

RETIREMENT BENEFITS

Defined contribution system with a guaranteed minimum return

Benefits based on amounts credited to individual savings accounts for contributions paid and interest earned, various forms of disbursement

Pension contribution p.a.:
Member of the Board of Management: € 400,000
Chairman of the Board of Management: € 700,000

CAPS

<table>
<thead>
<tr>
<th></th>
<th>Bonus</th>
<th>Share-based remuneration (personal investment cash amount)</th>
<th>Maximum remuneration*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member of the Board of Management in the first period of office</td>
<td>1,710,000</td>
<td>1,980,000</td>
<td>4,925,000</td>
</tr>
<tr>
<td>Member of the Board of Management from second period of office or fourth year of mandate</td>
<td>2,070,000</td>
<td>2,304,000</td>
<td>5,500,000</td>
</tr>
<tr>
<td>Chairman of the Board of Management</td>
<td>3,780,000</td>
<td>4,230,000</td>
<td>9,850,000</td>
</tr>
</tbody>
</table>

* Maximum remuneration as defined in section 87a (1) sentence 2 no. 1 AktG. The overall cap is lower than the sum of the maximum amounts for the individual components.