

Supplementary information on agenda item 7:

Remuneration Report

REMUNERATION REPORT

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REMUNERATION REPORT

The Board of Management and the Supervisory Board have prepared this Remuneration Report in accordance with the requirements of § 162 of the German Stock Corporation Act (AktG). As a result of the implementation of the second EU Shareholder Rights Directive via § 162 AktG, the reporting standard applicable to Bayerische Motoren Werke Aktiengesellschaft (BMW AG) has changed as of the reporting year 2021. The report shows and explains the remuneration granted and owed to the individual current and former members of the Board of Management and the Supervisory Board of BMW AG in the financial year 2021.¹

In order to facilitate understanding, the basic features of the remuneration systems applicable to the members of the Board of Management and the members of the Supervisory Board, as applied in the 2021 financial year, are also set out below. In view of the fact that individual members of the Board of Management also received remuneration components from earlier remuneration systems during the 2021 financial year (specifically the remuneration systems for the 2016 financial year and for 2019 financial year) elements of these systems are also explained to the extent necessary for comprehension.

The auditing firm PricewaterhouseCoopers GmbH has audited the remuneration report beyond the requirements of § 162 (3) Sentences 1 and 2 AktG.

I. Review of the past financial year from a remuneration perspective

The Supervisory Board adopted the current remuneration system for the members of the Board of Management with

effect from 1 January 2021. The Annual General Meeting approved it on 12 May 2021 with a majority of 91.60 % of the valid votes cast.

Despite the challenges posed by supply shortages and the ongoing coronavirus pandemic, 2021 was a very successful financial year for the BMW Group, with solid sales growth for its BMW, MINI and Rolls-Royce brands. The BMW brand set a new sales record and took over the top position in the global premium segment. In 2021, the BMW Group also consistently pushed ahead with the expansion of its range of electrified models, increasing the share of electrified vehicles sold by the BMW and MINI brands by more than 70 per cent compared to 2020. The launch of the BMW iX and the BMW i4 also marked the entry of two products at the forefront of innovation to the market.

Under the leadership of the Board of Management, the BMW Group's management continued to steer the company in a prudent fashion through the volatile and challenging environment that characterised last year. For example, the production, sales and purchasing networks successfully managed the challenges associated with the coronavirus pandemic and supply bottlenecks, demonstrating genuine flexibility in the process. As a result, the impact of Covid-19 was limited over the past financial year.

¹ Due to rounding, it is possible that individual figures in this report may not add up exactly to the totals provided, and that the percentages presented here may not be an exact reflection of the absolute values to which they relate.

At the same time, the Board of Management of the BMW Group worked very constructively and intensively on the core strategic course for the future, in order to create the conditions for an attractive and future-oriented product portfolio, and to achieve a significant improvement in profitability. The strategic decisions taken in this regard focused in particular on strategic issues related to electrification.

In December 2020, the Supervisory Board set ambitious targets linked to the variable remuneration of the members of the Board of Management for the 2021 financial year. Of the total variable target remuneration available, approximately 38 % is linked to environmental, social or governance (ESG) targets. It set targets for fleet carbon emissions in the EU and sales targets for electrified vehicles in the 2021 financial year as strategic focus targets for long-term variable remuneration (share-based remuneration). In doing so, it attached particular significance to the strategic importance of accelerating market penetration for electrified vehicles and sustainability targets in determining remuneration.

Thanks to its strong overall performance, the Board of Management exceeded both the financial and non-financial targets for short-term variable remuneration (bonuses) [↗ "Bonus for the 2021 financial year"](#). The financial target regarding long-term variable remuneration (share-based remuneration) was also exceeded with regard to the return on capital employed (RoCE) in the Automotive segment. The Board of Management achieved (or nearly achieved) the ambitious non-financial strategic focus targets for long-term variable remuneration. At 115.9 g/km, fleet carbon emissions came in under the EU legal limit of 125.8 g/km [↗ "Share-based remuneration for the 2021 financial year"](#).

If necessary, and in the interest of the long-term success of BMWAG, the Supervisory Board may temporarily deviate from the remuneration system – as provided for in § 87a (2) Sentence 2 AktG. In accordance with G.11 of the German Corporate Governance Code dated 16 December 2019, the Supervisory Board has also reserved the right to make adjustments if extraordinary developments occur, such as significant acquisitions and disposals, or changes in accounting standards or tax regulations that have a significant impact. After due examination, the Supervisory Board did not make use of these options for the 2021 financial year.

The composition of the Board of Management did not change during the year. For Dr. Wendt, the target remuneration applicable to Members of the Board of Management from the second mandate period onwards was applied at the beginning of his second mandate period, from 1 October 2021 onwards.

The remuneration system for the members of the Supervisory Board is set out in Article 15 of the Articles of Incorporation. It was confirmed by the Annual General Meeting on 12 May 2021 with a majority of 99.40 % of the valid votes cast, and implemented for the 2021 financial year in accordance with the provisions of the Articles of Incorporation.

In the 2021 financial year, there were several changes to the composition of the Supervisory Board, meaning that the Supervisory Board remuneration for individual Supervisory Board members had to be calculated pro rata temporis. With effect from the end of the 2021 Annual General Meeting, Dr. Kley resigned from the Supervisory Board and the Personnel Committee, which, among other things, is responsible for preparing decisions in connection with Board of Management remuneration. The Supervisory Board elected Dr. Bock as his successor on the Personnel Committee, with effect from 12 May 2021.

II. Remuneration of the members of the Board of Management

1. Principles of the remuneration system and the contribution of remuneration to the promotion of the company's business strategy and its long-term development

The remuneration system in place since the 2021 financial year is easy to understand and clearly structured. It complies with the provisions of the German Stock Corporation Act (AktG) and the recommendations and suggestions of the German Corporate Governance Code. The Supervisory Board has applied the following principles in designing the remuneration system for the Board of Management:

- The remuneration structure is geared towards the sustainable and long-term development of the company. Therefore, variable remuneration components are predominantly granted on the basis of a multi-year assessment.
- The total remuneration of the members of the Board of Management is commensurate with their tasks and performance as well as the company's situation.
- The remuneration system ensures that both positive and negative developments are appropriately reflected in the remuneration ("pay for performance").
- The remuneration system takes into account both the performance of the entire Board of Management and the achievement of individual targets.
- The remuneration system observes the principle of consistency between the remuneration systems in the company: The remuneration systems for the Board of Management, executives and employees of BMW AG are all designed in a similar way.

— The total remuneration is in line with market practice both in terms of amount and structure, and takes into account the size, complexity and economic situation of the company.

The BMW Group aims to be the most successful and sustainable premium provider of individual mobility. The business strategy focuses on the customer and the provision of sustainable individual mobility in the premium segment, taking into account high profitability, in order to secure the company's independence in the future. The remuneration system contributes to the implementation of the business strategy and the sustainable and long-term development of the company. It also takes into account the concerns of the company's important stakeholders (in particular, shareholders, customers, and employees). The incentive effects of the various remuneration components have a complementary effect.

— The fixed basic remuneration 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.

— The variable bonus is divided into two parts, which influence behaviour in different ways. The earnings-related component of the bonus rewards recipients for achieving the company's financial targets in the vesting year, and promotes the earnings-related parts of the business strategy. In contrast, the performance component of the bonus is based on non-financial performance criteria, which are also derived from the business strategy. In this respect, the performance component of the bonus also offers particular incentives to encourage individuals consistently to pursue the goals of the business strategy for the long-term development of the company. These goals

do not have to be directly reflected in the key financial indicators for a given vesting year.

— The amount of the variable share-based remuneration also depends on the fulfilment of financial and non-financial objectives derived from the business strategy, since 50 % of the target cash amount earmarked for share purchases is linked to a financial key indicator (RoCE in the Automotive segment), and 50 % is linked to strategic focus targets. The obligation to use the net amount to purchase shares of common stock in the company and to hold these shares for at least four years also motivates the members of the Board of Management to strive to ensure the long-term positive development of the company, as this in turn promotes sustainable positive developments in the price of BMW shares.

2. Overview of remuneration system from the financial year 2021 onwards

The table below shows an overview of the remuneration system applicable from the financial year 2021 onwards.

COMPONENT	Parameters / measurement base, applicable amounts
FIXED REMUNERATION COMPONENTS	
Base remuneration	<ul style="list-style-type: none"> Member of the Board of Management: <ul style="list-style-type: none"> — € 0.90 million p.a. (first period of office) — € 1.05 million p.a. (from second period of office or fourth year of mandate) Chairman of the Board of Management: <ul style="list-style-type: none"> — € 1.95 million p.a. — Monthly payment on a pro rata basis
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	<ul style="list-style-type: none"> 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.: <ul style="list-style-type: none"> Member of the Board of Management: € 400,000 Chairman of the Board of Management: € 700,000
Remuneration linked to corporate strategy	<ul style="list-style-type: none"> — Base remuneration has the effect of discouraging unduly high levels of risk being to achieve short-term targets, thus contributing to the long-term development of the Company — Fixed remuneration components are a prerequisite for competitive levels of remuneration to attract and retain Board of Management members with the right qualifications
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) — € 1.15 million (from second period of office or fourth year of mandate) — € 2.10 million (Chairman of the Board of Management) — 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
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) — € 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 — Earnings factor is derived from a predefined allocation based on the parameters <ul style="list-style-type: none"> — Profit attributable to shareholders of BMW AG and Group post-tax return on sales in grant year — The earnings factor is 1.0 in case of a profit attributable to shareholders of BMW AG amounting to € 5.3 billion and a Group 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 Group 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 Group 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) — € 1.035 million (from second period of office or fourth year of mandate) — € 1.890 million (Chairman of the Board of Management)

COMPONENT	Parameters / measurement base, applicable amounts
VARIABLE REMUNERATION COMPONENTS	
Bonus	
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) — € 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 members 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:¹ <ul style="list-style-type: none"> — 50% cross-divisional targets with ESG criteria — 40% other cross-divisional targets — 10% individual 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.: <ul style="list-style-type: none"> — € 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)
Remuneration linked to corporate strategy	<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
Share-based remuneration	
Personal investment cash 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 — Requirement for Board of Management members to hold the acquired shares of common stock for at least four years (share ownership guideline) — Assessment period of five years in total (one year for determining the personal cash investment amount, four years holding requirement)
Basis of computation	<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) — € 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 vesting year

¹ See below for the set targets for the 2021 financial year ([Variable remuneration for the 2021 financial year](#)).

COMPONENT	Parameters / measurement base, applicable amounts
VARIABLE REMUNERATION COMPONENTS	
Share-based remuneration	
RoCE component (at 100% target achievement corresponds to 50% of target amount)	<ul style="list-style-type: none"> — Target amount RoCE component p. a. (50% of target amount of the personal investment cash amount): <ul style="list-style-type: none"> — € 0.55 million (first period of office) — € 0.264 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 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) — € 1.152 million (from second period of office or fourth year of mandate) — € 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 strategic focus target component p. a. (50% of target amount of personal investment cash amount): <ul style="list-style-type: none"> — € 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 derived from the strategic plan — Weighting of the strategic focus targets is decided before the start of the financial year — Formula in event of two strategic focus targets with equal weighting p. a.: <ul style="list-style-type: none"> 25% of target amount for personal investment cash amount x factor for strategic focus target 1 + 25% of target amount for personal investment cash 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) — € 1.152 million (from second period of office or fourth year of mandate) — € 2.115 million (Chairman of the Board of Management)
Remuneration linked to corporate strategy	<ul style="list-style-type: none"> — personal investment cash amount is 50% dependent on key performance indicator RoCE and is therefore directly linked to a key measure of corporate strategy and reflects BMW AG's aspiration to generate a significant premium on the cost of capital — The remaining 50% of the personal investment cash amount is beneficial for the attainment of strategic focus targets and therefore contributes to the BMW Group's operational success in strategically important areas — Commitment to purchase shares of BMW AG common stock and four-years holding requirement is beneficial for the long-term development of the BMW Group
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 incidences of serious non-compliance, incorrect calculation bases or incorrect financial statements — Amounts may also be clawed back in principle after a member has left the Board

3. Determination and review of the remuneration system and individual remuneration

Determining the system and structure of Board of Management remuneration, and reviewing it regularly, is a task of the full Supervisory Board, as is determining the individual level of remuneration of members of the Board of Management. The Personnel Committee of the Supervisory Board assumes a preparatory function in the determination and review of the remuneration system as a whole, and of the individual remuneration paid to members of the Board of Management.

The Supervisory Board reviews the remuneration system annually to ensure it is appropriate in terms of structure, target and maximum remuneration, as well as actual remuneration. The Supervisory Board also takes remuneration studies into account when assessing the market conformity of the target and maximum remuneration, as well as when assessing actual remuneration in horizontal terms. Due to the size and structure of the BMW Group, DAX companies are used as a comparison group and the remuneration data from this group is compared with the remuneration paid to members of the Board of Management at BMW AG. Vertically, the Supervisory Board compares the remuneration of members of the Board of Management with the remuneration of senior executives and with the average remuneration of employees employed by BMW AG in Germany in areas inside and outside the scope of collective bargaining agreements, including in terms of how they have changed over a period of several years. Recommendations from independent external remuneration experts, as well as suggestions from investor and analyst circles, may also be included in the deliberations. For the 2021 financial year, the review has shown that the target and maximum remuneration as well as actual remuneration are appropriate.

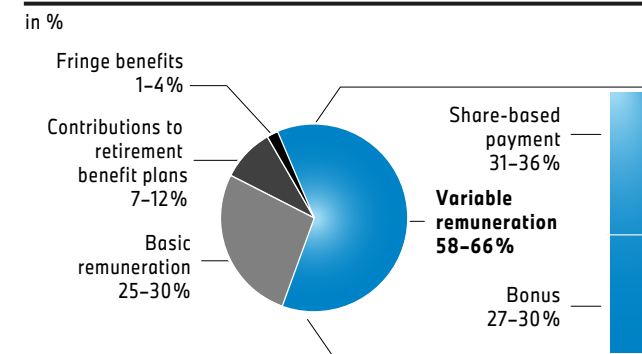
In accordance with the remuneration system, the Supervisory Board – acting on the proposal of the Personnel Committee – sets specific target remuneration for each individual member of the Board of Management for the upcoming financial year, as well as the performance criteria associated with the variable remuneration components provided for in the remuneration system.

The total target remuneration is composed of the fixed remuneration and the variable remuneration. Within the variable remuneration, the proportion of share-based remuneration as long-term variable remuneration exceeds the share of the bonus as short-term variable remuneration. The share of the individual remuneration components is within the ranges specified by the remuneration system.

a) Target remuneration for the 2021 financial year

The following tables show the individual target remuneration of the members of the Board of Management and the relative share of the respective remuneration component in the total target remuneration.

OVERVIEW OF TOTAL TARGET REMUNERATION FOR MEMBERS OF THE BOARD OF MANAGEMENT



Excluding a possible payment to new members of the Board of Management to compensate for salary losses from a previous employment relationship and/or to cover relocation costs.

TARGET REMUNERATION FOR THE FINANCIAL YEAR 2021 (2020)

OLIVER ZIPSE

Chairman of the Board of Management since 16 August 2019
Member of the Board of Management since 13 May 2015

ILKA HORSTMEIER

Human Resources, Labour Relations Director
since 1 November 2019

	FY 2021 ¹		FY 2020 ²		FY 2021 ¹		FY 2020 ²	
	in €	in %	in €	in %	in €	in %	in €	in %
Fixed remuneration								
Fixed remuneration								
Fixed remuneration								
Fixed remuneration								
Fixed remuneration								
Total	2,669,355	37	2,366,256	35	1,347,633	40	1,237,374	37
BONUS								
Earnings component of bonus 2020	(-)	(-)	540,000	8	(-)	(-)	255,000	8
Performance component of bonus 2020	(-)	(-)	1,260,000	19	(-)	(-)	595,000	18
Earnings component of bonus 2021	1,050,000	15	(-)	(-)	475,000	14	(-)	(-)
Performance component of bonus 2021	1,050,000	15	(-)	(-)	475,000	14	(-)	(-)
PERFORMANCE CASH PLAN								
Variable remuneration								
Variable remuneration								
Variable remuneration								
Variable remuneration								
Variable remuneration								
SHARE-BASED PAYMENT								
Cash remuneration component (investment component) 2020 for holding obligation 2021-2025	(-)	(-)	810,000	12	(-)	(-)	382,500	11
Share-based remuneration component (matching component) 2020 for holding obligation 2021-2025 ³	(-)	(-)	123,873	2	(-)	(-)	62,790	2
Personal cash investment amount 2021 ⁴								
RoCE component	1,175,000	17	(-)	(-)	550,000	16	(-)	(-)
Strategic focus target component	1,175,000	17	(-)	(-)	550,000	16	(-)	(-)
Total	4,450,000	63	4,333,873	65	2,050,000	60	2,145,290	63
Target total remuneration	7,119,355	100	6,700,129	100	3,397,633	100	3,382,664	100

¹ Remuneration system as of financial year 2021.

² Remuneration system applicable until financial year 2020.

³ Provisional monetary value calculated as of 2 January 2021 in accordance with German Accounting Standard 17, as amended. The final number of matching shares and/or the final cash value will only be determined when the investment obligation is fulfilled in shares of common stock of the company.

⁴ Assessment period five years in total: One year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

TARGET REMUNERATION FOR THE FINANCIAL YEAR 2021 (2020)

		MILAN NEDELJKOVIĆ Production since 1 October 2019				PIETER NOTA Customer, Brands, Sales since 1 January 2018			
		FY 2021 ¹		FY 2020 ²		FY 2021 ¹		FY 2020 ²	
		in €	in %	in €	in %	in €	in %	in €	in %
Fixed remuneration	Fixed remuneration (basic remuneration)	900,000	27	800,000	24	1,050,000	27	800,000	24
	Fringe benefits (other remuneration)	43,237	1	101,973	3	18,525	0.5	18,408	1
	Contribution to the company pension scheme	400,000	12	350,000	10	400,000	10	350,000	11
	Total	1,343,237	40	1,251,973	37	1,468,525	38	1,168,408	35
BONUS									
	Earnings component of bonus 2020	(-)	(-)	255,000	8	(-)	(-)	255,000	8
	Performance component of bonus 2020	(-)	(-)	595,000	18	(-)	(-)	595,000	18
	Earnings component of bonus 2021	475,000	14	(-)	(-)	575,000	15	(-)	(-)
	Performance component of bonus 2021	475,000	14	(-)	(-)	575,000	15	(-)	(-)
PERFORMANCE CASH PLAN									
Variable remuneration	PCP 2020-2022	(-)	(-)	850,000	25	(-)	(-)	850,000	26
SHARE-BASED PAYMENT									
	Cash remuneration component (investment component) 2020 for holding obligation 2021-2025	(-)	(-)	382,500	11	(-)	(-)	382,500	12
	Share-based remuneration component (matching component) 2020 for holding obligation 2021-2025 ³	(-)	(-)	62,790	2	(-)	(-)	62,790	2
	Personal cash investment amount 2021 ⁴								
	RoCE component	550,000	16	(-)	(-)	640,000	16	(-)	(-)
	Strategic focus target component	550,000	16	(-)	(-)	640,000	16	(-)	(-)
	Total	2,050,000	60	2,145,290	63	2,430,000	62	2,145,290	65
Target total remuneration		3,393,237	100	3,397,263	100	3,898,525	100	3,313,698	100

¹ Remuneration system as of financial year 2021.

² Remuneration system applicable until financial year 2020.

³ Provisional monetary value calculated as of 2 January 2021 in accordance with German Accounting Standard 17, as amended. The final number of matching shares and/or the final cash value will only be determined when the investment obligation is fulfilled in shares of common stock of the company.

⁴ Assessment period five years in total: One year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

TARGET REMUNERATION FOR THE FINANCIAL YEAR 2021 (2020)

		NICOLAS PETER Finance since 1 January 2017				FRANK WEBER Development since 1 July 2020			
		FY 2021 ¹		FY 2020 ²		FY 2021 ¹		FY 2020 ²	
		in €	in %	in €	in %	in €	in %	in €	in %
Fixed remuneration	Fixed remuneration (basic remuneration)	1,050,000	27	950,000	25	900,000	26	400,000	24
	Fringe benefits (other remuneration)	22,746	1	24,231	1	97,833	3	28,593	2
	Contribution to the company pension scheme	400,000	10	350,000	9	400,000	12	175,000	10
	Total	1,472,746	38	1,324,231	35	1,397,833	41	603,593	36
BONUS									
	Earnings component of bonus 2020	(-)	(-)	300,000	8	(-)	(-)	127,500	8
	Performance component of bonus 2020	(-)	(-)	700,000	18	(-)	(-)	297,500	18
	Earnings component of bonus 2021	575,000	15	(-)	(-)	475,000	14	(-)	(-)
	Performance component of bonus 2021	575,000	15	(-)	(-)	475,000	14	(-)	(-)
PERFORMANCE CASH PLAN									
Variable remuneration	PCP 2020-2022	(-)	(-)	950,000	25	(-)	(-)	425,000	25
SHARE-BASED PAYMENT									
	Cash remuneration component (investment component) 2020 for holding obligation 2021-2025	(-)	(-)	450,000	12	(-)	(-)	191,250	11
	Share-based remuneration component (matching component) 2020 for holding obligation 2021-2025 ³	(-)	(-)	68,802	2	(-)	(-)	31,360	2
	Personal cash investment amount 2021 ⁴								
	RoCE component	640,000	16	(-)	(-)	550,000	16	(-)	(-)
	Strategic focus target component	640,000	16	(-)	(-)	550,000	16	(-)	(-)
	Total	2,430,000	62	2,468,802	65	2,050,000	59	1,072,610	64
Target total remuneration		3,902,746	100	3,793,033	100	3,447,833	100	1,676,203	100

¹ Remuneration system as of financial year 2021.

² Remuneration system applicable until financial year 2020.

³ Provisional monetary value calculated as of 2 January 2021 in accordance with German Accounting Standard 17, as amended. The final number of matching shares and/or the final cash value will only be determined when the investment obligation is fulfilled in shares of common stock of the company.

⁴ Assessment period five years in total: One year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

TARGET REMUNERATION FOR THE FINANCIAL YEAR 2021 (2020)

ANDREAS WENDT

Purchasing and Supplier Network

from 1 October 2018 until 31 December 2021

		FY 2021 ¹		FY 2020 ²	
		in €	in %	in €	in %
Fixed remuneration	Fixed remuneration (basic remuneration)	937,500	26	800,000	24
	Fringe benefits (other remuneration)	60,303	2	56,319	2
	Contribution to the company pension scheme	400,000	11	350,000	10
	Total	1,397,803	39	1,206,319	36
BONUS					
	Earnings component of bonus 2020	(-)	(-)	255,000	8
	Performance component of bonus 2020	(-)	(-)	595,000	18
	Earnings component of bonus 2021	500,000	14	(-)	(-)
	Performance component of bonus 2021	500,000	14	(-)	(-)
PERFORMANCE CASH PLAN					
Variable remuneration	PCP 2020-2022	(-)	(-)	850,000	25
SHARE-BASED PAYMENT					
	Cash remuneration component (investment component) 2020 for holding obligation 2021-2025	(-)	(-)	382,500	11
	Share-based remuneration component (matching component) 2020 for holding obligation 2021-2025 ³	(-)	(-)	62,790	2
	Personal cash investment amount 2021 ⁴				
	RoCE component	572,500	16	(-)	(-)
	Strategic focus target component	572,500	16	(-)	(-)
	Total	2,145,000	61	2,145,290	64
Target total remuneration		3,542,803	100	3,351,609	100

¹ Remuneration system as of financial year 2021.

² Remuneration system applicable until financial year 2020.

³ Provisional monetary value calculated as of 2 January 2021 in accordance with German Accounting Standard 17, as amended. The final number of matching shares and/or the final cash value will only be determined when the investment obligation is fulfilled in shares of common stock of the company.

⁴ Assessment period five years in total: One year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

b) Maximum and minimum remuneration for the financial year 2021

The Supervisory Board has set upper limits on the remuneration of Members of the Board of Management for the 2021 financial year (vesting year) in two ways: It has set maximum limits in terms of the amount paid for all variable remuneration components and, additionally, for the total remuneration of the Board of Management members in each case. Both components of the bonus and both components of the share-based remuneration (the personal cash investment amount) are limited to a maximum of 180 % of the respective target amount.

The maximum remuneration of the Members of the Board of Management for the vesting year 2021, as determined in accordance with § 87a (1) Sentence 2 No. 1 AktG includes, as fixed components, the basic remuneration for 2021, other fixed remuneration for 2021, the pension contribution, and any service cost in excess of that contribution for 2021. The maximum remuneration includes the bonus for the vesting year 2021 and the share-based remuneration as variable components for the vesting year 2021. Any special payments to compensate for loss of salary from a previous employment relationship and/or

to cover relocation costs for new appointments are also covered by the maximum remuneration.

The total fixed maximum remuneration is less than the sum of the maximum amounts for the individual components.

In addition to the maximum limits for the individual components of overall remuneration, the Supervisory Board also set minimum thresholds that had to be exceeded in order for a target to be achieved. If these minimum thresholds are not reached, the relevant component of the variable remuneration is not paid.

MAXIMUM AND MINIMUM REMUNERATION FOR THE FINANCIAL YEAR 2021

in €		OLIVER ZIPSE Chairman of the Board of Management since 16 August 2019 Member of the Board of Management since 13 May 2015		ILKA HORSTMEIER Human Resources, Labour Relations Director Member of the Board of Management since 1 November 2019		MILAN NEDELJKOVIĆ Production Board of the Board of Management since 1 October 2019		PIETER NOTA Customer, Brands, Sales Member of the Board of Management since 1 January 2018	
		Max	Min	Max	Min	Max	Min	Max.	Min.
Fixed remuneration	Fixed remuneration (basic remuneration)	1,950,000	1,950,000	900,000	900,000	900,000	900,000	1,050,000	1,050,000
	Fringe benefits	19,355	19,355	47,633	47,633	43,237	43,237	18,525	18,525
	Total	1,969,355	1,969,355	947,633	947,633	943,237	943,237	1,068,525	1,068,525
Variable remuneration	BONUS								
	Earnings component of bonus	1,890,000	0	855,000	0	855,000	0	1,035,000	0
	Performance component of bonus	1,890,000	0	855,000	0	855,000	0	1,035,000	0
	SHARE-BASED REMUNERATION (PERSONAL CASH INVESTMENT AMOUNT)¹								
	RoCE component	2,115,000	0	990,000	0	990,000	0	1,152,000	0
	Strategic focus target component	2,115,000	0	990,000	0	990,000	0	1,152,000	0
	Total	8,010,000	0	3,690,000	0	3,690,000	0	4,374,000	0
Total fixed and variable remuneration	9,979,355	1,969,355	4,637,633	947,633	4,633,237	943,237	5,442,525	1,068,525	
Pension expense ²	702,274	702,274	401,765	401,765	401,466	401,466	402,852	402,852	
Maximum remuneration³ / Minimum remuneration	9,850,000	2,671,629	4,925,000	1,349,398	4,925,000	1,344,703	5,500,000	1,471,377	

¹ Assessment period five years in total: One year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

² The pension contribution and any service cost in excess of this contribution represent the cost to the Company. This amount is not paid out to the relevant member of the Board of Management.

³ Maximum remuneration within the meaning of § 87 a (1) Sentence 2 no. 1 German Stock Corporation Act (AktG). This total upper limit is lower than the sum of the maximum amounts from the individual components. Any special payments to compensate for loss of salary from a previous employment relationship and/or to cover relocation costs for new appointments are also covered by the maximum remuneration.

MAXIMUM AND MINIMUM REMUNERATION FOR THE FINANCIAL YEAR 2021

in €		NICOLAS PETER		FRANK WEBER		ANDREAS WENDT	
		Max	Min	Max	Min	Max	Min
Fixed remuneration	Fixed remuneration (basic remuneration)	1,050,000	1,050,000	900,000	900,000	937,500	937,500
	Fringe benefits	22,746	22,746	97,833	97,833	60,303	60,303
	Total	1,072,746	1,072,746	997,833	997,833	997,803	997,803
BONUS							
Variable remuneration	Earnings component of bonus	1,035,000	0	855,000	0	900,000	0
	Performance component of bonus	1,035,000	0	855,000	0	900,000	0
	SHARE-BASED REMUNERATION (PERSONAL CASH INVESTMENT AMOUNT)¹						
	RoCE component	1,152,000	0	990,000	0	1,030,500	0
	Strategic focus target component	1,152,000	0	990,000	0	1,030,500	0
	Total	4,374,000	0	3,690,000	0	3,861,000	0
Total fixed and variable remuneration		5,446,746	1,072,746	4,687,833	997,833	4,858,803	997,803
Pension expense ²		401,099	401,099	402,075	402,075	401,099	401,099
Maximum remuneration³ / Minimum remuneration		5,500,000	1,473,845	4,925,000	1,399,908	5,068,750	1,398,902

¹ Assessment period five years in total: One year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

² The pension contribution and any service cost in excess of this contribution represent the cost to the Company. This amount is not paid out to the relevant member of the Board of Management.

³ Maximum remuneration within the meaning of § 87 a (1) Sentence 2 no. 1 German Stock Corporation Act (AktG). This total upper limit is lower than the sum of the maximum amounts from the individual components. Any special payments to compensate for loss of salary from a previous employment relationship and/or to cover relocation costs for new appointments are also covered by the maximum remuneration.

The maximum limits for each individual element of the variable remuneration in the 2021 vesting year and the stipulated maximum remuneration limits were complied with in all cases [↗ Remuneration granted and owed](#).

The remuneration granted and owed pursuant to §162 German Stock Corporation Act (AktG) for financial year 2021 [↗ Remuneration granted and owed](#) includes a payout from the Performance Cash Plan 2019-2021 for members of the Board of Management who were in office back in the 2019 financial year. This variable component of the remuneration system applicable for the financial years 2018 to 2020 falls under the overall caps set by the Supervisory Board for the vesting year 2019. A final assessment of compliance with the overall caps set for the 2019 vesting year will only be possible when the matching component of the share-based remuneration for the 2019 vesting year is paid out after the expiry of the four-year shareholding period in the 2024 financial year.

The remuneration granted and owed for the 2021 financial year pursuant to §162 AktG [↗ Remuneration granted and owed](#) also includes the payment of the matching component of the share-based remuneration for the 2016 vesting year to the members of the Board of Management who were in office in that financial year. This payment was made in May 2021, after the expiry of the four-year shareholding period. This

component is subject to the overall cap set for the vesting year 2016, which was complied with for the members of the Board of Management in office at that time.

4. Remuneration for the 2021 financial year

Following a proposal by the Personnel Committee, the Supervisory Board determined in December 2020 the target remuneration for the members of the Board of Management for the 2021 financial year, as well as the performance criteria for the variable remuneration components provided for in the remuneration system. In March 2022, at the suggestion of the Personnel Committee, the Supervisory Board set or confirmed the amount of the variable remuneration components due to the members of the Board of Management for the 2021 financial year after reviewing and assessing the extent to which the targets had been achieved.

a) Fixed remuneration for the 2021 financial year

Each member of the Board of Management receives a fixed basic remuneration, which is paid monthly on a pro rata basis. The fixed basic remuneration ensures a minimum income appropriate to the tasks and responsibilities of a member of the Board of Management. It counteracts the temptation to take disproportionately high risks in order to achieve short-term goals, and thus contributes to the company's long-term development.

The amount of the basic remuneration depends on the individual's respective function on the Board of Management and the duration of their tenure on the Board of Management or their appointment period, as applicable.

The fringe benefits include, in particular, insurance benefits, non-cash benefits from vehicle use and use of telephones and computers, health care, employee discounts and subsidies for safety equipment. In addition, the Supervisory Board can approve payments to newly appointed members of the Board of Management in order to compensate them for loss of salary from a previous employment relationship and / or to cover relocation costs. No such approvals were issued in the 2021 financial year.

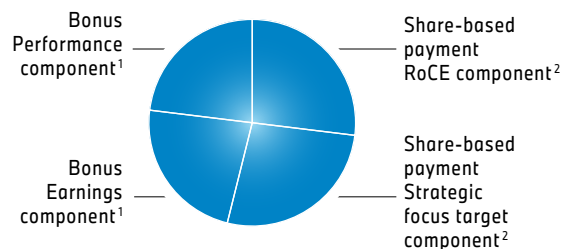
b) Variable remuneration for the 2021 financial year

The variable remuneration for the 2021 financial year consists of the bonus and the share-based remuneration. The bonus consists of the earnings and performance components, and the share-based remuneration (personal cash investment amount) consists of the RoCE component and the strategic focus targets component. The performance criteria for the variable remuneration paid to members of the Board of Management are based on the Group's key strategic financial and non-financial targets and performance indicators, and sustainably promote the Group's development. When determining specific target values, the Supervisory Board takes into account, in particular, long-term corporate planning and business development planning for the following year. These plans are prepared by the Board of Management and submitted to the Supervisory Board for approval. For details of the strategic relevance of the individual remuneration components, see also above [↗ Overview of remuneration system](#).

OVERVIEW OF FIXED REMUNERATION FOR THE 2021 FINANCIAL YEAR (IN €)

	Base salary	Fringe benefits (other remuneration)	Total fixed remuneration
Oliver Zipse	1,950,000	19,355	1,969,355
Ilka Horstmeier	900,000	47,633	947,633
Milan Nedeljković	900,000	43,237	943,237
Pieter Nota	1,050,000	18,525	1,068,525
Nicolas Peter	1,050,000	22,746	1,072,746
Frank Weber	900,000	97,833	997,833
Andreas Wendt	937,500	60,303	997,803

OVERVIEW OF VARIABLE TARGET REMUNERATION



¹ Each represents approx. 23–24% of variable target remuneration.
² Each represents approx. 26–27% of variable target remuneration.

(1) Bonus for the 2021 financial year

Overview

The bonus consists of an earnings component and a performance component. If 100 % of the target is achieved, the share of the bonus attached to each component is 50 % of the individual target amount of the bonus. The bonus amount is capped at 180 % of the individual target amount. The bonus is paid following the Annual General Meeting at which the annual financial statements for the vesting year are presented.

Earnings component of the bonus

The earnings component of the bonus rewards the performance of the business in the vesting year, as measured by the financial indicators "Profit attributable to shareholders of BMW AG" and "Group post-tax return on sales". For this purpose, the Supervisory Board adopts an allocation matrix before the start of the vesting year, from which an earnings factor is derived based on the values achieved.

For both indicators, the Supervisory Board defines a minimum value, a target value and a maximum value before the start of the vesting year. If one of the minimum values is not reached, the earnings factor is zero (corresponding to a target achievement of 0 %). If both target values are reached,

OVERVIEW OF THE COMPOSITION OF THE BONUS

EARNINGS COMPONENT

$$50\% \text{ OF TARGET AMOUNT} \times \text{EARNINGS FACTOR}$$

- Earnings factor is derived from an allocation matrix based on the parameters "profit attributable to shareholders of BMW AG" and "Group post-tax return on sales" in the vesting year.
- Earnings factor may not exceed 1.8.

PERFORMANCE COMPONENT

$$50\% \text{ OF TARGET AMOUNT} \times \text{PERFORMANCE FACTOR}$$

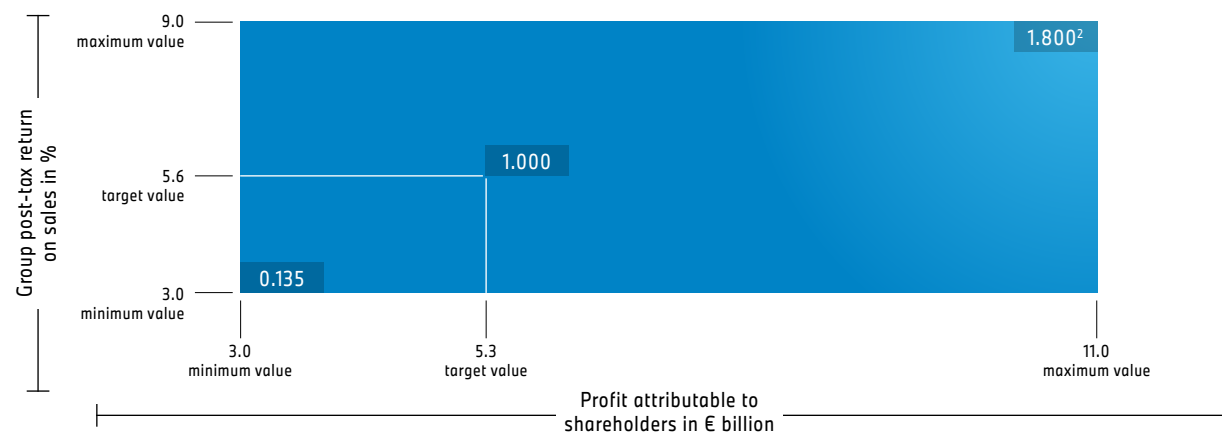
- Performance factor consists of
 - 50 % cross-divisional targets with ESG criteria,
 - 40 % other cross-divisional targets,
 - 10 % individual departmental targets.
- Performance factor may not exceed 1.8.

BONUS
 (MAX. 180 % OF TARGET AMOUNT)

the earnings factor is 1.000 (corresponding to a target achievement of 100 %). As of the achievement of both maximum values, the earnings factor is 1.800 (corresponding to

a target achievement of 180 %, the highest possible percentage). For intermediate values, the earnings factor is derived from the matrix.

EARNINGS COMPONENT OF THE BONUS: ALLOCATION MATRIX¹



¹ Simplified depiction
² Earnings factor 2021

Targets set and extent of achievement – earnings component of the bonus for the 2021 financial year

The targets set and the extent to which they have been achieved, as well as the specific amounts associated with the earnings component of the bonus for the 2021 financial year, are shown in the following tables. In the financial year 2021, BMW AG's share of profit attributable to shareholders was € 12.4 billion, and the Group post-tax return on sales was 11.2 %. Both key indicators exceeded the maximum values defined for the assessment of the earnings component, so the earnings factor has been capped at the maximum value of 1.800 (corresponding to a target achievement of 180 %, the highest possible percentage).

Performance component of the bonus

The performance component of the bonus rewards the achievement of certain non-financial targets. Before the beginning of the financial year, the Supervisory Board sets these targets in the form of various non-financial performance criteria and associated metrics. The performance criteria are derived primarily from the corporate strategy, long-term corporate planning and the business development planning done for the following year. The targets are divided into individual targets for the individual members of the Board of Management (departmental targets) and collective targets for the entire Board of Management (interdepartmental targets). The Supervisory Board has discretion in weighting the performance criteria. Approximately 10 % of the target amount for the performance bonus is intended to be allo-

cated to the departmental targets. Departmental targets can be department-specific targets or contributions to shared targets measured individually for each department. The remainder of the target amount for the performance bonus (amounting to approximately 90 %) should be associated with interdepartmental, non-financial targets. In this regard, around 50 % of the target amount should be connected to the achievement of non-financial targets relating to environmental, social and governance (i. e., ESG targets).

Targets set and extent of achievement – performance component of the bonus for the financial year 2021

The targets set by the Supervisory Board for the 2021 vesting year as part of the performance component of the bonus, the weighting of the relevant criteria and the individual target achievement are summarised in the tables below.

TARGETS SET AND ACHIEVED EARNINGS COMPONENT OF BONUS FOR THE FINANCIAL YEAR 2021

Performance criteria	Minimum value	Target value	Maximum value	Actual value	Target achievement in %	Earnings factor
Profit attributable to shareholders of BMW AG in € billion	3.0	5.3	11.0	12.4	180 %	1,800
Group post-tax return on sales in %	3.0	5.6	9.0	11.2		

OVERVIEW OF EARNINGS COMPONENT OF THE BONUS FOR THE FINANCIAL YEAR 2021

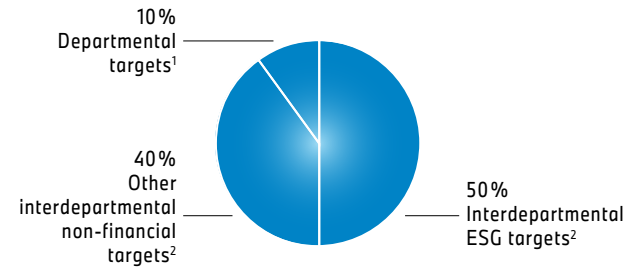
Member of the Board of Management	Proportionate target bonus amount in €	Earnings factor	Earnings component of bonus in €
Oliver Zipse	1,050,000	1.800	1,890,000
Ilka Horstmeier	475,000		855,000
Milan Nedeljković	475,000		855,000
Pieter Nota	575,000		1,035,000
Nicolas Peter	575,000		1,035,000
Frank Weber	475,000		855,000
Andreas Wendt	500,000		900,000

In order to determine the extent to which targets were achieved in 2021, the Supervisory Board assessed the departmental targets, on the one hand, and the interdepartmental targets, on the other hand, within a target achievement corridor with a partial performance factor between 0 (corresponding to a target being 0 % achieved) and 1.80 (corresponding to a target being 180 % achieved, the highest possible percentage). The performance factor for the bonus was determined from the two partial performance factors, with a weighting of 10 % for the departmental targets and 90 % for the interdepartmental targets. With regard to the interdepartmental targets, 50 % of the weighting is for non-financial environmental, social and governance (ESG) targets, and 40 % is for other non-financial targets.

In order to determine the extent to which targets were achieved, the Supervisory Board assessed the leadership performance of the individual members of the Board of Management and the overall performance of the Board of Management as a whole. With regard to the departmental targets, the Supervisory Board assessed the individual performance of each member of the Board of Management.

With regard to the interdepartmental targets, the Supervisory Board deliberately considered the Board of Management as a team and assessed the performance of all the members of the Board of Management as a whole. The Supervisory Board's decision-making process is based on a detailed, documented analysis of performance as measured against all the agreed criteria, as well as in-depth discussions at Personnel Committee and full Supervisory Board level. As a basis for its assessment, the Supervisory Board was guided, in particular, by the quantitative and qualitative metrics defined in the corporate planning that had been done before the beginning of the financial year. These metrics include, for example, key indicators such as vehicle sales, segment shares and the share of sales for electrified vehicles, as well as other metrics for assessing sustainability performance, R&D rate, the quality of the customer experience compared to the competition, investments in training and further education, targets for diversity in the workforce and the results of employee surveys. The results of comparative studies and calculations were also used to assess individual metrics. In addition to a review of performance in 2021, the Supervisory Board carried out a trend review covering several financial years. In doing so, it assessed the effects of decisions, measures and the overall course set in previous financial years on the financial year 2021 and, by way of a forecast, also estimated the significance of the performance in 2021 for the future development of the company.

OVERVIEW OF TARGETS OF THE PERFORMANCE COMPONENT OF THE BONUS FOR THE FINANCIAL YEAR 2021



¹ Individual assessment for each member of the Board of Management.

² Collective assessment of the Board of Management as a team.

OVERVIEW OF DEPARTMENTAL TARGETS FOR THE PERFORMANCE COMPONENT OF THE BONUS FOR FINANCIAL YEAR 2021

		Target set	Weighting
Interdepartmental ESG targets	Entire Board of Management ¹	Innovation performance (environmental) Develop the Company's reputation e.g. (corporate culture, promoting integrity and ensuring compliance) Transformability (investment in training and further education, sustainability) Employer attractiveness Leadership performance (employee satisfaction)	50 %
		Interdepartmental other non-financial targets	
Joint departmental targets	All members of the Board of Management ²	Contribution to meeting growth and profitability targets Leadership performance in the department Achievement of departmental diversity targets Preventive activities in ensuring compliance	
		Specific departmental targets	
Specific departmental targets	Oliver Zipse	Coordination of the work of the Board of Management Positioning with regard to proposed legislation Continue to develop the Compliance Management System Present and promote new products	10 %
	Ilka Horstmeier	Promote employer attractiveness Staff restructuring and qualification Implement the diversity strategy Promote the strategic development of real estate management	
	Milan Nedeljković	Ensure the production network is managed effectively Deliver dynamic alignment of the production structure in line with strategic factors Achieve quality targets in production Reduce carbon emissions in production	
	Pieter Nota	Plan sales and prices, realise potential in our sales markets Prepare and successfully deliver launches of new products Expand the digital marketing and sales concepts Expand the internal control system (ICS) with regard to sales management and reporting	
	Nicolas Peter	Ensure reliable communication with capital markets Prepare the first Integrated Annual Report and further develop the ICS for non-financial key indicators Manage financial risk and secure Group financing during and after the Covid-19 pandemic Coordinate the delivery of Performance NEXT financial targets	
	Frank Weber	Develop attractive and exciting vehicle models Ensure planned new products are handed over to production on time Develop new vehicle architecture Continue to develop automated driving and hydrogen technology	
	Andreas Wendt	Ensure production flexibility for vehicle components Maintain an efficient and flexible supplier network during the Covid-19 pandemic Meet quality requirements and cost targets in the supplier network Establish a CO ₂ management system in the supply chain	

¹ Collective assessment of the Board of Management as a team. ² Individual assessment for each member of the Board of Management.

OVERVIEW OF TARGET ACHIEVEMENT FOR THE PERFORMANCE COMPONENT OF THE BONUS FOR FINANCIAL YEAR 2021

	Targets	Weighting	Average target achievement	Performance factor	Proportionate target bonus amount in €	Performance component of bonus in €
Oliver Zipse	Interdepartmental targets – ESG	50 %	107.0 %	1.06	1,050,000	1,113,000
	Interdepartmental targets – Other	40 %	102.5 %			
	Departmental targets	10 %	118.1 %			
Ilka Horstmeier	Interdepartmental targets – ESG	50 %	107.0 %	1.06	475,000	503,500
	Interdepartmental targets – Other	40 %	102.5 %			
	Departmental targets	10 %	113.8 %			
Milan Nedeljković	Interdepartmental targets – ESG	50 %	107.0 %	1.06	475,000	503,500
	Interdepartmental targets – Other	40 %	102.5 %			
	Departmental targets	10 %	113.1 %			
Pieter Nota	Interdepartmental targets – ESG	50 %	107.0 %	1.06	575,000	609,500
	Interdepartmental targets – Other	40 %	102.5 %			
	Departmental targets	10 %	113.1 %			
Nicolas Peter	Interdepartmental targets – ESG	50 %	107.0 %	1.06	575,000	609,500
	Interdepartmental targets – Other	40 %	102.5 %			
	Departmental targets	10 %	116.3 %			
Frank Weber	Interdepartmental targets – ESG	50 %	107.0 %	1.06	475,000	503,500
	Interdepartmental targets – Other	40 %	102.5 %			
	Departmental targets	10 %	115.6 %			
Andreas Wendt	Interdepartmental targets – ESG	50 %	107.0 %	1.06	500,000	530,000
	Interdepartmental targets – Other	40 %	102.5 %			
	Departmental targets	10 %	115.6 %			

(2) Share-based remuneration for the 2021 financial year

As part of the share-based remuneration as a variable long-term component of remuneration, the members of the Board of Management receive a cash payment earmarked for investment in BMW shares of common stock (the "personal cash investment amount"). This amount depends on the achievement of certain financial and non-financial targets in the past financial year (vesting year). The members of the Board of Management are obliged to invest their personal

cash investment amounts (less taxes and duties) in BMW shares of common stock, and to hold these shares for a period of at least four years (Share Ownership Guideline). The obligation to purchase BMW shares of common stock and the multi-year holding period strengthens the entrepreneurial long-term orientation of the Board of Management. Implementing the corporate strategy sustainably by taking appropriate decisions also creates lasting value for the shareholders, and thus regularly provides the basis for posi-

tive long-term capital market performance. Due to the substantial investment and the fixed holding period associated with these shares, members of the Board of Management participate in the long-term positive (and negative) development of the company, as reflected in the share price, even after their departure.

Personal cash investment amount

The personal cash investment amount is paid out after the Annual General Meeting at which the annual financial statements for the vesting year are presented. The size of this amount depends on the target amount, the RoCE achieved in the Automotive segment and the degree to which certain strategic focus targets were achieved in the vesting year. The personal cash investment amount is limited to a maximum of 180 % of the target amount and is calculated as follows:

$$\text{Personal cash investment amount} = \text{RoCE component} + \text{strategic focus targets component}$$

Target amount for the personal cash investment amount

The target amounts for the individual members of the Board of Management for the 2021 financial year are presented in the table "Overview of share-based remuneration for the 2021 financial year", below.

RoCE component of the personal cash investment amount

Before the beginning of the relevant vesting year, the Supervisory Board sets minimum, target and maximum values for the RoCE in the Automotive segment in the vesting year on the basis of corporate planning, and assigns a RoCE factor to each of these values. If the minimum value is not reached, the RoCE factor is 0. If the target value is reached, the RoCE factor is 1.00. As of the achievement of the maximum value, the RoCE factor is 1.80. The RoCE component of the personal investment cash amount is determined by multiplying the RoCE factor for the vesting year by 50 % of the individual target amount.

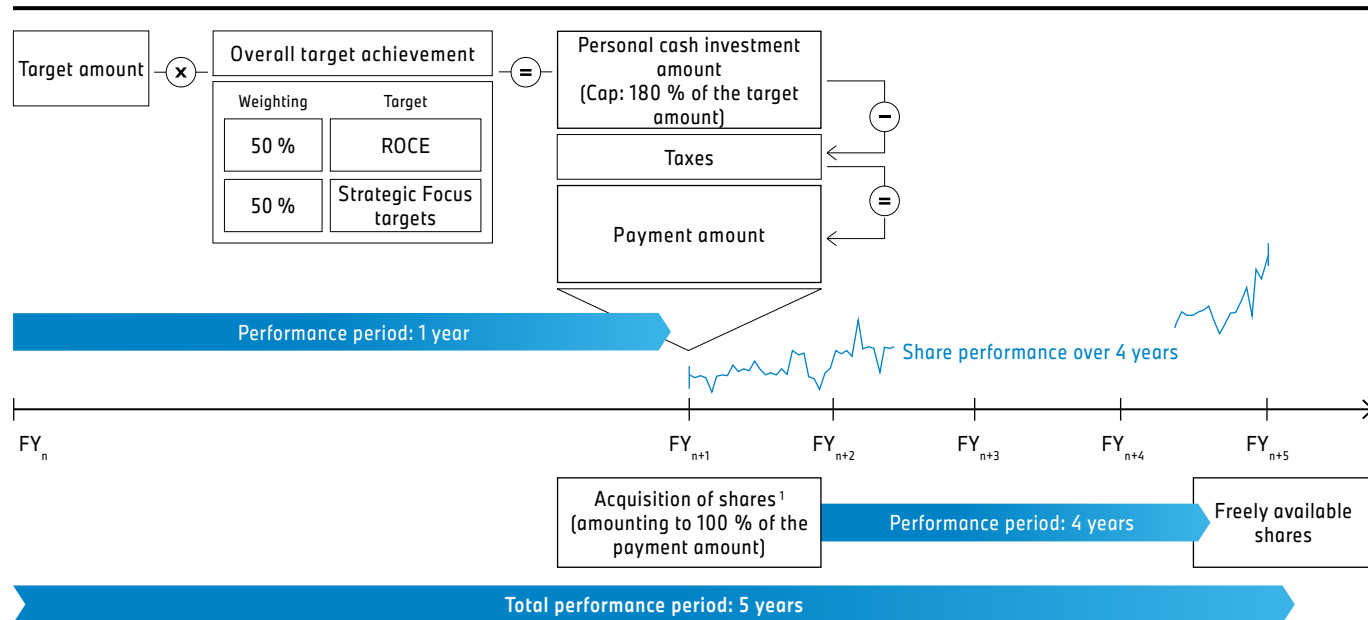
Strategic focus targets component of the personal cash investment amount

The Supervisory Board sets at least two strategic focus targets before the start of the vesting year. It derives these targets from the corporate strategy and corporate planning. It then sets a minimum, target and maximum value for each

strategic focus target, and assigns a factor to each of these values. If the minimum value is not reached, the factor for that target is 0. If the target value is reached, the factor for that target is 1.00. As of the achievement of the maximum value, the factor for that target is 1.80. The strategic focus targets component of the personal cash investment amount is determined in a two-step process. In the first step, the factor for the vesting year achieved for the relevant strategic focus target is multiplied by the share of the individual target amount attributable to this target. In the second step, the

values determined for the individual strategic focus targets using this calculation are added together. If two strategic focus targets are set, each strategic focus target accounts for 25 % of the individual target amount, unless the Supervisory Board decides on a different weighting. If more than two strategic focus targets are set, the Supervisory Board determines the weighting of each target.

OVERVIEW OF SHARE-BASED REMUNERATION



¹ Simplified depiction. Payment, acquisition of shares and the start of the four-year holding period occur following the Annual General Meeting at which the annual financial statements for the vesting year are presented.

Targets set and extent of achievement for the RoCE component for the 2021 financial year

RoCE in the Automotive segment for the financial year 2021 is defined as segment profit before financial result, divided by the average capital employed in the segment. The Supervisory Board has determined the following values for the vesting year 2021: Minimum value: 10 %, Target value: 16 %, Maximum value: 45 %. The RoCE achieved for the 2021 financial year was 59.9 %, meaning that the maximum value set for the purposes of assessing the value of the RoCE component was exceeded and the RoCE factor for the calculation of the personal cash investment amount is 1.80 (its maximum value). The target was set by the Supervisory Board in December 2020 on the basis of long-term corporate planning. RoCE for the Automotive segment increased significantly in the 2021 financial year, to 59.9 % (2020:

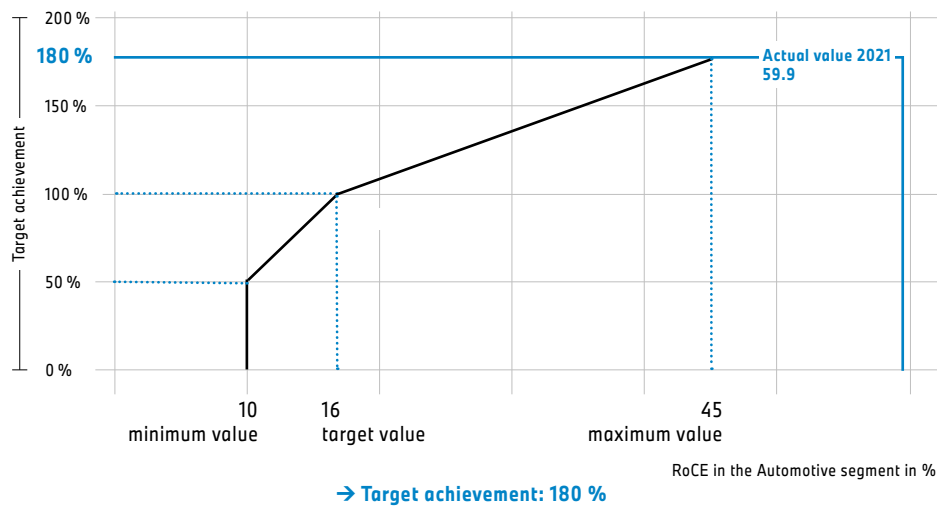
12.7 % / +47.2 percentage points). This was driven in large part by increasing EBIT compared to the previous year. A reduction in capital employed, and specifically the reduction in average inventory during the financial year, was another contributing factor. This was due, in particular, to the rapid recovery of operational business from the consequences of the coronavirus pandemic and the positive price effects for new and pre-owned vehicles caused by the shortage of supply due to the tense supply situation for semiconductors.

Targets set and extent of achievement for the strategic focus targets component for the 2021 financial year

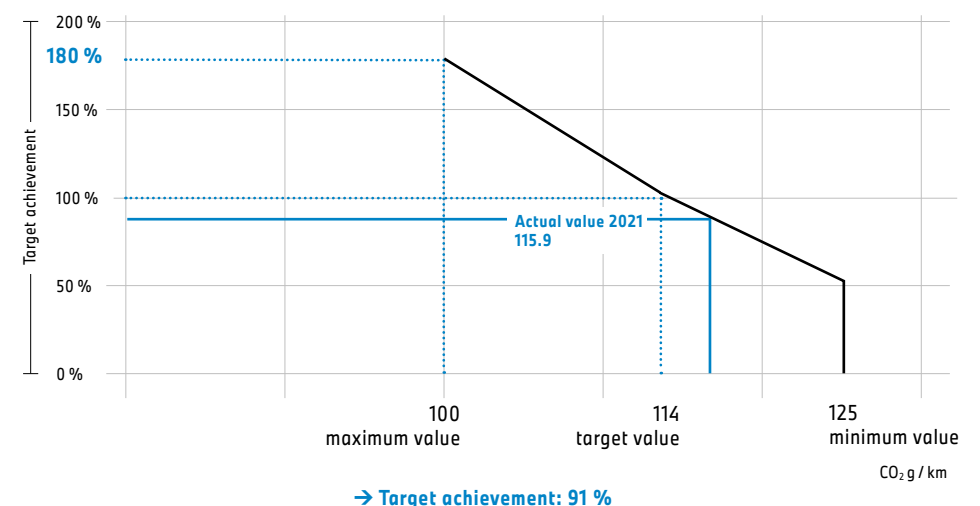
In December 2020, the Supervisory Board set the following strategic focus targets for the vesting year 2021, in accordance with the remuneration system:

- Reduce CO₂ fleet emissions in the EU according to WLTP; weighting in relation to personal cash investment amount: 25 %.
- Sales of all-electric vehicles (Battery Electric Vehicles, BEV); weighting in relation to personal cash investment amount: 12.5 %.
- Sales of plug-in hybrid vehicles (PHEV); weighting in relation to personal cash investment amount: 12.5 %.

TARGETS SET AND EXTENT OF ACHIEVEMENT ROCE



TARGETS SET AND EXTENT OF ACHIEVEMENT REDUCTION OF FLEET CARBON EMISSIONS (EU)¹



¹ According to the WLTP test procedure. With effect from September 2018, all vehicles in the EU must be approved in accordance with the new WLTP testing cycle. However, the European Commission did not switch the calculation of fleet carbon emissions to WLTP until 2021. Therefore, up to and including 2020, a recalculation of the WLTP fleet emissions to NEDC values was necessary for reporting purposes.

With regard to reducing fleet carbon emissions according to WLTP, the Supervisory Board set the following values in CO₂ g/km under WLTP for fleet consumption in Europe as threshold values relevant to remuneration for the vesting year 2021: Minimum value: 125 CO₂ g/km, Target value: 114 CO₂ g/km, Maximum value: 100 CO₂ g/km. The actual value for the 2021 financial year was 115.9 CO₂ g/km, so the target was 91% achieved. The CO₂ fleet value achieved (after setting an ambitious original target), thus is below the legal limit of 125.8 CO₂ g/km by 9.9 CO₂ g/km in 2021.

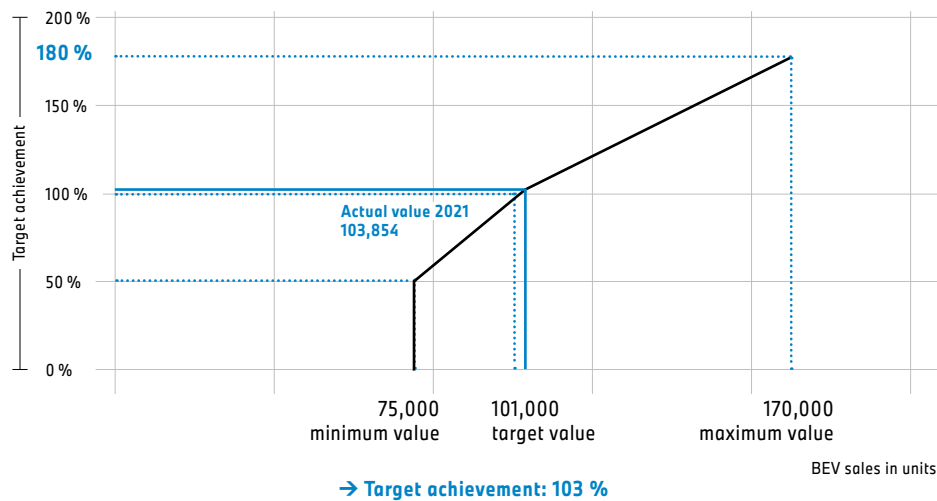
For sales of all-electric vehicles (BEV), the Supervisory Board set the following reference values in units for the vesting year 2021: Minimum value: 75,000 units, Target value:

101,000 units, Maximum value: 170,000 units. The actual value for the 2021 financial year was 103,854 units, so the target was 103% achieved.

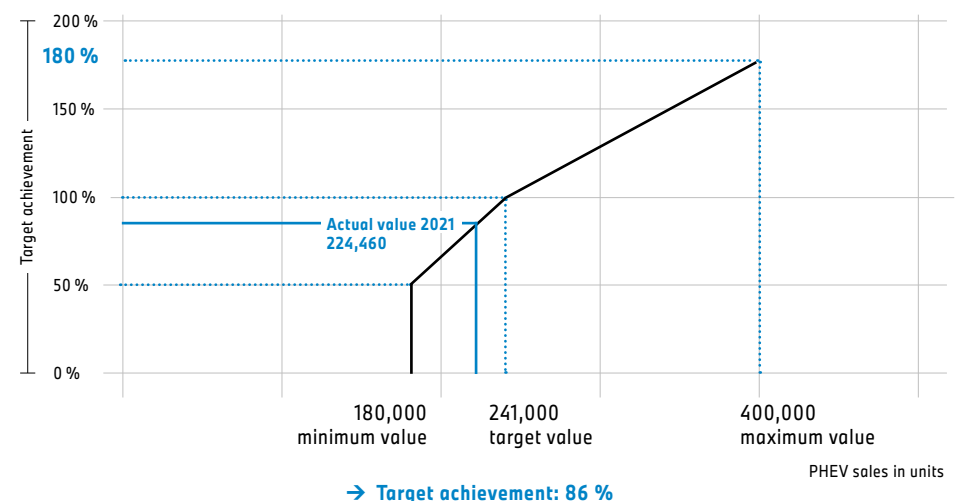
For sales of plug-in hybrid vehicles (PHEV), the Supervisory Board set the following reference values in units for the 2021 vesting year: Minimum value: 180,000 units, Target value: 241,000 units, Maximum value: 400,000 units. The actual value for the 2021 financial year was 224,460 units, so the target was 86% achieved.

The personal investment cash amount for the vesting year 2021 will be paid out after the Annual General Meeting 2022, at which the Financial Statements of BMW AG for the financial year 2021 will be presented.

TARGETS SET AND EXTENT OF ACHIEVEMENT BEV SALES



TARGETS SET AND EXTENT OF ACHIEVEMENT PHEV SALES



The following tables provide an overview of the targets set and extent of achievement of share-based remuneration for the 2021 financial year.

TARGETS SET AND TARGET ACHIEVEMENT OF SHARE-BASED REMUNERATION FOR FY 2021

	Performance criteria	Weighting	Minimum value	Target value	Maximum value	Actual Value	Target achievement	Factor
RoCE component	RoCE in the Automotive segment (in %)	50 %	10.00	16.00	45.00	59.90	180 %	1.80
Component – Strategic focus targets	Reduction of fleet CO ₂ emissions (in g/km)	25 %	125	114	100	115.9	91 %	0.91
	Sales of all-electric vehicles (BEV) in units	12.50 %	75,000	101,000	170,000	103,854	103 %	1.03
	Sales of plug-in hybrid vehicles (PHEV) in units	12.50 %	180,000	241,000	400,000	224,460	86 %	0.86

OVERVIEW OF SHARE-BASED REMUNERATION FOR THE 2021 FINANCIAL YEAR

Member of the Board of Management	RoCE component		Component – Strategic focus target (CO ₂)			Component – Strategic focus target (BEV)			Component – Strategic focus target (PHEV)			Total Personal cash investment amount in €
	Proportionate target amount in €	RoCE factor	Proportionate target amount in €	Factor – Strategic focus targets (CO ₂)	Component Strategic focus target CO ₂ in €	Proportionate target amount in €	Factor – Strategic focus targets (BEV)	Component Strategic focus target BEV in €	Proportionate target amount in €	Factor – Strategic focus targets (PHEV)	Component Strategic focus target PHEV in €	
Oliver Zipse	1,175,000		587,500		534,625	293,750		302,563	293,750		252,625	3,204,813
Ilka Horstmeier	550,000		275,000		250,250	137,500		141,625	137,500		118,250	1,500,125
Milan Nedeljković	550,000		275,000		250,250	137,500		141,625	137,500		118,250	1,500,125
Pieter Nota	640,000	1.80	320,000	0.91	291,200	160,000	1.03	164,800	160,000	0.86	137,600	1,745,600
Nicolas Peter	640,000		320,000		291,200	160,000		164,800	160,000		137,600	1,745,600
Frank Weber	550,000		275,000		250,250	137,500		141,625	137,500		118,250	1,500,125
Andreas Wendt	572,500		286,250		260,488	143,125		147,419	143,125		123,088	1,561,494

5. Shareholding rules

The members of the Board of Management in office as at 31 December 2021 hold a total of 58,560 BMW shares of common stock which they are required to hold in accordance with the terms of the share-based remuneration programmes for the financial years 2017–2020.

The share-based remuneration (investment component) for the vesting year 2020 was paid out in 2021, immediately after which the BMW shares of common stock were acquired.

6. Retirement benefits

The retirement benefits system provides for annual contributions by the company with a guaranteed minimum interest rate equal to the maximum interest rate specified in the German actuarial reserve regulation (Deckungsrückstellungsverordnung). Commitments to pay annual contributions to the company pension scheme are linked to the term of appointment as a member of the Board of Management. Pension entitlements become vested when the employment relationship has existed for one year. If a mandate is terminated, the defined contribution system provides, in the case of death or invalidity, for amounts accumulated on individual pension accounts to be paid out as a one-off amount or in instalments.

As regards pension commitments, retired members of the Board of Management are entitled to retirement benefits at the age of 62 at the earliest. The amount of the benefits to be paid is determined on the basis of the amount accrued in each Board member's individual pension savings account. This figure is in turn based on the annual contributions and an annual interest rate depending on the form of investment. The payment is made as a lump sum or in annual instalments at the discretion of the member of the Board of Management. For entitlements arising before 2016, there is an option to receive payment as a lifelong pension or in a combined form. In the event of the death of a member of the Board of Management entitled to benefits before the occur-

SHARES OF BMW COMMON STOCK HELD BY INDIVIDUAL MEMBERS OF THE BOARD OF MANAGEMENT SUBJECT TO HOLDING REQUIREMENTS IN CONNECTION WITH SHARE-BASED REMUNERATION FOR THE FINANCIAL YEARS 2017–2020¹

	Share portfolio as at 1 January 2021	Additions in the financial year ²	End of the holding period in the financial year	Share portfolio as at 31 December 2021
Oliver Zipse	16,637	4,508	2,771	18,374
	(11,938)	(6,696)	(1,997)	(16,637)
Ilka Horstmeier	782	2,285	(-)	3,067
	(-)	(782)	(-)	(782)
Milan Nedeljković	1,174	2,285	(-)	3,459
	(-)	(1,174)	(-)	(1,174)
Pieter Nota	8,650	2,285	(-)	10,935
	(3,954)	(4,696)	(-)	(8,650)
Nicolas Peter	11,110	2,504	(-)	13,614
	(6,736)	(4,374)	(-)	(11,110)
Frank Weber	0	1,142	(-)	1,142
	(-)	(-)	(-)	(-)
Andreas Wendt	5,684	2,285	(-)	7,969
	(988)	(4,696)	(-)	(5,684)
Total	44,037	17,294	2,771	58,560
	(23,616)	(22,418)	(1,997)	(59,341)³

¹ 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 2020 cash remuneration component (investment component) in May 2021 with subsequent acquisition of reported BMW shares of common stock, for which the four-year holding period until 2025 applies.

³ Disclosures for the previous year on the share portfolio as at 31 December include shares held by a member of the Board of Management who left office during the financial year 2020.

rence of the insured event, a surviving spouse or registered partner is entitled to a survivor's benefit; otherwise, surviving children are entitled to a survivor's benefit depending on their age and level of education. In the event of death or invalidity, a minimum benefit in the amount of the potential annual pension contributions that could have been made up to the age of 60 is approved. This benefit cannot exceed ten years of contributions.

Members of the Board of Management who retire immediately after their service on the Board, or who are deemed to

be in an equivalent position, are entitled to acquire vehicles and other BMW Group products and services at conditions that also apply to BMW pensioners and to lease BMW Group vehicles in accordance with the guidelines applicable to senior heads of departments. Retired Chairmen of the Board of Management also have the option of using the BMW car service, subject to availability and at a charge.

For members of the Board of Management in office in the financial year 2021, expenses for post-employment benefits of € 3.1 million (2020: € 2.6 million) were incurred. These

benefits correspond to allocations to pension provisions in accordance with IAS 19.

7. Malus and clawback provisions

The remuneration system applied since 2021 provides for the possibility of withholding variable remuneration (malus) and reclaiming variable remuneration already paid out (clawback) under certain conditions. The rules allow the Supervisory Board to withhold or reclaim variable remuneration in the event of certain serious compliance-related violations (compliance malus and/or compliance clawback). These provisions can also be applied where variable remuneration components linked to the achievement of certain targets have been paid out on the basis of incorrect calculation bases or incorrect financial statements. Remuneration can also be withheld or reclaimed after an individual's departure from the Board of Management.

The Supervisory Board has not identified any reason to withhold or reclaim variable remuneration components in the 2021 financial year.

8. Regulations in the event of death, invalidity and post-contractual non-competition clause

In the event of death or invalidity, special regulations apply regarding the early maturity of Performance Cash Plans and share-based remuneration components (matching components) based on target amounts. Where the contract of employment is terminated prematurely and the company has an extraordinary right of termination, or if the Board member resigns without the company's agreement, entitlements to amounts as yet unpaid relating to performance cash plans and share-based remuneration (matching components) are forfeited. The other variable remuneration components (bonus, personal cash investment amount) are settled on the basis of the target amounts.

A one-year post-contractual non-competition clause has been agreed with the Board members under specified

circumstances against payment of a remuneration amount. Contracts of employment provide for the payment of a monthly waiting allowance in the amount of the applicable monthly basic remuneration for the duration of the post-contractual non-competition clause. In accordance with the recommendation of the German Corporate Governance Code dated 16 December 2019, any severance payment is offset against the non-competition clause remuneration amount. The same applies to other income from third parties, except remuneration for Supervisory Board appointments approved during the term of office. The company may unilaterally waive the requirement to comply with the post-contractual non-competition clause.

Dr. Wendt left the Board of Management on 31 December 2021. For the period from 1 January 2022 to 31 December 2022, the waiting allowance contractually owed to him amounts to approximately € 1.1 million. A provision was made for this.

9. Remuneration granted and owed to members of the Board of Management pursuant to §162 of the German Stock Corporation Act (AktG)

The following tables ([↗ "Presentation of remuneration granted and owed"](#)) show the fixed and variable remuneration granted and owed to the members of the Board of Management in the reporting year in accordance with §162 AktG.

The tables include all amounts received by the individual members of the Board of Management in the reporting period ("remuneration granted") and all remuneration legally due but not yet received ("remuneration owed").

In addition to actual amounts received, "remuneration granted" in the reporting year is also assumed if the activity on which the remuneration component is based has been fully performed by the member of the Board of Management as of the balance sheet date, and if all conditions for the

PENSION ENTITLEMENTS

in €	Service cost in accordance with IFRS for the financial year 2021	Cash value of entitlements to pension benefits in accordance with IFRS as at 31 December 2021
Oliver Zipse	702,274	4,644,382
	(502,626)	(3,701,016)
Ilka Horstmeier	401,765	1,953,670
	(352,433)	(1,391,936)
Milan Nedeljković	401,466	2,441,046
	(352,121)	(1,830,168)
Pieter Nota	402,852	1,632,365
	(354,680)	(1,157,145)
Nicolas Peter	401,099	3,731,163
	(351,746)	(3,134,163)
Frank Weber	402,075	1,100,507
	(175,000)	(655,460)
Andreas Wendt	401,099	3,379,883
	(351,746)	(2,863,441)
Total¹	3,112,630	18,883,016
	(2,615,352)	(18,289,989)

¹ Disclosures for the previous year include amounts relating to members of the Board of Management who left office during the financial year 2020.

accrual of entitlement (e.g. the expiry of assessment periods or the non-occurrence of forfeiture conditions) have occurred.

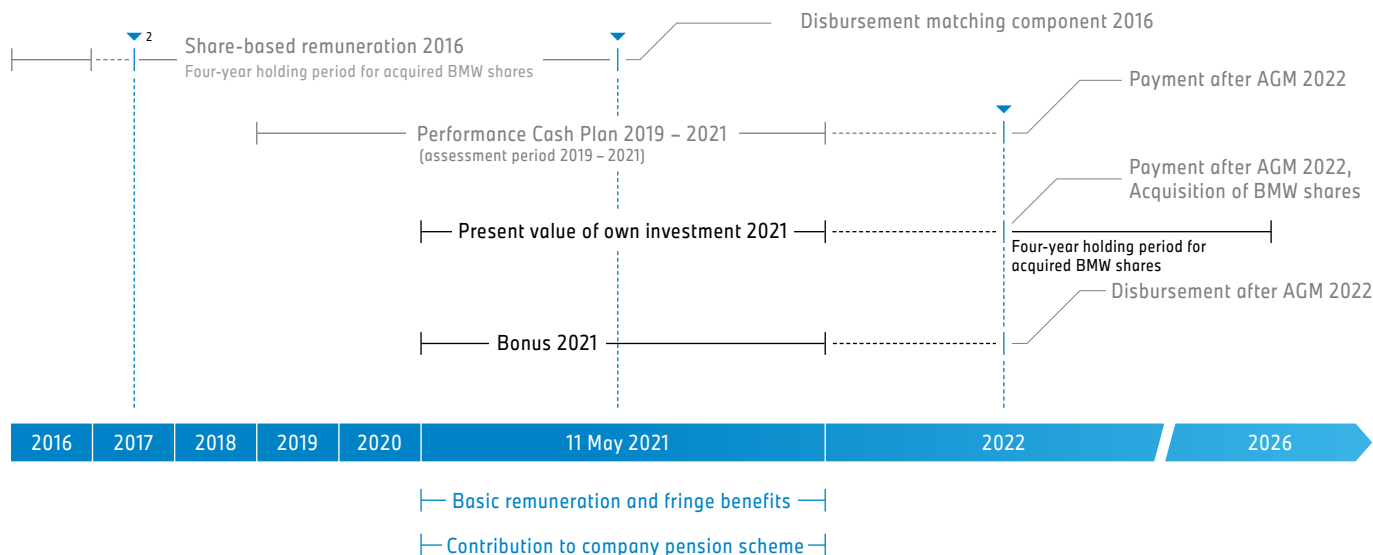
Thus, in addition to the fixed remuneration components, the following variable remuneration components are reported as remuneration granted for the 2021 financial year within the meaning of §162 of the German Stock Corporation Act (AktG):

- Bonus for the 2021 financial year (to be paid out in 2022)
- Share-based remuneration (personal cash investment amount) for the 2021 financial year (to be paid out in 2022)
- Performance Cash Plan 2019–2021, due to the expiry of the three-year assessment period in the 2021 financial year (payments for the vesting year 2019 to be paid out in 2022)
- Share-based remuneration component (matching component) for the vesting year 2016, due to the expiry of the four-year holding period in the financial year 2021 (paid out in 2021)

Thus, the remuneration granted and owed includes all remuneration components earned through the activities of the members of the Board of Management in the 2021 financial year. In addition, it includes remuneration components already earned as a result of activity in previous financial years, but for which the respective member of the Board of Management's payment entitlement only arose due to the occurrence of conditions or at the end of the 2021 financial year.

In addition to the amount of remuneration, the relative share of the relevant remuneration component in the total remuneration granted and owed is also shown. For the sake of clarity, the service cost for the company pension scheme is also shown, although this service cost is not classified as remuneration within the meaning of §162 AktG.

OVERVIEW OF REMUNERATION GRANTED AND OWED IN FINANCIAL YEAR 2021 WITH PAYOUT PROFILE ¹



¹ Simplified depiction.

² Payment of 2016 cash remuneration component (investment component) in 2017, immediately following the acquisition of BMW shares of common stock subject to holding requirements for 2017–2021.

a) Variable remuneration for the 2021 financial year

The variable remuneration for the 2021 financial year and the extent to which targets were achieved are set out above in [Variable remuneration for the 2021 financial year](#).

b) Performance Cash Plan 2019–2021

The remuneration system applicable for the financial years 2018–2020 provided for the Performance Cash Plan (PCP) as a long-term variable cash remuneration component.

For the purposes of calculating the Performance Cash Plan, a fixed target amount is multiplied by a multi-year target achievement factor (PCP factor) after the end of a three-year assessment period. The target amount for a member of the

Board of Management's Performance Cash Plan (100 %) in the first appointment period is € 0.85 million p. a.; from the second appointment period or the fourth year of mandate onwards it is € 0.95 million p. a. For the Chairman of the Board of Management, the target amount is € 1.6 million p. a. For all members of the Board of Management, the maximum payout amount is limited to 180 % of the target amount of the Performance Cash Plan p. a.

PCP entitlements are paid in cash. The bonus is paid out after the end of the Annual General Meeting, at which the separate financial statements of BMW AG for the third year of the evaluation period (consisting of the vesting year and the following two years) are presented.

In order to determine the PCP factor, a multi-year profit factor is multiplied by a multi-year performance factor. The maximum amount that can be paid to a Board member is capped at 180 % of the PCP target amount p. a.

In order to determine the multi-year earnings factor, an earnings factor is calculated for each year of the three-year evaluation period and an average is then calculated for the evaluation period. The earnings factor for the individual year of the assessment period is determined on the basis of the Group's consolidated net profit and the consolidated return on sales after tax for the assessment year concerned, and can amount to a maximum of 1.800. The underlying measurement values are determined in advance for a period of three financial years, and may not be changed retrospectively.

In addition to the multi-year earnings factor, the Supervisory Board also sets a multi-year performance factor after the end of the evaluation period. To this end, the Supervisory Board takes account in particular of the development of the business during the evaluation period, the forecast trend in the development of the business, the Board member's individual contribution to profitability and the status of compliance within the Board member's area of responsibility. The multi-year performance factor can be between 0.9 and 1.1.

The members of the Board of Management in office as at 1 January 2018 received an advance payment from the Performance Cash Plan 2019–2021 in 2020. The advance payment amounted to € 0.5 million for a Board of Management member in their first appointment period, and € 0.6 million from the second appointment period or the fourth year of appointment. For the Chairman of the Board of Management, the advance payment was € 0.9 million. At the end of the assessment period, the advance payments will be set off or refunded, depending on the actual entitlement arising.

The Performance Cash Plan 2019–2021 was approved for the performance of the Members of the Board of Management in the 2019 financial year. As at the balance sheet date of the reporting year, the three-year assessment period of this remuneration component, which was subject to certain forfeiture provisions, had expired.

In the 2021 financial year, a consolidated net profit of € 12.5 billion and a consolidated return on sales after tax of 11.2 % were achieved. For both indicators, the defined maximum values were thus exceeded, meaning that the earnings factor was capped at the maximum value of 1.800 (corresponding to a target being 180 % achieved, the maximum possible percentage). Based on the earnings factors for the individual years of the assessment period (financial year 2019: 0.798, financial year 2020: 0.444, financial year 2021: 1.800), the multi-year performance factor is 1.014. The multi-year perfor-

mance factor for all members of the Board of Management holding office for the 2019 financial year is 1.0, resulting in a PCP factor of 1.014 for the 2019–2021 Performance Cash Plan¹.

In determining the multi-year performance factor for the members of the Board of Management in office for the 2019 financial year, the Supervisory Board assessed, in particular, the trend in the development of the business over the assessment period, the forecast trend in the development of the business, the individual contribution made by each Board member to earnings, and the status of compliance in the individual Board member's area of responsibility. In assessing the development of the business over the assessment period and the forecast trend, the Supervisory Board assessed, in particular, the development of certain key indicators – such as the change in the number of deliveries, EBIT

PERFORMANCE CASH PLAN OVERVIEW

TARGET AMOUNT	x	PCP FACTOR	=	CASH PAYMENT
				– Cash payment at end of evaluation period – Capped at 180 % of target amount

PCP FACTOR OVERVIEW

MULTI-YEAR EARNINGS FACTOR	x	MULTI-YEAR PERFORMANCE FACTOR	=	PCP FACTOR
<ul style="list-style-type: none"> – Average earnings factor – Based on Group net profit and Group post-tax return on sales – Value between 0 and 1.8 		<ul style="list-style-type: none"> Measurement based on multi-year performance factor: <ul style="list-style-type: none"> – Trend in business development – Status of compliance in each Board member's area of responsibility – Individual contribution to profitability – Forecast trend in business development – Value between 0.9 and 1.1 		

¹ The PCP factor for Mr Krüger is 1.081. This differs from the PCP factor mentioned above, since a value of 1.0 was agreed for the earnings factor of the 2019 financial year.

margin for the Automotive segment and RoCE for the Automotive segment, as well as the return on equity for the Financial Services segment. For the financial years 2020 and 2021, the Supervisory Board has taken into account the impact of the coronavirus pandemic and the semiconductor crisis on these key indicators. It was not necessary to change the assessments relating to individual contributions to profitability or the status of compliance within Board members' areas of responsibility.

c) Share-based remuneration component (matching component) 2016

Share-based remuneration components have been included in the remuneration of members of the BMWAG Board of Management since 2011. In the financial year 2021, the matching component of the share-based remuneration of the vesting year 2016 was paid out.

Under the share-based remuneration programme for the financial year 2016, the members of the Board of Management were each required to invest an amount equal to 20 % of the total bonuses they received from the company as additional cash remuneration for the financial year 2016, which were paid exclusive of taxes and social security contributions (the investment component) in shares of the company's common stock. In principle, the members of the Board of Management must hold these shares of common stock for at least four years. Under a matching plan, the member of the Board of Management receives from the company – at the company's discretion – either an additional share of common stock or the equivalent in cash (share-based remuneration component/matching component) for every three shares of common stock held after the four-year holding period.

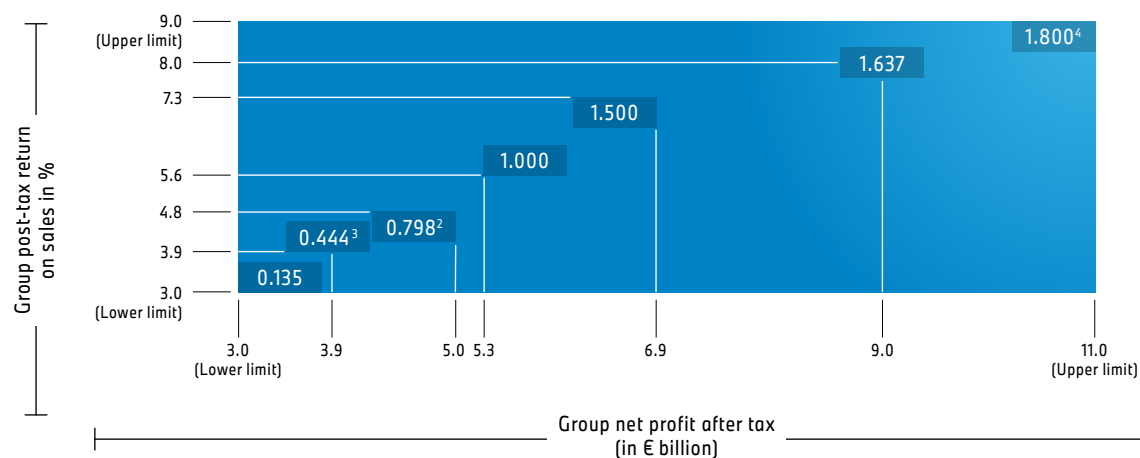
The investment component for the 2016 financial year was paid out immediately after the 2017 Annual General Meeting on 11 May 2017, and the shares of common stock were acquired on 12 May 2017. Therefore, the holding period for the

acquired shares of common stock expired on 11 May 2021. The company settled the matching component in cash, and paid out the equivalent value of the matching shares.

d) Presentation of remuneration granted and owed

The following tables show the remuneration granted and owed to the members of the Board of Management.

EARNINGS COMPONENTS: ALLOCATION TABLE FOR CALCULATING EARNINGS FACTOR FOR 2019–2021¹



¹Simplified depiction ²Earnings factor 2019 ³Earnings factor 2020 ⁴Earnings factor 2021

PERFORMANCE CASH PLAN 2019–2021

in €	Target amount	PCP factor	Total amount PCP 2019–2021	Advance payment ¹	Remuneration (payment amount PCP 2019–2021)
Oliver Zipse	1,194,624	1.014	1,211,349	712,900	498,449
Ilka Horstmeier	141,667	1.014	143,650	(-)	143,650
Milan Nedeljković	212,500	1.014	215,475	(-)	215,475
Nicolas Peter	850,000	1.014	861,900	500,000	361,900
Pieter Nota	850,000	1.014	861,900	500,000	361,900
Frank Weber	(-)	(-)	(-)	(-)	(-)
Andreas Wendt	850,000	1.014	861,900	(-)	861,900

¹ The advance payment was paid out in 2020.

REMUNERATION GRANTED AND OWED IN FINANCIAL YEAR 2021 (2020)

OLIVER ZIPSE

Chairman of the Board of Management since 16 August 2019

Member of the Board of Management since 13 May 2015

		FY 2021			FY 2020		
		Vesting year 2021 in € ¹	Earlier vesting years in € ³	as a % of total remuneration	Vesting year 2020 in € ²	Earlier vesting years in € ³	as a % of total remuneration
Fixed remuneration	Fixed remuneration	1,950,000	(-)	22	1,800,000	(-)	34
	Fringe benefits (other remuneration)	19,355	(-)	0.2	66,256	(-)	1
	Total	1,969,355		23	1,866,256		35
BONUS							
	Earnings component of bonus 2020	(-)	(-)	(-)	239,760	(-)	4
	Performance component of bonus 2020	(-)	(-)	(-)	1,449,000	(-)	27
	Earnings component of bonus 2021	1,890,000	(-)	22	(-)	(-)	
	Performance component of bonus 2021	1,113,000	(-)	13	(-)	(-)	
PERFORMANCE CASH PLAN							
	PCP 2018-2020	(-)	(-)	(-)	(-)	277,584 ⁹	5
	PCP 2019-2021	(-)	498,449 ⁸	6	(-)	712,900 ⁸	13
SHARE-BASED PAYMENT							
Variable remuneration	Cash remuneration component (investment component) 2020 for holding obligation 2021-2025	(-)	(-)	(-)	759,942	(-)	14
	Share-based remuneration component (matching component) 2015 for holding obligation 2016-2020	(-)	(-)	(-)	(-)	33,423	1
	Share-based remuneration component (matching component) 2016 for holding obligation 2017-2021 ⁴	(-)	76,941	1	(-)	(-)	(-)
	Personal cash investment amount 2021 ⁵						
	RoCE component	2,115,000	(-)	24	(-)	(-)	(-)
	Strategic focus target component	1,089,813	(-)	12	(-)	(-)	(-)
	Total variable remuneration Vesting year 2021 or earlier vesting years	6,207,813	575,390	71 or 7	2,448,702	1,023,907	46 or 19
Total variable remuneration	6,783,203		77	3,472,609		65	
Remuneration for vesting year 2021 or earlier vesting years		8,177,168	575,390	93 or 7	4,314,958	1,023,907	81 or 19
Remuneration according to § 162 German Stock Corporation Act (AktG)		8,752,558		100	5,338,865		100
Service cost⁶		702,274			502,626		
Total amount received incl. service cost⁷		9,454,832			5,841,491		

¹ Remuneration system from financial year 2021.

² Remuneration system applicable until financial year 2020.

³ Remuneration for prior vesting years if, as of the balance sheet date, the activity underlying the remuneration component has been fully performed, and all conditions for the entitlement are met.

⁴ The number of shares purchased in 2017 with the 2016 cash remuneration component (investment component) amounted to 2,771 (purchased on 12 May 2017 at a price of €87.50). The 2016 matching component was paid out in cash in May 2021. The number of mathematical matching shares for calculating the equivalent value in cash amounts to 923 (holding period expired on 11 May 2021). Reference price for calculating the equivalent value of the matching shares: € 83.36.

⁵ Assessment period five years in total: One year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

⁶ The pension expense in accordance with IAS 19 reflects the expense recognised by the BMW Group; this amount is not paid out.

⁷ Corresponds to the previous disclosure of amounts received in accordance with the model tables in the version of the German Corporate Governance Code dated 7 February 2017. For the purposes of compliance with the maximum specified remuneration limit, only the service cost and the remuneration for the vesting year are to be taken into account. The defined maximum remuneration for the vesting year 2021 is € 9,850,000; the remuneration for the vesting year 2021 including service cost is € 8,879,442, which is below the maximum remuneration.

⁸ An advance payment in the amount of € 712,900 was paid out from the PCP 2019 – 2021 in 2020.

⁹ An advance payment in the amount of € 566,666 was paid out from the PCP 2018 – 2020 in 2019.

REMUNERATION GRANTED AND OWED IN FINANCIAL YEAR 2021 (2020)

ILKA HORSTMEIER

Human Resources, Labour Relations Director

Member of the Board of Management since 1 November 2019

		FY 2021			FY 2020			
		Vesting year 2021 in € ¹	Earlier vesting years in € ³	as a % of total remuneration	Vesting year 2020 in € ²	Earlier vesting years in € ³	as a % of total remuneration	
Fixed remuneration	Fixed remuneration	900,000	(-)	23	800,000	(-)	39	
	Fringe benefits (other remuneration)	47,633	(-)	1	87,374	(-)	4	
	Total	947,633		24	887,374		43	
BONUS								
	Earnings component of bonus 2020	(-)	(-)	(-)	113,220	(-)	6	
	Performance component of bonus 2020	(-)	(-)	(-)	684,250	(-)	33	
	Earnings component of bonus 2021	855,000	(-)	22	(-)	(-)	(-)	
	Performance component of bonus 2021	503,500	(-)	13	(-)	(-)	(-)	
PERFORMANCE CASH PLAN								
	PCP 2018-2020	(-)	(-)	(-)	(-)	(-)	(-)	
	PCP 2019-2021	(-)	143,650	4	(-)	(-)	(-)	
Variable remuneration	SHARE-BASED PAYMENT							
		Cash remuneration component (investment component) 2020 for holding obligation 2021-2025	(-)	(-)	(-)	358,862	(-)	18
		Share-based remuneration component (matching component) 2015 for holding obligation 2016-2020	(-)	(-)	(-)	(-)	(-)	(-)
		Share-based remuneration component (matching component) 2016 for holding obligation 2017-2021	(-)	(-)	(-)	(-)	(-)	(-)
		Personal cash investment amount 2021 ⁴						
		RoCE component	990,000	(-)	25	(-)	(-)	(-)
		Strategic focus target component	510,125	(-)	13	(-)	(-)	(-)
		Total variable remuneration Vesting year 2021 or earlier vesting years	2,858,625	143,650	72 or 4	1,156,332	(-)	57
		Total variable remuneration	3,002,275		76	1,156,332		57
		Remuneration for vesting year 2021 or earlier vesting years	3,806,258	143,650	96 or 4	2,043,706	(-)	100
	Remuneration according to § 162 German Stock Corporation Act (AktG)	3,949,908		100	2,043,706		100	
	Service cost⁵	401,765			352,433			
	Total amount received incl. service cost⁶	4,351,673			2,396,139			

¹ Remuneration system from financial year 2021.

² Remuneration system applicable until financial year 2020.

³ Remuneration for prior vesting years if, as of the balance sheet date, the activity underlying the remuneration component has been fully performed, and all conditions for the entitlement are met.

⁴ Assessment period five years in total: One year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

⁵ The pension expense in accordance with IAS 19 reflects the expense recognised by the BMW Group; this amount was not paid out in the financial year.

⁶ Corresponds to the previous disclosure of amounts received in accordance with the model tables in the version of the German Corporate Governance Code dated 7 February 2017. For the purposes of compliance with the maximum specified remuneration limit, only the service cost and the remuneration for the vesting year are to be taken into account. The defined maximum remuneration for the vesting year 2021 is € 4,925,000; the remuneration for the vesting year 2021 including service cost is € 4,208,023, which is below the maximum remuneration.

REMUNERATION GRANTED AND OWED IN FINANCIAL YEAR 2021 (2020)

MILAN NEDELJKOVIĆ

Produktion, Member of the Board of Management since 1 October 2019

		FY 2021			FY 2020		
		Vesting year 2021 in € ¹	Earlier vesting years in € ³	as a % of total remuneration	Vesting year 2020 in € ²	Earlier vesting years in € ³	as a % of total remuneration
Fixed remuneration	Fixed remuneration	900,000	(-)	22	800,000	(-)	39
	Fringe benefits (other remuneration)	43,237	(-)	1	101,973	(-)	5
	Total	943,237		23	901,973		44
BONUS							
	Earnings component of bonus 2020	(-)	(-)	(-)	113,220	(-)	6
	Performance component of bonus 2020	(-)	(-)	(-)	684,250	(-)	33
	Earnings component of bonus 2021	855,000	(-)	21	(-)	(-)	(-)
	Performance component of bonus 2021	503,500	(-)	13	(-)	(-)	(-)
PERFORMANCE CASH PLAN							
	PCP 2018-2020	(-)	(-)	(-)	(-)	(-)	(-)
	PCP 2019-2021	(-)	215,475	5	(-)	(-)	(-)
SHARE-BASED PAYMENT							
Variable remuneration	Cash remuneration component (investment component) 2020 for holding obligation 2021-2025	(-)	(-)	(-)	358,862	(-)	17
	Share-based remuneration component (matching component) 2015 for holding obligation 2016-2020	(-)	(-)	(-)	(-)	(-)	(-)
	Share-based remuneration component (matching component) 2016 for holding obligation 2017-2021	(-)	(-)	(-)	(-)	(-)	(-)
	Personal cash investment amount 2021 ⁴						
	RoCE component	990,000	(-)	25	(-)	(-)	(-)
	Strategic focus target component	510,125	(-)	13	(-)	(-)	(-)
	Total variable remuneration Vesting year 2021 or earlier vesting years	2,858,625	215,475	71 or 5	1,156,332	(-)	56
Total variable remuneration	3,074,100		77	1,156,332		56	
Remuneration for vesting year 2021 or earlier vesting years	3,801,862	215,475	95 or 5	2,058,305	(-)	100	
Remuneration according to § 162 German Stock Corporation Act (AktG)	4,017,337		100	2,058,305		100	
Service cost⁵	401,466			352,121			
Total amount received incl. service cost⁶	4,418,803			2,396,139			

¹ Remuneration system from financial year 2021.

² Remuneration system applicable until financial year 2020.

³ Remuneration for prior vesting years if, as of the balance sheet date, the activity underlying the remuneration component has been fully performed, and all conditions for the entitlement are met.

⁴ Assessment period five years in total: One year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

⁵ The pension expense in accordance with IAS 19 reflects the expense recognised by the BMW Group; this amount was not paid out in the financial year.

⁶ Corresponds to the previous disclosure of amounts received in accordance with the model tables in the version of the German Corporate Governance Code dated 7 February 2017. For the purposes of compliance with the maximum specified remuneration limit, only the service cost and the remuneration for the vesting year are to be taken into account. The defined maximum remuneration for the vesting year 2021 is € 4,925,000; the remuneration for the vesting year 2021 including service cost is € 4,208,023, which is below the maximum remuneration.

REMUNERATION GRANTED AND OWED IN FINANCIAL YEAR 2021 (2020)

PIETER NOTA

Customer, Brands, Sales, Member of the Board of Management since 1 January 2018

		FY 2021			FY 2020		
		Vesting year 2021 in € ¹	Earlier vesting years in € ³	as a % of total remuneration	Vesting year 2020 in € ²	Earlier vesting years in € ³	as a % of total remuneration
Fixed remuneration	Fixed remuneration	1,050,000	(-)	22	800,000	(-)	29
	Fringe benefits (other remuneration)	18,525	(-)	0.4	18,408	(-)	1
	Total	1,068,525		22	818,408		30
BONUS							
	Earnings component of bonus 2020	(-)	(-)	(-)	113,220	(-)	4
	Performance component of bonus 2020	(-)	(-)	(-)	684,250	(-)	25
	Earnings component of bonus 2021	1,035,000	(-)	21	(-)	(-)	(-)
	Performance component of bonus 2021	609,500	(-)	13	(-)	(-)	(-)
PERFORMANCE CASH PLAN							
	PCP 2018-2020	(-)	(-)	(-)	(-)	282,850 ⁸	10
	PCP 2019-2021	(-)	361,900 ⁷	8	(-)	500,000 ⁷	18
SHARE-BASED PAYMENT							
Variable remuneration	Cash remuneration component (investment component) 2020 for holding obligation 2021-2025	(-)	(-)	(-)	358,862	(-)	13
	Share-based remuneration component (matching component) 2015 for holding obligation 2016-2020	(-)	(-)	(-)	(-)	(-)	(-)
	Share-based remuneration component (matching component) 2016 for holding obligation 2017-2021	(-)	(-)	(-)	(-)	(-)	(-)
	Personal cash investment amount 2021 ⁴						
	RoCE component	1,152,000	(-)	24	(-)	(-)	(-)
	Strategic focus target component	593,600	(-)	12	(-)	(-)	(-)
	Total variable remuneration Vesting year 2021 or earlier vesting years	3,390,100	361,900	70 or 8	1,156,332	782,850	42 or 28
	Total variable remuneration	3,752,000		78	1,939,182		70
Remuneration for vesting year 2021 or earlier vesting years		4,458,625	361,900	92 or 8	1,974,740	782,850	72 or 28
Remuneration according to § 162 German Stock Corporation Act (AktG)		4,820,525		100	2,757,590		100
Service cost⁵		402,852			354,680		
Total amount received incl. service cost⁶		5,223,377			3,112,270		

¹ Remuneration system from financial year 2021.

² Remuneration system applicable until financial year 2020.

³ Remuneration for prior vesting years if, as of the balance sheet date, the activity underlying the remuneration component has been fully performed, and all conditions for the entitlement are met.

⁴ Assessment period five years in total: One year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

⁵ The pension expense in accordance with IAS 19 reflects the expense recognised by the BMW Group; this amount was not paid out in the financial year.

⁶ Corresponds to the previous disclosure of amounts received in accordance with the model tables in the version of the German Corporate Governance Code dated 7 February 2017. For the purposes of compliance with the maximum specified remuneration limit, only the service cost and the remuneration for the vesting year are to be taken into account. The defined maximum remuneration for the vesting year 2021 is € 5,500,000; the remuneration for the vesting year 2021 including service cost is € 4,861,477, which is below the maximum remuneration.

⁷ An advance payment in the amount of € 500,000 was paid out from the PCP 2019 – 2021 in 2020.

⁸ An advance payment in the amount of € 500,000 was paid out from the PCP 2018 – 2020 in 2019.

REMUNERATION GRANTED AND OWED IN FINANCIAL YEAR 2021 (2020)

NICOLAS PETER

Finance, Member of the Board of Management since 1 January 2017

		FY 2021			FY 2020		
		Vesting year 2021 in € ¹	Earlier vesting years in € ³	as a % of total remuneration	Vesting year 2020 in € ²	Earlier vesting years in € ³	as a % of total remuneration
Fixed remuneration	Fixed remuneration	1,050,000	(-)	22	950,000	(-)	30
	Fringe benefits (other remuneration)	22,746	(-)	0.5	24,231	(-)	1
	Total	1,072,746		22	974,231		31
BONUS							
	Earnings component of bonus 2020	(-)	(-)	(-)	133,200	(-)	4
	Performance component of bonus 2020	(-)	(-)	(-)	805,000	(-)	26
	Earnings component of bonus 2021	1,035,000	(-)	21	(-)	(-)	(-)
	Performance component of bonus 2021	609,500	(-)	13	(-)	(-)	(-)
PERFORMANCE CASH PLAN							
	PCP 2018-2020	(-)	(-)	(-)	(-)	282,850 ⁸	9
	PCP 2019-2021	(-)	361,900 ⁷	8	(-)	500,000 ⁷	16
SHARE-BASED PAYMENT							
Variable remuneration	Cash remuneration component (investment component) 2020 for holding obligation 2021-2025	(-)	(-)	(-)	422,190	(-)	14
	Share-based remuneration component (matching component) 2015 for holding obligation 2016-2020	(-)	(-)	(-)	(-)	(-)	(-)
	Share-based remuneration component (matching component) 2016 for holding obligation 2017-2021	(-)	(-)	(-)	(-)	(-)	(-)
	Personal cash investment amount 2021 ⁴						
	RoCE component	1,152,000	(-)	24	(-)	(-)	(-)
	Strategic focus target component	593,600	(-)	12	(-)	(-)	(-)
	Total variable remuneration Vesting year 2021 or earlier vesting years	3,390,100	361,900	70 or 8	1,360,390	782,850	44 or 25
	Total variable remuneration	3,752,000		78	2,143,240		69
	Remuneration for vesting year 2021 or earlier vesting years	4,462,846	361,900	93 or 8	2,334,621	782,850	75 or 25
	Remuneration according to § 162 German Stock Corporation Act (AktG)	4,824,746		100	3,117,471		100
Service cost⁵	401,099			351,746			
Total amount received incl. service cost⁶	5,225,845			3,469,217			

¹ Remuneration system from financial year 2021.

² Remuneration system applicable until financial year 2020.

³ Remuneration for prior vesting years if, as of the balance sheet date, the activity underlying the remuneration component has been fully performed, and all conditions for the entitlement are met.

⁴ Assessment period five years in total: One year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

⁵ The pension expense in accordance with IAS 19 reflects the expense recognised by the BMW Group; this amount was not paid out in the financial year.

⁶ Corresponds to the previous disclosure of amounts received in accordance with the model tables in the version of the German Corporate Governance Code dated 7 February 2017. For the purposes of compliance with the maximum specified remuneration limit, only the service cost and the remuneration for the vesting year are to be taken into account. The defined maximum remuneration for the vesting year 2021 is € 5,500,000; the remuneration for the vesting year 2021 including service cost is € 4,863,945, which is below the maximum remuneration.

⁷ An advance payment in the amount of € 500,000 was paid out from the PCP 2019 – 2021 in 2020.

⁸ An advance payment in the amount of € 500,000 was paid out from the PCP 2018 – 2020 in 2019.

REMUNERATION GRANTED AND OWED IN FINANCIAL YEAR 2021 (2020)

FRANK WEBER

Development, Member of the Board of Management since 1 July 2020

		FY 2021			FY 2020		
		Vesting year 2021 in € ¹	Earlier vesting years in € ³	as a % of total remuneration	Vesting year 2020 in € ²	Earlier vesting years in € ³	as a % of total remuneration
Fixed remuneration	Fixed remuneration	900,000	(-)	23	400,000	(-)	40
	Fringe benefits (other remuneration)	97,833	(-)	3	28,593	(-)	3
	Total	997,833		26	428,593		43
BONUS							
	Earnings component of bonus 2020	(-)	(-)	(-)	56,610	(-)	6
	Performance component of bonus 2020	(-)	(-)	(-)	342,125	(-)	34
	Earnings component of bonus 2021	855,000	(-)	22	(-)	(-)	(-)
	Performance component of bonus 2021	503,500	(-)	13	(-)	(-)	(-)
PERFORMANCE CASH PLAN							
	PCP 2018-2020	(-)	(-)	(-)	(-)	(-)	(-)
	PCP 2019-2021	(-)	(-)	(-)	(-)	(-)	(-)
SHARE-BASED PAYMENT							
Variable remuneration	Cash remuneration component (investment component) 2020 for holding obligation 2021-2025	(-)	(-)	(-)	179,431	(-)	18
	Share-based remuneration component (matching component) 2015 for holding obligation 2016-2020	(-)	(-)	(-)	(-)	(-)	(-)
	Share-based remuneration component (matching component) 2016 for holding obligation 2017-2021	(-)	(-)	(-)	(-)	(-)	(-)
	Personal cash investment amount 2021 ⁴						
	RoCE component	990,000	(-)	26	(-)	(-)	(-)
	Strategic focus target component	510,125	(-)	13	(-)	(-)	(-)
	Total variable remuneration Vesting year 2021 or earlier vesting years	2,858,625	(-)	74	578,166	(-)	57
Total variable remuneration	2,858,625		74	578,166		57	
Remuneration for vesting year 2021 or earlier vesting years		3,856,458	(-)	100	1,006,759	(-)	100
Remuneration according to § 162 German Stock Corporation Act (AktG)		3,856,458		100	1,006,759		100
Service cost⁵		402,075			175,000		
Total amount received incl. service cost⁶		4,258,533			1,181,759		

¹ Remuneration system from financial year 2021.

² Remuneration system applicable until financial year 2020.

³ Remuneration for prior vesting years if, as of the balance sheet date, the activity underlying the remuneration component has been fully performed, and all conditions for the entitlement are met.

⁴ Assessment period five years in total: One year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

⁵ The pension expense in accordance with IAS 19 reflects the expense recognised by the BMW Group; this amount was not paid out in the financial year.

⁶ Corresponds to the previous disclosure of amounts received in accordance with the model tables in the version of the German Corporate Governance Code dated 7 February 2017. For the purposes of compliance with the maximum specified remuneration limit, only the service cost and the remuneration for the vesting year are to be taken into account. The defined maximum remuneration for the vesting year 2021 is € 4,925,000; the remuneration for the vesting year 2021 including service cost is € 4,258,533, which is below the maximum remuneration.

REMUNERATION GRANTED AND OWED IN FINANCIAL YEAR 2021 (2020)

ANDREAS WENDT

Purchasing and Supplier Network

Member of the Board of Management from 1 October 2018 until 31 December 2021

		FY 2021			FY 2020		
		Vesting year 2021 in € ¹	Earlier vesting years in € ³	as a % of total remuneration	Vesting year 2020 in € ²	Earlier vesting years in € ³	as a % of total remuneration
Fixed remuneration	Fixed remuneration	937,500	(-)	19	800,000	(-)	36
	Fringe benefits (other remuneration)	60,303	(-)	1	56,319	(-)	3
	Total	997,803		21	856,319		39
BONUS							
	Earnings component of bonus 2020	(-)	(-)	(-)	113,220	(-)	5
	Performance component of bonus 2020	(-)	(-)	(-)	684,250	(-)	31
	Earnings component of bonus 2021	900,000	(-)	19	(-)	(-)	(-)
	Performance component of bonus 2021	530,000	(-)	11	(-)	(-)	(-)
PERFORMANCE CASH PLAN							
	PCP 2018-2020	(-)	(-)	(-)	(-)	195,713	9
	PCP 2019-2021	(-)	861,900	18	(-)	(-)	(-)
Variable remuneration	SHARE-BASED PAYMENT						
	Cash remuneration component (investment component) 2020 for holding obligation 2021-2025	(-)	(-)	(-)	358,862	(-)	16
	Share-based remuneration component (matching component) 2015 for holding obligation 2016-2020	(-)	(-)	(-)	(-)	(-)	(-)
	Share-based remuneration component (matching component) 2016 for holding obligation 2017-2021	(-)	(-)	(-)	(-)	(-)	(-)
	Personal cash investment amount 2021 ⁴						
	RoCE component	1,030,500	(-)	21	(-)	(-)	(-)
	Strategic focus target component	530,994	(-)	11	(-)	(-)	(-)
	Total variable remuneration Vesting year 2021 or earlier vesting years	2,991,494	861,900	62 or 18	1,156,332	195,713	52 or 9
	Total variable remuneration	3,853,394		79	1,352,045		61
	Remuneration for vesting year 2021 or earlier vesting years	3,989,297	861,900	82 or 18	2,012,651	195,713	91 or 9
Remuneration according to § 162 German Stock Corporation Act (AktG)	4,851,197		100	2,208,364		100	
Service cost⁵	401,099			351,746			
Total amount received incl. service cost⁶	5,252,296			2,560,110			

¹ Remuneration system from financial year 2021.

² Remuneration system applicable until financial year 2020.

³ Remuneration for prior vesting years if, as of the balance sheet date, the activity underlying the remuneration component has been fully performed, and all conditions for the entitlement are met.

⁴ Assessment period five years in total: One year for determining the personal cash investment amount, a four-year holding obligation for the shares acquired with the payout amount.

⁵ The pension expense in accordance with IAS 19 reflects the expense recognised by the BMW Group; this amount was not paid out in the financial year.

⁶ Corresponds to the previous disclosure of amounts received in accordance with the model tables in the version of the German Corporate Governance Code dated 7 February 2017. For the purposes of compliance with the maximum specified remuneration limit, only the service cost and the remuneration for the vesting year are to be taken into account. The defined maximum remuneration for the vesting year 2021 is € 5,068,750; the remuneration for the vesting year 2021 including service cost is € 4,390,396, which is below the maximum remuneration.

10. Remuneration granted and owed to former members of the Board of Management pursuant to § 162 of the German Stock Corporation Act (AktG)

The following tables show the fixed and variable remuneration granted and owed to former members of the Board of Management who have definitively terminated their service within the last 10 financial years, in accordance with § 162 AktG.

For individual former members of the Board of Management, the remuneration granted and owed also includes the Performance Cash Plan 2019–2021 and/or the share-based remuneration component (matching component) 2016. In this regard, please refer to the statements on remuneration granted and owed for the active members of the Board of Management.

REMUNERATION GRANTED AND OWED IN FINANCIAL YEAR 2021

		FRANK-PETER ARNDT Member of the Board of Management until 31 March 2013		
		Financial year 2021 in €	Earlier vesting years in € ¹	as a % of total remuneration
Fixed remuneration	Fringe benefits (other remuneration)	30,128	(-)	12
	Total	30,128		12
Variable remuneration	Performance Cash Plan 2019-2021	(-)	(-)	(-)
	Share-based remuneration component (matching component) 2016 for holding obligation 2017-2021	(-)	(-)	(-)
	Total	(-)		(-)
Waiting allowance/Pensions	Waiting allowance	(-)	(-)	(-)
	Pensions	216,814	(-)	88
	(Partial) capital payments	(-)	(-)	(-)
	Total	216,814		88
Total remuneration for financial years 2021 or earlier vesting years		246,942	(-)	
Total remuneration according to § 162 German Stock Corporation Act (AktG)		246,942		100

		MILAGROS CAIÑA CARREIRO-ANDREE Member of the Board of Management until 31 October 2019		
		Financial year 2021 in €	Earlier vesting years in € ¹	as a % of total remuneration
Fixed remuneration	Fringe benefits (other remuneration)	32,950	(-)	4
	Total	32,950		4
Variable remuneration	Performance Cash Plan 2019-2021	(-)	363,300 ²	47
	Share-based remuneration component (matching component) 2016 for holding obligation 2017-2021	(-)	96,364 ³	12
	Total	459,664		59
Waiting allowance/Pensions	Waiting allowance	285,000	(-)	37
	Pensions	(-)	(-)	(-)
	(Partial) capital payments	(-)	(-)	(-)
	Total	285,000		37
Total remuneration for financial years 2021 or earlier vesting years		317,950	459,664	
Total remuneration according to § 162 German Stock Corporation Act (AktG)		777,615		100

¹ Remuneration for prior vesting years is due if, as of the balance sheet date, the activity underlying the remuneration component has been fully performed, and all conditions for the entitlement are met.

² The target amount of the 2019-2021 Performance Cash Plan is € 950,000. An advance payment of € 600,000 was made from the PCP 2019-2021 in 2020.

³ The number of shares purchased in 2017 with the 2016 cash remuneration component (investment component) amounted to 3,470 (purchased on 12 May 2017 at a price of € 87.50). The 2016 matching component was paid out in cash in May 2021. The number of mathematical matching shares for calculating the equivalent value in cash amounts to 1,156 (holding period expired on 11 May 2021). Reference price for calculating the equivalent value of the matching shares: € 83.36).

REMUNERATION GRANTED AND OWED IN FINANCIAL YEAR 2021

		KLAUS DRAEGER Member of the Board of Management until 30 September 2016			FRIEDRICH EICHNER Member of the Board of Management until 31 December 2016		
		Financial year 2021 in €	Earlier vesting years in € ¹	as a % of total remuneration	Financial year 2021 in €	Earlier vesting years in € ¹	as a % of total remuneration
Fixed remuneration	Fringe benefits (other remuneration)	27,604	(-)	7	27,335	(-)	7
	Total	27,604		7	27,335		7
Variable remuneration	Performance Cash Plan 2019-2021	(-)	(-)	(-)	(-)	(-)	(-)
	Share-based remuneration component (matching component) 2016 for holding obligation 2017-2021	(-)	72,273 ²	19	(-)	96,364 ³	24
	Total	72,273		19	96,364		24
Waiting allowance/Pensions	Waiting allowance	(-)	(-)	(-)	(-)	(-)	(-)
	Pensions	279,984	(-)	74	272,727	(-)	69
	(Partial) capital payments	(-)	(-)	(-)	(-)	(-)	(-)
	Total	279,984		74	272,727		69
Total remuneration for financial years 2021 or earlier vesting years		307,588	72,273		300,062	96,364	
Total remuneration according to § 162 German Stock Corporation Act (AktG)		379,861		100	396,427		100

		KLAUS FRÖHLICH Member of the Board of Management until 30 June 2020		
		Financial year 2021 in €	Earlier vesting years in € ¹	as a % of total remuneration
Fixed remuneration	Fringe benefits (other remuneration)	20,629	(-)	3
	Total	20,629		3
Variable remuneration	Performance Cash Plan 2019-2021	(-)	363,300 ⁴	49
	Share-based remuneration component (matching component) 2016 for holding obligation 2017-2021	(-)	76,941 ⁵	10
	Total	440,241		59
Waiting allowance/Pensions	Waiting allowance	285,000	(-)	38
	Pensions	(-)	(-)	(-)
	(Partial) capital payments	(-)	(-)	(-)
	Total	285,000		38
Total remuneration for financial years 2021 or earlier vesting years		305,629	440,241	
Total remuneration according to § 162 German Stock Corporation Act (AktG)		745,870		100

¹ Remuneration for prior vesting years is due if, as of the balance sheet date, the activity underlying the remuneration component has been fully performed, and all conditions for the entitlement are met.

² The number of shares purchased in 2017 with the 2016 cash remuneration component (investment component) amounted to 2,603 (purchased on 12 May 2017 at a price of € 87.50). The 2016 matching component was paid out in cash in May 2021. The number of mathematical matching shares for calculating the equivalent value in cash amounts to 867 (holding period expired on 11 May 2021). Reference price for calculating the equivalent value of the matching shares: € 83.36.

³ The number of shares purchased in 2017 with the 2016 cash remuneration component (investment component) amounted to 3,470 (purchased on 12 May 2017 at a price of € 87.50). The 2016 matching component was paid out in cash in May 2021. The number of mathematical matching shares for calculating the equivalent value in cash amounts to 1,156 (holding period expired on 11 May 2021). Reference price for calculating the equivalent value of the matching shares: € 83.36.

⁴ The target amount of the 2019-2021 Performance Cash Plan is € 950,000. An advance payment of € 600,000 was made from the PCP 2019-2021 in 2020.

⁵ The number of shares purchased in 2017 with the 2016 cash remuneration component (investment component) amounted to 2,771 (purchased on 12 May 2017 at a price of € 87.50). The 2016 matching component was paid out in cash in May 2021. The number of mathematical matching shares for the purposes of calculating the equivalent value in cash amounts to 923 (holding period expired on 11 May 2021). Reference price for calculating the equivalent value of the matching shares: € 83.36.

REMUNERATION GRANTED AND OWED IN FINANCIAL YEAR 2021

		HARALD KRÜGER Chairman of the Board of Management until 15 August 2019			NORBERT REITHOFER Chairman of the Board of Management until 13 May 2015 Chairman of the Supervisory Board since 13 May 2015		
		Financial year 2021 in €	Earlier vesting years in € ¹	as a % of total remuneration	Financial year 2021 in €	Earlier vesting years in € ¹	as a % of total remuneration
Fixed remuneration	Fringe benefits (other remuneration)	27,241	(-)	2	40,156	(-)	11
	Total	27,241		2	40,156		11
Variable remuneration	Performance Cash Plan 2019-2021	(-)	829,600 ²	61	(-)	(-)	(-)
	Share-based remuneration component (matching component) 2016 for holding obligation 2017-2021	(-)	153,966 ³	11	(-)	(-)	(-)
	Total	983,566		72	(-)		(-)
Waiting allowance/Pensions	Waiting allowance	360,000	(-)	26	(-)	(-)	(-)
	Pensions	(-)	(-)	(-)	323,691	(-)	89
	(Partial) capital payments	(-)	(-)	(-)	(-)	(-)	(-)
	Total	360,000		26	323,691		89
Total remuneration for financial years 2021 or earlier vesting years		387,241	983,566		363,847	(-)	
Total remuneration according to § 162 German Stock Corporation Act (AktG)		1,370,807		100	363,847		100

		IAN ROBERTSON Member of the Board of Management until 31 December 2017		
		Financial year 2021 in €	Earlier vesting years in € ¹	as a % of total remuneration
Fixed remuneration	Fringe benefits (other remuneration)	21,600	(-)	7
	Total	21,600		7
Variable remuneration	Performance Cash Plan 2019-2021	(-)	(-)	(-)
	Share-based remuneration component (matching component) 2016 for holding obligation 2017-2021	(-)	96,364 ⁴	31
	Total	96,364		31
Waiting allowance/Pensions	Waiting allowance	(-)	(-)	(-)
	Pensions	191,038	(-)	62
	(Partial) capital payments	(-)	(-)	(-)
	Total	191,038		62
Total remuneration for financial years 2021 or earlier vesting years		212,638	96,364	
Total remuneration according to § 162 German Stock Corporation Act (AktG)		309,002		100

¹ Remuneration for prior vesting years is due if, as of the balance sheet date, the activity underlying the remuneration component has been fully performed, and all conditions for the entitlement are met.

² The target amount of the 2019-2021 Performance Cash Plan is € 1,600,000. The PCP factor is 1.081. This differs from the PCP factor mentioned above, since a value of 1.0 was agreed for the earnings factor of the 2019 financial year. An advance payment of € 900,000 was made from the PCP 2019-2021 in 2020.

³ The number of shares purchased in 2017 with the 2016 cash remuneration component (investment component) amounted to 5,542 (purchased on 12 May 2017 at a price of € 87.50). The 2016 matching component was paid out in cash in May 2021. The number of mathematical matching shares for the purposes of calculating the equivalent value in cash amounts to 1,847 (holding period expired on 11 May 2021). Reference price for calculating the equivalent value of the matching shares: € 83.36.

⁴ The number of shares purchased in 2017 with the 2016 cash remuneration component (investment component) amounted to 3,470 (purchased on 12 May 2017 at a price of € 87.50). The 2016 matching component was paid out in cash in May 2021. The number of mathematical matching shares for calculating the equivalent value in cash amounts to 1,156 (holding period expired on 11 May 2021). Reference price for calculating the equivalent value of the matching shares: € 83.36.

REMUNERATION GRANTED AND OWED IN FINANCIAL YEAR 2021

		PETER SCHWARZENBAUER Member of the Board of Management until 31 October 2019		
		Financial year 2021 in €	Earlier vesting years in € ¹	as a % of total remuneration
Fixed remuneration	Fringe benefits (other remuneration)	19,451	(-)	1
	Total	19,451		1
Variable remuneration	Performance Cash Plan 2019-2021	(-)	302,750 ²	9
	Share-based remuneration component (matching component) 2016 for holding obligation 2017-2021	(-)	92,946 ³	3
	Total	395,696		12
Waiting allowance/Pensions	Waiting allowance	(-)	(-)	(-)
	Pensions	(-)	(-)	(-)
	(Partial) capital payments	2,882,022	(-)	87
	Total	2,882,022		87
Total remuneration for financial years 2021 or earlier vesting years		2,901,473	395,696	
Total remuneration according to § 162 German Stock Corporation Act (AktG)		3,297,170		100

¹ Remuneration for prior vesting years is due if, as of the balance sheet date, the activity underlying the remuneration component has been fully performed, and all conditions for the entitlement are met.

² The target amount of the PCP 2019-2021 is € 791,667. An advance payment of € 500,000 was made from the PCP 2019-2021 in 2020.

³ The number of shares acquired in 2017 with the cash remuneration component (investment component) 2016 amounted to 3,346. The 2016 matching component was paid out in cash in May 2021. The number of mathematical matching shares for the calculating the equivalent value in cash amounts to 1,115 (holding period expired on 11 May 2021). Reference price for calculating the equivalent value of the matching shares: € 83.36).

III. Remuneration of the members of the Supervisory Board

1. Articles of Incorporation and procedure

The regulation governing remuneration for the Supervisory Board applicable to the reporting year was adopted by the Annual General Meeting on 14 May 2020. It is set out in Article 15 of the Articles of Incorporation, and specifies both the remuneration system to be used and the precise framework for calculating the remuneration due to the members of the Supervisory Board. The regulation was confirmed by the Annual General Meeting on 12 May 2021 with a majority of 99.40 % of the valid votes cast.

2. Principles and elements of remuneration

With effect from the 2020 financial year, remuneration for members of the Supervisory Board has been structured as purely fixed remuneration, and complies with Suggestion G.18 of the German Corporate Governance Code as amended on 16 December 2019. This strengthens the independence of the Supervisory Board in advising and monitoring the Board of Management. The structure and amount of the fixed remuneration ensure that highly qualified individuals can continue to be proposed to the Annual General Meeting for membership of the Supervisory Board. This strengthens its advisory and supervisory function, which contributes to the company's sustainable and long-term development.

In accordance with the Articles of Incorporation, each member of the Supervisory Board of BMW AG who does not exercise any additional function relevant to remuneration receives – in addition to the reimbursement of reasonable expenses – fixed remuneration of € 200,000 p.a.

The latest version of the GCCC, dated 16 December 2019, recommends that exercising the functions of the chair and deputy chair of Supervisory Board should also be considered when determining the level of remuneration, along with any committees an individual chairs or sits on (Suggestion G.17). This is to take account of the extra time commitment associ-

ated with these positions. In view of the particular demands placed on the members and, in particular, on the Chairman of the Audit Committee and the increased scope of the Audit Committee's tasks, a higher level of remuneration is provided for work on this committee than for work on other committees. 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 twice the amount of remuneration paid to a Supervisory Board member, excluding amounts relating to additional remuneration-relevant functions. The Chair of the Audit Committee receives two-and-a-quarter times the amount, the Chair of other Supervisory Board committees twice the amount, each member of the Audit Committee twice the amount, and each member of another committee one-and-a-half times the amount of the remuneration paid to a Supervisory Board member, provided the relevant committee convened 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, their remuneration is measured only on the basis of the function receiving the highest amount.

In the event of changes in the composition of the Supervisory Board during the year, or if additional remuneration-relevant functions are performed, remuneration is determined on a proportionate basis.

In addition, each member of the Supervisory Board receives an attendance fee of € 2,000 per meeting for each meeting of the Supervisory Board (plenary) in which he or she participates. This also applies to participation by telephone or video link. If they attend more than one meeting on the same day, the meetings are not remunerated separately.

In accordance with the provisions of the Articles of Incorporation, the remuneration and the attendance fee are only paid after the end of the respective financial year. Furthermore, the company reimburses each member of the Super-

visory Board for their reasonable expenses. In order to be able to perform his duties, the Chairman of the Supervisory Board is provided with secretariat and chauffeur services.

3. Remuneration granted and owed to members of the Supervisory Board pursuant to § 162 of the German Stock Corporation Act (AktG)

The following table shows the remuneration granted and owed to the members of the Supervisory Board in the 2021 financial year pursuant to § 162 (1) Sentence 1 AktG. The activities on which the remuneration for the 2021 financial year is based were performed fully as at the balance sheet date). Therefore, the remuneration for the Supervisory Board activity is classified as granted for the 2021 financial year, even if the payment of the Supervisory Board remuneration (including the attendance fee) was only made after the end of the 2021 financial year, in accordance with Article 15 of the Articles of Incorporation.

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

OVERVIEW OF REMUNERATION ¹

	Factor	Amount in € p. a. ³
Member of the Supervisory Board	1.00	200,000
Chairman of the Supervisory Board	3.00	600,000
Deputy Chairman of the Supervisory Board	2.00	400,000
Chairman of the Audit Committee ²	2.25	450,000
Chairman of another committee ²	2.00	400,000
Member of the Audit Committee ²	2.00	400,000
Member of another committee ²	1.50	300,000

¹ If a Supervisory Board member performs several additional remuneration-relevant functions, their remuneration is measured only on the basis of the function that is remunerated with the highest amount.

² Provided the relevant committee convened for meetings on at least three days during the financial year.

³ Plus attendance fee of € 2,000 per plenary session.

COMPENSATION PAID AND OWED TO SUPERVISORY BOARD MEMBERS ACCORDING TO § 162 OF THE GERMAN STOCK CORPORATION ACT (AKTG) IN FISCAL YEAR 2021 (2020)

MEMBERS OF THE SUPERVISORY BOARD IN OFFICE AS OF DECEMBER 31, 2021

	fixed remuneration		attendance fee		total remuneration	
	in €	as a % of total remuneration	in €	as a % of total remuneration	in €	as a % of total remuneration
Norbert Reithofer (Chairman)	600,000	98	10,000	2	610,000	100
	(600,000)	(98)	(10,000)	(2)	(610,000)	(100)
Manfred Schoch (Deputy Chairman)¹	400,000	98	10,000	2	410,000	100
	(400,000)	(98)	(10,000)	(2)	(410,000)	(100)
Stefan Quandt (Deputy Chairman)	400,000	98	10,000	2	410,000	100
	(400,000)	(98)	(10,000)	(2)	(410,000)	(100)
Stefan Schmid (Deputy Chairman)¹	400,000	98	10,000	2	410,000	100
	(400,000)	(98)	(10,000)	(2)	(410,000)	(100)
Kurt Bock (Deputy Chairman, Chairman of the Audit Committee)	450,000	98	10,000	2	460,000	100
	(357,930)	(97)	(10,000)	(3)	(367,930)	(100)
Christiane Benner¹	200,000	95	10,000	5	210,000	100
	(200,000)	(95)	(10,000)	(5)	(210,000)	(100)
Marc Bitzer²	127,419	94	8,000	6	135,419	100
	(-)	(-)	(-)	(-)	(-)	(-)
Verena zu Dohna^{1,4}	200,000	95	10,000	5	210,000	100
	(200,000)	(95)	(10,000)	(5)	(210,000)	(100)
Bernhard Ebner^{1,3}	46,237	96	2,000	4	48,237	100
	(-)	(-)	(-)	(-)	(-)	(-)
Rachel Empey²	127,419	94	8,000	6	135,419	100
	(-)	(-)	(-)	(-)	(-)	(-)
Heinrich Hiesinger	200,000	95	10,000	5	210,000	100
	(200,000)	(95)	(10,000)	(5)	(210,000)	(100)

¹ These employee representatives have declared that they will transfer their remuneration to the Hans Böckler Foundation in accordance with the guidelines of the German Federation of Trade Unions.

² Member of the Supervisory Board since 12 May 2021.

³ Member of the Supervisory Board since 8 October 2021.

⁴ Member of the Supervisory Board until 31 December 2021.



COMPENSATION PAID AND OWED TO SUPERVISORY BOARD MEMBERS ACCORDING TO § 162 OF THE GERMAN STOCK CORPORATION ACT (AKTG) IN FISCAL YEAR 2021 (2020)

MEMBERS OF THE SUPERVISORY BOARD IN OFFICE AS OF DECEMBER 31, 2021

	fixed remuneration		attendance fee		total remuneration	
	in €	as a % of total remuneration	in €	as a % of total remuneration	in €	as a % of total remuneration
Johann Horn ^{1,2}	126,344	95	6,000	5	132,344	100
	(-)	(-)	(-)	(-)	(-)	(-)
Susanne Klatten	200,000	95	10,000	5	210,000	100
	(200,000)	(95)	(10,000)	(5)	(210,000)	(100)
Jens Köhler ^{1,3}	82,258	95	4,000	5	86,258	100
	(-)	(-)	(-)	(-)	(-)	(-)
Dominique Mohabeer ¹	200,000	95	10,000	5	210,000	100
	(200,000)	(95)	(10,000)	(5)	(210,000)	(100)
Anke Schäferkordt	200,000	95	10,000	5	210,000	100
	(126,344)	(94)	(8,000)	(6)	(134,344)	(100)
Christoph Schmidt ⁴	127,419	94	8,000	6	135,419	100
	(-)	(-)	(-)	(-)	(-)	(-)
Vishal Sikka	200,000	95	10,000	5	210,000	100
	(200,000)	(96)	(8,000)	(4)	(208,000)	(100)
Thomas Wittig	200,000	95	10,000	5	210,000	100
	(200,000)	(95)	(10,000)	(5)	(210,000)	(100)
Werner Zierer ¹	200,000	95	10,000	5	210,000	100
	(200,000)	(95)	(10,000)	(5)	(210,000)	(100)
Total acting members of the Supervisory Board	4,687,096	96	176,000	4	4,863,096	100
	(3,884,274)	(97)	(136,000)	(3)	(4,020,274)	(100)

¹ These employee representatives have declared that they will transfer their remuneration to the Hans Böckler Foundation in accordance with the guidelines of the German Federation of Trade Unions.

² Member of the Supervisory Board since 14 May 2021.

³ Member of the Supervisory Board since 3 August 2021.

⁴ Member of the Supervisory Board since 12 May 2021.

COMPENSATION PAID AND OWED TO SUPERVISORY BOARD MEMBERS ACCORDING TO § 162 OF THE GERMAN STOCK CORPORATION ACT (AKTG) IN FISCAL YEAR 2021 (2020)

FORMER MEMBERS OF THE SUPERVISORY BOARD

	fixed remuneration		attendance fee		total remuneration	
	in €	as a % of total remuneration	in €	as a % of total remuneration	in €	as a % of total remuneration
Karl-Ludwig Kley (Deputy Chairman)²	146,237	99	2,000	1	148,237	100
	(418,548)	(98)	(10,000)	(2)	(428,548)	(100)
Reinhard Hüttl²	73,118	97	2,000	3	75,118	100
	(190,000)	(95)	(10,000)	(5)	(200,000)	(100)
Horst Lischka^{1,2}	73,118	97	2,000	3	75,118	100
	(200,000)	(95)	(10,000)	(5)	(210,000)	(100)
Willibald Löw^{1,3}	108,602	95	6,000	5	114,602	100
	(200,000)	(95)	(10,000)	(5)	(210,000)	(100)
Simone Menne²	73,118	97	2,000	3	75,118	100
	(200,000)	(95)	(10,000)	(5)	(210,000)	(100)
Brigitte Rödig^{1,4}	150,538	96	6,000	4	156,538	100
	(200,000)	(95)	(10,000)	(5)	(210,000)	(100)
Total former members of the Supervisory Board	624,731	97	20,000	3	644,731	100
	(1,408,548)	(96)	(60,000)	(4)	(1,468,548)	(100)
Total current and former members of the Supervisory Board	5,311,827	96	196,000	4	5,507,827	100
	(5,292,822)	(96)	(196,000)	(4)	(5,488,822)	(100)

¹ These employee representatives have declared that they will transfer their remuneration to the Hans Böckler Foundation in accordance with the guidelines of the German Federation of Trade Unions.

² Member of the Supervisory Board until 14 May 2021.

³ Member of the Supervisory Board until 16 July 2021.

⁴ Member of the Supervisory Board until 1 October 2021.

IV. Comparison of change in remuneration and earnings pursuant to § 162 (1) Sentence 2 No. 2 of the German Stock Corporation Act (AktG)

Pursuant to § 162 (1) Sentence 2 No. 2 AktG, the following table shows the change in earnings, the annual change in the remuneration of the members of the Board of Management and the Supervisory Board, and the annual change in the average remuneration of the employees on a full-time equivalent basis over the last five financial years.

For the members of the Board of Management and the Supervisory Board, the remuneration granted and owed in the relevant financial year is presented within the meaning of § 162 (1) Sentence 1 AktG. The remuneration granted and owed to former members of the Board of Management includes any variable remuneration from previous vesting years and any remuneration from any contracts of employment that remained valid beyond the end of their mandate, as well as retirement benefit plans (pension payments, payments from the capital account), other remuneration and any waiting allowances paid.

The change in earnings is presented on the basis of BMW AG's net profit for the year in accordance with the German Commercial Code (HGB). In addition, the changes in the key indicators "earnings attributable to shareholders of BMW AG" and "Group post-tax return on sales" are reported, as these key indicators are relevant to the calculation of the variable remuneration of the members of the Board of Management (earnings component of the bonus).

The presentation of average employee remuneration is based on the average remuneration of all employees of BMW AG on a full-time equivalent basis. In the 2021 financial year, this was 78,144 people. As of 31 December 2021, BMW Group employed 118,909 people worldwide. The components of the average employee remuneration presented are generally in line with the remuneration granted and owed to the members of the Board of Management and the Supervisory Board according to § 162 (1) Sentence 1 AktG.

COMPARISON OF CHANGES IN EARNINGS AND REMUNERATION FOR EMPLOYEES, THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

	2017	2018	Change in %	2019	Change in %	2020	Change in %	2021	Change in %	
I. CHANGES IN EARNINGS										
Net income of BMW AG according to the German Commercial Code (HGB) (in € million)	3,197	2,801	- 12 %	2,107	- 25 %	1,702	- 19 %	4,978	192 %	
Profit attributable to shareholders of BMW AG (in € million)	8,589	7,117	- 17 %	4,915	- 31 %	3,775	- 23 %	12,382	228 %	
Group post-tax return on sales (in %)	8.8	7.3	- 17 %	4.8	- 34 %	3.9	- 19 %	11.2	187 %	
II. AVERAGE REMUNERATION OF EMPLOYEES IN €										
Employees of BMW AG	90,771	93,522	3 %	89,353	- 4 %	86,715	- 3 %	99,169	14 %	
III. REMUNERATION OF THE BOARD OF MANAGEMENT IN €¹										
Oliver Zipse ²	since May 2015, Chairman since 16 August 2019	4,115,640	2,710,234	- 34 %	3,923,856	45 %	5,338,865	36 %	8,752,558	64 %
Ilka Horstmeier	since November 2019	(-)	(-)	(-)	384,435	(-)	2,043,706	432 %	3,949,908	93 %
Milan Nedeljkovic	since October 2019	(-)	(-)	(-)	537,696	(-)	2,058,305	283 %	4,017,337	95 %
Pieter Nota ³	since January 2018	(-)	2,487,689	(-)	2,651,143	7 %	2,757,590	4 %	4,820,525	75 %
Nicolas Peter ³	since January 2017	4,182,138	2,435,932	- 42 %	2,660,349	9 %	3,117,471	17 %	4,824,746	55 %
Frank Weber	since July 2020	(-)	(-)	(-)	(-)	(-)	1,006,759	(-)	3,856,458	283 %
Andreas Wendt	from October 2018 until December 2021	(-)	612,359	(-)	2,233,062	265 %	2,208,364	- 1 %	4,851,197	120 %

¹ The reported remuneration for the years 2017-2020 has been recalculated in accordance with the requirements of § 162 German Stock Corporation Act (AktG).

² For the financial years 2019 and 2020, the calculation of remuneration also included the advances paid in the amounts of € 566,667 and € 712,000 from the Performance Cash Plans 2018-2020 and 2019-2021, which were paid out in 2019 and 2020, respectively.

³ For the financial years 2019 and 2020, the calculation of remuneration also included the advances in the amount of € 500,000 each from the Performance Cash Plans 2018-2020 and 2019-2021, which were paid out in 2019 and 2020, respectively.

COMPARISON OF CHANGES IN EARNINGS AND REMUNERATION FOR EMPLOYEES, THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

		Change in 2018 on 2017 in %	Change in 2019 on 2018 in %	Change in 2020 on 2019 in %	2021	Change in 2021 on 2020 in %
FORMER MEMBERS OF THE BOARD OF MANAGEMENT IN €¹						
Frank-Peter Arndt	until March 2013	- 28 %	0 %	4 %	246,942	1 %
Milagros Caiña Carreiro-Andree ^{2,3}	until October 2019	- 39 %	8 %	- 25 %	777,615	- 68 %
Klaus Draeger	until September 2016	- 1 %	- 8 %	2 %	379,861	2 %
Friedrich Eichiner	until December 2016	- 73 %	- 8 %	62 %	396,427	- 32 %
Klaus Fröhlich ²	until June 2020	- 30 %	10 %	- 23 %	745,870	- 69 %
Harald Krüger ^{4,5}	until August 2019	- 36 %	10 %	- 34 %	1,370,807	- 64 %
Norbert Reithofer	until May 2015, Chairman of the Supervisory Board since May 2015	- 1 %	- 10 %	- 21 %	363,847	1 %
Ian Robertson	until December 2017	- 69 %	- 83 %	10 %	309,002	7 %
Peter Schwarzenbauer ⁶	until October 2019	- 39 %	- 2 %	- 54 %	3,297,170	149 %

¹ The reported remuneration for the years 2017-2020 has been recalculated in accordance with the requirements of § 162 German Stock Corporation Act (AktG).

² For the financial years 2019 and 2020, the calculation of remuneration also took into account the advances in the amount of € 600,000 each from the Performance Cash Plan 2018-2020 and 2019-2021, which were paid out in 2019 and 2020, respectively.

³ Ms Caiña Carreiro-Andree's contract of employment ran until 30 June 2020.

⁴ For the financial years 2019 and 2020, the calculation of remuneration also took into account the advances in the amount of € 900,000 each from the Performance Cash Plan 2018-2020 and 2019-2021, which were paid out in 2019 and 2020, respectively.

⁵ Mr Krüger's contract of employment ran until 30 April 2020.

⁶ For the financial years 2019 and 2020, the calculation of remuneration also included the advances paid in the amounts of € 600,000 and € 500,000 from the Performance Cash Plan 2018-2020 and 2019-2021, which were paid out in 2019 and 2020, respectively.

COMPARISON OF CHANGES IN EARNINGS AND REMUNERATION FOR EMPLOYEES, THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

		2017	2018	Change in %	2019	Change in %	2020	Change in %	2021	Change in %
IV. REMUNERATION OF THE SUPERVISORY BOARD IN €										
Norbert Reithofer	since 2015, Chairman	640,000	640,000	0 %	640,000	0 %	610,000	- 5 %	610,000	0 %
Manfred Schoch ¹	since 1988, Deputy Chairman	430,000	430,000	0 %	430,000	0 %	410,000	- 5 %	410,000	0 %
Stefan Quandt	since 1997, Deputy Chairman	430,000	430,000	0 %	430,000	0 %	410,000	- 5 %	410,000	0 %
Stefan Schmid ¹	since 2007, Deputy Chairman	430,000	428,000	0 %	430,000	0 %	410,000	- 5 %	410,000	0 %
Kurt Bock ²	since May 2018, Deputy Chairman and Chairman of the Audit Committee	(-)	138,968	(-)	220,000	58 %	367,930	67 %	460,000	25 %
Christiane Benner ¹	since 2014	216,000	218,000	1 %	220,000	1 %	210,000	- 5 %	210,000	0 %
Marc Bitzer	since May 2021	(-)	(-)	(-)	(-)	(-)	(-)	(-)	135,419	(-)
Verena zu Dohna ¹	since May 2019	(-)	(-)	(-)	139,532	(-)	210,000	51 %	210,000	0 %
Bernhard Ebner ¹	since October 2021	(-)	(-)	(-)	(-)	(-)	(-)	(-)	48,237	(-)
Rachel Empey	since May 2021	(-)	(-)	(-)	(-)	(-)	(-)	(-)	135,419	(-)
Heinrich Hiesinger	since May 2017	140,355	220,000	57 %	220,000	0 %	210,000	- 5 %	210,000	0 %
Johann Horn ¹	since May 2021	(-)	(-)	(-)	(-)	(-)	(-)	(-)	132,344	(-)
Susanne Klatten	since May 1997	220,000	218,000	- 1 %	220,000	1 %	210,000	- 5 %	210,000	0 %
Jens Köhler ¹	since August 2021	(-)	(-)	(-)	(-)	(-)	(-)	(-)	86,258	(-)
Dominique Mohabeer ¹	since June 2012	220,000	220,000	0 %	220,000	0 %	210,000	- 5 %	210,000	0 %
Anke Schäferkordt	since May 2020	(-)	(-)	(-)	(-)	(-)	134,344	(-)	210,000	56 %
Christoph Schmidt	since May 2021	(-)	(-)	(-)	(-)	(-)	(-)	(-)	135,419	(-)
Vishal Sikka	since May 2019	(-)	(-)	(-)	139,532	(-)	208,000	49 %	210,000	1 %
Thomas Wittig	since May 2019	(-)	(-)	(-)	139,532	(-)	210,000	51 %	210,000	0 %
Werner Zierer ¹	since November 2001	220,000	220,000	0 %	220,000	0 %	210,000	- 5 %	210,000	0 %
FORMER MEMBERS OF THE SUPERVISORY BOARD IN €										
Karl-Ludwig Kley ³	from May 2008 to May 2021, Deputy Chairman	430,000	430,000	0 %	428,000	0 %	428,548	0 %	148,237	- 65 %
Reinhard Hüttl	from May 2009 to May 2021	189,780	200,000	5 %	200,000	0 %	200,000	0 %	75,118	- 62 %
Horst Lischka ¹	from May 2009 to May 2021	220,000	220,000	0 %	220,000	0 %	210,000	- 5 %	75,118	- 64 %
Willibald Löw ¹	from May 1999 to July 2021	220,000	220,000	0 %	220,000	0 %	210,000	- 5 %	114,602	- 45 %
Simone Menne	from May 2015 to May 2021	218,000	218,000	0 %	220,000	1 %	210,000	- 5 %	75,118	- 64 %
Brigitte Rödig ¹	from July 2013 to October 2021	220,000	220,000	0 %	220,000	0 %	210,000	- 5 %	156,538	- 25 %

¹ In line with the guidelines of the Deutscher Gewerkschaftsbund, these employee representatives have requested that their remuneration be paid into the Hans Bockler-Stiftung.

² Dr. Bock was elected Chairman of the Audit Committee after the 2020 Annual General Meeting.

³ Chairman of the Audit Committee until 2020 Annual General Meeting.

V. Other considerations

BMW AG did not grant any loans to members of the Board of Management or the Supervisory Board in the financial year 2021, nor did it enter into any contingent liabilities in their favour. In the year under review, members of the Board of Management and the Supervisory Board concluded contracts with BMW Group companies for vehicle leasing and vehicle services (maintenance and repair work) at arm's length conditions.

The company maintains a financial loss liability insurance policy for company directors. The insurance provides cover for legal liability claims and protects the private assets of members of BMW AG's corporate entities if a claim is made against them for financial loss in the course of exercising their function as a corporate entity. A deductible is provided for members of the Board of Management that complies with the requirements of the German Stock Corporation Act (AktG).

VI. Outlook for the 2022 financial year

In principle, the current remuneration system for members of the Board of Management will apply unchanged for the 2022 financial year.

Under this system, 50 % of the share-based remuneration as a long-term component of the variable remuneration depends on the RoCE achieved in the Automotive segment in the relevant vesting year. For the financial year 2021, the RoCE is defined as the segment profit before financial result, divided by the average capital employed in the segment. The definition of this key indicator has been adjusted for the financial year 2022. Previously, "capital employed" comprised the sum of all current and non-current operating assets, adjusted for deductible capital. The deductible capital corresponded to the capital shares that were available to the operational business, largely without interest. This included, for example, trade payables and other provisions. In future, the definition of capital employed will include the

sum of intangible assets, property, plant and equipment and net working capital. This simplified definition aims to make this indicator more transparent and easier to understand. In addition, the capital employed items taken into account reflect the focus of operational segment management. The new definition leads to an increase in capital employed compared to the previous definition. The strategic target value for the RoCE in the Automotive segment according to the new definition will therefore be 18 % from the financial year 2022 onwards (previous year: 40 %). In terms of content, this amounts to an even more ambitious objective compared to the previous measurement of return on capital.

There are no plans to change the remuneration system for members of the Supervisory Board for the 2022 financial year,

Bayerische Motoren Werke Aktiengesellschaft

For the Supervisory Board

Dr.-Ing. Dr.-Ing. E.h.
Norbert Reithofer
Chairman of the
Supervisory Board

For the Board of
Management

Oliver Zipse
Chairman of the Board
of Management

VII. Auditor's Report

To Bayerische Motoren Werke Aktiengesellschaft Munich

Remuneration Report pursuant to § 162 AktG for the Financial Year from January 1 to December 31, 2021

Auditor's Report

To Bayerische Motoren Werke Aktiengesellschaft, Munich

We have audited the remuneration report of Bayerische Motoren Werke Aktiengesellschaft, Munich, for the financial year from January 1 to December 31, 2021 including the related disclosures, which was prepared to comply with § [Article] 162 AktG [Aktiengesetz: German Stock Corporation Act].

Responsibilities of the Executive Directors and the Supervisory Board

The executive directors and the supervisory board of Bayerische Motoren Werke Aktiengesellschaft are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts including the related disclosures stated in the remuneration report. The procedures selected depend on the auditor's judgment. This includes the assessment of the risks of material misstatement of the remuneration report including the related disclosures, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report including the related disclosures. The objective of this is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive directors and the supervisory board, as well as evaluating the overall presentation of remuneration report including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, based on the findings of our audit, the remuneration report for the financial year from January 1 to December 31, 2021, including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

Reference to an Other Matter – Formal Audit of the Remuneration Report according to § 162 AktG

The audit of the content of the remuneration report described in this auditor's report includes the formal audit of the remuneration report required by § 162 Abs. [paragraph] 3 AktG, including the issuance of a report on this audit. As we express an unqualified audit opinion on the content of the

remuneration report, this audit opinion includes that the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report.

Restriction on use

We issue this auditor's report on the basis of the engagement agreed with Bayerische Motoren Werke Aktiengesellschaft. The audit has been performed only for purposes of the company and the auditor's report is solely intended to inform the company as to the results of the audit. Our responsibility for the audit and for our auditor's report is only towards the company in accordance with this engagement. The auditor's report is not intended for any third parties to base any (financial) decisions thereon. We do not assume any responsibility, duty of care or liability towards third parties; no third parties are included in the scope of protection of the underlying engagement. Section 334 BGB [Bürgerliches Gesetzbuch: German Civil Code], according to which objections arising from a contract may also be raised against third parties, is not waived.

Munich, March 9, 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Petra Justenhoven
Wirtschaftsprüferin

Andreas Fell
Wirtschaftsprüfer