INFORMATION ON AGENDA ITEM 7 OF THE ANNUAL GENERAL MEETING.

APPROVAL OF THE REMUNERATION REPORT.
Remuneration for financial year 2021.
ITEM 7 - SUMMARISED OVERVIEW: APPROVAL OF THE REMUNERATION REPORT (1/2).

• For the financial year 2021 the **revised remuneration system** for the Board of Management, which was approved by the AGM 2021 with a majority of 91.60%, was **applied for the first time**.

• The **remuneration report** was prepared **according to the new requirements of § 162 of the German Stock Corporation Act (AktG)**.

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

• The **Supervisory Board has determined the remuneration** of the members of the Board of Management **within the framework of the remuneration system**. The **option to make adjustments** or to deviate from the remuneration system due to extraordinary developments was **not applied**.

• The **caps for the overall remuneration** as well as for the **components of the variable remuneration** were **observed**.
ITEM 7 - SUMMARISED OVERVIEW: APPROVAL OF THE REMUNERATION REPORT (2/2).

- Approximately 38% of the variable target remuneration for vesting year 2021 was linked to environmental, social or governance targets (ESG-targets). The share of the actual variable remuneration for vesting year 2021 linked to ESG-targets amounts to approximately 27%. This is due to the high level of achievement with respect to the financial targets.

- The share of the long-term share-based remuneration (SbR; personal cash investment amount) amounts to approximately 52% of the total variable remuneration for vesting year 2021.

- Based on the share ownership guidelines the personal cash investment amount has to be used by the board members to acquire BMW shares with a minimum holding period of four years.

- The remuneration granted for the financial year 2021 as set out in the remuneration report includes, according to the requirements of § 162 AktG, the performance cash plan 2019-2021 and the share-based remuneration component (matching component) 2016, which are variable remuneration components granted for earlier vesting years (2016, 2019).

- The Supervisory Board did not see a reason to withhold the payment of variable remuneration (malus) or to make use of clawback rules regarding variable remuneration already paid.

- In accordance with the articles of association, the remuneration of the supervisory board members consists of a fixed remuneration only.

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1 Statements on the relative proportion of remuneration components relate to remuneration for the vesting year 2021, unless otherwise noted.
## TARGET ACHIEVEMENT VARIABLE REMUNERATION FOR VESTING YEAR 2021.

<table>
<thead>
<tr>
<th></th>
<th>Minimum value</th>
<th>Target value</th>
<th>Maximum value</th>
<th>Actual value</th>
<th>Target achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit attributable to shareholders of BMW AG (in € billion)</td>
<td>3.0</td>
<td>5.3</td>
<td>11.0</td>
<td>12.4</td>
<td>180%</td>
</tr>
<tr>
<td>Group return on sales after tax (in %)</td>
<td>3.0</td>
<td>5.6</td>
<td>9.0</td>
<td>11.2</td>
<td></td>
</tr>
</tbody>
</table>

### Weighting

<table>
<thead>
<tr>
<th>Interdepartmental targets – ESG</th>
<th>Weighting</th>
<th>Minimum value</th>
<th>Target value</th>
<th>Maximum value</th>
<th>Actual value</th>
<th>Target achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>50%</td>
<td>0%</td>
<td>100%</td>
<td>180%</td>
<td>107.0%</td>
<td></td>
</tr>
<tr>
<td>Interdepartmental targets – Other</td>
<td>40%</td>
<td>0%</td>
<td>100%</td>
<td>180%</td>
<td>102.5%</td>
<td></td>
</tr>
<tr>
<td>Departmental targets</td>
<td>10%</td>
<td>0%</td>
<td>100%</td>
<td>180%</td>
<td>[113.1-118.1%]</td>
<td></td>
</tr>
</tbody>
</table>

### Strategic focus targets

<table>
<thead>
<tr>
<th></th>
<th>Weighting</th>
<th>Minimum value</th>
<th>Target value</th>
<th>Maximum value</th>
<th>Actual value</th>
<th>Target achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>RoCE in the Automotive Segment</td>
<td>50%</td>
<td>10.00%</td>
<td>16.00%</td>
<td>45.00%</td>
<td>59.9%</td>
<td>180%</td>
</tr>
<tr>
<td>Reduce CO₂ fleet emissions in the EU (g/km WLTP)</td>
<td>25%</td>
<td>125</td>
<td>114</td>
<td>100</td>
<td>115.9</td>
<td>91%</td>
</tr>
<tr>
<td>Sales of all-electric vehicles (units)</td>
<td>12.5%</td>
<td>75,000</td>
<td>101,000</td>
<td>170,000</td>
<td>103,854</td>
<td>103%</td>
</tr>
<tr>
<td>Sales of plug-in hybrid vehicles (units)</td>
<td>12.5%</td>
<td>180,000</td>
<td>241,000</td>
<td>400,000</td>
<td>224,460</td>
<td>86%</td>
</tr>
</tbody>
</table>

1 Simplified depiction. For a detailed description see page 284 et. seq. of the BMW Group Report 2021.
2 Individual target achievement.
3 Target level.
## TARGET AND ACTUAL REMUNERATION FOR VESTING YEAR 2021

<table>
<thead>
<tr>
<th></th>
<th>Chairman of the board&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Chairman of the board&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Board member 1&lt;sup&gt;st&lt;/sup&gt; period of office&lt;sup&gt;3&lt;/sup&gt;</th>
<th>Board member 1&lt;sup&gt;st&lt;/sup&gt; period of office&lt;sup&gt;3&lt;/sup&gt;</th>
<th>Board member 2&lt;sup&gt;nd&lt;/sup&gt; period of office&lt;sup&gt;4&lt;/sup&gt;</th>
<th>Board member 2&lt;sup&gt;nd&lt;/sup&gt; period of office&lt;sup&gt;4&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Target remuneration in €</td>
<td>in %</td>
<td>Actual remuneration in €</td>
<td>in %</td>
<td>Target remuneration in €</td>
<td>in %</td>
</tr>
<tr>
<td>Fixed remuneration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed remuneration</td>
<td>1,950,000</td>
<td>30</td>
<td>1,950,000</td>
<td>24</td>
<td>900,000</td>
<td>30</td>
</tr>
<tr>
<td>Fringe benefits&lt;sup&gt;5&lt;/sup&gt;</td>
<td>50,000</td>
<td>1</td>
<td>19,355</td>
<td>0.2</td>
<td>50,000</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>2,000,000</td>
<td>31</td>
<td>1,969,355</td>
<td>24</td>
<td>950,000</td>
<td>32</td>
</tr>
<tr>
<td>Variable remuneration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonus</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings component</td>
<td>1,050,000</td>
<td>16</td>
<td>1,890,000</td>
<td>23</td>
<td>475,000</td>
<td>16</td>
</tr>
<tr>
<td>Performance component</td>
<td>1,050,000</td>
<td>16</td>
<td>1,113,000</td>
<td>14</td>
<td>475,000</td>
<td>16</td>
</tr>
<tr>
<td>SbR (personal cash investment amount)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RoCE component</td>
<td>1,175,000</td>
<td>18</td>
<td>2,115,000</td>
<td>26</td>
<td>550,000</td>
<td>18</td>
</tr>
<tr>
<td>Strategic focus target component</td>
<td>1,175,000</td>
<td>18</td>
<td>1,089,813</td>
<td>13</td>
<td>550,000</td>
<td>18</td>
</tr>
<tr>
<td>Total</td>
<td>4,450,000</td>
<td>69</td>
<td>6,207,813</td>
<td>76</td>
<td>2,050,000</td>
<td>68</td>
</tr>
<tr>
<td>Target total remuneration&lt;sup&gt;6&lt;/sup&gt; / Remuneration vesting year 2021&lt;sup&gt;7&lt;/sup&gt;</td>
<td>6,450,000</td>
<td>100</td>
<td>8,177,168</td>
<td>100</td>
<td>3,000,000</td>
<td>100</td>
</tr>
<tr>
<td>Contribution to the company pension scheme / Service cost&lt;sup&gt;8&lt;/sup&gt;</td>
<td>700,000</td>
<td>702,274</td>
<td>400,000</td>
<td>400,000</td>
<td>400,000</td>
<td>400,000</td>
</tr>
</tbody>
</table>

<sup>1</sup> Simplified presentation. The target remuneration is set out on p. 277 et seqq. and the actual remuneration on p. 295 et seqq. of the BMW Group Report 2021. Due to rounding, it is possible that the percentages presented here may not be an exact reflection of the absolute values to which they relate.

<sup>2</sup> Oliver Zipse.

<sup>3</sup> Ilka Horstmeier, Milton Nedeljkovic, Frank Weber.

<sup>4</sup> Start of fourth year of mandate: Peter Nota, Nicolas Peter, Andreas Wendt (since Oct. 1<sup>st</sup> 2021).

<sup>5</sup> Exemplary value (with exception of the actual remuneration for Oliver Zipse).

<sup>6</sup> Excluding a contribution to the company pension scheme. Contributions to the pension scheme do not qualify as remuneration within the meaning of § 162 AktG, subsequent pension payments qualify as such.

<sup>7</sup> The calculation of the total remuneration in the remuneration report in some cases includes, in accordance with § 162 AktG, variable remuneration components granted for earlier vesting years (performance cash plan 2019-2021, matching component 2016).

<sup>8</sup> Exemplary value (with exception of the actual remuneration for Oliver Zipse). The service cost are not part of the remuneration according to § 162 AktG. They reflect the expense recognized by BMW and are not paid out to the board members.
Basics of the remuneration system.
OVERVIEW TARGET REMUNERATION OF THE BOARD OF MANAGEMENT.

- **Fixed remuneration:**
  For target amounts please see below page 11.

- **Variable remuneration:**
  - Bonus and
  - Share-based remuneration (SbR).
    Depending on the achievement of certain financial and non-financial targets and capped at 180%.

- **Composition, target amounts and performance criteria bonus:**
  Please see below pages 9, 11 and 12.

- **Composition, target amounts and performance criteria SbR:**
  Please see below pages 10, 12 and 13.

- **Targets and target achievement for the variable remuneration for financial year 2021:**
  Please see BMW Group Report 2021 pages 284 et seqq.

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1 Please see p. 277 of the BMW Group Report 2021.
OVERVIEW VARIABLE REMUNERATION / BONUS (STI).

### OVERVIEW OF THE COMPOSITION OF THE BONUS

<table>
<thead>
<tr>
<th>EARNINGS COMPONENT</th>
<th>PERFORMANCE COMPONENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>50% OF TARGET AMOUNT</strong> × <strong>EARNINGS FACTOR</strong></td>
<td><strong>50% OF TARGET AMOUNT</strong> × <strong>PERFORMANCE FACTOR</strong></td>
</tr>
<tr>
<td>— 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.</td>
<td></td>
</tr>
<tr>
<td>— Earnings factor may not exceed 1.8.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BONUS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(MAX. 180% OF TARGET AMOUNT)</strong></td>
</tr>
</tbody>
</table>

- **Target amounts bonus:**
  Please see below pages 11 and 12.

- **Targets and target achievement for the bonus for financial year 2021:**
  - Metrics for the performance component of the bonus included, inter alia, vehicle sales, segment shares, the share of sales for electrified vehicles, sustainability performance, progress regarding diversity, investments in training and further education, results of employee surveys and employer attractiveness.
  - Please see BMW Group Report 2021 pages 285 et seqq.
OVERVIEW VARIABLE REMUNERATION / SHARE-BASED REMUNERATION (LTI).

- **Target amounts SbR:**
  Please see below pages 12 and 13.

- **Targets and target achievement for the SbR for financial year 2021:**
  Please see BMW Group Report 2021 pages 289 et seqq.
# Overview Remuneration System (1/3)

## COMPONENT

### FIXED REMUNERATION COMPONENTS

#### Base remuneration

- Member of the Board of Management:
  - € 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:
  - € 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

- Defined contribution system with a guaranteed minimum return
- Benefits based on amounts credited to individual savings accounts for contributions paid and interest earned, various forms of disbursement

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

### VARIABLE REMUNERATION COMPONENTS

#### Bonus

- Bonus: (sum of earnings component and performance component)
  - Target amount p. a. (at 100% target achievement):
    - € 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

- Base amount p. a. (50% of target bonus amount):
  - € 0.475 million (first period of office)
  - € 0.575 million (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
  - 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 € 5.2 billion and a Group post-tax return on sales of 5.0%
  - 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.:
  - € 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)

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1 Please see p. 274 et seq. of the BMW Group Report 2021.
OVERVIEW REMUNERATION SYSTEM (2/3)  

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>Variable Remuneration Components</th>
<th>Parameters / Measurement Base, Applicable Amounts</th>
</tr>
</thead>
</table>
| **Bonus** | Performance component (at 100% target achievement corresponds to 50% of target amount) | — Assessment period one year  
— Base amount p. a. (50% of target bonus amount):  
— € 0.475 million (first period of office)  
— € 0.575 million (from second period of office or fourth year of mandate)  
— € 1.050 million (Chairman of the Board of Management)  
— Formula: 50% of target amount x performance factor  
— Primarily qualitative, non-financial criteria, expressed in terms of a performance factor aimed at measuring the Board 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:  
— 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.:  
— € 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**  
— 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  
— Requirement for Board of Management members to invest an esmeared 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)  

**Eligibility of computation**  
— Target amount p. a. (at 100% target achievement):  
— € 1.10 mio (first period of office)  
— € 1.28 mio (from second period of office or fourth year of mandate)  
— € 2.35 mio (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

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1 Please see pp. 274 et seq. of the BMW Group Report 2021.
<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>VARIOUS REMUNERATION COMPONENTS</th>
<th>Parameters / measurement basis, applicable amounts</th>
</tr>
</thead>
</table>
| Share-based remuneration | RoCE component (at 100% target achievement corresponds to 50% of target amount) | — Target amount RoCE component p. a. (30% of target amount of the personal investment cash amount):  
— € 0.55 million (first period of office)  
— € 0.246 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.:  
— € 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) | — Target amount strategic focus target component p. a. (50% of target amount of personal investment cash amount):  
— € 0.55 million (first period of office)  
— € 0.64 million (from second period of office or fourth year of mandate)  
— € 1.175 million (Chairman of the Board of Management)  
— At least two strategic focus targets 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.:  
25% of target amount for personal investment cash amount x factor for strategic focus target 2 + 25% of target amount for personal investment cash amount x factor for strategic focus target 1 |  |

**Remuneration linked to corporate strategy**

— 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**

— 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**

— 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

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1 Please see p. 274 et seqq. of the BMW Group Report 2021.