



**BMW  
GROUP**



**ROLLS-ROYCE**  
MOTOR CARS LTD

# BMW ANNUAL GENERAL MEETING 2026.

INFORMATION ON AGENDA ITEM 7.

APPROVAL OF THE REMUNERATION REPORT.

## APPROVAL OF THE REMUNERATION REPORT (1/2).

For the **2025 financial year**, the **remuneration system that has been in effect since 2025** was applied, which was approved by the **2025 Annual General Meeting with a majority of 96.74%**.

---

The **Supervisory Board** determined the **Management Board's remuneration in accordance with the system**. The option to make **adjustments due to extraordinary developments** was **not exercised**.

---

The defined **maximum remunerations** and **caps for variable remuneration components** were **complied with**.

---

The Supervisory Board **identified no grounds** to apply the **malus/clawback rules** to withhold or reclaim any variable remuneration components.

---

In 2024, the **target remuneration** for financial years 2025 onwards was adjusted for the first time in four years, **by around 10%**. The adjustment **reflected the market-standard level of the target remuneration** for members of the Board of Management and the **positioning of BMW AG within DAX 40\***, as well as **inflation trends** of recent years. **Maximum remunerations** were **not increased**.

---

The **remuneration report** for the **2025 financial year** was subjected by **PwC** not only to the legally required formal audit but also to an additional **voluntary substantive examination**.

---

The **remuneration report** for the **2024 financial year** was approved by the **2025 Annual General Meeting with a majority of 95.28%**. In view of the high level of approval, **no fundamental changes were made to the report format** in the current year.

---

\*According to the analyses conducted by an independent external remuneration consultant, BMW AG's positioning within the DAX 40 was at the 84th percentile based on the criteria of revenue, number of employees, and market capitalization.

## APPROVAL OF THE REMUNERATION REPORT (2/2).

Approximately **37% of the variable target compensation** for the 2025 vesting year was **linked to environmental, social, or governance (ESG) targets**. The **proportion of the actual variable remuneration** for the vesting year 2025 that was **tied to ESG-targets** amounts to approximately **53%**.<sup>1</sup>

---

Under the provisions of the **share-based remuneration (LTI<sup>2</sup>)**, the **personal cash investment amount** must be **invested** by the members of the Board of Management in **BMW shares** and **held for a period of four years**. The **holding requirement under the LTI** also **continues to apply** in the event of a **departure from the Board of Management**.

---

**New Share Ownership Guidelines** with an additional obligation to acquire **BMW shares with a purchase value of 200% (Chairman of the Board of Management) / 100% (members of the Board of Management) of the gross base salary**, within a four-year development phase, and to hold them until leaving the Board of Management.

---

The remuneration granted for the 2025 financial year, as presented in the remuneration report, also includes, in accordance with the provisions of Section 162 of the German Stock Corporation Act (AktG), **variable remuneration components for the 2020 vesting year with the 2020 share-based remuneration component (matching component)**. The **remuneration attributable to the 2025 vesting year** is presented in the **remuneration report under section II.12.**<sup>3</sup>

---

The provisions governing the **remuneration of the members of the Supervisory Board** were **confirmed unchanged** by the **2025 Annual General Meeting** with a **majority of 98.94%**. In accordance with the **Articles of Incorporation**, the remuneration of the Supervisory Board members consists solely of **fixed remuneration**.

---

<sup>1</sup> Statements regarding the relative share of remuneration components refer to the remuneration for the 2025 vesting year, unless otherwise indicated. | <sup>2</sup> Long Term Incentive, long-term remuneration. | <sup>3</sup> [BMW Group Report 2025, p. 410.](#)

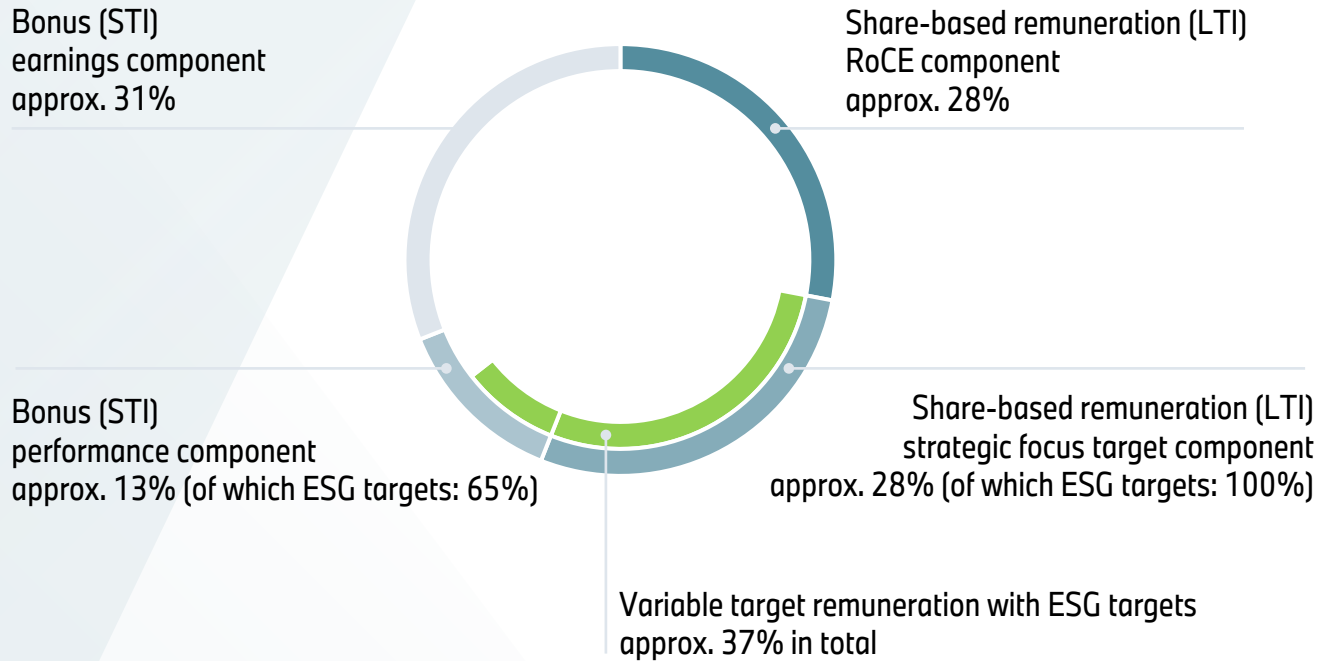
# TARGET ACHIEVEMENT VARIABLE REMUNERATION 2025.<sup>1</sup>

			Weighting <sup>3</sup>	Minimum value	Target value	Maximum value	Actual value	Target achievement		
<b>Fixed remuneration</b>	<b>Base salary and fringe benefits</b>									
<b>Bonus (STI<sup>2</sup>)</b>	<b>Earnings component</b>	Profit attributable to shareholders of BMW AG (in € billion)	70%	4.0	7.0	12.7	<b>7.294</b>	<b>94.9%</b>		
		Group post-tax return on sales (in %)		3.2	6.0	9.4	<b>5.6</b>			
	<b>Performance component</b> <small>Target metrics of the performance component of the bonus for FY 2025 are presented on p. 7.</small>	Market position/growth	<b>A</b>	25%	0%	100%	180%	<b>100%</b>	<b>101%</b>	
		Customer orientation/innovative solutions	<b>B</b>	30%	25%	0%	100%	180%		<b>88%</b>
		Environmental sustainability	<b>C</b>	25%	0%	100%	180%	<b>110%</b>		
Social sustainability and governance	<b>D</b>	25%	0%	100%	180%	<b>105%</b>				
<b>Share-based remuneration (LTI)</b>	<b>Personal cash investment amount</b>	RoCE in the Automotive segment (in %)	50%	12.0	13.0	16.0	<b>9.0</b>	<b>0%</b>		
		<b>Strategic focus targets:</b>								
		Reduction fleet carbon emissions in the EU (in g CO <sub>2</sub> /km)	25%	92.500	92.000	87.000	<b>89.971</b>	<b>132%</b>		
		Sales of all-electric vehicles (BEV) (in units)	25%	425,000	470,000	550,000	<b>442,059</b>	<b>69%</b>		

<sup>1</sup> Simplified presentation. For a detailed description, see BMW Group Report 2025, p. 389 onward | <sup>2</sup> Short Term Incentive, short-term remuneration. | <sup>3</sup> In the target specification.

# OVERVIEW OF VARIABLE TARGET REMUNERATION 2025. ESG-TARGETS.

## OVERVIEW VARIABLE TARGET REMUNERATION 2025.



### Variable remuneration components for financial year 2025:

- Bonus (STI) and
- Share-based remuneration (LTI).

### Variable target remuneration for financial year 2025. ESG-targets.

- For the bonus, 65% of the target amount of the performance component is linked to ESG targets. These include, among others, targets relating to proportion of total sales made up by electrified vehicles (E), assessment of retail all-electric vehicle sales compared to competitors (E), Corporate Reputation Index (G), CO<sub>2</sub>e emissions Scope 1/2 (E) and CO<sub>2</sub>e emissions Scope 3 total (E), ESG Index (E, S, G), spending on employee training and development (S), attractiveness as an employer (S, G), and leadership performance (S).
- For the long-term share-based remuneration (LTI), 50% of the target amount is linked to ESG targets. These include targets relating to the reduction of CO<sub>2</sub> fleet emissions in the EU (E) as well as the sales of fully electric vehicles (E).

# PERFORMANCE COMPONENT OF BONUS: 2025 TARGETS.<sup>1</sup>

Target dimension	Metrics	Weighting	Target achievement target dimension	Target achievement total
<b>A</b> Market position/ growth	BMW Group sales volume			
	BMW Group market share			
	Proportion of total sales made up by electrified vehicles (E)	25%	100%	
	Assessment of retail all-electric vehicle sales compared to our competitors (E)			
	Corporate Reputation Index (G)			
<b>B</b> Customer orientation/ Innovative solutions	Customer satisfaction and product quality			
	R&D ratio	25%	88%	
	Connected customer rate			<b>101%</b>
<b>C</b> Environmental sustainability	CO <sub>2</sub> e-emissions scope 1/2 (E)			
	CO <sub>2</sub> e-emissions scope 3 total (E)	25%	110%	
	ESG index (E, S, G)			
<b>D</b> Social sustainability and governance	Women in management positions (S, G)			
	Spending on employee training and development (S)			
	Attractiveness as an employer (S, G)	25%	105%	
	Leadership performance (S)			

<sup>1</sup> See ↗ BMW Group Report 2025, p. 391 onward.

# SHARE-BASED REMUNERATION (LTI) 2025: BMW SHARES WITH HOLDING OBLIGATION.

BMW shares subject to holding obligation in connection with share-based remuneration (LTI) for financial years 2021–2024, which are held by members of the Board of Management.<sup>1</sup>

	Share portfolio with holding requirement as at 1 January 2025 <sup>2</sup>	Additions in the 2025 financial year <sup>2</sup>	End of the holding period in the 2025 financial year	Share portfolio with holding requirement as at 31 December 2025 <sup>1</sup>	Value in € as at 31 December 2025 <sup>3</sup>
Oliver Zipse	56,062	4,754	4,508	56,308	5,244,527
Jochen Goller	1,414	2,389	–	3,803	354,211
Ilka Horstmeier	29,776	2,780	2,285	30,271	2,819,441
Nicolai Martin	–	–	–	–	–
Walter Mertl	5,013	2,225	–	7,238	674,147
Milan Nedeljković	29,874	2,780	2,285	30,369	2,828,569
Joachim Post	14,592	2,225	–	16,817	1,566,335
<b>Total</b>	<b>136,731</b>	<b>17,153</b>	<b>9,078</b>	<b>144,806</b>	<b>13,487,231</b>

<sup>1</sup> See [BMW Group Report 2025, p. 397](#). Includes only BMW ordinary shares acquired using the share-based remuneration programme for members of the Board of Management, for which the four-year holding period has not yet expired. | <sup>2</sup> Payment of the 2024 personal cash investment amount in May 2025 with subsequent acquisition of reported BMW ordinary shares (purchase date: 30 May 2025; purchase price: € 78.60). | <sup>3</sup> Final trading day in 2025: 30 December 2025. XETRA closing price on 30 December 2025: 93.14 €.

# OVERVIEW OF SHARE OWNERSHIP GUIDELINES.<sup>1</sup>

- Obligation to purchase BMW shares with an acquisition value of 200% (Chairman of the Board of Management) or 100% (members of the Board of Management) of gross base salary over a development phase of four years<sup>2</sup>.
- The individual development phases of the Board of Management members have not yet been completed.
- Obligation to hold these BMW shares until leaving the Board of Management.
- BMW shares acquired through the share-based remuneration (LTI) are also credited.
- The four-year holding obligation under the share-based remuneration (LTI) for the shares acquired in this context applies additionally.
- The Share Ownership Guidelines strengthen the entrepreneurial focus of the Board of Management and provide an additional incentive to pursue the company's long-term positive development.

<sup>1</sup> See [BMW Group Report 2025, p. 397](#). | <sup>2</sup> In the case of an increase in base salary or appointment as Chairman of the Board of Management, the scope of the vesting commitment also increases. A separate four-year development phase applies to the increased vesting commitment.

# TARGET AND ACTUAL REMUNERATION FOR THE VESTING YEAR 2025.<sup>1</sup>

		Chairman of the Board of Management <sup>2</sup>				Member of the Board of Management first period of office <sup>3</sup>				Member of the Board of Management second period of office <sup>4</sup>			
		Target remuneration		Actual remuneration		Target remuneration		Actual remuneration		Target remuneration		Actual remuneration	
		in €	in %	in €	in %	in €	in %	in €	in %	in €	in %	in €	in %
Fixed remuneration	Base salary	2,100,000	30	2,100,000	37	970,000	29	970,000	37	1,130,000	29	1,130,000	37
	Fringe benefits <sup>5</sup>	50,000	1	39,674	1	50,000	2	50,000	2	50,000	1	50,000	1
	<b>Total fixed remuneration</b>	<b>2,150,000</b>	<b>31</b>	<b>2,139,674</b>	<b>38</b>	<b>1,020,000</b>	<b>31</b>	<b>1,020,000</b>	<b>39</b>	<b>1,180,000</b>	<b>30</b>	<b>1,180,000</b>	<b>38</b>
Variable remuneration	<b>Bonus</b>												
	Earnings component	1,547,000	22	1,468,103	26	700,000	21	664,300	25	847,000	22	803,803	26
	Performance component	663,000	9	669,630	12	300,000	9	303,000	11	363,000	9	366,630	12
	<b>Share-based remuneration (LTI)</b>												
	RoCE component	1,377,500	19	-	-	645,000	19	-	-	752,500	19	-	-
	Strategic focus target component	1,377,500	19	1,384,388	24	645,000	19	648,225	25	752,500	19	756,263	24
	<b>Total variable remuneration</b>	<b>4,965,000</b>	<b>69</b>	<b>3,522,121</b>	<b>62</b>	<b>2,290,000</b>	<b>68</b>	<b>1,615,525</b>	<b>61</b>	<b>2,715,000</b>	<b>69</b>	<b>1,926,696</b>	<b>62</b>
<b>Total target remuneration<sup>6</sup>/ remuneration vesting year 2025<sup>7</sup> (2024)</b>	<b>7,115,000</b>	<b>100</b>	<b>5,661,795</b>	<b>100</b>	<b>3,310,000</b>	<b>100</b>	<b>2,635,525</b>	<b>100</b>	<b>3,895,000</b>	<b>100</b>	<b>3,106,696</b>	<b>100</b>	
			(4,746,163)				(2,209,525)				(2,607,925)		
	Contribution to company pension scheme/individual service cost <sup>8</sup>	750,000		750,000		430,000		430,000		430,000		430,000	

1 Simplified presentation. The target remuneration is shown in the [BMW Group Report 2025, p. 385 onward](#), and the actual remuneration from p. 399 onward. Due to rounding, the percentage figures shown may not precisely reflect the absolute values to which they relate. | 2 Oliver Zipse. | 3 Jochen Goller, Nicolai Martin (since 1 June 2025), Walter Mertl. | 4 Or from the 4th mandate year onward; Ilka Horstmeier, Milan Nedeljković, Joachim Post. | 5 Standardised assumption of fringe benefits (with the exception of Oliver Zipse's actual remuneration). | 6 Excluding the company pension contribution. The pension contribution is not part of the granted and owed remuneration pursuant to § 162 AktG; only the payment of pension benefits constitutes remuneration under § 162 AktG. | 7 When calculating total remuneration in the 2025 Remuneration Report, variable remuneration components for an earlier vesting year (Matching Component 2020) were included in individual cases in accordance with § 162 AktG. | 8 Standardised assumption (with the exception of Oliver Zipse's actual remuneration). The service cost is not part of the granted and owed remuneration under § 162 AktG. It reflects the expense for the company; the amount is not paid out.

# BMW AG - REMUNERATION SYSTEM FOR BOARD OF MANAGEMENT. OVERVIEW OF REMUNERATION COMPONENTS.

Remuneration system as of 1 January 2025

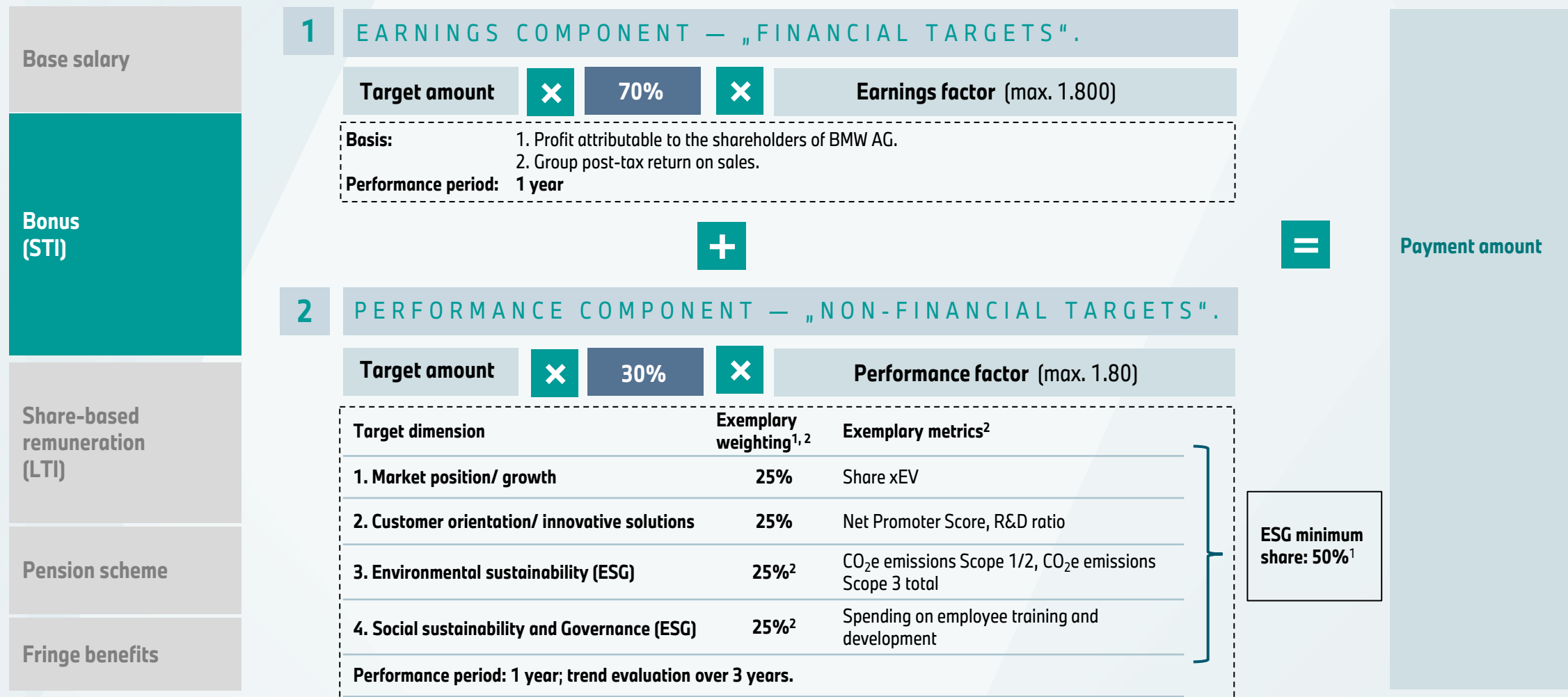
<b>Base salary</b>	<b>20 – 33%<sup>1</sup></b>	<ul style="list-style-type: none"> <li>▪ <b>Fixed remuneration</b></li> </ul>
<b>Bonus (STI)</b>	<b>20 – 30%<sup>1</sup></b>	<ul style="list-style-type: none"> <li>▪ <b>Earnings component</b> <span style="float: right;"><b>Weighting<sup>4</sup></b> <b>70%</b></span> „Financial targets“</li> <li>▪ <b>Performance component</b> <span style="float: right;"><b>30%</b></span> „Non-financial targets“ <b>ESG minimum share: 50%</b> Target achievement 0 – 180%</li> </ul>
<b>Share-based remuneration (LTI)</b>	<b>31 – 45%<sup>1</sup></b>	<ul style="list-style-type: none"> <li>▪ <b>RoCE<sup>5</sup> component</b> <span style="float: right;"><b>Weighting<sup>4</sup></b> <b>50%</b></span></li> <li>▪ <b>Strategic focus targets component</b> <span style="float: right;"><b>50%</b></span> <b>ESG minimum share: 20%</b> Target achievement 0 – 180%</li> </ul>
<b>Pension scheme<sup>2</sup></b>	<b>4 – 12%<sup>1</sup></b>	
<b>Fringe benefits<sup>3</sup></b>	<b>1 – 4%<sup>1</sup></b>	

General aspects
<ul style="list-style-type: none"> <li>▪ <b>Maximum remunerations unchanged</b> (€ 9,85m; € 5,5m respectively € 4,925m)<sup>6</sup>.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Minimum share of ESG-related targets</b> for bonus (STI) and share-based remuneration (LTI).</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Peer group comparison</b> within selected targets.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Malus and clawback rules</b> related to variable remuneration.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Share Ownership Guidelines:</b> Obligation to purchase BMW shares with an acquisition value of 200% (Chairman of the Board of Management) or 100% (members of the Board of Management) of gross base salary over a development phase of 4 years<sup>7</sup> and a holding requirement until leaving the Board of Management.</li> </ul>

1 Range of the shares of the target remuneration. | 2 Pension contribution p.a. | 3 Based on contractual agreements; mainly benefits in kind from the use of company cars, insurance premiums, employee discounts, subsidies for security systems. | 4 Based on the target amount and in case of target achievement of 100%. | 5 RoCE Automotive segment, Return on capital employed. A description can be found in the *BMW Group Report 2025*, p. 50. | 6 Chairman of the Board of Management; member of the Board of Management in the 2nd period of office or as of 4th year of mandate; member of the Board of Management in 1st period of office. | 7 In the case of an increase in base salary or appointment as Chairman of the Board of Management, the scope of the vesting commitment also increases. A separate four-year development phase applies to the increased vesting commitment.

# BMW AG - REMUNERATION SYSTEM FOR BOARD OF MANAGEMENT. OVERVIEW OF BONUS (STI).

Remuneration system as of 1 January 2025

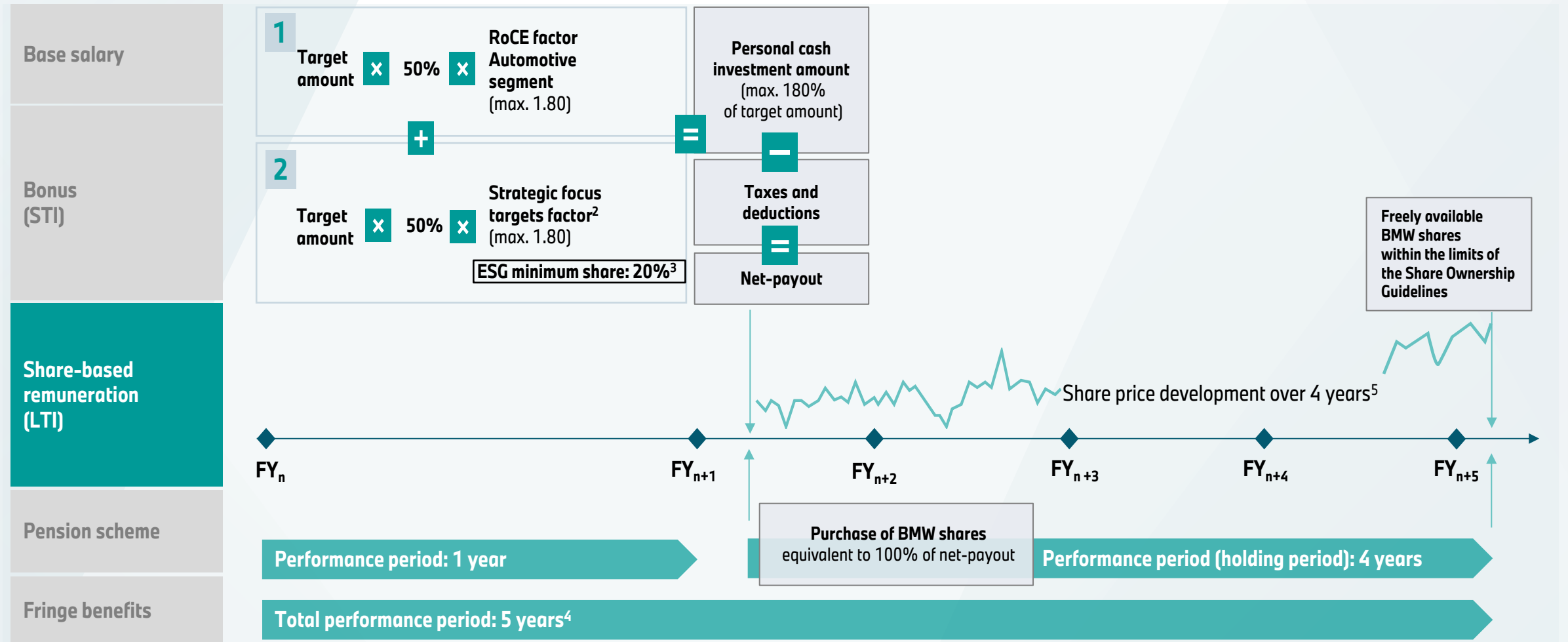


<sup>1</sup> Based on the target amount and in case of target achievement of 100%. | <sup>2</sup> Determination of the weighting of target dimensions and associated metrics on an annual basis.

# BMW AG - REMUNERATION SYSTEM FOR BOARD OF MANAGEMENT.

## OVERVIEW OF SHARE-BASED REMUNERATION (LTI).<sup>1</sup>

Remuneration system as of 1 January 2025



<sup>1</sup> Simplified presentation. | <sup>2</sup> One or more strategic focus targets. | <sup>3</sup> Based on target achievement of 100%. | <sup>4</sup> One year for the determination of the personal cash investment amount and four years holding period, even if board member leaves office (including retirement). | <sup>5</sup> Exemplary presentation.