

REMUNERATION SYSTEM FOR THE MEMBERS OF THE BOARD OF MANAGEMENT BEGINNING WITH THE FINANCIAL YEAR 2025.

The remuneration system for the members of the Board of Management of Bayerische Motoren Werke Aktiengesellschaft (BMW AG) was approved by the Annual General Meeting on 12 May 2021 with a majority of 91.60% of the valid votes cast and has been in effect since 1 January 2021. Experience since then has shown that the system, and in particular its variable remuneration components, have had the intended incentive effects. Under the current system, the remuneration of the Board of Management adequately reflects the performance of the Company in terms of financial and non-financial objectives.

In anticipation of the regular submission of the remuneration system to the Annual General Meeting 2025, the Supervisory Board and, in its preparatory capacity, the relevant Committee thoroughly reviewed the remuneration system for the Board of Management over the past financial year. In its deliberations, the Supervisory Board took into account not only statutory requirements but also the recommendations of an independent external remuneration consultant, as well as suggestions from investor representatives, the market practice within DAX40, and remuneration within the Company.

At its meeting in December 2024, the Supervisory Board, acting on the recommendation of the relevant Committee, approved the revision of certain aspects of the existing system effective from 2025 financial year onwards. Given that the existing remuneration system has proven to be effective, no fundamental adjustments were required. In particular, the maximum remunerations (overall caps within the meaning of § 87a (1) Sentence 2 No. 1 AktG) remain unchanged.

The amended remuneration system applies, subject to approval by the 2025 Annual General Meeting, to all incumbent members of the Board of Management and to all new and reappointments. In agreement with the members of the Board of Management currently in office, their service contracts were amended, in order to implement the remuneration system for all members of the Board of Management with effect from the financial year 2025.

The following presentation provides an overview of the main modifications to the remuneration system and their background. The amended remuneration system is then explained in its entirety in the following sections.

Remuneration structure

The market conformity of the individual remuneration components in relation to each other was examined. Consequently, the ranges of the relevant remuneration components in the total target remuneration were redefined. This included increasing the share of share-based remuneration in order to reinforce the long-term focus of the variable remuneration.

Bonus

In order to emphasise the significance of profitability targets within the scope of the bonus, the earnings component dependent on financial targets was increased from 50% to 70% of the target bonus amount. The performance component dependent on non-financial targets will in future make up 30% of the target bonus amount. In addition, the structure of the performance component was streamlined, and the number of performance criteria was reduced significantly. The performance component continues to include targets related to environmental, social and governance (ESG) criteria, accounting for at least 50% of the target amount.

Share-based remuneration: strategic focus target component

Since the 2021 financial year, the Supervisory Board had set environment-related targets as strategic focus targets. In order to promote the implementation of the sustainability strategy, a minimum share of 20% of the target amount of the strategic focus target component has now been firmly established in the system for ESG-related objectives.

Share Ownership Guideline („SOG“)

In addition to the existing requirements to hold shares as part of the share-based remuneration, the Supervisory Board can oblige the members of the Board of Management to acquire and hold BMW common shares by means of a Share Ownership Guideline. The Supervisory Board has made use of this option for the members of the Board of Management currently in office and agreed on a corresponding contractual obligation. This stipulates that from the 2025 financial year onwards, members of the Board of Management will be in principle obliged to invest 200% (Chairman of the Board of Management) or 100% (members of the Board of Management) of their base salary (gross) within a four-year development phase in BMW common shares and to hold these until they resign from the Board of Management. This will continuously strengthen the long-term business focus of the Board of Management.

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1. Contribution of the remuneration system to the promotion of the business strategy and the long-term development of the Company and principles of the remuneration system.

Individual premium mobility is the business model of the BMW Group. In this context, the BMW Group shapes progress in individual mobility with innovative automobiles and motorcycles featuring various drive technologies. A high level of profitability is a prerequisite for this.

The remuneration system contributes to the implementation of the business strategy and the sustainable and long-term development of the Company. It provides incentives for increasing growth, earnings and capital efficiency, customer orientation, innovation, a good corporate culture and governance, and the reduction of CO₂ emissions. In this way, the concerns of important stakeholders in society (in particular shareholders, customers, employees) and the environment are also taken into account.

The incentive effects of the various remuneration components complement each other:

- The fixed base salary counters the taking of disproportionately high risks to achieve short-term goals, thereby contributing to the long-term development of the Company.
- The variable bonus is divided into two parts, each of which has a different steering effect: The earnings component of the bonus rewards the achievement of the Company's financial targets in the relevant financial year (grant year) and promotes the earnings parts of the business strategy. By contrast, the performance component of the bonus is based on non-financial performance criteria, which are also derived from the business strategy. As such, the performance component of the bonus offers particular incentives to consistently pursue the goals of the business strategy for the long-term development of the Company, which do not necessarily have to be directly reflected in the key financial indicators of the year in which the bonus is granted.
- The achievement of financial and non-financial targets from the business strategy is also decisive for the amount of cash granted for the purchase of shares (so-called personal cash investment amount) within the share-based remuneration. One half (50%) of the target cash amount is linked to a financial indicator, the return on capital employed (RoCE) in the automotive segment, and the other half (50%) to strategic focus targets. The obligation to use the net amount to purchase BMW common shares and to hold them at least until the end of the four-year holding period also motivates the members of the Board of Management to strive for positive long-term development of the Company. This in turn promotes a sustained positive price development of the BMW shares.
- The obligation to invest a significant minimum amount in BMW common shares and to hold them until resignation from the Board of Management (Share Ownership Guideline) is

complementary to the four-year holding commitment as part of the share-based remuneration and reinforces the long-term incentive.

- Besides financial targets, the remuneration system also incorporates a relevant minimum share of ESG objectives for all variable remuneration components. This strengthens the implementation of the sustainability strategy.

The remuneration system complies with the requirements of the German Stock Corporation Act and the recommendations and suggestions of the German Corporate Governance Code. The Supervisory Board has used the following principles in structuring the remuneration system for the Board of Management:

- The compensation structure is designed for the sustainable and long-term development of the Company. Variable remuneration components are therefore predominantly granted based on a multi-year assessment basis.
- The total remuneration of the Board of Management members is commensurate with their responsibilities and their performance, and the economic situation of the Company.
- The remuneration system ensures that both positive and negative developments are appropriately reflected in the remuneration. The vast majority of the remuneration consists of variable components for which ambitious targets are set (Pay for Performance).
- The remuneration system adheres to the principle of consistency across the Company's remuneration systems: the remuneration systems for the Board of Management, executives and employees of BMW AG are based on similar structural elements.
- The total remuneration, both in terms of amount and structure, is in line with the market standard and takes into account the size, complexity, and economic situation of the Company.

2. Procedures as well as vertical and horizontal comparison.

2.1 Procedures.

According to mandatory requirements under the stock corporation law, the setting and regular review of the Board of Management remuneration system, as well as the setting of the individual remuneration of Board of Management members, is both a task of the entire Supervisory Board (plenary). The relevant Committee of the Supervisory Board supports the Supervisory Board as a preparatory body. Deliberations may also include recommendations from external remuneration consultants and suggestions from investors. If the Supervisory Board consults external remuneration advisors, it ensures their independence from the Board of Management and the Company.

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This statutory assignment of tasks to the Supervisory Board largely excludes conflicts of interest with regard to the remuneration of the Board of Management. Should conflicts of interest nevertheless arise, the provisions for handling conflicts of interests as outlined in the German Corporate Governance Code and the rules of procedure of the Supervisory Board apply. Accordingly, conflicts of interest and their handling by the Supervisory Board must be disclosed to the Annual General Meeting.

In the event of significant changes, however at least every four years, the Supervisory Board shall submit the remuneration system to the Annual General Meeting for approval. If the Annual General Meeting does not approve the remuneration system, a revised remuneration system is submitted to it for approval at the following Annual General Meeting at the latest.

2.2 Review of the remuneration system.

The Supervisory Board reviews the remuneration system at least annually for its appropriateness with regard to the structure and amount of target and maximum remunerations, as well as actual remuneration. For this purpose, the relevant Committee prepares detailed documents for a comparison with the remuneration of the Board of Management of other DAX companies and the remuneration at other function levels within the Company.

2.2.1 Horizontal – external comparison.

When assessing the market practice of target remuneration and actual remuneration, the Supervisory Board also takes remuneration studies into account. Due to the size and structure of the BMW Group, DAX companies are used as a comparison group, taking turnover, number of employees and market capitalization into account. Thereby, BMW AG's main competitors and other internationally active listed companies are being considered. The remuneration data of the comparison group is compared with the remuneration of the Board of Management at BMW AG.

2.2.2 Vertical – internal comparison.

In addition, the Supervisory Board also reviews the appropriateness of Board of Management remuneration vertically in relation to employee remuneration. For this purpose, it compares the remuneration of the Board of Management with the salaries of senior executives and with the average remuneration of BMW AG employees in Germany in the pay scale and non-pay scale areas, also over several years.

2.3 Temporary deviation from the remuneration system.

If it is necessary in the interests of the long-term welfare of the Company, the Supervisory Board may decide – as provided for in Section 87a (2) Sentence 2 of the German Stock Corporation Act – that there should be a temporary deviation from the remuneration system. Such exceptional circumstances may occur for example in case of serious economic crises. Unfavourable market

developments do not justify a deviation. Such a deviation requires a resolution to be passed by the Supervisory Board, which can be adopted by a simple majority of votes on the recommendation of the relevant Committee. The deviation may relate to all components of total remuneration (including the relation between variable and fixed remuneration), as well as to the financial and non-financial performance criteria of variable components. Any deviations will be disclosed in the remuneration report for the relevant financial year.

2.4 Setting of the target remuneration, targets and measurement values; remuneration adjustment.

In accordance with the remuneration system, the Supervisory Board, on the proposal of the relevant Committee, sets a specific target remuneration for the members of the Board of Management for the respective financial year, as well as the targets and measurement values for the variable remuneration components provided for in the remuneration system. In doing so, it takes particularly into account the duties and achievements of the respective member of the Board of Management and the economic situation of the Company.

In accordance with the recommendation contained in G.11 of the German Corporate Governance Code, the Supervisory Board reserves the right, even after the beginning of the financial year, to adjust the amount of remuneration components, including the target remuneration of variable remuneration elements and their relation to each other, as well as the respective payment amounts and the payment dates, in case of extraordinary developments (e.g. significant acquisitions and sales, changes in accounting standards or tax regulations with significant effects). The maximum remunerations and the maximum amounts set for the variable remuneration components must not be exceeded. Generally unfavourable market developments do not justify an adjustment. In case of exceptional developments that require adjustment, this will be disclosed transparently in the annual remuneration report.

3. Components of the total remuneration of the Board of Management.

The total remuneration of members of the Board of Management consists of fixed and variable components. The fixed, non-performance-related remuneration comprises the base salary, fringe benefits (primarily monetary benefits from vehicle use during service and retirement, insurance benefits, employee discounts and subsidies for security systems) and the pension contribution (contributions to the occupational pension scheme, including service cost in accordance with IAS 19). Performance-related and therefore variable remuneration consists of the bonus and the long-term share-based remuneration. As part of the share-based remuneration, the members of the Board of Management are required to purchase BMW common shares by means of a personal cash investment after deduction of taxes and social security contributions and to hold these for a period of at least four years.

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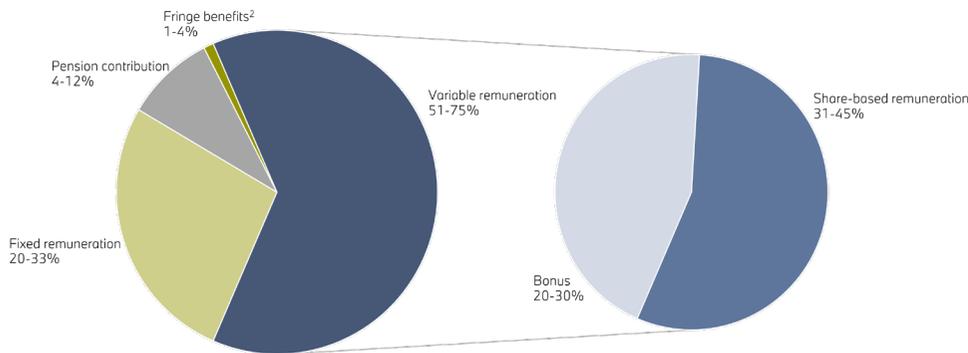
The Supervisory Board may grant new members of the Board of Management payments to compensate for loss of salary arising from a previous employment contract and/or to cover relocation costs, subject to the stipulated maximum remunerations.

4. Remuneration structure.

The majority of the total target remuneration comprises variable components and thus takes account of the pay for performance principle. Within the revision of the remuneration system, the ranges of the shares of fixed and variable components of the total target remuneration were reviewed and adjusted. In order to strengthen the long-term orientation of variable remuneration, the share of the long-term share-based remuneration in the total target remuneration was increased. The remuneration structure enables the Supervisory Board to set the total target remuneration within the specified scales and thus to take into account the tasks and experience of the members of the Board of Management. In accordance with statutory requirements and the recommendations and suggestions of the German Corporate Governance Code, the remuneration structure ensures that the variable remuneration is predominantly conceived on a long-term basis in terms of its target structure.

The fixed remuneration comprises the base salary as well as fringe benefits and contributions to the occupational pension scheme. The variable remuneration includes the bonus and the share-based remuneration. The relative share of fixed remuneration in the total target remuneration is 25-49%, and the relative share of variable remuneration is 51-75%.

Overview total target remuneration of the members of the Board of Management¹



¹Displayed is the remuneration structure of the total target remuneration set in the remuneration system.

²Not including any potential payments to new Board of Management members to compensate for loss of salary from a previous employment relationship and/or to cover relocation costs.

Exemplary Presentation.

5. Maximum remuneration limits (limitation of variable remuneration and maximum remunerations).

Maximum limits have been set for variable remuneration components. The bonus with the earnings component and the performance component as well as the share-based remuneration with the RoCE component and the strategic focus targets component are each limited to a maximum of 180% of the respective target amount.

In addition to the maximum limits for the variable remuneration components, the Supervisory Board has set maximum remunerations, which cover all remuneration components: The base salary, the fringe benefits, and the pension contribution or service cost, if it is higher (fixed remuneration), as well as the bonus and share-based remuneration (variable remuneration). Any special payments to compensate for salary losses from a previous employment contract and/or to cover relocation costs in the event of new appointments are also covered by the maximum remunerations. The respective overall ceilings set are lower than the sum of the ceilings of the individual components.

	Maximum remunerations
Chair of the Board of Management	9,850,000 EUR
Member of the Board of Management as of the 2nd period of office or the 4th mandate year	5,500,000 EUR
Member of the Board of Management in the 1st period of office	4,925,000 EUR

6. Remuneration components in detail.

The remuneration of the Board of Management consists of non-performance-related (fixed) and performance-related (variable) components. The fixed and variable remuneration amounts to the total remuneration of the member of the Board of Management.

6.1 Fixed remuneration.

The fixed remuneration consists of the base salary, fringe benefits, and the contributions to the occupational pension scheme.

6.1.1 Base salary.

Each member of the Board of Management receives a fixed base salary, which is paid monthly on a pro rata basis. The fixed base salary ensures an adequate basic income. It counteracts taking of disproportionately high risks to achieve short-term goals, thereby contributing to the long-term development of the Company. The Supervisory Board may differ the amount of base salary according to role on the Board of Management and experience.

6.1.2 Fringe benefits.

Fringe benefits constitute another fixed remuneration component. They mainly include costs for benefits in kind (primarily monetary benefits from vehicle use during service and retirement, insurance benefits, employee discounts and subsidies for security systems).

In addition, the Supervisory Board may grant payments to newly joining members of the Board of Management to compensate for salary losses from a previous employment contract and/or to cover relocation costs.

A lump sum of the amount of fringe benefits is taken as basis of the setting and review of the total target remuneration. The actual amount may be higher or lower. As part of the total remuneration, fringe benefits are limited by the maximum remunerations.

6.1.3 Contribution retirement benefits, pension scheme.

The members of the Board of Management are integrated into a defined contribution system of pension scheme. The system provides for annual contributions from the Company, which are invested in the capital market. The Company guarantees a minimum interest rate.

Pension entitlements become vested when the service contract has been in existence for one year. In case of pension entitlements, former members of the Board of Management are entitled to retirement benefits at the age of 62 at the earliest. The amount of the benefits is determined on the basis of the amount accrued in each Board of Management member's individual pension savings account. This results from the annual contributions and an annual interest rate depending on the type of investment. At the discretion of the Board of Management member, payment is made as a lump sum or in annual instalments.

If a member of the Board of Management entitled to benefits dies prior to the commencement of benefit payments, their 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. The amount of the benefits paid in the event of death or disability prior to the commencement of benefit payments is also determined on the basis of the amount accrued in each Board of Management member's individual pension savings account, a minimum amount being set.

Members of the Board of Management who retire immediately after their service on the Board of Management, or who are deemed to be in an equivalent position, are entitled to purchase BMW Group vehicles and other BMW Group products and receive services at the same conditions that apply to BMW retirees. The Supervisory Board can make regulations on vehicle use. In individual cases, retired CEOs have the additional option of using BMW chauffeur services, subject to availability and at charge.

Overview of the main characteristics of the pension scheme.

Design	Defined contribution system with a guaranteed minimum interest
Entitlement	On request, upon reaching the age of 62.
Vesting	If the service contract has been in existence for one year.
Payout options	Lump sum or annual rates.
Disability / Death	Death prior to the occurrence of the insured event: Surviving spouse/registered partner, otherwise, depending on age and level of education of surviving children are entitled to a survivor benefit. Amount in the event of death or disability is determined on the basis of the amount accrued in the individual pension savings account, a minimum amount being set.

6.2 Variable remuneration components.

The variable remuneration consists of bonus and share-based remuneration, which complement each other in terms of their financial and non-financial performance criteria. The performance criteria are derived from the business strategy, in particular from strategic goals, longer-term corporate planning and business development planning for the following year, and include non-financial performance criteria related to environmental, social, and governance (ESG criteria) for bonus and share-based remuneration. All performance criteria aim at sustainable and long-term value creation by the BMW Group and take into account the interests of shareholders and other stakeholders.

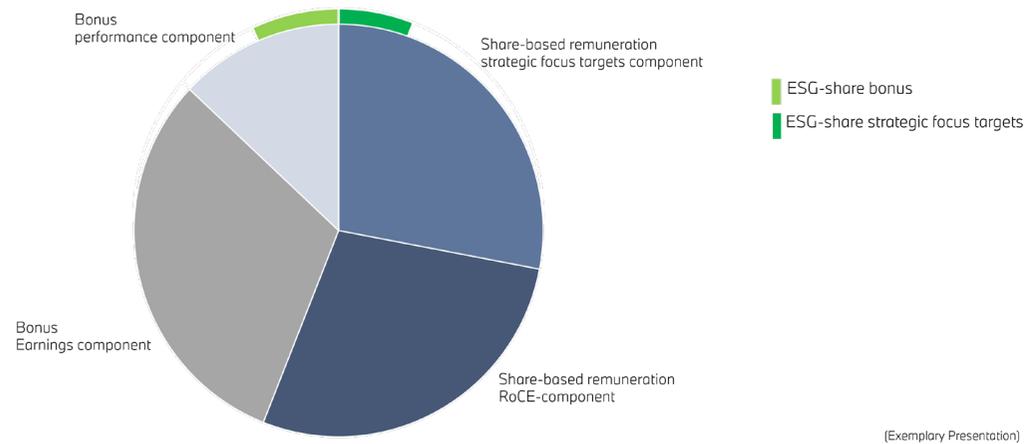
The performance-related bonus is divided into two parts with different steering effects. The earnings component of the bonus rewards the Company for achieving the financial targets in the grant year and promotes the earnings parts of the business strategy. In contrast, the performance component of the 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 offers particular incentives to consistently pursue the goals of the business strategy for the long-term development of the Company, which do not necessarily have to be directly reflected in the key financial indicators of a grant year.

Financial and non-financial objectives of the business strategy also decisively determine the amount of share-based remuneration, i.e. the personal cash investment amount. Half of the target amount is linked to the financial indicator return on capital employed (RoCE) in the automotive segment; the other half depends on the achievement of one or more strategic focus targets set by the Supervisory Board. The members of the Board of Management are required to use the personal cash investment amount after deduction of taxes and duties to buy BMW common shares in the

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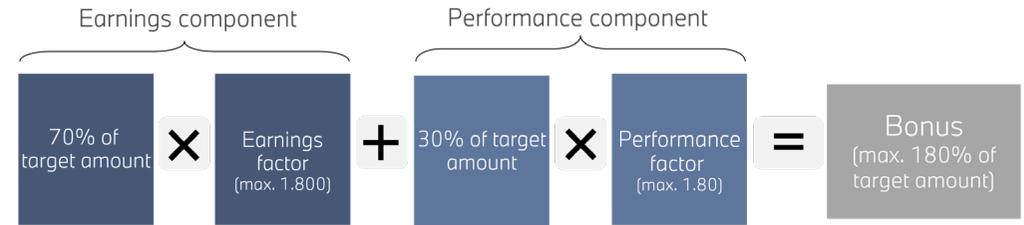
Company and to hold them for a period of at least four years. This promotes a sustained positive development of the BMW shares.

The Supervisory Board sets ambitious targets for the variable remuneration components for each financial year. If the specified thresholds are not reached, the variable remuneration can drop out. If the targets are significantly exceeded, the achievement of bonus and share-based remuneration will remain limited to 180% of the respective target amount.



6.2.1 Bonus.

The bonus consists of an earnings component and a performance component. At a target achievement of 100%, the earnings component accounts for 70% of the individual target amount of the bonus, and the performance component accounts for 30%. The amount of the bonus is still limited to 180% of the individual target amount.



(Exemplary Presentation)

The bonus is paid following the Annual General Meeting at which the annual financial statements for the respective grant year are presented.

- (1) The earnings component of the bonus is based on economic success in each financial year. It provides incentives for the profitability of the BMW Group and the growth of operating business, with particular attention to the shareholding perspective.

For the respective financial year, the Supervisory Board determines earnings factors in an allocation matrix, which are assigned to specific values of the measurement values "Profit attributable to shareholders of BMW AG" and "Group return on sales after tax". The degree of target achievement of the earnings component for a business year is expressed in an earnings factor derived from the matrix after the end of the financial year. Minimum thresholds are set for the earnings factor, below which the earnings factor is 0. The earnings factor is limited to a maximum value of 1.800. A subsequent change of the target values is excluded in principle. The measurement values, minimum values, target values and upper limits are regularly reviewed by the Supervisory Board to determine whether the requirements for profitability targets are adequately reflected.

Earnings component of the bonus			
Formula: Earnings factor x 70% of the target amount			
Parameter earnings factor: 1. Profit share attributable to shareholders 2. Group return on sales after tax			
Assessment period: 1 year			
Target achievement 0 - 180%			
	Minimum value	Example of 100% value	Maximum value (180%)
Profit share attributable to shareholders in billion €	4.0	7.0	12.7
Group return on sales after tax in %	3.2	6.0	9.4

Example values from the allocation matrix for the 2024 financial year.

(Exemplary Presentation)

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- (2) Complementary to the earnings component, the performance component of the bonus rewards the contribution to the achievement of defined non-financial targets. It is designed to take into account the non-financial performance criteria relevant to a sustainable, future-oriented business model, that are not specifically assessed in the parameters of the earnings component.

In addition to profitable operating business, the forward-looking orientation of products and services to customer needs is crucial for the implementation of the business strategy and long-term and sustainable corporate success. In addition, regulatory requirements and expectations for a resource- and climate-friendly orientation of the Company and its products must be met. In order to be able to compete in the long term, the Company also depends on qualified, innovative, and performance-oriented employees whom it needs to attract and retain. Corporate governance is another value-creating factor.

As with the earnings component, the Supervisory Board sets various non-financial performance criteria and associated quantitative and/or qualitative measurement values for the respective financial year and decides on the weighting of the performance criteria. The performance criteria are largely derived from corporate strategy, longer-term corporate planning and the planning for the business development of the following year. The established performance criteria include non-financial performance criteria related to environmental, social and governance (ESG criteria) in a proportion of at least 50% of the target amount of the performance component.

The Supervisory Board uses the following target dimensions as performance criteria for the performance component:

Performance component (target dimension)	Exemplary weighting	Exemplary measurement values	
Market position/Growth	25%	Sales share xEV	Other 50%
Customer orientation/ Innovation performance	25%	Net Promoter Score R&D ratio	
Environmental sustainability	25%	CO ₂ Scope 1/2 CO ₂ Scope 3	ESG minimum share 50%
Social sustainability and Governance	25%	Diversity	

(Exemplary Presentation)

The Supervisory Board can further develop the target dimensions of the performance component for the future. Underlying measurement values can comprise vehicle sales, segment shares, placements in comparative studies, reductions in CO₂ emissions, and employee diversity targets.

At the end of the financial year, the Supervisory Board assesses the contribution of the members of the Board of Management on the basis of the defined performance criteria. This relates not only to performance in the grant year. Rather, the Supervisory Board evaluates and weights the effects of decisions, measures, and courses of action from previous financial years on the specific grant year by way of a trend analysis over at least three financial years, also looking at the probable consequences and the significance of the decisions, measures, and courses of action taken by the member of the Board of Management in the grant year with a view to the future, long-term development of the Company (future trend analysis). Based on the respective target achievement, the Supervisory Board determines the individual performance factor within a range of 0 to 1.80.

6.2.2 Share-based remuneration.

The remuneration system provides for a share-based remuneration as a variable long-term component. As part of the share-based remuneration, members of the Board of Management receive cash remuneration earmarked for investment in BMW common shares (personal cash investment amount). The personal cash investment amount depends on the achievement of certain financial and non-financial targets in the grant year. The members of the Board of Management are contractually obliged to make a personal cash investment less taxes and duties in BMW common shares and to hold the shares for a period of at least four years.

With the long-term component based on performance-related cash remuneration, share investment and share-holding obligations, the remuneration system complies with recommendation G.10 of the German Corporate Governance Code. According to this, the variable amounts of remuneration granted to the member of the Board of Management are to be invested predominantly in shares of the Company or granted accordingly on a share-based basis, taking into account the respective tax burden. The Board of Management member should only be able to dispose of the long-term variable amounts granted after four years.

- (1) In the target structure, 50% of the personal cash investment amount is derived from the return on capital employed (RoCE) achieved in the automotive segment in the grant year (RoCE component) and 50% from the degree of target achievement for one or more strategic focus targets (strategic focus targets component). The strategic focus targets are set by the Supervisory Board for the respective grant year in line with the corporate strategy and corporate planning.

Equally like the variable bonus, the personal cash investment amount of the share-based remuneration promotes the achievement of financial and non-financial targets derived from the business strategy and corporate planning.

The personal cash investment amount is paid out following the Annual General Meeting, at which the annual financial statements for the grant year are presented.

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- For the RoCE component, the Supervisory Board sets remuneration-related minimum, target and maximum values for the RoCE in the automotive segment in the grant year, to which a RoCE factor is assigned. If the agreed minimum threshold is not reached, the RoCE factor is 0. The maximum value of the RoCE factor is limited to 1.80.

With RoCE in the automotive segment as a performance criterion, share-based remuneration is directly linked to the Company's operating success. This reflects the BMW Group's aspiration to generate a significant premium on the cost of capital.

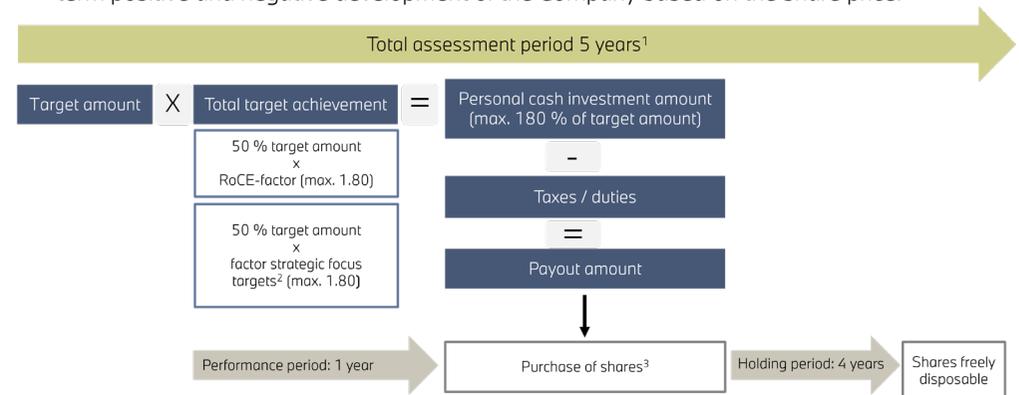
- For the second component of the personal cash investment amount, the strategic focus targets component, the Supervisory Board sets at least one strategic focus target as a remuneration-related target. This is derived from the corporate strategy and company planning and defined for the respective grant year. At least 20% of the target amount of the strategic focus targets component comprises non-financial performance criteria related to environmental, social, and governance (ESG criteria). Strategic focus targets can relate, for example, to the sale of electrified vehicles or the reduction of CO₂ fleet emissions.

If several strategic focus targets have been defined, the Supervisory Board determines the weighting of the individual strategic focus targets. The Supervisory Board sets minimum, target and maximum remuneration-related values. If the minimum value is not reached, the factor for the respective strategic focus target is 0; the factor can reach a maximum of 1.80.

By taking strategic focus targets into account, the BMW Group's development in other strategically particularly important areas is reflected in the Board of Management's remuneration in addition to the Company's operating success.

- Between the specified minimum, target and maximum values, the RoCE factor and the strategic focus targets factor are determined by means of linear interpolation, unless otherwise determined by the Supervisory Board.
- (2) Members of the Board of Management are contractually obliged to make a personal cash investment, less taxes and duties, in BMW common shares immediately after payment and to hold the shares for an extended period of time, i.e. for a period of at least four years. BMW common shares are acquired by a custodian bank designated by the Company on behalf of the members of the Board of Management. The acquired BMW common shares are subject to a corresponding blocking notice. In principle, the blocking period also applies in the event of resignation from the Board of Management. Special regulations apply in the event of death, disability and clawback.

The obligation to purchase BMW common shares and the multi-year holding period strengthen the long-term business orientation of the Board of Management. The sustainable implementation of the corporate strategy through appropriate decisions promotes lasting value creation for shareholders and thereby serves as a regular basis for positive capital market performance over the long term. As a result of the significant investment and the fixed holding period, the members of the Board of Management participate – even after their resignation – in the long-term positive and negative development of the Company based on the share price.



¹ One year for the determination of the personal cash investment amount, four years holding period.
² At least one strategic focus target; in case of more than one strategic focus target simultaneous setting of the relevant share in the target value by the Supervisory Board.
³ Payout of the personal cash investment amount, purchase of shares and beginning of the four years holding period with the next settlement following the Annual General Meeting at which the annual accounts for the grant year are presented.

(Exemplary Presentation)

7. Share Ownership Guidelines.

In order to strengthen the entrepreneurial and long-term orientation of the Board of Management and the alignment with shareholders' interests, the Supervisory Board may oblige the members of the Board of Management to acquire and hold BMW common shares (Share Ownership Guidelines) in addition to the requirements of the share-based remuneration.

The Supervisory Board has made use of this option for the financial years beginning 2025 and agreed on Share Ownership Guidelines ("SOG") with all active members of the Board of Management. As a result, the members of the Board of Management are in principle obliged to acquire BMW common shares at an acquisition value of 200% (SOG target CEO) or 100% (SOG target board member) of the base salary (gross) within a four-year development phase and to hold them until they resign from the Board of Management. Shares acquired through the share-based remuneration will also count towards fulfilling this obligation. The multi-year holding obligation arising from share-based remuneration, which also applies after resignation from the Board of Management, remains unaffected by the Share Ownership Guideline.

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SOG target CEO	200% of the base salary (gross)
SOG target Board member	100% of the base salary (gross)
Development phase	Four years
Holding period	Until resignation



8. Withholding and clawback of variable remuneration (malus und clawback).

The payment of variable remuneration components is subject to contractual regulations on withholding (malus) and reclaim (clawback). The Supervisory Board shall decide, at its due discretion, on a withholding and/or reclaim and its scope. Statutory claims going beyond the possibility of withholding and reclaim, in particular claims for damages, remain unaffected by the contractual provisions.

Reasons for withholding variable remuneration components that have not yet been paid out or for reclaiming variable remuneration components that have already been paid out may include a serious violation by a member of the Board of Management of statutory provisions subject to fines, sanctions or penalties (compliance violation), or of the BMW Group's Code of Conduct. In the event of a justified suspicion of such a violation, the Supervisory Board may also provisionally refuse payment. The Supervisory Board may also reclaim variable remuneration components if the financial statements of the Company or the BMW Group, on which the assessment of a remuneration component was based, contains serious errors or if incorrect information was used as a basis for the determination of other remuneration parameters.

Withdrawal is also possible after resignation from the Board of Management and/or termination of the Board of Management service contract. A reclaim can be made by the Supervisory Board up to four years after the Supervisory Board has received knowledge or after payment of the bonus, or five years after payment of the personal cash investment amount. Remuneration that has already been paid out can be reclaimed even after termination of the Board of Management mandate for a maximum period of four years after resignation.

9. Remuneration-related legal transactions.

9.1 Terms of Board of Management service contracts and early termination.

Board of Management service contracts are concluded for the duration of the respective appointment as a member of the Board of Management (maximum five years). In the event of reappointment, the Board of Management service contract is extended accordingly. As a rule, the period of

office and the contract term for first-time appointments to the Board of Management is three years. In accordance with the German Corporate Governance Code, the Supervisory Board sets an age limit, which is taken into account as a rule in the period of office and term of the Board of Management service contracts; exceptions remain possible in the interest of the Company.

Insofar as the appointment as a member of the Board of Management ends prematurely, the Company may terminate the service contract prematurely with due notice in accordance with the period stipulated in § 622 (2) of the German Civil Code (BGB). Beyond that, early termination is only possible for both parties by mutual agreement or, in the event of due cause, by termination without notice.

Commitments to an annual contribution to the Company's pension scheme in pension agreements are linked to the term of the appointment as a member of the Board of Management. Pension entitlements under the defined contribution system become vested when the service contract has been in existence for one year.

9.2 Commitments in connection with the early termination of Board of Management service.

In accordance with the recommendations of the German Corporate Governance Code, Board of Management service contracts provide for a severance payment to be paid to the Board of Management member in the event of their early termination by the Company without due cause, the amount of which is limited to a maximum of two years' remuneration ("severance payment cap") and which must compensate no more than the remaining term of the service contract. If the remaining term of the contract is less than two years, the severance payment is hence reduced pro rata temporis. As a rule, the sum of the base salary, the target amount of the bonus and the target amount of the personal cash investment is taken as the annual remuneration, unless the respective target amount was not reached in the previous year. In this case, the bonus actually granted, or the personal cash investment amount actually paid out is taken as the basis. A severance payment is offset against any compensation for a post-contractual non-competition.

There are no severance agreements in the event of early termination of the Board of Management service due to a change of control or in connection with a takeover bid.

9.3 Post-contractual non-competition.

The Supervisory Board may agree with the Board of Management members on a post-contractual non-compete clause in specific cases, lasting up to two years. During the term of a post-contractual competition prohibition, a monthly compensation payment is provided, which may be offset against other income. Any severance payment will be offset against the compensation payment in accordance with the recommendation of the German Corporate Governance Code. The Company reserves the right to unilaterally waive compliance with a post-contractual non-compete clause, thereby releasing itself from the obligation to pay compensation.

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Currently, post-contractual non-competition agreements are in place with all Board of Management members.

10. Secondary activities of Board of Management members; offset.

Members of the Board of Management require the approval of the Supervisory Board or the relevant Committee for taking over secondary activities, particularly for accepting external supervisory board mandates and comparable positions. In the event of approval, the Supervisory Board will determine whether and to what extent any remuneration for the activity is to be offset against the Board of Management remuneration.

If members of the Board of Management hold mandates in affiliated companies, any remuneration they receive is generally offset against their remuneration as a member of the Board of Management of the Company. The same applies to activities in joint venture companies and companies in which the Company directly or indirectly holds more than 20% of the share capital, as well as to activities in associations and similar groups to which the Company belongs due to its business activities.