BMW GROUP AND THE FUTURE OF SUSTAINABLE (E)-MOBILITY.

III ANNUAL LATIN AMERICA CLEAN TRANSPORT FORUM.
CONVERGENCE OF MULTIPLE TRENDS IN THE AUTOMOTIVE INDUSTRY TO LEVERAGE THE POTENTIAL OF PERSONAL MOBILITY.

Automated
- Smooth traffic flow
- Reduce accidents
- Increase safety
- Increase productivity

Connected
- Optimize eco-routing
- Encourage multimodality
- Early warning
- Improved safety

Electrified
- Zero tailpipe emissions
- Increase energy efficiency
- Reduce sound
- Leverage renewable

Shared
- Reduce congestion
- Remove vehicles
- Replace old inefficient cars
- Reduce VMT

Sustainable mobility of the future

Proactive safety to ensure the full potential of these technologies
POR QUE LOS VEHÍCULOS ELÉCTRICOS.

**FACTORES DE CAMBIO**

- **Medio Ambiente**
  - Cambio climático y sus efectos

- **Urbanización**
  - 60% de la población en 2030 vivirá en ciudades

- **Regulaciones y Políticas**
  - Limites de CO2, Restricciones a importaciones

**FACTORES DE CAMBIO**

- **Economía**
  - Escasez de recursos, incremento en los precios de combustibles

- **Cultura**
  - Movilidad sustentable como parte del estilo de vida urbano moderno

- **Expectativas de los Clientes**
  - Cambio en los Valores
WE ARE PARTICIPATING IN THAT GROWTH!

Each 36th car worldwide sold is a BMW
WE ARE PARTICIPATING IN THAT GROWTH!

Each 36th car worldwide sold is a BMW.

Each 8th electric car sold worldwide is a BMW i.
### FRAMEWORK CLASSIFICATION FOR ELECTRIC VEHICLE INCENTIVES.

#### Monetary Incentives

**Direct financial incentives** for EV owners:
- Purchase incentive for electric vehicles.
- Reduction / waiver of registration and/or circulation tax.
- Reduction / waiver of consumption tax.
- Company car incentive.
- Subsidy for the installation of a wall-box.

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Korea</td>
<td>€6,300</td>
</tr>
<tr>
<td>Japan</td>
<td>€5,500</td>
</tr>
<tr>
<td>Germany</td>
<td>€4,000</td>
</tr>
<tr>
<td>China</td>
<td>€9,000</td>
</tr>
<tr>
<td>France</td>
<td>€15,000</td>
</tr>
<tr>
<td>Netherlands</td>
<td>€10,000</td>
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</tbody>
</table>

#### Non-Monetary Incentives

**Qualitative and indirect support** for EV usage:
- Use of privileged lanes (e.g. bus or car sharing lane).
- Exclusive parking for electric vehicles; free parking and/or free charging.
- Preferential treatment for inner city toll systems.
- Exemption from congestion charges.

#### Framework Conditions

**Measures to support the environment for EVs**:
- Public charging infrastructure.
- Awareness due to public demonstration and research projects.
- Public initiatives and cooperations supporting the uptake of EVs.
- Public procurement programs for EV fleets.
DECISION FACTORS FOR ELECTRIC VEHICLE PURCHASE IN CALIFORNIA. TOP MOTIVATORS.

59% said having HOV lane access was extremely or very important in their decision to purchase a PEV.

84% are displaying an HOV sticker on their vehicle.

Source: California Plug-in Electric Vehicle Driver Survey.
INTRODUCTION OF BMW i IN THE AMERICAS.

<table>
<thead>
<tr>
<th>Year</th>
<th>Countries</th>
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<tbody>
<tr>
<td>2014</td>
<td>Brazil, Canada, Mexico, USA</td>
</tr>
<tr>
<td>2015</td>
<td>Chile, Colombia</td>
</tr>
<tr>
<td>2016</td>
<td>Costa Rica, Panama</td>
</tr>
<tr>
<td>2017</td>
<td>Ecuador, Uruguay</td>
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## EV INCENTIVES - SELECTED MARKETS IN LATIN AMERICA

<table>
<thead>
<tr>
<th>Country</th>
<th>Monetary and Tax Incentives</th>
<th>Import Incentives</th>
<th>Infrastructure Incentives</th>
<th>Electricity Incentives</th>
<th>Vehicle use Limitations For Non Electric Vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRAZIL</td>
<td>NO</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>CHILE</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
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<tr>
<td>COLOMBIA</td>
<td>NO LUXURY TAX (Below $50,000 FOB)</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
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</tr>
<tr>
<td>C. RICA</td>
<td>YES 13% VAT</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>MEXICO</td>
<td>YES Exempt: new vehicle &amp; ownership tax</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>PANAMA</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>ARGENTINA</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
</tr>
</tbody>
</table>

- **Monetary and Tax Incentives**
  - **Brazil:** No
  - **Chile:** No
  - **Colombia:** No Luxurious Tax below $50,000 (FOB)
  - **Costa Rica:** Yes 13% VAT
  - **Mexico:** Yes Exempt: new vehicle & ownership tax
  - **Panama:** No
  - **Argentina:** No

- **Import Incentives**
  - **Brazil:** Yes Reduction on Importation Taxes
  - **Chile:** No
  - **Colombia:** Yes No Import Duties Quota
  - **Costa Rica:** No Legislation Pending
  - **Mexico:** No
  - **Panama:** Yes No Import Duties
  - **Argentina:** Yes Reduction on Importation Taxes

- **Infrastructure Incentives**
  - **Brazil:** No
  - **Chile:** No
  - **Colombia:** No
  - **Costa Rica:** No
  - **Mexico:** No
  - **Panama:** No
  - **Argentina:** No

- **Electricity Incentives**
  - **Brazil:** No
  - **Chile:** No
  - **Colombia:** No
  - **Costa Rica:** No Preferential Tariff
  - **Mexico:** No
  - **Panama:** No
  - **Argentina:** No

- **Vehicle use Limitations For Non Electric Vehicles**
  - **Brazil:** Yes
  - **Chile:** Yes
  - **Colombia:** Yes
  - **Costa Rica:** Yes
  - **Mexico:** Yes
  - **Panama:** No
  - **Argentina:** No

- **Notes:**
  - *Colombia: 0% electrics and 5% PHEV*
  - *Costa Rica: 10% VAT for hybrids only (regular tariff is 30%)*
  - *Panama: Import tariff is 25% of CIF value for vehicles over US$ 25,000*
  - *Argentina: Importation Benefit Limited to local producers*
BMW do Brasil Plan:
Identify motivated partners to install free public charging station on key spots in main Brazilian cities. BMW pays for installation and parking spot visual.

Premium supermarkets:
Installed 10 Wall boxes for Public Charging.

Gas stations:
Installed 1 Wallbox for Public Charging. Plan to install additional 49 stations nationwide.

Premium malls
Installed 3 Wallboxes. Plan to install additional 4 stations.
BMW i - PUBLIC CHARGING EXAMPLES IN CHILE.
BMW i – PUBLIC CHARGING EXAMPLES COLOMBIA.
BMW Public Charging:

- +40 Public Charging stations
- + 20 Dealer Charging Stations

ChargeNow Network and Webpage

POI:

- Shopping centers
- Universities
- Street charging
- Commercial partners
- Government
A WIDE RANGE OF STAKEHOLDERS TO NURTURE THE “ECOSYSTEM” REQUIRED FOR ELECTRIC VEHICLES, AS IN THE CASE OF MEXICO.
PRO-ACTIVE MEASURES ARE NECESSARY TO ACCELERATE E-MOBILITY ADOPTION.

- **Create Awareness**: Present BMW i at events related to mobility, cars, renewable energy, universities, etc. to create “buzz”.

- **Find Infrastructure Partners**: Identify the companies, who excited about charging infrastructure and new mobility business models.

- **Gain Political Support**: Find & Address political stakeholders who are in favor of electric vehicles e.g. Central and local authorities.

- **Initiate Projects**: Initiate deployment of infrastructure by proposing projects and bringing parties together.

- **Use Dealers**: Equip all relevant BMW dealerships with charging stations to create foundation for larger network.

- **Internal culture**: Create a committed and excited team within company to develop all necessary tasks prior to launch.
• This year, we will deliver 100,000 electrified vehicles to customers. By the end of 2017, there will be a total of more than 200,000 BMW Group electrified vehicles on the road.

• We are currently gearing all BMW Group plants towards e-mobility. In the future, we will be able to equip all our models with every drive train. Two flexible vehicle architectures and a flexible production network will allow us to respond quickly and efficiently.

• By 2025, we will offer 25 electrified vehicles – 12 will be fully-electric.

• The first series electric MINI, will be released in 2019. As we have announced, we will be introducing the X3 – as a BEV in 2020.

• We are working hard and fast on the shift towards sustainable mobility.
Four main policy areas where governments in Latin America should focus attention on promoting EV uptake:

- Expand pilot programs for high-use electric vehicles, which have significant environmental benefits while demonstrating the effectiveness of EV technology to build public confidence.
- Introduce stronger financial incentives, such as tax reductions for EVs and home charging infrastructure purchases, to reduce high up-front costs and make EVs more competitive with conventional vehicles.
- Increase non-financial incentives, such as access to preferential parking and driving lanes, and strengthen fuel economy standards to give car manufacturers incentives to invest in EV technology.
- Include EVs in broader long-term plans for the energy and transport sectors and introduce EV targets in climate change mitigation goals.
THANK YOU VERY MUCH.