

Supplementary information on agenda item 8:

Report of the Board of Management pursuant to § 71 (1)
no. 8 in conjunction with § 186 (3) and (4) German Stock
Corporation Act

Report of the Board of Management pursuant to § 71 (1) no. 8 in conjunction with § 186 (3) and (4) German Stock Corporation Act (AktG).

Under agenda item 8, the Board of Management shall be authorised pursuant to § 71 (1) no. 8 AktG to acquire and redeem or utilise treasury shares.

1. Scope of the authorisations

The Board of Management shall be authorised for a period of five years – i.e. until 10 May 2027 – to acquire and redeem or utilise shares in the Company totalling up to 10% of the share capital. This is in line with the legal framework for such authorisations. The reference for the limitation to 10% of the share capital is the share capital at the time of the resolution or – if this value is lower – the share capital at the time of the respective exercise of the authorisation. In this context, the shares acquired pursuant to this authorisation, together with other shares of the Company which it acquires, if applicable, outside of this authorisation within the framework of the provisions of § 71 AktG and which are still in the possession of the Company or which are to be attributed to it pursuant to §§ 71a et seq. AktG, may at no time account for a share of more than 10% of the respective share capital.

In accordance with the legal requirements, the authorisation may not be used for the purpose of trading in treasury shares.

2. Acquisition of treasury shares

The proposed authorisation provides that treasury shares can only be acquired via the stock exchange, thus ensuring equal treatment of shareholders. The purchase price per share paid by the Company (excluding ancillary purchase costs) may not exceed or fall below the price of the share of the respective share class (common stock or preference share) in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange determined by the opening auction on the trading day by more than 10%. This corresponds to a range that is customary in the market.

3. Redemption of treasury shares

The acquired treasury shares may be redeemed by resolution of the Board of Management. No further Annual General Meeting resolution is required for this. As the Company has par value shares, the redemption is associated with a reduction of the share capital. The Board of Management is authorised to adjust the number of shares and the share capital in the Articles of Association accordingly.

4. Other utilisation of treasury shares (under exclusion of subscription rights, if applicable)

The authorisation provides that the acquired shares may be offered to and transferred to employees of the Company or a Group company within the framework of employee share programmes. Shares issued to employees are usually subject to a blocking period of several years. An appropriate discount from the relevant stock exchange price at the time may be

granted. Issuing treasury shares to employees is in the interest of the Company and its shareholders, as this can strengthen identification with the company, motivation, sense of responsibility and company loyalty. To issue shares under an employee share program, it is necessary to exclude shareholders' subscription rights. Shares to service employee share programmes may also be acquired outside the proposed authorisation on the basis of the statutory permission in § 71 (1) no. 2 AktG.

The authorisation also provides that treasury shares may be offered and transferred against contributions in kind, in particular in connection with mergers or for the acquisition of companies, parts of companies or shareholdings in companies. The Company's options are expanded if, for example, treasury shares can be used as consideration instead of a cash payment when acquiring companies or parts of companies. For this utilisation, too, it is necessary to exclude the shareholders' subscription rights to allow the shares to be transferred solely to the seller of the respective item. When determining the valuation ratios, care must be taken to ensure that the interests of the shareholders are adequately protected. This utilisation of treasury shares is subject to the approval of the Supervisory Board. The Company currently has no concrete plans to utilise treasury shares in this way. The authorisation serves to extend the options so that the Company can act flexibly in appropriate situations. The Board of Management and the Supervisory Board will only exercise this option if, in their assessment, this is in the interest of the Company and its shareholders.

If necessary, the acquired treasury shares can be resold via the stock exchange or by offer to all shareholders. In both cases, equal treatment of shareholders is ensured.

5. Limitation of the exclusion of shareholders' subscription rights

As mentioned above, it is particularly necessary to exclude shareholders' subscription rights when treasury shares are utilised for employee share programmes or for the acquisition of benefits in kind. Furthermore, in the event of the sale of treasury shares by offer to all shareholders, the Board of Management may exclude shareholders' subscription rights for fractional amounts. The exclusion of the subscription right for fractional amounts is necessary in order to make a disposal of acquired treasury shares by way of an offer for sale to the shareholders technically feasible. Treasury shares excluded from the shareholders' subscription rights as free fractional shares will either be sold via the stock exchange or otherwise in the best possible way for the Company.

In total, the shares used on the basis of the above authorisations under exclusion of shareholders' subscription rights may not exceed 10% of the share capital, neither at the time the resolution is adopted nor at the time the authorisation is exercised. If, during the term of this authorisation and until it is exercised, other authorisations to issue or sell shares of the Company or to issue rights that enable or oblige the subscription of shares of the Company are used and the subscription right is excluded in the process, this shall be counted towards the aforementioned 10% limit.

At present, the Company only has one other authorisation, namely the Authorised Capital 2019 (§ 4 (5) of the Articles of Association). The Authorised Capital 2019 still allows an increase of the share capital by up to € 1,722,600. This corresponds to approximately

0.26% of the share capital. The non-voting preference shares to be issued on the basis of the Authorised Capital 2019 can only be used for employee share programs. The subscription right is excluded to this extent. In the event of a utilisation of the Authorised Capital 2019 during the term of the proposed authorisation to acquire and use treasury shares, the newly issued shares would therefore have to be counted towards the aforementioned 10% limit for the use of treasury shares excluding shareholders' subscription rights.

6. Exercising the authorisations

The proposed authorisations may be exercised in whole or in part, once or several times, by the Company, Group companies or third parties acting for the account of the Company or Group companies. In addition, acquired treasury shares can also be transferred to Group companies. The acquisition of treasury shares may concern shares of both classes, but may also be limited to shares of one class. The Company may therefore acquire and utilise common stock shares, preference shares or shares of both classes as required.

Munich, 23 March 2022

Bayerische Motoren Werke Aktiengesellschaft

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[SIGNATURE]

Oliver Zipse
Chairman of the
Board of Management

Dr Nicolas Peter
Member of the
Board of Management (Finance)