

# Declaration on Corporate Governance pursuant to Sections 289 f, 315d of the German Commercial Code (HGB)

In the Declaration on Corporate Governance, the Board of Management and the Supervisory Board report on the Corporate Governance of the Company in the 2021 financial year. The statements are equally applicable to the Company and the Group, unless indicated otherwise below. The Declaration on Corporate Governance is also available on the internet at [group.mercedes-benz.com/dcg](https://group.mercedes-benz.com/dcg). Pursuant to Section 317 Subsection 2 Sentence 6 of the German Commercial Code (HGB), the review of the statements by the auditor in accordance with Section 289f Subsections 2 and 5, and Section 315d of the German Commercial Code (HGB) is to be limited to whether the statements were made.

## **Declaration by the Board of Management and the Supervisory Board of Daimler AG pursuant to Section 161 of the German Stock Corporation Act (AktG) on the German Corporate Governance Code**

Daimler AG complies with the recommendations of the German Corporate Governance Code as amended on 16 December 2019 and published in the official section of the Federal Gazette on 20 March 2020, with the exception of recommendations C.4 and C.5 (maximum number of mandates of Supervisory Board) and recommendations G.8 and G.12 (subsequent change of targets and comparison parameters of variable remuneration components of the Board of Management) and has complied with the recommendations, with the exceptions mentioned, since issuing the last Declaration of Compliance in July 2021. Daimler AG shall continue to comply with the recommendations in the future subject to the aforementioned deviations.

### **Maximum number of Supervisory Board mandates (C4. and C.5)**

According to recommendation C.4, a member of the Supervisory Board who is not a member of the board of

management of a listed company shall not hold more than a total of five mandates on the supervisory boards of listed companies outside the group or comparable functions, in the course of which the chairmanship of a supervisory board shall count twice. According to recommendation C.5, members of the board of management of listed companies should not hold more than two mandates on the supervisory boards of listed companies outside the group or comparable functions and should not chair the supervisory board of a listed company outside the group.

Whether the total number of mandates held by members of the Board of Management and the Supervisory Board in non-Group listed companies and comparable functions is still deemed to be appropriate is to be assessed more properly on a case-by-case basis rather than by means of a rigid upper threshold. The individual workload to be expected from the aggregate of the mandates held does not necessarily increase in proportion to their number.

### **Targets and comparison parameters of variable components of the remuneration of the Board of Management (G.8 and G.12)**

According to recommendation G.8, a subsequent change in the target values or comparison parameters of variable components of the remuneration of the Board of Management should be excluded. According to recommendation G.12, in the event of termination of an agreement of a member of the Board of Management, the payment of outstanding variable remuneration components attributable to the period up to the termination of the agreement shall be made, inter alia, according to the originally stipulated targets and comparison parameters. On 1 October 2021, the Extraordinary General Meeting of Daimler AG approved the spin-off of a majority shareholding in Daimler Truck AG. The spin-off took effect upon entry in the commercial register of Daimler AG. This implies that the commercial vehicle business has been separated from the Daimler Group. The effects of the spin-off of a significant part of the Company are not reflected in the target values and comparison parameters for the annual bonus (short- and medium-term variable remuneration component) and the performance phantom share schemes (long-term variable remuneration component). Therefore, the target values or the comparison parameters for the annual bonuses and performance phantom share schemes not yet due at the time of the spin-off need to be adjusted. This also applies with regard to a member of the Board of Management resigning on the occasion of the spin-off and his or her variable remuneration components still outstanding at the time of resignation.

Stuttgart, December 2021

For the  
Supervisory Board  
Dr Bernd Pischetsrieder  
Chairman

For the  
Board of Management  
Ola Källenius  
Chairman

This Declaration of Compliance is, in addition to the no longer current Declarations of Compliance of the past five years, also available on the website of the Company at [group.mercedes-benz.com/dcg](https://group.mercedes-benz.com/dcg).

### **Remuneration report, remuneration system**

At [group.mercedes-benz.com/remuneration-bom](https://group.mercedes-benz.com/remuneration-bom), the applicable remuneration system for the members of the Board of Management pursuant to Section 87a Subsections 1 and 2 Sentence 1 of the German Stock Corporation Act (AktG) which was approved by the Annual General Meeting on 8 July 2020, can be accessed. The 2021 remuneration report and the opinion of the auditor pursuant to Section 162 of the German Stock Corporation Act (AktG) are also available there. The resolution adopted by the Annual General Meeting on 31 March 2021 pursuant to Section 113 Subsection 3 of the German Stock Corporation Act (AktG) on the remuneration of the members of the Supervisory Board is available at [group.mercedes-benz.com/remuneration-sb](https://group.mercedes-benz.com/remuneration-sb).

### **Essential principles and practices of corporate governance**

#### **German Corporate Governance Code**

Beyond the statutory requirements of German stock corporation, participation and capital market legislation, Mercedes-Benz Group AG has complied and continues to comply with the recommendations of the German Corporate Governance Code ("Code") subject to the exceptions stated and justified in the Declaration of Compliance.

Mercedes-Benz Group AG has fully complied and continues to comply with the suggestions of the Code. However, due to the covid-19 pandemic, participation in meetings of the Supervisory Board had to be extended to telephone and video conferencing (Code suggestion D.8).

#### **Principles of our mode of operation**

We conduct our business in accordance with Group-wide standards that go beyond the requirements of the law and the German Corporate Governance Code. Only those who act in an ethically and legally responsible manner remain successful in the long term – this is especially true in times of upheaval and change as we are currently experiencing. Hence, integrity and compliance are very important to the Mercedes-Benz Group. In order to achieve long-term and sustainable corporate success on this foundation, it is our goal to ensure that

our business operations are in harmony with the interests of the environment and society. Because as one of the world's leading car manufacturers, we also want to be at the forefront when it comes to sustainability. We have defined the most important principles in our Code of Conduct, which provides orientation for all employees of Mercedes-Benz Group AG and the Group and assists them in making the right decisions, even in difficult business situations.

### **Our Code of Conduct**

Employees from various divisions around the world were involved in the creation of our new Code of Conduct in 2019. Our policy sets out the core corporate principles for our conduct in day-to-day business, our dealings with each other within the Company, with business partners, and with customers. In addition to respect for the law and the legal system, these corporate principles also include, for example, fairness, transparency, practical diversity, and responsibility. In addition to the corporate principles, our Code of Conduct contains, inter alia, regulations regarding the respect and safeguarding of human rights as well as the handling of conflicts of interests, and prohibits corruption in any form whatsoever. The policy has binding effect for all companies and employees of the Mercedes-Benz Group worldwide. It is available on the internet at [group.mercedes-benz.com/company/compliance/integrity-code.html](https://group.mercedes-benz.com/company/compliance/integrity-code.html).

In addition, we agreed on the "Principles of Social Responsibility" with the International Works Council. They are applicable at Mercedes-Benz Group AG as well as throughout the entire Group. In it, we commit to the principles of the UN Global Compact, including the internationally recognised human and labour rights regulated therein, freedom of association, sustainable environmental protection and the prohibition of child and forced labour. In addition, Mercedes-Benz is committed to upholding equal opportunities and the principle of "equal pay for work of equal value" for employees.

### **Expectations of our business partners**

We also formulate clear requirements for our business partners, because conduct with integrity and in compliance with the rules is a prerequisite for any trust-based cooperative venture. Therefore, when selecting our direct business partners, we make sure that they

comply with the law, follow ethical principles, and in this sense also have an impact on the supply chain. For our expectations of our business partners, please also see [group.mercedes-benz.com/company/compliance/business-partners.html](https://group.mercedes-benz.com/company/compliance/business-partners.html).

### **Advisory Board for Integrity and Sustainability**

Mercedes-Benz Group AG established an Advisory Board for Integrity and Sustainability, which includes independent external experts. The Advisory Board meets three times a year under the direction of the member of the Board of Management responsible for Integrity and Legal Affairs.

One of these annual meetings specifically serves to exchange information with other members of the Board of Management and members of the Supervisory Board. The Advisory Board also holds regular meetings with members of the Board of Management, executives and employees to discuss specific topics.

As experts in the fields of environmental and social policy, transport and mobility development, and human rights and ethics, the members of the Advisory Board provide Mercedes-Benz with constructive and critical support on issues of integrity, sustainability, and corporate responsibility.

### **Risk and compliance management within the Group**

Mercedes-Benz has effective internal control, risk and compliance management systems in place that are commensurate with the size and global presence of the Company, the scope of its business operations, and its risk situation, and are geared towards the continuous and systematic management of entrepreneurial risks and opportunities.

The internal control and risk management system is part of the overall planning, control, and reporting process. This is to ensure that the executive management recognises significant risks at an early stage and can initiate countermeasures in a timely fashion.

Internal Audit monitors compliance with legal framework conditions and corporate standards with targeted audits and initiates appropriate measures, where

necessary. Further information on risk management can be found in the Risk and Opportunity Report in the 2021 Annual Report.

The aim of our Compliance Management System (CMS) is to promote compliance with legislation and regulations within the Company and among its employees, to prevent misconduct, and to systematically minimise compliance risks on the basis of our culture of integrity. Detailed information on the Mercedes-Benz Compliance Management System can be found in the Non-financial Statement chapter of the 2021 Annual Report.

At least once a year, the Audit Committee of the Supervisory Board of Mercedes-Benz Group AG discusses the effectiveness and functionality of the internal control and risk management system, the internal auditing system, and the compliance management system with the Board of Management. The chairman of the Audit Committee shall report back to the Supervisory Board about the work of the committee at the latest at the next meeting of the Supervisory Board. The Supervisory Board also deals with the risk management system on the occasion of the audit of the company and consolidated financial statements. The Chairman of the Supervisory Board maintains contact with the Board of Management between meetings of the Supervisory Board, in particular with the Chairman of the Board of Management, in order to discuss issues of risk management and compliance, in addition to the strategy and business development of the Group. In addition, the Board of Management regularly informs the Audit Committee and the Supervisory Board about significant risks to the Company and the Group. The Legal Affairs Committee of the Supervisory Board supports the Supervisory Board in the performance of its duties with regard to the complex emissions and antitrust-related proceedings with which Mercedes-Benz Group AG and its subsidiaries are confronted.

### **Accounting and auditing**

Mercedes-Benz compiles its consolidated financial statements and interim financial reports in accordance with the principles of International Financial Reporting Standards (IFRS) as applicable in the European Union. The financial statements of Mercedes-Benz Group AG are compiled in accordance with the accounting provisions of the German Commercial Code (HGB). In

addition to the half-yearly financial report, Mercedes-Benz also compiles quarterly financial reports. The consolidated financial statements and the financial statements of Mercedes-Benz Group AG are audited by an auditor, and interim financial reports are subject to review by an auditor. The consolidated financial statements and the consolidated management reports are publicly accessible on the website of the Company within 90 days, the interim financial reports within 45 days after the end of the respective reporting period.

Based on the recommendation of the Audit Committee, the Supervisory Board submits a proposal to the Annual General Meeting for the appointment of the auditor of the financial statements, the auditor of the consolidated financial statements, and the auditor for the review of the interim financial reports. At the Annual General Meeting on 31 March 2021, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, was appointed as auditor of the financial statements, auditor of the consolidated financial statements, and auditor for the review of interim financial reports for the 2021 financial year and of interim financial reports for the 2022 financial year in the period up to the next Annual General Meeting in the 2022 financial year. KPMG AG Wirtschaftsprüfungsgesellschaft has audited the company and consolidated financial statements of Mercedes-Benz Group AG since the 1998 financial year; Alexander Bock has been the responsible auditor since the 2021 financial year. A selection and proposal process for compliance with the duty to appoint a different audit firm will take place for the first time in accordance with the EU Statutory Audit Regulation, at the latest for the appointment of the auditor for the 2024 financial year.

Before submitting its recommendation for the election proposal to the Annual General Meeting, the Audit Committee of the Supervisory Board obtained a declaration from the proposed auditor as to whether and, if so, which business, financial or personal relationships exist between the auditor and its boards and committees and audit managers on the one hand and the Company and members of its boards and committees on the other hand that could give rise to concerns of partiality. The declaration also covers which other services were provided to the Group in the previous financial year and to what extent and which have contractually been stipulated for the following year.

The auditor informs the Chairman of the Audit Committee without delay of any and all findings and occurrences of significance for the duties of the Supervisory Board that come to the attention of the auditor during the performance of the audit of the financial statements. Furthermore, the auditor informs the Audit Committee and annotates in the audit report if, during the performance of the audit, the auditor discovers facts that reveal an inaccuracy in the Declaration of Compliance of the Board of Management and the Supervisory Board with the German Corporate Governance Code.

### **Composition and working method of the Board of Management**

Under the German Stock Corporation Act, (AktG) Mercedes-Benz Group AG has a dual management system that provides for a strict personnel and functional separation between the Board of Management as the management body and the Supervisory Board as the supervisory body (two-tier board). The Board of Management manages the Company, whilst the Supervisory Board supervises and advises the Board of Management.

### **Board of Management**

In accordance with the articles of association of Mercedes-Benz Group AG, the Board of Management consists of at least two members. The Supervisory Board shall determine the exact number. As at 31 December 2021, the Board of Management consisted of eight members. In December 2020, the Supervisory Board set a target for the proportion of women on the Board of Management in accordance with the German Act on the Equal Participation of Women and Men in Leadership Positions and a deadline for achieving this target. In August 2021, the German Second Leadership Positions Act (FüPoG II) came into force. According to the said Act, at least one woman and at least one man must be a member of the Board of Management in listed companies with parity participation and more than three members on the Board of Management. This minimum participation requirement must be complied with as from 1 August 2022 when appointing individual or multiple members of the Board of Management. The details on the participation of women are presented in a separate section in this declaration on corporate governance. Furthermore, with regard to the composition of the Board of Management, the Supervisory Board has adopted a diversity concept embedded in an overall profile of requirements, including an age limit. Its details are also summarised in a separate section in this declaration on corporate governance.

Information in terms of the areas of responsibility as well as the curricula vitae of the members of the Board of Management are available on the website of Mercedes-Benz Group AG at [group.mercedes-benz.com/company/corporate-governance/board-of-management](https://group.mercedes-benz.com/company/corporate-governance/board-of-management).

The Board of Management manages Mercedes-Benz Group AG and the Group, in consideration of the interests of the shareholders, the employees, and the other stakeholders, with the goal of sustainable added value. With the approval of the Supervisory Board, it determines the strategic orientation of the Company, sets the corporate goals, and resolves on the corporate planning.

Without prejudice to the overall responsibility of the Board of Management, the individual members of the Board of Management shall manage their departments on their own responsibility within the framework of the guidelines adopted by the Board of Management as a whole. Certain matters defined by the Board of Management as a whole shall nevertheless be dealt with by the Board of Management as a whole and shall require its approval. The work of the Board of Management is coordinated by the chairman of the Board of Management.

The Board of Management compiles the interim financial reports of the Company, the financial statements of Mercedes-Benz Group AG, the consolidated annual accounts, and the combined management report of the Company and the Group, including the non-financial statement. Together with the Supervisory Board, it issues an annual Declaration of Compliance with the German Corporate Governance Code. The Board of Management ensures compliance with statutory provisions, official regulations, and internal guidelines within the Company, and works to ensure that they are also observed by the Group companies (compliance). It has established an appropriate compliance management system geared to the risk situation of the Company, the basic features of which are presented in the Non-financial statement chapter of the 2021 Annual Report. This includes the BPO (Business Practices Office) whistle-blowing system, which gives employees and external whistle-blowers worldwide the opportunity to report violations of the rules.

The implementation and monitoring of an effective internal control and risk management system appropriate to the scope of the business operations and the risk situation of the Company is also part of the duties of the Board of Management.

For certain types of transactions defined by the Supervisory Board, the Board of Management requires the prior approval of the Supervisory Board. At regular intervals, the Board of Management reports to the Supervisory Board on the strategy of the business units, corporate planning, profitability, business development, and the situation of the Company, as well as on the internal control system, the risk management system, and compliance issues. The Supervisory Board has defined the information and reporting duties of the Board of Management in more detail.

There were no committees of the Board of Management during the reporting period.

The Board of Management has adopted rules of procedure, available on the website of the Company at [group.mercedes-benz.com/company/corporate-governance](https://group.mercedes-benz.com/company/corporate-governance), which, among other things, governs the procedure to be followed when adopting resolutions and contains provisions designed to avoid conflicts of interest.

### **Diversity and equal opportunities**

Diversity management has been part of the corporate strategy since 2005. We rely on the diversity and variety of our employees because for us they form the basis of an efficient and successful company. Our operations aim to bring together the right people to meet our challenges, to create a working culture that promotes the performance, motivation and satisfaction of our employees and managers, and to contribute to the development of new target groups for our products and services. Through appropriate framework conditions and specific measures – from training formats for employees and managers, workshops, conferences and guidelines to target group-specific awareness-raising and communication measures – diversity & inclusion management thus contributes significantly to the further development of our corporate culture.

The targeted promotion of women had already been a central focus of attention in diversity management before the German Act on the Equal Participation of Women and Men in Leadership Positions came into force. In compliance with the statutory requirements, the Board of Management of Mercedes-Benz Group AG has set targets for the proportion of women at the two

management levels of the Mercedes-Benz Group AG below the Board of Management and a deadline for attaining these targets. The specific details are presented in a separate section of this declaration on corporate governance. Independent of the statutory requirements, the Company had already set itself the goal in 2006 of increasing the proportion of women in senior management positions within the Group to 20% by 2020. We have achieved this goal. From 2021 onwards, we aim to further increase the proportion of women in senior management positions worldwide by one percentage point per year. This has also been achieved for 2021: at 31 December 2021, the proportion of women in senior management positions at the Mercedes-Benz Group worldwide was 22.5% (headcounts, fully consolidated companies). This data only covers the Mercedes-Benz Group. They are not comparable with previous years owing to the spin-off and hive-down of Daimler's commercial vehicle business as an independent company in December 2021.

### **Composition and working method of the Supervisory Board and its committees**

#### **Supervisory Board**

In accordance with the German Co-Determination Act, (MitbestG) the Supervisory Board of Mercedes-Benz Group AG consists of 20 members. Half of them are elected by the shareholders at the Annual General Meeting and half by the employees of the German companies of the Group. Shareholder representatives and employee representatives are by law equally bound to serve the interests of the Company.

Curricula vitae of the individual members of the Supervisory Board and their other mandates are available on the internet at [group.mercedes-benz.com/company/corporate-governance/supervisory-board](https://group.mercedes-benz.com/company/corporate-governance/supervisory-board).

The Supervisory Board shall be composed in such manner that its members as a whole are familiar with the industry in which the Company operates and have the knowledge, skills, and professional experience necessary for the proper performance of their duties. According to the German Act on the Equal Participation of Women and Men in Leadership Positions, the Supervisory Board of Mercedes-Benz Group AG must be

composed of at least 30% women and at least 30% men. The specific details are presented in a separate section of this declaration on corporate governance.

In addition, the Supervisory Board has developed an overall profile of requirements for its own composition, which includes a competence profile and a diversity concept for the Board as a whole, including an age limit. The specific details of the overall profile of requirements are also summarised in a separate section of this declaration on corporate governance. The proposals of the Supervisory Board for the election of shareholder representatives by the Annual General Meeting, for which the Nomination Committee submits recommendations, aim to fulfil the overall profile of requirements for the Supervisory Board as a whole.

The members of the Supervisory Board assume responsibility for the training and further education measures required for their tasks, e.g., on issues of corporate governance and on changes in the legal framework and on new products and forward-looking technologies, and are supported in this by the Company. In an on-boarding programme, new members of the Supervisory Board have the opportunity to meet the members of the Board of Management and other executives for a bilateral exchange on current topics in respect of the relevant areas of the Board of Management and thus gain an overview of the relevant topics of the Company.

The Supervisory Board supervises and advises the Board of Management in the management of the business. At regular intervals, it obtains reports from the Board of Management on the strategy of the business units, corporate planning, turnover development, profitability, business development, and the situation of the Company, as well as on the internal control system, the risk management system, and compliance issues. The Supervisory Board has reserved the right of approval for transactions of fundamental importance. It has also specified in more detail the information and reporting duties of the Board of Management vis-à-vis the Supervisory Board, the Audit Committee and – between meetings of the Supervisory Board – vis-à-vis the Chairman of the Supervisory Board.

The duties of the Supervisory Board include the appointment and, if necessary, the dismissal of the members of the Board of Management. Initial appointments have generally been made in the past and since 2021 have always been made for a maximum of three years.

With regard to the composition of the Board of Management, the Supervisory Board observes the statutory requirements for the equal participation of women and men. The specific details are presented in a separate section of this declaration on corporate governance. Furthermore, with regard to the composition of the Board of Management, the Supervisory Board has adopted a diversity concept embedded in an overall profile of requirements. Its specific details are also summarised in a separate section of this declaration on corporate governance.

The Supervisory Board determines the system of remuneration for the Board of Management, reviews it regularly, and uses it as the basis for determining the total individual remuneration of the individual members of the Board of Management. In 2020 the Annual General Meeting approved the remuneration system for the Board of Management with a majority of 95.33%. The remuneration system of the Board of Management is available at [group.mercedes-benz.com/remuneration-bom](https://group.mercedes-benz.com/remuneration-bom). The 2021 Remuneration Report to be submitted to the 2022 Annual General Meeting for approval shall also be made available there, together with the audit opinion pursuant to Section 162 of the German Stock Corporation Act (AktG).

The Supervisory Board examines the financial statements, the consolidated financial statements, and the combined management report of the Company and the Group, as well as the proposal for the appropriation of the balance sheet profit. After discussions with the auditor and in consideration of the audit opinions of the auditor and the audit results of the Audit Committee, the Supervisory Board shall declare whether any objections are to be raised after the final result of its own review. If this is not the case, the Supervisory Board approves the financial statements and the combined management report; the financial statements are deemed to have been adopted with the approval of the Supervisory Board. The Supervisory Board shall report

to the Annual General Meeting on the results of its own review as well as on the nature and scope of the supervision of the Board of Management during the past financial year. The report of the Supervisory Board on the 2021 financial year is available in the Annual Report and at [group.mercedes-benz.com/company/corporate-governance/supervisory-board](https://group.mercedes-benz.com/company/corporate-governance/supervisory-board).

The Supervisory Board has adopted Rules of Procedure that, in addition to its duties and responsibilities, specifically regulate the convening and preparation of its meetings as well as the procedure for the adoption of resolutions and contain provisions that are intended to avoid conflicts of interest. The Rules of Procedure of the Supervisory Board are available on the internet at [group.mercedes-benz.com/company/corporate-governance](https://group.mercedes-benz.com/company/corporate-governance)

For the meetings of the Supervisory Board during the reporting period, regular Executive Sessions were again scheduled in order to be able to discuss topics even in the absence of the Board of Management. Pursuant to the German Act on Strengthening Financial Market Integrity (FISG), which entered into force on 1 July 2021, the Board of Management does not participate in meetings of the Supervisory Board and its committees to the extent that the auditor is called in as an expert, unless the Supervisory Board or the committee deems its participation necessary.

The members of the Supervisory Board can also participate in the meetings by telephone or video conference. In view of the covid-19 pandemic, this option had to be used again to a greater extent in the 2021 financial year, although this type of participation is usually the exception.

The Supervisory Board regularly assesses how effectively the Supervisory Board and its committees perform their duties. The results of the last externally moderated self-assessment in the 2020 financial year, which the Supervisory Board discussed in its meeting on 17 February 2021, once again confirm a professional, very good cooperation within the Supervisory Board and with the Board of Management that is characterised by a high degree of trust. No fundamental need for change has emerged. Independently of the self-assessment of the Supervisory Board, the Audit Committee also



carried out a self-evaluation of its activities again in 2021 on the basis of an extensive Company-specific questionnaire. The, again, very positive results of this self-assessment were presented and discussed at the Audit Committee meeting on 10 March 2022.

As at 31 December 2021, in addition to the Mediation Committee to be established by law, there are four other committees of the Supervisory Board that perform the tasks assigned to them in the name and on behalf of the of the Supervisory Board as a whole, to the extent permitted by law. The relevant committee chairpersons shall report on the work of the committees to the plenary meeting of the Supervisory Board at the latest at the next meeting of the Supervisory Board following the committee meeting. The Supervisory Board has adopted separate rules of procedure for all its committees. They are available on the internet at [group.mercedes-benz.com/company/corporate-governance](https://group.mercedes-benz.com/company/corporate-governance). Information on the composition of the committees is available at [group.mercedes-benz.com/company/corporate-governance/supervisory-board/committees.html](https://group.mercedes-benz.com/company/corporate-governance/supervisory-board/committees.html).

### **Presidential Committee**

The Presidential Committee consists of the Chairman of the Supervisory Board, the Deputy Chairman of the Supervisory Board, and two other members elected by the Supervisory Board. As from 31 December 2021, the Presidential Committee consists of Dr Bernd Pischetsrieder (Chairman), Michael Brecht (Deputy Chairman), Ben van Beurden, and Roman Zitzelsberger.

The Presidential Committee makes recommendations to the Supervisory Board for the appointment of members to the Board of Management, in consideration of the overall profile of requirements defined by the Supervisory Board with the diversity concept, including the requirements for the proportion of women on the Board of Management. It submits proposals to the Supervisory Board for the structure of the remuneration system for the Board of Management and for the appropriate individual total remuneration of the individual members of the Board of Management. The Presidential Committee is responsible for the contractual matters of the members of the Board of Management, it decides on the granting of approval for ancillary activities of members of the Board of Management, and once a year it submits

a complete list of the ancillary activities of each member of the Board of Management to the Supervisory Board for approval.

In addition, the Presidential Committee advises and decides on corporate governance issues, on which it also makes recommendations to the Supervisory Board. It supports and advises the Chairman of the Supervisory Board and his Deputy and prepares the meetings of the Supervisory Board within the scope of its responsibilities.

### **Nomination Committee**

The Nomination Committee consists of the Chairman of the Supervisory Board and two other members elected on the Supervisory Board by the shareholder representatives by a majority of the votes cast. As from 31 December 2021, they are Dr Bernd Pischetsrieder (Chairman of the Nomination Committee), Sari Baldauf, and Ben van Beurden. The Nomination Committee is the only committee of the Supervisory Board composed exclusively of shareholder representatives. It makes recommendations to the Supervisory Board for proposals to the Annual General Meeting for the election of shareholder representatives on the Supervisory Board. In this respect, it takes the statutory requirements for the equal participation of women and men in management positions into account, and strives to fulfil the overall profile of requirements for the Supervisory Board as a whole.

### **Audit Committee**

The Audit Committee consists of four members elected by the Supervisory Board by a majority of the votes cast. As from 31 December 2021, they are the shareholder representatives Dr Clemens Börsig (Chairman of the Audit Committee) and Olaf Koch as well as the employee representatives Michael Brecht (Deputy Chairman) and Ergun Lümali.

The members of the Audit Committee as a whole are very familiar with the industry in which the Company operates. Dr Clemens Börsig has special expertise in the field of accounting and specific knowledge and experience with regard to auditing and internal control procedures. This equally applies to Olaf Koch.

Both the Chairman of the Audit Committee, Dr Clemens Börsig, and the other shareholder representative on the Audit Committee, Olaf Koch, are independent. Further information on independence is summarised in the section on the overall profile of requirements for the composition of the Supervisory Board in this declaration on corporate governance.

The Audit Committee is responsible for monitoring the accounting and the accounting process, and for the audit of the financial statements, in particular the selection and independence of the auditor and the quality of the audit. At least once a year, it discusses the effectiveness and operation of the internal control and risk management system, the internal auditing system and the compliance management system with the Board of Management. It receives regular reports on the work of internal auditing and the compliance organisation. In accordance with the German Act on Strengthening Financial Market Integrity (FISG), which entered into force on 1 July 2021, each member of the Audit Committee may also obtain information directly from the heads of those corporate departments of the Company that are responsible within the Company for tasks relating to the Audit Committee in accordance with its Rules of Procedure via the Chairman of the Committee. The Chairman of the Committee shall communicate the information obtained to all members of the Audit Committee. If such information is obtained, the Board of Management shall be informed accordingly without delay.

At least quarterly, the Audit Committee receives the report of the BPO (Business Practices Office) whistle-blowing system on complaints and information on possible violations of the rules by top executives and other employees of a defined catalogue of statutory provisions. It regularly obtains information on the processing of the said complaints and information.

The Audit Committee discusses the interim financial reports with the Board of Management prior to their publication. On the basis of the opinion of the audit, the Audit Committee reviews the annual company financial statements, the annual consolidated financial statements, and the management report of the Company and the Group and discusses them together with the auditor. The Audit Committee submits its recommendations

regarding the adoption of the annual accounts of Mercedes-Benz Group AG, the approval of the consolidated annual accounts, and the proposal for the appropriation of profits to the Supervisory Board. The Committee also makes recommendations on the proposal of the Supervisory Board for the election of the auditor, assesses the suitability, qualifications, and independence of the auditor, and, after appointment by the Annual General Meeting, engages the auditor for the audit of the consolidated financial statements and the financial statements as well as for the review of interim financial reports. In this respect, it also agrees on the fee and determines the key areas of the audit. The auditor shall report to the Audit Committee on any and all accounting matters considered critical and on any material weaknesses in the internal control and risk management system relating to the accounting process identified during the audit.

Finally, the Audit Committee approves permissible services that the auditors or their affiliated companies perform for Mercedes-Benz Group AG or its Group companies and that are not directly related to the audit of the annual accounts in advance.

Transactions between the Company and related parties within the meaning of Section 111 b of the German Stock Corporation Act (AktG) require the prior approval of the Audit Committee, unless the law or a rule of the Supervisory Board stipulates that the approval of the plenary Supervisory Board or another committee is required.

### **Legal Affairs Committee**

The Committee is composed of six members elected by the Supervisory Board by a majority of the votes cast. As from 31 December 2021, the members of the Committee are the shareholder representatives Dr Clemens Börsig (Chairman), Olaf Koch, and Liz Centoni as well as the employee representatives Michael Brecht, Michael Häberle, and Ergun Lümalı. The Committee coordinates the exercising of the rights and obligations of the Supervisory Board with regard to the ongoing emission and cartel-related proceedings against the Company and Group companies. It prepares resolutions of the Supervisory Board in this regard and makes corresponding resolution recommendations. As part of the agreement in principle reached in 2020 with various US authorities to terminate civil and environmental proceedings in

connection with emission control systems of certain diesel vehicles, the Committee was assigned further tasks and decision-making competences with regard to the fulfilment of the obligations assumed in the agreement in principle. The said other tasks include, inter alia, the steering and monitoring of the Post Settlement Audit Teams that were set up in the context of the agreement in principle.

### **Mediation Committee**

By law, the Mediation Committee consists of the Chairman of the Supervisory Board, Dr Bernd Pischetsrieder, his Deputy, Michael Brecht, and two members elected by a majority of the votes cast, one by the employee representatives and one by the shareholder representatives on the Supervisory Board. As from 31 December 2021, they are Ben van Beurden for the shareholder side and Roman Zitzelsberger for the employee side. The Committee was established for the sole purpose of performing the task set out in Section 31 Subsection 3 of the German Co-Determination Act (MitbestG). As in previous years, the Mediation Committee had no reason to take action in the 2021 financial year.

### **German Act on the Equal Participation of Women and Men in Leadership Positions, as amended by the German Second Act on Leadership Positions**

The requirements of the German Equal Participation of Women and Men in Leadership Positions Act are to be fulfilled at the Company level.

The following information therefore relates to the Board of Management of Mercedes-Benz Group AG, two management levels of Mercedes-Benz Group AG below its Board of Management, and the Supervisory Board of Mercedes-Benz Group AG.

By resolution of 3 December 2020, the Supervisory Board of Mercedes-Benz Group AG set a target for the proportion of women on the Board of Management of 25% by 31 December 2025. In August 2021, the German Second Leadership Positions Act (FüPoG II) came into force. According to the said Act, at least one woman and at least one man must be a member of the Board of Management in listed companies with parity participation and more than three members on the Board of Management. This minimum participation requirement must be complied with as from 1 August 2022 when appointing individual or multiple members of the Board of Management. As from 31 December 2021, Renata Jungo Brüngger, Sabine Kohleisen, and Britta Seeger are three women on the Board of Management of Mercedes-Benz Group AG, which consists of a total of eight members, resulting in a female share of 37.5%.

With 11.8% of women at the first (2 women of a total of 17 executives) and 22.5% at the second level of management of Mercedes-Benz Group AG (16 women of a total of 71 executives) below the Board of Management at the time of the resolution, the Board of Management of Mercedes-Benz Group AG, by resolution dated 25 November 2020, set a target for the proportion of women at 20% for the first and 25% for the second level below the Board of Management by 31 December 2025. As at 31 December 2021, the first level of management of Mercedes-Benz Group AG below the Board of Management consists of 14 executives, one of whom is a woman, corresponding to a percentage of women of 7.1 % and at the second level of management of

Mercedes-Benz Group AG below the Board of Management, 14 out of a total of 56 executives are women as at 31 December 2021, corresponding to 25 %

The change in the total number of executives at the relevant management level of Mercedes-Benz Group AG between 25 November 2020 and 31 December 2021 is mainly due to the spin-off and hive-down of the Daimler commercial vehicles business that has meanwhile been carried out and the associated transfers to Daimler Truck AG. Because one woman from management level 1 has also made this change, the proportion of women at this level of Mercedes-Benz Group AG has fallen relatively sharply as of 31 December 2021 due to a small basic population.

Based on the assumption of a total of 14 executives at management level 1 of Mercedes-Benz Group AG as of 31 December 2025, the set target quota of 20% results in a target of 3 women for this level. Based on the assumption of a total of 56 executives at management level 2 of Mercedes-Benz Group AG as of 31 December 2025, the set target quota of 25% results in a target of 14 women for this level.

The Supervisory Boards of listed companies with equal representation must be composed of at least 30% women and at least 30% men. The quotas are to be met by the Supervisory Board as a whole. If the representatives of the shareholders or the representatives of the employees object to the Chairman of the Supervisory Board prior to the election then the minimum share for this election shall be fulfilled separately by the shareholders and the employees.

In the Supervisory Board of Mercedes-Benz Group AG, as of 31 December 2021, 30% of the members on the shareholder side (Sari Baldauf, Liz Centoni, and Professor Dr Helene Svahn) are women and 70% are men. The situation is the same on the employee side, with 30% women (Nadine Boguslawski, Monika Tielsch and Elke Tönjes-Werner) and 70% men. At its meeting on 23 February 2022, the Supervisory Board discussed the specific election proposals to be made at the 2022 Annual General Meeting and, on the recommendation of the Nomination Committee, resolved to propose to the 2022 Annual General Meeting that Dame Veronica Anne ("Polly") Courtice and Marco Gobbetti be elected to the

Supervisory Board for the first time. In the event of the election of the proposed candidates, the statutory quota for women remains fulfilled both on the shareholder side and for the Supervisory Board as a whole.

In addition to Mercedes-Benz Group AG itself, other Group companies are subject to co-determination and have set their own targets for the proportion of women on their respective Supervisory Boards and Boards of Management, and at the two levels below the Board of Management, as well as a deadline for achieving these targets, and have published them in accordance with the statutory requirements.

### **Overall profiles of requirements for the composition of the Board of Management and the Supervisory Board**

With regard to the composition of the Board of Management and the Supervisory Board, Mercedes-Benz Group AG pursues diversity concepts with regard to aspects such as age, gender, educational and professional background. The Supervisory Board has combined these diversity concepts with the requirements of the German Act on the Equal Participation of Women in Leadership Positions and other requirements regarding the competences of the members of the executive bodies in the overall profile of requirements for the Board of Management and the Supervisory Board described below. The profiles of requirements are reviewed annually and also serve as a basis for long-term succession planning.

#### **Board of Management**

The objective of the profile of requirements for the Board of Management is to ensure that the composition of the Board of Management is as diverse and complementary as possible. The Board of Management as a whole shall possess the knowledge, skills, and experience necessary for the proper performance of its duties and at the same time embody the desired management philosophy based on the various personal backgrounds and experiences of its members. The decisive factor for the decision on filling a specific board position is always the interest of the Company, taking any and all circumstances of the individual case into account.

The profile of requirements for the Board of Management in the reporting period specifically included the following aspects:

- The members of the Board of Management shall have diverse educational and professional backgrounds, preferably with at least two members with a technical background. As from 31 December 2021, the Board of Management comprises two graduate engineers, Markus Schäfer and Dr Jörg Burzer. Ola Källenius has demonstrated his technical expertise on a sustained basis since taking over the Group Research & Mercedes-Benz Cars Developmentm department on 1 January 2017.
- On 3 December 2020, the Supervisory Board set a target for the proportion of women on the Board of Management of 25% by 31 December 2025. In August 2021, the German Second Leadership Positions Act (FüPoG II) came into force. According to the said Act, at least one woman and at least one man must be a member of the Board of Management in listed companies with parity participation and more than three members on the Board of Management. This minimum participation requirement must be complied with as from 1 August 2022 when appointing individual or multiple members of the Board of Management. As from 31 December 2021, Renata Jungo Brüngger, Sabine Kohleisen, and Britta Seeger are three women on the Board of Management of the Company, which consists of a total of eight members, resulting in a female share of 37.5%.
- For the last possible age-related appointment or reappointment of a member of the Board of Management, the 62nd year of life generally serves as a guideline, which should not yet have been reached at the time of the beginning of a (new) term of office. Upon the determination of this age limit, the Supervisory Board deliberately opted for a flexible benchmark in order to preserve the necessary leeway for appropriate decisions in individual cases. As from 31 December 2021, all eight members of the Board of Management fall below this standard age limit.
- In addition, attention shall be paid to a sufficient generational mix among the members of the Board of Management, whereby, if possible, at least three members of the Board of Management shall be 57 years of age or younger at the beginning of the relevant term of office. This applies to all members of the Board of Management in office as from 31 December 2021, with the exception of Sabine Kohleisen, and Hubertus Troska.
- In the composition of the Board of Management, attention shall also be paid to internationality in the sense of different cultural backgrounds or international experience through several years of stays abroad, whereby, if possible, at least one member of the Board of Management shall be of international origin. Notwithstanding the many years of international experience of the vast majority of the members of the

Board of Management, this goal had already been achieved by 31 December 2021, simply because of the international origins of Ola Källenius and Renata Jungo Brüngger and the focus of Mr Troska's activities in China.

- As a rule, and subject to disclosure of a deviation in the annual Declaration of Compliance with the German Corporate Governance Code, members of the Board of Management shall not hold more than two mandates on Supervisory Boards in non-Group listed companies or comparable functions and shall not chair a Supervisory Board of a non-Group listed company. For the purpose of the profile of requirements, mandates on Supervisory Boards in joint ventures, the performance of which is part of the departmental responsibility of a member of the Board of Management, are not considered to be comparable functions.

Of the non-Group memberships of Supervisory Boards and other Supervisory Bodies held by Hubertus Troska, only BAIC Motor Corporation Ltd. is listed on the stock exchange. With the exception of the mandate at Beijing Foton Daimler Automotive Co., Ltd., his other mandates outside the Group are mandates within his departmental responsibility which, in the opinion of the Supervisory Board, do not pose any requirements comparable to mandates on supervisory boards of listed companies outside the Group in terms of the requirements profile. The same applies to the non-Group mandates of Markus Schäfer with the exception of the mandate at the listed Farasis Energy (Ganzhou) Co.

Of the non-Group memberships of Supervisory Boards and other Supervisory Bodies held by Britta Seeger, only Deutsche Lufthansa AG is listed on the stock exchange. In the opinion of the Supervisory Board, the other mandates outside the Group are mandates within the scope of their departmental responsibilities that, in terms of the profile of requirements, do not pose any demands comparable to a mandate on the Supervisory Board of a listed company outside the Group.

Renata Jungo Brüngger and Harald Wilhelm each hold two mandates on Supervisory Boards in non-Group listed companies, including Daimler Truck Holding AG.

They are also both members of the Supervisory Board of Daimler Truck AG, a wholly owned subsidiary of Daimler Truck Holding AG. The shareholder representatives on the Supervisory Boards of Daimler Truck Holding AG and Daimler Truck AG are identical. Against this background, in the opinion of the Supervisory Board, membership of the Supervisory Board of Daimler Truck AG does not impose any additional requirements comparable to the mandate at Daimler Truck Holding AG in terms of the profile of requirements. A deviation from the recommendation of the German Corporate Governance Code that members of boards of management of listed companies should not hold more than two mandates on supervisory boards in non-group listed companies or comparable functions and should not chair a supervisory board is stated and justified in the 2021 Declaration of Compliance, notwithstanding the assessments of the Supervisory Board for the purposes of the profile of requirements.

The criteria of the profile of requirements shall be taken into account when filling positions on the Board of Management. The Presidential Committee draws up a shortlist of available candidates on the basis of a target profile, taking the specific qualification requirements and the job profile into account, it conducts interviews with them, and it then submits a candidate proposal to the Supervisory Board together with the reasons for its recommendation for the decision-making. The decisive factor is always the interest of the Company, in consideration of any and all circumstances of the individual case.

In the view of the Supervisory Board, fundamental individual suitability criteria for a position on the Board of Management are, in particular, personality, integrity, convincing leadership qualities, professional qualifications for the department to be taken over, past performance, knowledge of the Company, and the ability to adapt business models and processes in a changing world.

Together with the Board of Management, the Supervisory Board also ensures long-term succession planning for the Board of Management, with due consideration of the profile of requirements and the circumstances of the individual case. The Presidential Committee of the Supervisory Board regularly discusses talents and

exceptional leaders of the Company. The contract terms and renewal options of current members of the Board of Management are discussed, as well as possible successors. On the basis of a potential analysis and in consideration of the criteria of the profile of requirements, executives from the management level below the Board of Management as well as special high potentials are assessed and next development steps are discussed and determined together with the Board of Management. The process of succession planning also includes regular reporting by the Board of Management on the proportion and development of female managers, especially at the first and second management levels below the Board of Management. The Board of Management is responsible for proposing a sufficient number of suitable candidates to the Supervisory Board. Mercedes-Benz Group AG aims to predominantly fill positions on the Board of Management with managers developed within the Company. Nevertheless, potential external candidates are also evaluated and included in the selection process on a case-by-case basis, with the support of external recruitment consultancy firms.

### Supervisory Board

The Supervisory Board as a whole must be familiar with the industry in which the Company operates.

The aim of the profile of requirements for the Supervisory Board entirety is also to ensure that the composition of the Supervisory Board is as diverse and complementary as possible. The Supervisory Board shall, as a whole, understand the business model of the Company and possess the knowledge, skills, and experience necessary to properly provide qualified supervision and advice to the Board of Management, in particular in the areas of technology, finance, accounting, auditing, risk management, internal control procedures, and compliance. Overall, the members of the Supervisory Board shall complement each other in terms of their expertise and professional experience in such a way that the Board as a whole can draw on the broadest possible pool of experience and diverse specialist knowledge. Furthermore, the Supervisory Board considers the diversity of its members in terms of age, gender, internationality, and other personal characteristics as an important prerequisite for an effective working relationship. The decision of the Supervisory Board on the election proposal to the Annual General Meeting shall

always be based on the interests of the Company, taking any and all circumstances of the individual case into account.

The profile of requirements for the Supervisory Board in the reporting period specifically included the following aspects:

- The members of the Supervisory Board should have different educational and professional backgrounds. At least five members should have an education or profession with a technical background or specific technological knowledge, for example in the areas of information technology (including digitalisation), chemistry, mechanical or electrical engineering. The composition should also take due account of the fact that it may be necessary to acquire new competences in the course of product and market developments. Notwithstanding the specific knowledge in the aforementioned areas acquired by many members of the Supervisory Board in other functions, as from 31 December 2021 five shareholder representatives and two employee representatives, namely Dr Bernd Pischetsrieder, Ben van Beurden, Dr Martin Bruder Müller, Liz Centoni, Prof. Dr Helene Svahn, Dr Frank Weber and Roman Zitzelsberger, have a relevant university degree. Three other employee representatives have completed relevant professional training.
- The gender ratio on the Supervisory Board complies with the statutory requirement of at least 30% women and 30% men. As from 31 December 2021, there are three women on both the side of the shareholders and the side of the employees. This puts the proportion of women on both sides and on the Supervisory Board as a whole at 30%.
- As a rule, only candidates who are not older than 72 years at the time of election shall be proposed for election as members of the Supervisory Board for a full term of office. Upon the establishment of this age limit, the Supervisory Board deliberately decided against a rigid maximum age limit and in favour of a flexible standard limit that preserves the necessary leeway for an appropriate assessment of the circumstances of the individual case, that defines the group of potential candidates in a sufficiently broad manner, and that also allows for re-election. None of the

members of the Supervisory Board in office on 31 December 2021 has exceeded the standard age limit at the time of their election.

- In addition, attention shall be paid to a sufficient generational mix amongst the members of the Supervisory Board. At least eight members of the Supervisory Board shall be no more than 62 years of age at the time of their election or re-election. Except for Dr Bernd Pischetsrieder and Dr Clemens Börsig, all other members of the Supervisory Board in office on 31 December 2021, i.e. 16 members, were aged 62 or younger at the time of their election for the current term of office.
- In order to ensure appropriate internationality, for example through many years of international experience, the Supervisory Board has set itself a target of at least 30% international shareholder representatives and a resulting quota of 15% in relation to the plenary board. Notwithstanding the many years of international experience of the vast majority of the shareholder representatives, this target had already been exceeded by 31 December 2021 with 50% on the side of the shareholders and thus 25% for the Supervisory Board as a whole, simply because of the international background of Bader Al Saad, Sari Baldauf, Ben van Beurden, Liz Centoni, and Professor Dr Helene Svahn.
- In order to ensure independent advice to and supervision of the Board of Management by the Supervisory Board, more than half of the shareholder representatives on the Supervisory Board shall be independent of the Company and the Board of Management, subject to the disclosure of a deviation from the corresponding recommendation of the German Corporate Governance Code in the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG). In this sense, the Supervisory Board may also include no more than two former members of the Board of Management of Mercedes-Benz Group AG and no members who hold corporate or management positions at significant competitors of the Company.

A shareholder representative on the Supervisory Board shall be independent of the Company and its Board of Management if they have no personal or

business relationship with the Company or its Board of Management that could give rise to a material and not merely temporary conflict of interests. The assessment of independence is incumbent on the shareholder representatives on the Supervisory Board themselves. In this respect, four indicators must be taken into account that may point to a lack of independence (membership of the Board of Management within the last two years prior to the appointment as a member of the Supervisory Board; significant business relationship with the Company or a company dependent on it, e.g., as a customer, supplier, lender or consultant; close family relationship to a member of the Board of Management; membership of the Supervisory Board for more than twelve years – all criteria related to both the member of the Supervisory Board and their close family members). However, the shareholder side is expressly at liberty to regard the member of the Supervisory Board in question as independent even if one or even several negative indicators are fulfilled – only this assessment should then be substantiated in the declaration on corporate governance.

On the basis of the information known today, the shareholder representatives are of the opinion that, even in consideration of the negative indicators pursuant to the German Corporate Governance Code that argue against independence, there are no specific indications of relevant personal or business relationships or circumstances on the part of any member of the Supervisory Board on the shareholder side, in particular with regard to the Company or members of the Board of Management, that could constitute a material and not merely temporary conflict of interests. In particular, the shareholder representatives Ben van Beurden, Dr Martin Bruder Müller, Liz Centoni, and Timotheus Höttges do not have any such material business relationship with Mercedes-Benz Group AG or any company dependent on Mercedes-Benz Group AG (e.g., as a supplier, customer, lender or consultant), either directly or in a responsible function of a company outside the Group. The purchasing volume of Mercedes-Benz from Shell, BASF, Cisco and Deutsche Telekom is very low. This also applies to the fleet business.



No member of the Supervisory Board holds board functions or performs advisory tasks for significant competitors. Since the retirement of Dr Manfred Bischoff at the end of the 2021 Annual General Meeting, no former member of the Board of Management has been a member of the Supervisory Board.

The independence of the shareholder representative Bader Al Saad was not affected by his membership of the Board of Management and the Executive Committee of the Board of Management of the Kuwait Investment Authority, which came to an end during the reporting period. The Kuwait Investment Authority is not a controlling shareholder that would require a de facto majority at the Annual General Meeting. Other circumstances that argue against the independence of Bader Al Saad are not apparent.

Neither the patent litigation between Mercedes-Benz and Nokia, which ended in the reporting period, nor other mandates held by Dr. Bernd Pischetsrieder could be seen as constituting a material and not merely temporary conflict of interest either in respect of Sari Baldauf or in respect of Dr Bernd Pischetsrieder.

The Chairman of the Audit Committee, Dr Clemens Börsig, and Sari Baldauf have been members of the Supervisory Board for more than 12 years. Nevertheless, the shareholder representatives on the Supervisory Board are convinced that both Sari Baldauf and Dr Clemens Börsig always maintained the necessary critical distance from the Board of Management of Mercedes-Benz Group AG during the reporting period, as well as the necessary clear, alert and critical view in their supervision of the Board of Management. Their conduct in office demonstrates that they fulfil their offices as members of the Supervisory Board and Chairman or member of committees of the Supervisory Board in an exemplary manner. In addition, their many years of experience and expertise are essential for the Supervisory Board to fulfil its role as a critical overseer and at the same time an authoritative and trustworthy advisor to the Board of Management. This especially applies to Dr Clemens Börsig in his function as Chairman of the Audit Committee and the Legal Affairs Committee. Under difficult economic conditions, it is of particular importance to secure

experience, procedural and corporate knowledge in these important committees for the benefit of stability and reliability. In addition, during the reporting period, Dr Clemens Börsig, with his special experience and expertise as well as his special knowledge of the Company, made extremely valuable and significant contributions to the monitoring of the spin-off of the commercial vehicles business (Project Focus) by the Audit Committee and the Supervisory Board.

As a result, according to the assessment of the shareholders' side, as from 31 December 2021, all shareholder representatives on the Supervisory Board are to be deemed to be independent, namely Dr Bernd Pischetsrieder, Bader M. Al Saad, Sari Baldauf, Ben van Beurden, Dr Clemens Börsig, Dr Martin Bruder-müller, Liz Centoni, Timotheus Höttges, Olaf Koch and Professor Dr Helene Svahn.

- As a rule, only candidates who have not already been members of the Supervisory Board for 12 years at the time of their (re-)election shall be proposed for election to the Supervisory Board for a full term of office. On 31 December 2021, this requirement is fulfilled for all members of the Supervisory Board in office.
- Each and every candidate and each and every member of the Supervisory Board must be able to devote the expected amount of time and must be willing and able to show substantive commitment and to take part in the necessary training and further education measures. The Supervisory Board shall assure itself prior to each and every nomination that the candidates in question are able to devote the time required for the office.
- As a rule and subject to disclosure of a deviation in the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG), members of the Board of Management of listed companies, including the mandate on the Supervisory Board of Mercedes-Benz Group AG, shall not hold more than two mandates on Supervisory Boards in listed companies outside the Group or comparable functions and shall not chair the Supervisory Boards of listed companies outside the Group; other members of the Supervisory Board shall, as a rule and subject to disclosure of a deviation in the Declaration of

Compliance, including the mandate on the Supervisory Board at Mercedes-Benz Group AG, not hold more than five mandates on supervisory boards at listed companies outside the Group or comparable functions, in the course of which chairmanship of a Supervisory Board counts twice. For the purposes of the profile of requirements, dual mandates of members of the Supervisory Board of Mercedes-Benz Group AG in other supervisory bodies within the Mercedes-Benz Group are not taken into account. The maximum number of mandates thus determined was not exceeded by any member of the Supervisory Board in office on 31 December 2021. Notwithstanding the above, the deviation from the recommendations of the German Corporate Governance Code on which the maximum number of mandates is based was reported and justified in the Declaration of Compliance of December 2021.

Proposals by the Supervisory Board for the election of shareholder representatives by the Annual General Meeting, for which the Nomination Committee makes recommendations, shall take the aspects outlined above into account and aim to fill the profile of requirements for the Board as a whole. The Nomination Committee shall draw up a short-list of available candidates on the basis of a target profile, taking the specific qualification requirements and the aforementioned criteria into account, hold structured discussions with them and, whilst doing so, also obtain assurances that the proposed candidate has sufficient time to be able to exercise the mandate with due diligence. Subsequently, the Nomination Committee submits a candidate proposal to the Supervisory Board together with the reasons for its recommendation for decision-making. The decision of the Supervisory Board on the election proposal to the Annual General Meeting shall always be based on the interests of the Company, taking any and all circumstances of the individual case into account.

The Supervisory Board candidates, Dame Veronica Anne (“Polly”) Courtice and Marco Gobbetti, who are to be proposed for election for the first time at the 2022 Annual General Meeting, fulfill and enhance the requirements profile for the Supervisory Board:

Dame Polly Courtice, Former Director of the University of Cambridge Institute for Sustainability Leadership, has a Master’s degree in history and long-standing experience in the area of ESG. Marco Gobbetti, Chief Executive Officer of Salvatore Ferragamo S.p.A., has a Master’s degree in International Management and business experience in the luxury-goods industry. The Company’s goal of gaining new competencies in the field of product and market developments is impressively fulfilled by both candidates. With the election of Dame Polly Courtice, the legal gender quota of 30% women will remain fulfilled. Both candidates are under 72 years of age and have extensive international experience. Furthermore, Dame Polly Courtice and Marco Gobbetti are of international origin. Thus, if the candidates are elected, the target of 30% international shareholder representatives would be even more surpassed than it is today.

Both proposed candidates are independent of the Company and its Board of Management, and neither candidate stands in a personal or business relationship with the Company, or with a company dependent on it or its Board of Management (e.g., as a customer, supplier, finance provider or advisor) that could justify a not only temporary conflict of interests. In addition to his function as Chief Executive Officer of the listed company Salvatore Ferragamo S.p.A., Marco Gobbetti is a member of the Board of Directors of the listed company Springplace One Ltd. However, apart from the proposed mandate as member of the Supervisory Board of Mercedes-Benz Group AG, he does not hold any supervisory board mandates or other comparable functions in any other non-Group listed companies. Dame Polly Courtice is a member of the Board of Directors of the listed company Jupiter Green Investment Trust PLC and of the non-listed company Anglian Water Services Ltd., but does not hold any other comparable mandates apart from the proposed mandate as member of the Supervisory Board of Mercedes-Benz Group AG. Both candidates are therefore below the upper limit of mandates specified in the requirements profile. Finally, the Supervisory Board has also ensured that the candidates are able to spend the required time on their work in the Supervisory Board at Mercedes-Benz Group AG and are willing and able to be engaged in the work and take part in any required training and further-training activities.

The terms of office of the shareholder representatives on the Supervisory Board of Mercedes-Benz Group AG end at different times (“staggered board”). Every year, the Annual General Meeting elects one or more shareholder representatives. On the one hand, the staggered board opens up the possibility of adapting the composition of the Supervisory Board more flexibly to a changing environment. On the other hand, it facilitates the search for suitable candidates because not all seats on the shareholder side have to be filled at a single Annual General Meeting. The Nomination Committee of the Supervisory Board regularly reviews which mandates end at which point in time and whether the relevant mandate holders are eligible and willing to serve a further term of office, taking the aforementioned criteria into account. In the search for new candidates, the Nomination Committee relies on independent external recruitment consultancy services.

## Shareholders and Annual General Meeting

The shareholders exercise their membership rights, in particular their voting rights, at the Annual General Meeting. Each and every share of Mercedes-Benz Group AG entitles to one vote. Documents and information about the Annual General Meeting are available at [group.mercedes-benz.com/am](https://group.mercedes-benz.com/am).

As part of our comprehensive investor relations and public relations work, we are in close contact with our shareholders. We inform shareholders, financial analysts, shareholder associations, the media, and the interested public comprehensively and regularly about the situation of the Company and inform them immediately of any significant changes in the business. The Chairman of the Supervisory Board is also prepared, within reason, to hold discussions with investors on topics specific to the Supervisory Board.

In addition to other communication channels, we make intensive use of the website of the Company for our investor relations work. All key information published in the 2021 financial year, including annual, quarterly and half-yearly financial reports, press releases, voting rights notifications by major shareholders, presentations and audio recordings from analyst and investor events and conference calls, as well as the financial calendar, are available at [group.mercedes-benz.com/investors](https://group.mercedes-benz.com/investors). The dates of important publications, such as the annual report and interim financial reports, as well as the dates of the Annual General Meeting, the annual press conference and analysts' conferences are announced well in advance in the financial calendar.