

## Declaration of Corporate Governance pursuant to § 289 a HGB for the 2015 Financial Year

**Good Corporate Governance is a required prerequisite and an expression of responsible corporate management.** The Board of Management and the Supervisory Board endeavor to guide corporate management and corporate supervision in accordance with nationally and internationally standards with a view to ensuring sustainable value creation and the long-term success of our tradition-rich company.

In addition to the following Declaration of Corporate Governance pursuant to § 289a HGB for the 2015 financial year, information about Corporate Governance at Daimler AG is also available in the Corporate Governance Report provided on pages 188ff of the 2015 Annual Report. The Annual Report and the Declaration of Corporate Governance can be accessed from February 18, 2016 on the Internet home page of the company under

**<http://www.daimler.com/investors/reports/>.**

The disclosures pursuant to § 289a HGB are provided in the combined Management Report of Daimler AG and the Group, but must not be included in the annual audit pursuant to § 317 (2) 2 sentence 3 HGB.

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

Daimler AG has observed the recommendations of the German Corporate Governance Code in the version of May 5, 2015 since the Code's publication by the Federal Ministry of Justice in the official section of the Federal Gazette on June 12, 2015, with the exception of Clause 3.8 Paragraph 3 (D & O Insurance deductible for the Supervisory Board) and a precautionary disclosure of a deviation from Clause 5.4.1 Paragraph 2 (Specific objectives for the composition of the Supervisory Board), and will continue to observe the recommendations in with the aforesaid deviations in the future. Since the submission of the previous year's Compliance Declaration in December 2014, Daimler AG has observed the recommendation of the German Corporate Governance Code in the version of June 24, 2014 published on September 30, 2014 with the aforesaid exceptions.

**D&O insurance deductible for the Supervisory Board (Clause 3.8 Paragraph 3).** As in previous years, the Directors & Officers Insurance (D&O insurance) for the members of the Supervisory Board contains a provision for a self-deductible, which is appropriate in the view of Daimler AG. However, this deductible does not correspond to the legally required self-deductible for members of the Board of Management in the amount of at least 10 percent of damages up to a minimum of one-and-a-half- times the fixed annual remuneration. Since the remuneration structure for the Supervisory Board is limited to a fixed, function-related remuneration without profit-sharing components, a self-deductible equal to one-an-a-half times the fixed annual remuneration of members of the Supervisory Board would have a disproportionate economic effect compared to that for the members of the Board of Management, whose remuneration consists of fixed and performance-based components.

**Specific objectives for the composition of the Supervisory Board (Clause 5.4.1 Paragraph 2).** The Supervisory Board has limited the target objectives for its composition with respect to the number of independent members of the Supervisory Board and the consideration of potential conflicts of interests to the appointments for the shareholders' side in light of the German Co-Determination Act and due to the lack of influence on the appointments on the employee representatives's side.

The recommendation for determination of a regulatory limit for the maximum duration of membership in the Supervisory Board, which is included in in Clause 5.4.1 Paragraph 2 of the new version of the German Corporate Governance Code of May 5, 2015, was observed by Daimler AG after the establishment of the regulatory limit for the maximum duration of membership in the Supervisory Board with a Supervisory Board Resolution dated December 9, 2015.

Stuttgart, December 2015

For the Supervisory Board  
Dr. Manfred Bischoff  
Chairman

For the Board of Management  
Dr. Dieter Zetsche  
Chairman

### **Relevant disclosures on management practices extending beyond the legal requirements**

**German Corporate Governance Code.** With the exception of the deviations named and justified in the Compliance Declaration of December 2015, Daimler AG has maintained ongoing compliance with the recommendations of the German Corporate Governance Code. The Compliance Declaration is printed on **p. 187** of the Annual Report and can be accessed via the Internet page of the company under **[www.daimler.com/company/corporate-governance/declarations/](http://www.daimler.com/company/corporate-governance/declarations/)**, where non-current compliance declarations for the last five years, as well as the current version of the German Corporate Governance Code are also available.

Daimler AG has observed the recommendations of the current Code with only one exception: In a departure from the suggestion in Clause 2.3.3, according to which the shareholders are to be given the possibility to watch the Annual Meeting of the Shareholders via modern communication media like the Internet, the Annual Meeting of the Shareholders of Daimler AG will not be transmitted on the Internet in its entirety, but only until the end of the report of the Board of Management in order to protect the nature of the Annual Meeting of the Shareholders as a physical assembly of our shareholders. Moreover, a more extensive transmission, in particular of shareholders' statements, could obstruct the discussion between shareholders and management and be construed as an unjustified infringement into the shareholders' personal sphere. In due consideration of the above, the privacy right of the shareholders is not automatically subordinated to the interests underlying the transmission as demonstrated by the legal requirement for the provision of a policy rationale for the full broadcast in the Articles of Incorporation or Rules of Procedure for the Annual Meeting of the Shareholders.

**Our principles of good conduct.** Other standards of good corporate governance applied across our company that extend beyond the legal requirements are our standards of business conduct, which are comprised of various documents and policies and are based on the corporate values of passion, respect, integrity and discipline. With these standards, Daimler AG has created the guidance framework for ethical conducts in conformity with the regulations.

**Integrity Code.** The Integrity Code defines the principles and guidelines for ethical conduct, which apply in the daily operations of Daimler AG with respect to interpersonal conduct within the company, as well as to the relationships with customers and business partners. Fairness, responsibility and respect for laws and rights are key principles in this context. The Integrity Code is based on a shared understanding of values that was developed jointly with employees. In addition to general principles of behavior, the Integrity Code also contains requirements and regulations concerning the protection of human rights and the handling of conflicts of interest, and prohibits corruption in any form.

The »Principles of Social Responsibility« are also a part of the Integrity Code and are binding for the entire group. In them Daimler pledges to observe the principles of the UN Global Compact and, accordingly, internationally recognized human and employee rights, such as the ban on child labor and forced labor, freedom of association, and sustainable protection of the environment. In addition, Daimler AG pledges to observe equal opportunity and to comply with the principle of »equal pay for equal work«. The Integrity Code is available on the Internet under [www.daimler.com/documents/sustainability/integrity/daimler-integritycode.pdf](http://www.daimler.com/documents/sustainability/integrity/daimler-integritycode.pdf).

**Expectations of our Business Partners.** For Daimler, ethical conduct is a basic prerequisite for trusting cooperation. In selecting our direct business partners, we make sure that they comply with the law and follow ethical principles. With regard to the expectations on our business principles see also <http://www.daimler.com/sustainability/integrity/business-relationships.html>

## **Description of the mode of operation of the Board of Management and the Supervisory Board and the composition and mode of operation of their committees**

**Board of Management.** Information about areas of responsibility and curriculum vitae of the members of the Board of Management are provided on the Internet under [www.daimler.com/company/corporate-governance/board-of-management](http://www.daimler.com/company/corporate-governance/board-of-management).

Information about the members of the Board of Management and their areas of responsibility is also provided on **pp. 46 f.** of the Annual Report. A description of the duties and mode of operation of the Board of Management is provided in the Corporate Governance Report on pages 188ff of the 2015 Annual Report, which can be accessed from February 18, 2016 on the Internet home page of the company under <http://www.daimler.com/investors/reports>.

The Board of Management has given itself Rules of Procedures, presented on the Internet under <http://www.daimler.com/company/corporate-governance/>, which regulate the official procedure to be observed for the passing of resolutions and contain provisions for the prevention of conflicts of interest. The Board of Management has not formed any committees.

**Supervisory Board.** Information about the individual members of the Supervisory Board is provided on the Internet under [www.daimler.com/company/corporate-governance/supervisory-board/](http://www.daimler.com/company/corporate-governance/supervisory-board/) and on **pp. 54 f.** of the Annual Report. A description of the duties and mode of operation of the Supervisory Board is provided in the Corporate Governance Report on pages 188ff of the 2015 Annual Report, which can be accessed from February 18, 2016 on the home page of the company under <http://www.daimler.com/investors/reports/annual-reports/>.

The Supervisory Board has given itself Rules of Procedure, which regulate its duties and areas of responsibility, as well as the personal requirements for its members, in particular with respect to the convening and preparation of its meetings and the resolution-making procedure. The Rules of Procedure of the Supervisory Board are provided on the Internet under [www.daimler.com/documents/company/corporate-governance/supervisory-board/daimler-rop-sb-2015-internet-as-per-december-en-201.pdf](http://www.daimler.com/documents/company/corporate-governance/supervisory-board/daimler-rop-sb-2015-internet-as-per-december-en-201.pdf)

The report of the Supervisory Report on the 2015 financial year is printed on **pp. 48 ff.** of the Annual Report and can be accessed on the Internet under [www.daimler.com/documents/investors/berichte/geschaeftsberichte/daimler/daimler-ar2014-reportsupervisoryboard-en-2015.pdf](http://www.daimler.com/documents/investors/berichte/geschaeftsberichte/daimler/daimler-ar2014-reportsupervisoryboard-en-2015.pdf).

**Composition and Mode of Operation of Supervisory Board Committees.** The Supervisory Board has formed four committees, which perform their mandated tasks in the name of and as representatives of the entire Supervisory Board, to the extent legally permitted: The Presidential Committee, the Nomination Committee, the Audit Committee and the Mediation Committee, which is required to be established by law. The respective Committee Chairmen report on the work of the committees to the Supervisory Board plenum at the latest in the Supervisory Board meeting, which follows the respective committee meeting. The Supervisory Board has issued Rules of Procedure for all of its committees. These are provided on the Internet under <http://www.daimler.com/company/corporate-governance/> along with information about the current composition of the committees under <http://www.daimler.com/company/corporate-governance/supervisory-board/committees.html>, which is also presented on **p. 55** of the Annual Report.

#### **Determination of target objectives for the quota of women in the Board of Management and at the two management levels below the Board of Management; Disclosure on compliance with the gender quota in the Supervisory Board**

The Law for Equal Participation of Women and Men in Leadership Positions, which entered into force on May 1, 2015, stipulates that the Supervisory Board of listed companies or companies subject to co-determination must set a target objective for the quota of women in their Management Board. For its part, the Board of Management of such companies must set the quota of women for the two management levels below the Board of Management. If women make up less than 30% at the time the quotas are determined by the Board of Management and the Supervisory Board, the target objectives may no longer be lower than the already achieved quotas. Concomitant with the determination of the target objectives, periods for their fulfillment that may not extend beyond five years must also be determined. For the first time, the target objectives had to be set at the latest by September 30, 2015 with periods for fulfillment until June 30, 2017 at the latest.

In fulfillment of this legal obligation, with a resolution concerning the composition of the Board of Management dated April 28, 2015 the Supervisory Board of Daimler AG determined a target objective for 12.5% representation of women in the Board of Management of Daimler AG in accordance with the existing status quo at the time of the resolution, and set the deadline for its fulfillment at December 31, 2016. Dr. Christine Hohmann-Dennhardt left the Board of Management as of December 31, 2015 and was succeeded by Renata Jungo Brüngger with effect from January 1, 2016. Consequently, the quota of women in the Board of Management continues to be 12.5%.

With a Resolution dated June 23, 2015, and an established fulfillment period until December 31, 2016, the Board of Management set the quota for the first management level below the Board of Management of Daimler AG at 6.5% (given a status quo of 5.3% as of the resolution date) and at 10.0% for the second management level below the Board of Management (given a status quo of 9.9%) as target objectives for the quota of women.

For co-determined Supervisory Boards with equal representation like the Supervisory Board of Daimler AG, the law for equal representation of women and men in leadership positions sets a binding quota of at least 30% women for new appointments from 2016. The quota must be achieved by the Supervisory Board in its entirety. If the side of the shareholders or employee representatives submits an objection to the combined fulfillment to the Chairman of the Supervisory Board, the minimum quota for that election must be fulfilled separately by the side of the shareholders and the side of the employees.

In the Supervisory Board of Daimler AG, as of December 31, 2015, the shareholders' side was represented by 30% women with Sari Baldauf, Andrea Jung and Petraea Heynike. As of the same date, the employees' side was represented by 20% women with Dr. Sabine Maaßen and Elke Tönjes-Werner. In its meeting on October 1, 2015, the Supervisory Board addressed specific election proposals for the Annual Meeting of the Shareholders in 2016 and against this background deliberated that the shareholders' side and employees' side should fulfill the legally required quota of women separately. In this context, the shareholder representatives announced that they objected to the combined fulfillment of the legal gender quota. After that the Supervisory Board decided to again propose Dr. Manfred Bischoff and Petraea Heynike for election to the Supervisory Board to the Annual Meeting of the Shareholders in 2016. In the event of their being elected, the legal gender quota would continue to be fulfilled on the shareholders' side. The next election of employee representatives to the Supervisory Board will be held in the year 2018.