

DAIMLER

Invitation
Virtual Annual Meeting
08.07.2020



Key Figures

Daimler Group			
	2019	2018	19/18
€ amounts in millions			% change
Revenue	172,745	167,362	+3 ¹
Investment in property, plant and equipment	7,199	7,534	-4
Research and development expenditure	9,662	9,107	+6
Free cash flow of the industrial business	1,368	2,898	-53
EBIT	4,329	11,132	-61
Net profit	2,709	7,582	-64
Earnings per share (in €)	2.22	6.78	-67
Dividend per share (in €)	0.90	3.25	-72
Employees (December 31)	298,655	298,683	-0

1 Adjusted for the effects of currency translation, revenue increased by 2%.

Cover photo

VISION EQS provides a preview of future large electric luxury sedans. With this vehicle, Mercedes-Benz is making a clear statement for the continued appeal of high-quality vehicles and self-determined driving. We are convinced that perfect craftsmanship, emotive design, luxurious materials and individual driving pleasure will remain desirable in the future. Because the idea of luxury – today and in the future – stands above all for personal freedom. With the VISION EQS technology carrier, Mercedes-Benz is focusing on a completely new, fully variable battery-electric drive platform. It is scalable in many respects and can be used across many models. Thanks to the modular system, wheelbase and track width as well as all other system components, especially the batteries, are variable and thus suitable for a broad range of vehicle concepts.

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Daimler AG, Stuttgart

We herewith invite our shareholders to the
of the virtual Annual Meeting of Daimler AG
on Wednesday, July 8, 2020 at 10:00 a.m.*

In accordance with the Act on Measures in Corporate, Co-operative, Association, Foundation and Home Ownership Law to Combat the Effects of the COVID 19 Pandemic (*Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie – COVID-19 Act*), which entered into force on March 28, 2020, the Annual General Meeting is held **exclusively as a virtual General Meeting without the physical presence of shareholders or their proxies** (with the exception of the Company's voting proxies). The virtual General Meeting is transmitted in full for shareholders entered in the share register from the Mercedes-Benz Global Training Center, Hauptstraße 31, 70563 Stuttgart, via the e-service for shareholders at

 <https://register.daimler.com>

and broadcast audiovisually online. The introductory statement of the Chairman of the Supervisory Board and the speech by the Chairman of the Board of Management can also be followed by the interested public online at  www.daimler.com/ir/am2020.

Agenda

1. **Presentation of the adopted annual financial statements of Daimler AG, the approved consolidated financial statements, the combined management report for Daimler AG and the Group and the report of the Supervisory Board for the 2019 financial year**

The aforementioned documents also include the explanatory report on the information required pursuant to Section 289a, Subsection 1 and Section 315a, Subsection 1 of the German Commercial Code (*Handelsgesetzbuch*) and the remuneration report. With the exception of the annual financial statements of Daimler AG, the aforementioned documents as well as the separate summarized non-financial report for the company and the Group are contained in the 2019 annual report. The annual report and annual financial statements of the Daimler AG are available at  www.daimler.com/ir/am2020.

The Supervisory Board has approved the annual financial statements and the consolidated financial statements as of December 31, 2019 prepared by the Board of Management; the annual financial statements are thereby adopted. In accordance with the statutory provisions, the Agenda does therefore not provide for a shareholders' resolution in relation to Item 1.

* Convenience Translation, the German text is legally binding, all time specifications referring to local German time

2. Resolution on the allocation of distributable profit

The Board of Management and the Supervisory Board propose that the distributable profit of the 2019 financial year in the amount of €962,853,702.30 be allocated as follows:

Dividend distribution of €0.90 for each no-par value share entitled to dividends	€962,853,702.30
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Pursuant to Section 58, Subsection 4, Sentence 2 of the German Stock Corporation Act (*Aktiengesetz*), the claim to payment of the dividends is due on the third business day following the Annual Meeting, therefore on July 13, 2020.

In the event that the Company directly or indirectly holds any treasury shares at the date of the Annual Meeting, that are not entitled to a dividend pursuant to Section 71b of the German Stock Corporation Act (*Aktiengesetz*), it is recommended to the Annual Meeting that with an unchanged dividend of €0.90 per no-par value share entitled to dividends the portion of the distributable profit attributable to no-par value shares not entitled to dividends shall be transferred to retained earnings.

3. Resolution on ratification of Management Board members' actions in the 2019 financial year

The Board of Management and the Supervisory Board propose that the actions of the Board of Management members who were in office in the 2019 financial year be ratified for that period.

4. Resolution on ratification of Supervisory Board members' actions in the 2019 financial year

The Board of Management and the Supervisory Board propose that the actions of the Supervisory Board members who were in office in the 2019 financial year be ratified for that period.

5. Resolution on the appointment of the auditor for the annual financial statements and the auditor for the consolidated financial statements

- a) Based on the recommendation of the Audit Committee (*Prüfungsausschuss*), the Supervisory Board proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, be appointed as the auditor for the annual financial statements, the auditor for the consolidated financial statements and the auditor for the review of the interim financial reports for the 2020 financial year.
- b) Based on the recommendation of the Audit Committee (*Prüfungsausschuss*), the Supervisory Board proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, be appointed as the auditor for the review of the interim financial reports for the 2021 financial year in the period until the next Annual Meeting of the Shareholders in the 2021 financial year.

The Audit Committee (*Prüfungsausschuss*) declared in its recommendation that such recommendation is free from undue influence by third parties and that no clause of the kind referred to in Article 16(6) of the EU Auditors' Regulation (*Abschlussprüferverordnung*) has been imposed upon it (Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC).

6. Resolution on the approval of the remuneration system for the members of the Board of Management

Pursuant to Section 120, Subsection 4 of the German Stock Corporation Act (*Aktiengesetz*) in its previous version, the Annual Meeting may resolve on the approval of the remuneration system for the members of the Board of Management. The remuneration system for the members of the Board of Management existing up to and including 2019 was approved by the Annual Meeting of May 22, 2019.

The Act Implementing the Second Shareholders' Rights Directive ("ARUG II"), which was announced in the Federal Law Gazette on December 19, 2019, deletes Section 120, Subsection 4 of the German Stock Corporation Act (*Aktiengesetz*) and introduces a new Section 120a of the German Stock Corporation Act (*Aktiengesetz*). Section 120a, Subsection 1 of the German Stock Corporation Act (*Aktiengesetz*) stipulates that in the event of any significant change, but at least every four years, the annual meeting of the listed company shall resolve on the approval of the remuneration system for the members of the Board of Management, which has been adopted by the Supervisory Board in accordance with the provisions of the also new Section 87a of the German Stock Corporation Act (*Aktiengesetz*) and presented to the Annual Meeting. In accordance with the transitional provisions of ARUG II, the first-time resolution of the Supervisory Board pursuant to Section 87a, Subsection 1 of the German Stock Corporation Act (*Aktiengesetz*) on the Board of Management remuneration system and the first-time resolution of the annual meeting pursuant to Section 120a, Subsection 1 of the German Stock Corporation Act (*Aktiengesetz*) on its approval must be made for the first time by the end of the first Annual Meeting following December 31, 2020.

As the Supervisory Board has resolved changes to the remuneration system for the members of the Board of Management with effect from January 1, 2020, taking into account the requirements of Section 87a, Subsection 1 of the German Stock Corporation Act (*Aktiengesetz*), this amended remuneration system will be voluntarily submitted to the annual meeting 2020 for approval.

Based on the recommendation of the Presidential Committee (*Präsidialausschuss*), the Supervisory Board proposes to approve the remuneration system for members of the Board of Management of Daimler AG described below, which has been adopted with effect from January 1, 2020.

A. Principles of the remuneration system

The automotive industry is changing profoundly and very dynamically. Sustainability and, in particular, climate protection are among the most pressing issues of our time. We are convinced that individual mobility will continue to be a basic human need in the coming decades, and that the market for sustainable luxury in the automotive sector will continue to grow. The demand for goods transport remains a key pillar of the economy and our prosperity, and this demand can be expected to increase even further around the globe in the long term. The market for financial services and the demand for fleet management services and digital mobility solutions are also likely to develop positively.

In fulfilling our Group's purpose to provide mobility for people and goods at a high-level, we pursue the following aims:

- making mobility and the transport of goods more sustainable
- continue to grow in our core business
- implementing electric driving with priority in all divisions
- launching automated and autonomous driving and mobility services with a focus on customer benefit and profitability

- further promote digitalization and exploit its potential
- supporting this transformation with a corporate culture that is approved and enhanced by our employees and that makes us more agile and faster while also increasing our pace of innovation.

The customer and sustainability always form the center of our activities as an integral part of our strategy. Achieving our financial targets is a key condition for all activities.

Our processes and our organization focus on our customers and we take sustainability/Environment Social Governance (ESG) aspects into account as we work with and for our customers to develop the best product and the best solution for their mobility and transportation needs.

The remuneration system for our Board of Management contributes significantly to the promotion of our business strategy as well as to the long-term and sustainable development of the Company. It creates incentives for achieving the above-mentioned strategic goals, helps to interlink them, and effectively encourages the long-term value-creating development of the Group while taking into account the interests of shareholders, customers, employees and other stakeholders.

In addition to ensuring the appropriateness of the remuneration with regard to both performance and market practice while taking into account the size, complexity and economic situation of the Group, there is a strong focus on consistency of the remuneration system for the Board of Management with the remuneration system for the management team. The latter ensures that all decision-makers pursue uniform goals while taking the same financial and sustainability/Environment Social Governance (ESG) aspects into account and promoting Daimler's cultural and organizational realignment.

For this reason, the annual bonus is structured as a short and medium-term variable remuneration component for the Board of Management and the managers in accordance with uniform performance criteria and a uniform system. The long-term variable remuneration component – currently the Performance Phantom Share Plan (PPSP) – is also synchronized.

In principle, the Supervisory Board orients itself by the following guidelines when determining the amount of remuneration and the remuneration system:

Remuneration guidelines

In its entirety, the remuneration system greatly promotes the business strategy.

The remuneration system and the performance criteria of the variable components create incentives for the Group's long-term and sustainable development.

The remuneration system plays a key role in linking the interests of the shareholders, the customers, the employees and other stakeholders.

The performance of the Board of Management members is appropriately taken into account in the variable remuneration components by adequate and ambitious performance criteria (pay for performance).

In measuring the performance of the Board of Management, all of the variable remuneration components take relevant competitors into consideration in order to implement an additional relative performance measurement and provide incentives for outperforming the competition.

The Supervisory Board makes sure that the Board of Management remuneration system and that of the senior executives sets equally focused incentives (consistency of the remuneration systems).

The design of the remuneration system takes the current market standards into account.

The remuneration system for the Board of Management is designed in a clear and comprehensible way. It complies with the requirements of Section 87a of the German Stock Corporation Act (*Aktiengesetz*), as amended by the act for the implementation of the Second Shareholders' Rights Directive as well as the recommendations of the German Corporate Governance Code (DCGK) to the extent that no deviation from these recommendations is expressly declared. The aim of the Supervisory Board is to provide the Board of Management members with a competitive remuneration package in line with market conditions and within the scope of this regulatory framework.

B. Process for determining, reviewing and implementing the remuneration system

Pursuant to Section 87, Subsection 1 of the German Stock Corporation Act (*Aktiengesetz*), remuneration is determined by the Supervisory Board. In this activity, the Supervisory Board is supported by the Presidential Committee. The Presidential Committee develops recommendations for the remuneration system for the Board of Management, taking into account the principles mentioned in Section A above as well as the recommendations of the DCGK in its applicable version. The recommendations of the Presidential Committee are intensively discussed and resolved by the Supervisory Board. If necessary, the Presidential Committee and the Supervisory Board can make use of the advice of external remuneration experts, who are rotated from time to time. In doing so, their independence from the Board of Management and the Group is ensured and the submission of a confirmation of independence is required. In handling conflicts of interest of the Supervisory Board members, we also comply with the recommendation of the DCGK and the rules of procedure of the Supervisory Board and its committees when determining, reviewing and implementing the remuneration system. Conflicts of interest have to be disclosed to the Supervisory Board, which, in turn, has to report them and their handling to the Annual Meeting. In case of a conflict of interest, the concerned Supervisory Board or committee member does not take part in the discussion or vote on that matter in the Supervisory Board/Presidential Committee.

The remuneration system agreed upon by the Supervisory Board is submitted to the Annual Meeting for approval.

Based on the preparations and recommendations of the Presidential Committee, the Supervisory Board regularly reviews the remuneration system for the Board of Management. The Supervisory Board makes any changes that are deemed necessary. If major changes are made to the remuneration system, but at least every four years, it is submitted to the Annual Meeting for approval.

If the Annual Meeting does not approve the remuneration system, a revised remuneration system has to be submitted for approval at the latest at the next ordinary Annual Meeting.

C. Determination of the specific target total remuneration (structure and amount)

On the basis of the remuneration system, the Supervisory Board determines the amount of the target total remuneration of the individual Board of Management members for the upcoming financial year. This is set in an adequate proportion to the responsibilities and performances of the Board of Management member and to the situation of the Group. In addition, the Supervisory Board makes sure that the target total remuneration is in line with the market. For this purpose, it uses a horizontal as well as a vertical comparison.

C.1 Horizontal comparison

For the horizontal – external – comparison of the target total remuneration, a group of companies that have a comparable market position to Daimler's (especially with regard to sector, size and country) and considers DAX companies as well as comparable other German companies and a group of international competitors consisting of listed automotive manufacturers is used.

C.2 Vertical comparison

In addition to the horizontal comparison, the Supervisory Board takes into account the development of the remuneration of the Board of Management in a vertical – internal – comparison with the remuneration of the senior executives and the total workforce (collective and non-collective pay-scale employees, including senior executives) of the Daimler Group in Germany. This is done by comparing the ratio of the remuneration of the Board of Management with the remuneration of the defined groups of persons. In addition, the comparison between the ratio of the remuneration of the Board of Management with that of the total workforce is also made with DAX-listed and comparable companies.

For this purpose, the Supervisory Board has defined the group of senior executives as follows: It consists of the two management levels below the Board of Management at Daimler AG within the Daimler Group in Germany.

In the event of significant shifts in the relation between the remuneration of the Board of Management and of the comparison groups, the Supervisory Board examines the causes, and if there are no objective reasons, adjusts the remuneration of the Board of Management if necessary.

C.3 Differentiation according to the different requirements for the individual executive divisions

The remuneration system gives the Supervisory Board the flexibility to take into consideration the function and area of responsibility of the individual Board of Management member when determining the target total remuneration. The system allows for function-specific differentiations— for example, for the Chairman of the Board of Management and for the Board of Management member responsible for the Finance division – at the dutiful discretion of the Supervisory Board, also taking into consideration criteria such as international office location and the member's experience as well as the length of time the member has served on the Board of Management.

C.4 Components of the target total remuneration

The remuneration system generally consists of fixed non-performance-related and variable performance-related remuneration components, the sum of which determines the total remuneration a Board of Management member receives.

The fixed non-performance-related remuneration consists of the base salary, the fringe benefits, which may vary each year based on the individual and certain events, and the retirement benefit commitments of each Board of Management member. The annual contribution for the retirement commitment is calculated from the sum of the base salary and the total annual bonus as determined at the end of the reporting period.

The variable performance-related remuneration, in turn, is divided into a short- and medium-term variable remuneration (annual bonus) and a long-term variable remuneration (Performance Phantom Share Plan (PPSP)). For each financial year, the Supervisory Board links the variable remuneration components to targets derived from the strategy. The degree to which these targets are achieved determines the amount actually paid out.

In addition, the Supervisory Board specifies for each financial year a so-called target bonus for the annual bonus based on 100% target achievement and sets an amount that is granted for the PPSP.

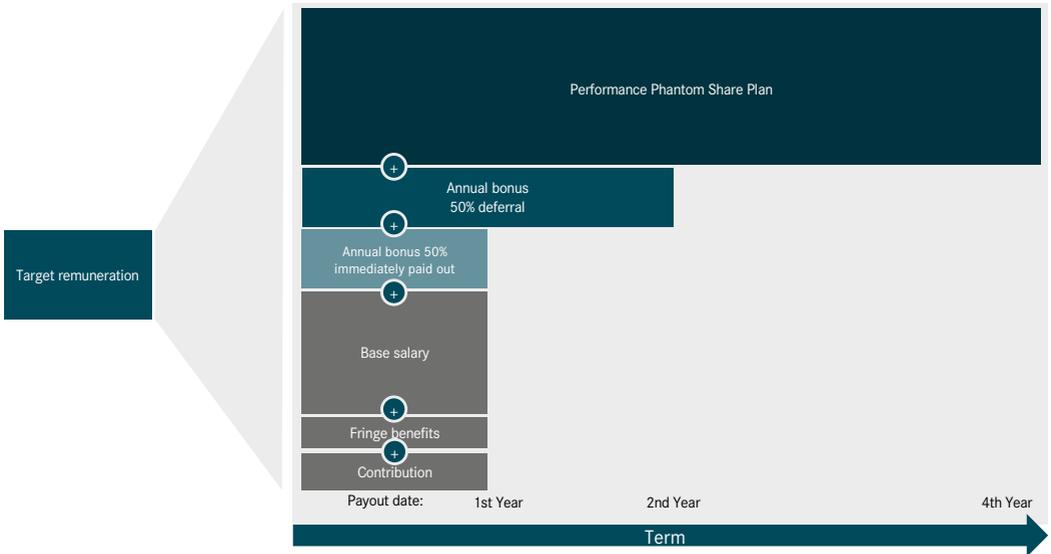
Fixed remuneration	Base salary	<ul style="list-style-type: none"> ▪ A fixed contractually agreed remuneration that is paid in twelve monthly installments 	
	Fringe benefits	<ul style="list-style-type: none"> ▪ Mainly expenses for security precautions and the provision of company cars 	
	Retirement pension commitment	<ul style="list-style-type: none"> ▪ An annual contribution in the amount of 15% of the sum of the base salary and the total annual bonus as determined at the end of the reporting period 	
Variable remuneration	Short- and medium-term variable remuneration	Type	<ul style="list-style-type: none"> ▪ Annual bonus
		Limit/cap	<ul style="list-style-type: none"> ▪ 200% of the base salary
		Performance criteria	<ul style="list-style-type: none"> ▪ Financial performance criteria: <ul style="list-style-type: none"> ▪ 50% EBIT targeted/actual comparison ▪ 50% targeted/actual comparison of the free cash flow of the industrial business ▪ Range of possible target achievement: 0% – 200% ▪ Non-financial performance criteria (an addition to/ deduction from the degree of target achievement of up to a total of 10 percentage points is possible for the financial performance criteria) ▪ Transformation targets (an addition to the degree of target achievement of up to a total of 25 percentage points is possible for the financial performance criteria)
		Payout	<ul style="list-style-type: none"> ▪ 50% after one year ▪ 50% deferred by one more year coupled with share price performance compared to competitors
	Long-term variable remuneration	Type of plan	<ul style="list-style-type: none"> ▪ Performance Phantom Share Plan
		Limit/cap	<ul style="list-style-type: none"> ▪ 250% of the value when granted
		Performance criteria	<ul style="list-style-type: none"> ▪ 50% return on sales ▪ 50% relative share performance
		Payout	<ul style="list-style-type: none"> ▪ After the three-year performance period and an obligatory one-year retention period
Malus/clawback	<ul style="list-style-type: none"> ▪ Reduction or complete elimination/reclamation of the variable remuneration possible 		
Stock Ownership Guidelines	<ul style="list-style-type: none"> ▪ The number of shares to be held is set between 20,000 and 75,000 ▪ Up to 25% of the gross remuneration out of each Performance Phantom Share Plan is generally to be used to acquire ordinary shares 		

C.5 Structure of the target total remuneration

The fixed base salary and the annual bonus (50% paid out during the first year following the respective financial year; 50% paid out during the second year following the financial year = deferral) each contribute approximately 30% of the target remuneration, while the variable remuneration component with a long-term incentive effect (PPSP) corresponds to approximately 40% of the target remuneration.

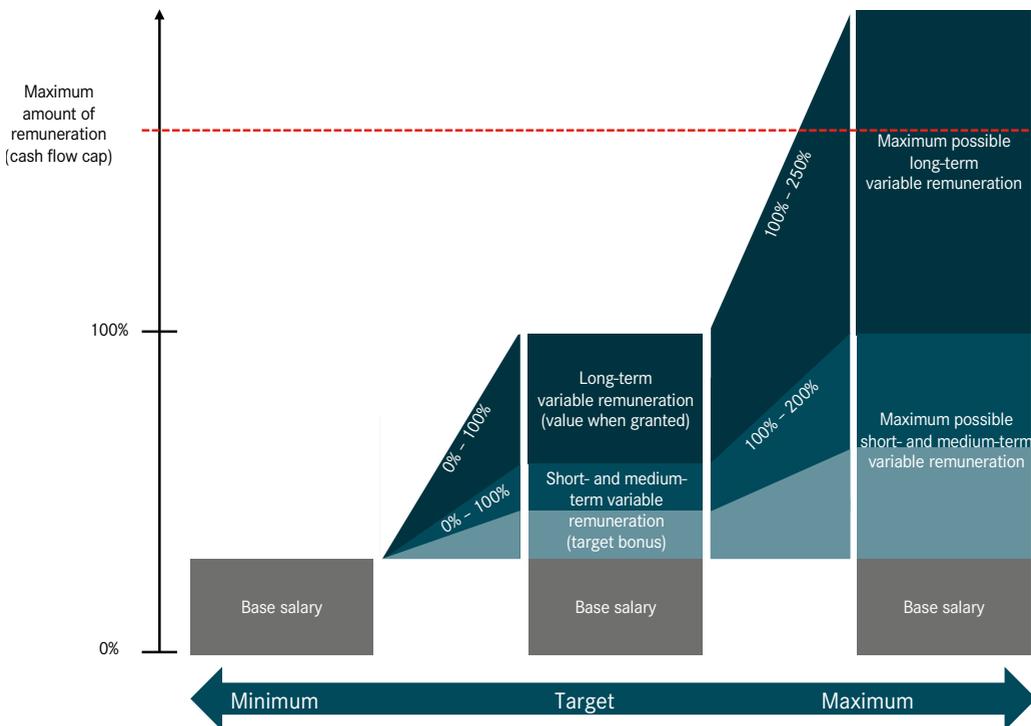
As additional components of the non-performance-related remuneration a retirement pension commitment and the fringe benefits (non-cash benefits: mainly expenses for security precautions that are borne by the Company and the provision of company cars) are granted. The contribution to the pension plan is currently 15% of the sum of the base salary and the total annual bonus as determined at the end of the reporting period. Generally and on average, the fringe benefits have amounted to 25% of the base salary over the past three years.

In line with the recommendation of the DCGK, it is ensured that the long-term variable remuneration exceeds the short-term one when determining the target remuneration. Thus, the focus is on Daimler's long-term and sustainable development, but without neglecting the annual operational targets.

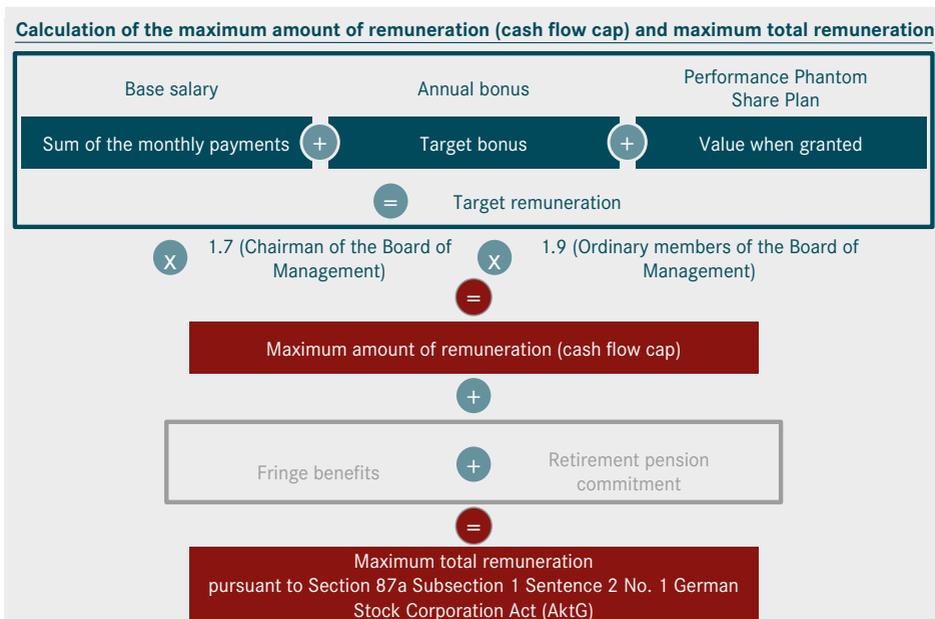


C.6 Maximum amounts of remuneration and maximum total remuneration

In order to achieve a balanced opportunity-risk profile and create a corresponding incentive effect of the remuneration system, the variable remuneration components are structured in such a way that the amount paid out can be reduced to zero. On the other hand, maximum amounts (caps) have been set for both the annual bonus and the PPSP.



Pursuant to Section 87a Subsection 1 Sentence 2 No. 1 of the German Stock Corporation Act (*Aktiengesetz*), the Supervisory Board has also determined the maximum remuneration, including fringe benefits and retirement pension expense, of the Board of Management members, which has been reviewed for appropriateness. The review of appropriateness is conducted in connection with the horizontal and vertical comparisons and analyzes the fringe benefits (non-cash benefits: mainly expenses for security precautions that are borne by the Company and the provision of company cars) as well as the retirement pension expense. Each item is determined as a maximum overall amount. The maximum remuneration achievable for a financial year is €12,000,000 for the Chairman of the Board of Management and €7,200,000 for the ordinary members of the Board of Management. The possible cap on the amount in excess of the limit is effected with the payment of the PPSP issued in the relevant financial year and due for payment four years later.



D. The remuneration components in detail

D.1 Fixed remuneration components

D.1.1 Base salary

The base salary is a fixed remuneration relating to the entire year, oriented toward the area of responsibility and experience of each Board of Management member and paid out in twelve monthly installments.

D.1.2 Fringe benefits

These mainly consist of expenses for security precautions and the provision of company cars. In addition, special location-based services can be provided for Board of Management members who work abroad. In exceptional cases, members who are newly appointed to the Board of Management can receive one-off payments to reimburse them for the loss of remuneration from their previous employment.

D.1.3 Retirement pension commitments

In 2012, the Company introduced a new company retirement benefit plan for new entrants and new appointments in the collective bargaining area as well as for executives: the “Daimler Pensions Plan.” This retirement benefit system features the payment of annual contributions by the Company and is capital market oriented. The Company merely grants a commitment guarantee for the total of paid-in contributions, which are invested in the capital market according to a pension-oriented investment concept.

The Supervisory Board of Daimler AG has resolved to adopt this retirement benefit system for all members of the Board of Management newly appointed since 2012. The amount of the annual contributions results from a fixed percentage based on the sum of the base salary and the total annual bonus for the respective financial year calculated as of the end of the reporting period. This percentage is currently 15%.

Daimler Pensions Plan	
Type of commitment	<ul style="list-style-type: none"> Defined contribution
Age limit	<ul style="list-style-type: none"> 62 years
Amount of the contribution	<ul style="list-style-type: none"> An annual contribution in the amount of 15% of the sum of the base salary and the total annual bonus as determined as of the balance sheet day
Return	<ul style="list-style-type: none"> Guarantee of the contributions paid & investment in the capital market
Payout options	<ul style="list-style-type: none"> Single amount 12 annual installments (return in accordance with legal regulations) Pension (annual increase in accordance with legal regulations)
Payments in the case of disability or death	Death before retiring for reason of age: <ul style="list-style-type: none"> Spouse/registered civil partner: credit amount reached plus an imputed amount for the remaining period until the age of 62 has been reached Death after retiring for reason of age: <ul style="list-style-type: none"> Annual installment option: The heirs are entitled to payments Pension option: Spouse/registered civil partner or dependent children receive 60% of the actual pension
	Disability: <ul style="list-style-type: none"> Disability pension until the age of 62 has been reached Provision of contributions until the age of 62 has been reached

D.2 Variable remuneration components

The variable remuneration aims to create the right incentives for the Board of Management to act in the interests of our corporate strategy, shareholders, customers, employees and other stakeholders. In order to ensure that the corporate strategy is implemented in line with the long-term and sustainable development of the Company, the strategy is used to derive annual operational targets of a financial and non-financial nature. The annual bonus as short and medium-term variable remuneration serves as an incentive for the attainment of these targets. In addition, there is the long-term variable remuneration, the Performance Phantom Share Plan (PPSP), which rewards the Group's long-term success compared to its competitors as well as the long-term development of the Daimler share price and thus also the sustainable return for the shareholders.

D.2.1 Annual bonus – short and medium-term variable remuneration component

Basic principles of the annual bonus

The annual bonus is an incentive for the contribution made in the financial year to the operational implementation of our corporate strategy, in particular the future-proofing expansion of our business model as a vehicle manufacturer and a provider of mobility services. In times of comprehensive transformation, it is especially important to align the incentives in the remuneration system with the necessary investments for the future.

To this end, the Supervisory Board derives challenging and ambitious operational targets for the coming financial year from the Group’s strategic goals. In addition to financial performance targets, these include non-financial performance criteria and transformation targets.

The target bonus that is paid if target achievement is 100% is set at 100% of the base salary. The total amount to be paid out from the annual bonus is limited to 2 times the base salary of the corresponding financial year and is calculated as follows:



The specific targets, the lower and upper limits set for rewarding their attainment as well as the actual target achievement in the respective financial year are individually published in the following year’s Remuneration Report for all of the performance criteria.

50% of the calculated annual bonus is paid in March of the following financial year. The second 50% (so called deferral) is paid out one year later, depending on the development of the Daimler share price compared with an automotive stock index, the STOXX Europe Auto Index (share price performance compared with competitors). This extends the incentive effect of the annual bonus to two years. The link with the share price performance also ensures that the shareholders’ interests are incorporated into the annual bonus in the medium term.

Performance criteria for the annual bonus

– **Financial performance criteria**

The financial performance criteria are oriented toward the operating result of the Daimler Group (EBIT) and the free cash flow of the industrial business (FCF IB), both weighted at 50%. The EBIT and the FCF IB represent the most important financial performance indicators for the operating financial performance of the Daimler-Group besides turnover.

The measure of operating profit at the divisional level is EBIT. As earnings before interest and taxes, EBIT reflects the divisions’ responsibility for their earnings.

The FCF IB, which comprises the cash flows at the automotive divisions and the cash flows from taxes and other reconciliation items that cannot be allocated to the divisions, is of particular importance for the financial strength of the Daimler Group.

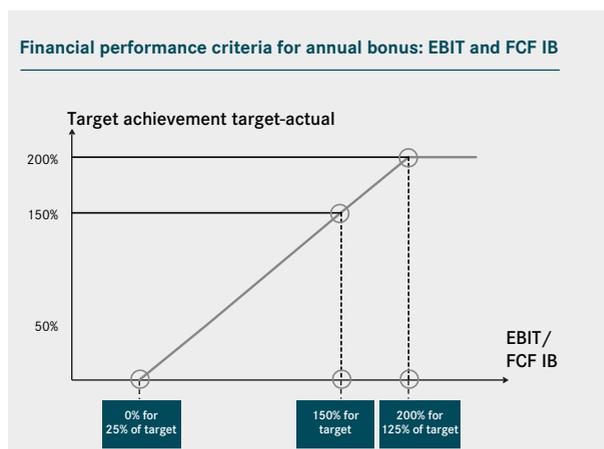
The target value of EBIT for each financial year is determined on the basis of the desired medium-term return, which is set by the Supervisory Board and is ambitious and oriented toward the competitive environment and is also derived from the growth targets. The starting point of the calculation is the revenue of the previous year.

The target value for the FCF IB for the respective financial year is calculated on the defined target EBIT of the segments of the automobile business (derived from the strategic growth and return on sales targets) as well as on a strategic target for the so-called cash conversion rate. The cash conversion rate is the proportion of the period's result that is scheduled to flow into the Group's liquidity after the payments for the necessary investments in research, development, tangible fixed assets and working capital are taken into account as part of the strategic growth target.

As part of the comparison of target and actual values, the actually achieved value used in determining the target achievement of the FCF IB is adjusted for certain factors that were already taken into account in the target achievement of the annual bonus in previous years.

The range of possible target achievement for the two financial performance criteria (EBIT and FCF IB) is between 0% and 200%. The lower limit of this range represents 25% of the target value; the upper limit 125% of the target value. If the value actually achieved is at or below the lower limit of the range, the target achievement degree is always 0%, so a total loss of the bonus is possible. If the value actually achieved is at or above the upper limit of the range, the target achievement degree is 200%, which is the maximum. If the value actually achieved is at or above the upper limit of the range, the target achievement degree is 200%, which is the maximum. Within the range, target achievement develops in a linear way.

The total amount paid out from the annual bonus is limited to 2 times the base salary of the corresponding financial year.



With the strengthening of the global core business, which is the focus through the target EBIT value and the use of the FCF IB target value to prioritize the capital allocation in an age of comprehensive transformation, the financial basis for achieving our targets, with a clear focus on our corporate strategy, is being created.

The target EBIT, the target FCF IB, the target achievement and the exact performance bandwidth are published ex-post in the Remuneration Report in order to underscore the ambitious nature of the targets and thus the pay-for-performance aspect and make them transparent.

– **Non-financial performance criteria**

The non-financial performance criteria, which are oriented toward sustainability and are uniform at all management levels, are currently assigned to four categories and, like the financial targets, apply uniformly to the entire Board of Management. These categories depict further components of our corporate strategy, such as integrity, employee satisfaction and diversity as indispensable parts of an agile, future-oriented corporate culture that is devoted to social values as well as quality as an essential precondition for customer satisfaction and our long-term and sustainable sales success. The non-financial targets are also based on measurable criteria that enable target achievement to be clearly determined after the conclusion of the financial year by means of a comparison of target and actual values. The degree of target achievement of the financial performance criteria may be increased or reduced by up to ten percentage points in total.

The non-financial performance criteria are clearly defined for each financial year and disclosed in the Remuneration Report. The target achievement is also published ex-post.

– **Transformation targets**

In order to take into account the implementation of the future-oriented measures for the technological and sustainable realignment of the Group, performance indicators from the future-oriented fields are also defined annually. As an integral part of our corporate strategy, sustainability/Environment Social Governance (ESG) aspects play an explicit role in our corporate activities.

The current three topic clusters within the transformation targets are discussed annually by the Supervisory Board, determined for the coming financial year and disclosed ex-post in the Remuneration Report. When selecting the performance criteria, it is ensured that they can be measured and that it is possible to transparently determine the respective target achievement.

On the basis of these target achievements for the transformation targets and the strategic, organizational and structural contribution of the Board of Management as a whole, the Supervisory Board derives a joint degree of target achievement for the Board of Management that takes into account the economic environment and the competitive situation and positioning of the Group. An addition of up to a total of 25 percentage points to the degree of target achievement of the financial performance criteria is possible. The target achievement is published ex-post.

Overview of the elements of the annual bonus and their relation to Daimler AG's business strategy:

Overview: Relation of the annual bonus to the business strategy	
Elements of the annual bonus	Relation to the business strategy/incentive effect
Financial performance criteria – EBIT	<ul style="list-style-type: none"> Business operations are strongly focused on strengthening Daimler's global core business and the provision of funds for implementing the corporate strategy
Financial performance criteria – FCF IB	<ul style="list-style-type: none"> Remuneration aligned to the extensive investment requirements of the Group's transformation, plus the creation of incentives for the further optimization of cash flow management
Non-financial performance criteria	<ul style="list-style-type: none"> Inclusion of important non-financial strategic targets and thus of the components such as: "Strengthening the core area of business," "Adjustment of the corporate culture," and "Strengthening of the customer and market-oriented structure"
Transformation targets	<ul style="list-style-type: none"> Clear focusing of the cluster/target criteria on defined future-oriented fields and sustainability/ESG aspects as part of the corporate strategy
Deferral	<ul style="list-style-type: none"> Extension of the performance period for half of the annual bonus through the addition of a share-oriented component and a competitor comparison and thus promotion of the sustainability aspect of the remuneration system
Consideration of competitors	<ul style="list-style-type: none"> Incorporation of a relative performance measurement and creation of incentives for outperforming relevant competitors

D.2.2 Performance Phantom Share Plan (PPSP) – long-term variable remuneration component Basic principles of the PPSP

At the beginning of the plan, the Supervisory Board specifies a grant value (absolute amount in euros) in the context of setting the target total individual annual remuneration. This amount is divided by the relevant average price of Daimler shares calculated over a predefined long period of time, which results in the preliminary number of phantom shares allocated.

Also, at the beginning of the plan, performance criteria are set for a period of three years (performance period). Depending on the achievement of these performance criteria with a possible range of 0% to 200%, after three years the phantom shares that were preliminary allocated at the beginning of the plan are converted into the final number of phantom shares allocated.

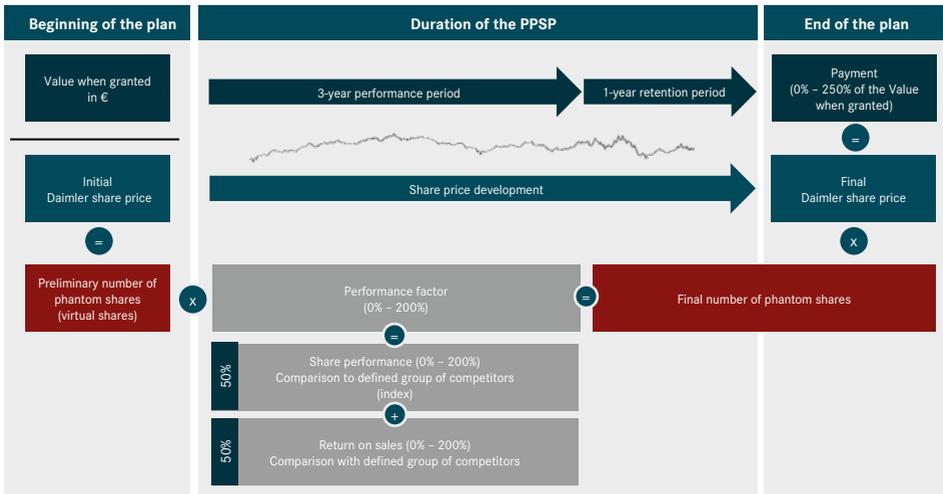
After another year has elapsed (retention period), the final number of phantom shares is multiplied by the applicable Daimler share price at that time to determine the amount to be paid out. The share price relevant for the payout under this plan is also relevant to allocating the preliminary number of phantom shares for the plan newly issued in the respective year.

The value of the phantom shares to be paid out depends on target achievement measured according to the criteria described below and on the share price relevant for the payout. This final amount paid is limited to 2.5 times the amount allocated at the beginning of the plan (grant value). This maximum amount includes the dividend equivalent paid out during the four-year plan period.

Since the share of PPSP in the total of all variable remuneration components exceeds the share of the annual bonus, most of the variable remuneration is granted share-based, as recommended by the DCGK. In addition, the medium-term portion of the annual bonus (deferral) also contains a share-based component as payout amount through the dependence on the performance of the Daimler share compared to the shares of competitors. PPSP and the deferred amount together account for 55% of the target total remuneration and are measured on a multi-year basis pursuant to Section 87, Subsection 1, Sentence 3 of the German Stock Corporation Act (*Aktiengesetz*).

Performance criteria of the PPSP

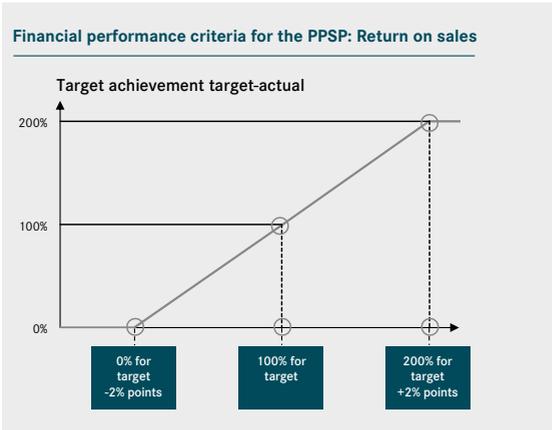
Target achievement for the long-term variable remuneration is based on two performance criteria, each of which is weighted at 50%. The first of these is return on sales, which is a performance criterion that is determined in a three-year comparison with Daimler’s competitors and creates incentives to ensure sustainable and profitable growth and to increase efficiency. The second performance criterion, relative share performance, is a performance criterion that especially reflects the interests of the shareholders.



- Return on sales

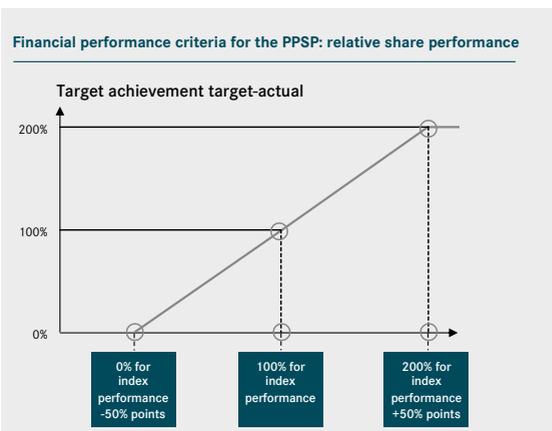
The return on sales achieved is set in a three-year-comparison with a group of competitors comprising listed vehicle manufacturers with an automotive share of currently more than 70% by revenue and an investment-grade credit rating. If Daimler’s return on sales corresponds to 1.05 times the average return of sales of its competitors over a three-year performance period (target value), the degree of target achievement is currently 100%. If Daimler’s return on sales is 2 percentage points below the target value, the degree of target achievement is 0%. If Daimler’s return on sales is 2 percentage points above the target value, the degree of target achievement is 200%. In the deviation range of +/- 2 percentage points of the target value, the degree of target achievement varies in proportion to the deviation. If the target achievement is between 195% and 200%, the maximum degree of target achievement for return on sales compared to the group of competitors will only be deemed to be 200% if the actual

return on sales for Daimler's automotive business reaches at least the strategic target for return on sales in the third year of the performance period. Otherwise, target achievement will be limited to 195%.



– Relative share performance

The relative share performance is measured by the performance of Daimler's share in a three-year comparison with the performance development of the defined group of competitors. If the performance of Daimler's share (in percent) is the same as that of the index (in percent), the degree of target achievement is 100%. If the performance of Daimler's share price (in percent) is 50 percentage points or more below (above) the performance of the index, the degree of target achievement is 0% (200%). In the deviation range of +/- 50 percentage points, the success factor develops proportionally to the deviation.



After the plan ends, the performance factor achieved and the share price development are published ex post in the Remuneration Report.

Overview of the elements of the PPSP and their relation to the business strategy of Daimler AG:

Overview: Relation of the Performance Phantom Share Plan to the business strategy	
Elements of the PPSP	Relation to the business strategy/incentive effect
Return on sales	<ul style="list-style-type: none"> ▪ Incorporates one of the Group's main internal key performance measures and ensures sustainable and profitable growth
Share price performance	<ul style="list-style-type: none"> ▪ Links the interests of the Board of Management with those of the shareholders
Consideration of competitors	<ul style="list-style-type: none"> ▪ Incorporates a relative performance measurement, which creates incentives for outperforming relevant competitors over the long term
Four-year duration	<ul style="list-style-type: none"> ▪ Ensures the Group's sustainable and long-term development
Conversion into phantom shares	<ul style="list-style-type: none"> ▪ Strengthens the relation to the share price and thus the linking of the interests of the Board of Management with those of the shareholders

D.3 Guidelines for share ownership

As a supplement to the components of the Board of Management remuneration already described, there are regulations governing the shareholdings of the Board of Management ("Stock Ownership Guidelines") These guidelines require the members of the Board of Management to invest in Daimler shares over a period of several years and to hold those shares until the end of their employment. Depending on the functional responsibility of the respective Board of Management member, the number of shares to be held is between 20,000 and 75,000. Generally, up to 25% of the gross remuneration out of each Performance Phantom Share Plan is to be used to acquire actual shares in the Company until the specified number of shares is reached; however, shares may also be acquired in other ways.

D.4 Malus/Clawback

So called malus or clawback regulations are implemented in the service contracts and the PPSP conditions.

According to these provisions, a violation in the capacity as a member of the Company's Board of Management of the obligations pursuant to Section 93 of the German Stock Corporation Act (*Aktiengesetz*) and, in particular, of the principles contained in the Company's Integrity Code may lead to the partial or complete reduction of the annual bonus. If it is not possible to deduct the reduction amount from bonuses not yet paid or from future bonuses, the Board of Management member in question will be required to pay back the amount of the bonus reduction. The Supervisory Board decides on such bonus reductions.

The terms governing the PPSP include a provision that allows for the partial or complete reduction of the payout for any member of the Board of Management who demonstrably violates the principles laid down in the Company's Integrity Code or any other professional obligations prior to the payout of the plan proceeds. The Supervisory Board decides on such bonus reductions.

E. Remuneration-related legal transactions

The service contracts of the Board of Management members are concluded for the duration of their appointment and are each extended for the duration of their reappointment. When a member of the Board of Management is appointed for the first time, the term of appointment and service contract is generally three years. In the event of reappointment, the term of appointment and service contract is generally five years.

E.1 Early termination of the service contract without good cause

If the appointment of a Board of Management member is cancelled pursuant to Section 84, Subsection 3 of the German Stock Corporation Act (*Aktiengesetz*) and if there is good cause as defined by Section 626 of the German Civil Code (*Bürgerliches Gesetzbuch*), the service contract is also terminated at the time the cancellation of the appointment takes effect. In this case, the affected Board of Management member shall no longer receive any payments from the effective date of the cancellation.

In the case of early termination of the service contract without good cause within the meaning of Section 626 of the German Civil Code (*Bürgerliches Gesetzbuch*), Board of Management service contracts include commitments to payment of the base salary and provision of a company car until the end of the original service period at a maximum. Such persons are only entitled to payment of the annual bonus pro rata for the period until the end of the membership in the Board of Management. Entitlement to payment of performance-related components of remuneration with a long-term incentive effect (PPSP) that has already been allocated is determined by the conditions of the respective plans.

To the extent that the payments described above are subject to the provisions of the severance cap of the DCGK, their total including fringe benefits is limited to twice the value of the annual remuneration and may not exceed the total remuneration for the remaining period of the service contract.

In the event of an early or regular termination of the service contract, both the short-term and the delayed medium-term component (deferral) of the annual bonus, and the proceeds from the long-term PPSP, are not paid out in advance but instead at the points in time agreed upon in the service contract or in the terms and conditions of the PPSP plan. The entitlements are inheritable.

E.2 Additional severance provisions

There are no assurances in the event of early termination of membership in the Board of Management due to a change of control, nor are there assurances for compensation in the case of dismissal.

E.3 Sideline activities of Board of Management members

The members of the Board of Management should accept management board or supervisory board positions and/or any other administrative or honorary functions outside the Group only to a very limited extent. Furthermore, they require the consent of the Supervisory Board before commencing any sideline activities. This ensures that neither the time required nor the remuneration paid for such activities leads to a conflict with the members' tasks performed for the Group. Insofar as such sideline activities are memberships of statutory supervisory boards or comparable boards of business enterprises, they are disclosed in the notes to the annual financial statements of Daimler AG, which are published on our website. In general, Board of Management members have no right to separate remuneration for board positions held at other Group companies. When accepting a supervisory board position at a non-Group company, the Daimler Supervisory Board decides whether and to what extent the remuneration received for this position should be taken into account.

F. Temporary deviations

The Supervisory Board may temporarily deviate from the remuneration system if this is necessary in the interests of the Company's long-term welfare. This includes, for example, the adjustment of the remuneration system in the event of a significant change in corporate strategy in order to ensure adequate incentives or in the event of a severe economic crisis. The exceptional circumstances underlying and requiring a deviation are to be determined by resolution of the Supervisory Board. The components of the remuneration system from which deviations may be made are the procedure, the regulations of the remuneration structure and amount as well as the individual remuneration components. Moreover, the Supervisory Board may, in accordance with its professional judgment, temporarily recompense the expenses for extraordinary fringe benefits (e.g. security measures) if it determines that requirements have changed significantly. In addition, the Supervisory Board is entitled to make extraordinary payments to newly appointed Board of Management members in order to recompense them for lost salaries from a previous employment or to cover the costs of moving to a different location.

7. Resolution on the election of a member of the Supervisory Board

At the close of the ordinary Annual Meeting 2020, the period of office of Dr. Paul Achleitner as the shareholder representative of the Supervisory Board will end.

Pursuant to Section 96, Subsection 1 and Section 101, Subsection 1 of the German Stock Corporation Act (*Aktiengesetz*) and Section 7, Subsection 1, Sentence 1, No. 3 of the German Co-determination Act (*Mitbestimmungsgesetz*), the Supervisory Board is composed of ten members representing the shareholders and ten members representing the employees, and pursuant to Section 96, Subsection 2, Sentence 1 of the German Stock Corporation Act (*Aktiengesetz*), of not less than 30% of women (i.e., not less than six) and of not less than 30% of men (i.e., not less than six). The gender quota is to be fulfilled by the Supervisory Board as a whole, unless the members representing the shareholders or those representing the employees object to joint fulfillment pursuant to Section 96, Subsection 2, sentence 3 of the German Stock Corporation Act (*Aktiengesetz*). No objection was made to joint fulfilment of the gender quota.

At the time when this convocation is published, a total of six women are members of the supervisory board, of whom three are shareholder representatives and three are employee representatives. The minimum quota is therefore fulfilled and would also remain fulfilled after the election of the nominated candidates.

The following proposal is based on the recommendation of the Supervisory Board's Nomination Committee (*Nominierungsausschuss*) and seeks to meet the requirement profile defined by the Supervisory Board for the entire board with targets for its composition, a competence profile and a diversity concept. The requirements profile and the status of its implementation as of December 31, 2019 are published in the declaration on corporate management summarized with the Corporate Governance Report, which is available online at www.daimler.com/ir/am2020 as a separate document and as part of the Annual Report.

The Supervisory Board proposes the election of

Timotheus Höttges, Bonn

Chairman of the Management Board Deutsche Telekom AG,

be elected to the Supervisory Board as shareholder representative with effect from the end of this Annual General Meeting until the end of the Annual General Meeting which resolves on the discharge for the fourth financial year after the beginning of the term of office. The financial year in which the period of office begins is not counted.

Further information on the candidate proposed for election, including information on memberships in other statutory supervisory boards and comparable supervisory bodies, is printed at the end of this agenda and is available on the Company's website at www.daimler.com/ir/am2020.

8. Resolution on authorization for the Company to acquire and use its own shares as well as on the exclusion of shareholders' subscription rights and rights to sell shares to the Company

The authorization to acquire and use treasury stock resolved by the Annual General Meeting on April 1, 2015 expired on March 31, 2020. It is therefore proposed that a new authorization, limited until July 7, 2025, be resolved pursuant to Section 71 Subsection 1 no. 8 of the German Stock Corporation Act (*Aktiengesetz*).

The Board of Management and the Supervisory Board submit the following resolution for adoption:

- a) The Board of Management is authorized, with the approval of the Supervisory Board, to acquire own shares for any permissible purpose up to 7 July 2025 in an amount of up to 10% of the share capital existing at the time of the resolution by the Annual General Meeting or – if this value is lower – at the time the authorization is exercised. The shares acquired on the basis of this authorization together with other treasury shares owned by the Company or to be allocated to the Company pursuant to Sections 71a et seq. of the German Stock Corporation Act (*Aktiengesetz*) may at no time account for more than 10% of the share capital from time to time.
- b) The purchase of the shares in Daimler AG (Daimler shares) may
 - aa) be made via the stock exchange or
 - bb) through a public offering made to all shareholders of the Company. Public offers can also be solicited by a request for the submission of offers.
 - aa) If the acquisition of the Daimler shares takes place through the stock exchange, the amount paid by the Company per share (excluding transaction costs) may not exceed the price determined at the opening of Xetra trading (or at the opening of a functionally equivalent successor to the Xetra system) on the Frankfurt Stock Exchange on the day of trading by more than 10% and may not be more than 20% lower than that price.
 - bb) If the acquisition of Daimler shares takes place through a public offering made to all shareholders of the Company, the offered purchase price or the prescribed limits of the offered purchase price range per share (excluding transaction costs) may not exceed the average price determined at the close of Xetra trading (or the close of a functionally equivalent successor to the Xetra system) on the Frankfurt Stock Exchange on the last three days of trading before the

day of the Board of Management's decision about the offer or acceptance of offers made by the shareholders by more than 10% and may not be more than 20% lower than that price.

If, after the publication of a purchase offer or the publication of a solicitation to submit subscription offers, there are market price movements that may be material to the success of the purchase offer, the offer may be adjusted during the submission period or up to acceptance. In this case, the 10% limit or the 20% limit for exceeding or falling below the purchase price refer to the corresponding closing auction price on the last stock exchange day of trading before the final decision of the Board of Management on the adjustment.

The Board of Management determines the further details of the respective purchasing structure. If the number of Daimler shares tendered or offered by shareholders for purchase exceeds the total volume which the Company intends to repurchase, the purchase may be effected in proportion to the number of Daimler shares tendered or offered by each shareholder; in addition, a preferential treatment or acceptance of small lots of up to 100 Daimler shares per shareholder tendered or offered as well as rounding according to commercial principles may be provided for. In this respect, any further tender rights of the shareholders are excluded.

- c) The Board of Management is authorized to use treasury shares that have been or will be acquired on the basis of this or an earlier authorization in accordance with Section 71, Subsection 1, No. 8 of the German Stock Corporation Act (*Aktiengesetz*), in addition to a sale via the stock exchange or an offer to all shareholders in proportion to their shareholding quotas, for all other legally permissible purposes, in particular for the following purposes:
- aa) Treasury shares may, with the approval of the Supervisory Board, be offered and transferred in exchange for consideration in kind, in particular in the context of business combinations or for the purpose of acquiring (also indirectly) companies, businesses, parts of companies, participations or other assets or rights to acquire assets, including receivables against the Company or its affiliates pursuant to Sections 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*).
 - bb) Treasury shares, with the approval of the Supervisory Board, can be sold in another way than through the stock exchange or through an offer made to all shareholders if the shares are sold for cash at a price that is not significantly lower than the stock-exchange price of shares of the same type in the Company at the time of sale. The portion of the share capital mathematically attributable to treasury shares used in this way may not exceed 10% of the Company's share capital at the time this authorization becomes effective or of the share capital existing at the time of the authorization being exercised, if the latter is lower. This limit includes shares issued or sold during the term of this acquisition authorization until the time of its exercise in direct or *mutatis mutandis* application of Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*). Furthermore, shares shall be included that were issued or granted or are still to be issued or granted on the basis of a convertible bond or warrant bond issued during the term of this acquisition authorization under exclusion of subscription rights in accordance with Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*).

- cc) Treasury shares may be used to fulfill or secure rights or obligations to acquire Company's shares, in particular under or in connection with convertible bonds and/or bonds with warrants that have been or will be issued by the Company or its affiliates pursuant to Sections 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*). Moreover, the Board of Management is authorized, with the approval of the Supervisory Board, to exclude subscription rights in order to grant holders/creditors of conversion or warrant rights or corresponding conversion or warrant obligations on Company's shares subscription rights as compensation against the effects of dilution to the extent to which they would be entitled upon exercising such rights or fulfilling such obligations, and to use treasury shares to service such subscription rights.
- dd) Treasury shares may be directly or indirectly issued to employees of the Company and its affiliates pursuant to Sections 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*), to board members of the Company's affiliates or to third parties which assign to those persons the economic ownership and/or the economic benefit of the shares, or may be used to fulfill obligations arising from securities lending or borrowing performed for acquiring these shares for any of these purposes. In particular, they may be offered for acquisition, awarded and transferred for free or against payment to said persons, provided that the employment relationship or board membership exists at the time of the offer, award commitment or transfer.
- ee) Treasury shares may be cancelled without an additional resolution by the Annual Meeting being required for such cancellation or its implementation. Such cancellations can also be carried out by way of a capital decrease or without capital decrease by adjusting the *pro rata* amount of the other shares relative to the Company's share capital. In this case, the Board of Management is authorized to amend the stated number of shares in the Articles of Incorporation.
- d) The authorizations in this resolution may be exercised independently of each other, once or several times, solely or jointly, in whole or in part also by any of the Company's affiliates within the meaning of Sections 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*) or by third parties acting on behalf of the Company or any of its affiliates.
- e) Shareholders' subscription rights relating to repurchased treasury shares in the Company shall be excluded to the extent to which such shares are used in accordance with the authorizations pursuant to lit. c) aa) through dd) above. Finally, the subscription right with regard to fractional amounts may be excluded in the event of a public offer to acquire Company's shares.

During the term of this authorization, the total of treasury shares used with the exclusion of shareholders' subscription rights may not account for a notional share of more than 10% of the share capital at the time this authorization becomes effective or of the share capital existing at the time of the authorization being exercised, if the latter is lower. If, during the term of this authorization and until it is exercised, other authorizations to issue or sell shares in the Company or to issue rights that enable or oblige the subscription of shares in the Company are exercised and the subscription right is excluded in the process, this shall be counted towards the aforementioned 10% limit.

The written report of the Board of Management on the reasons for which it is to be authorized to exclude shareholders' subscription and sell-out rights (Andienungsrecht) under certain conditions (Section 71, Subsection 1, No. 8, Sentence 5 in conjunction with Section 186, Subsection 4, Sentence 2, Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*)) is appended to this Agenda and is available at  www.daimler.com/ir/am2020. The report is made together with the report under Agenda Item 9.

9. Resolution on authorization to use derivative financial instruments in the context of acquiring treasury shares as well as on the exclusion of shareholders' subscription rights and rights to sell shares to the Company

In addition to the authorization proposed under Agenda Item 8 to acquire own shares in accordance with Section 71, Subsection 1, No. 8 of the German Stock Corporation Act (*Aktiengesetz*), an authorization is to be granted to acquire own shares also using derivatives and to conclude corresponding derivative transactions. Derivative transactions legally permissible without authorization of the Annual Meeting shall remain unaffected.

The Board of Management and the Supervisory Board submit the following resolution for adoption:

- a) In addition to the authorization proposed under Agenda Item 8 regarding the acquisition of treasury shares pursuant to Section 71, Subsection 1, No. 8 of the German Stock Corporation Act (*Aktiengesetz*), the acquisition of shares in Daimler AG (Daimler shares) may also be conducted, aside from in the manner described therein, with the use of derivatives, or derivatives may be used with which the company undertakes to repurchase treasury shares. This authorization may be exercised in whole or in part, in one or several (including different) transactions or in connection with other legally admissible transactions not covered by this authorization, by the Company or any of its affiliates within the meaning of Sections 15 et seq. of the Stock Corporation Act (*Aktiengesetz*), or by third parties acting on behalf of the Company or any of its affiliates. Options may be sold whereby the Company takes on the obligation to acquire Daimler shares upon exercise of the options ("put option"). Furthermore, options entitling the Company to acquire Daimler shares upon exercise of the options ("call options") may also be purchased and exercised. Additionally, forward purchase agreements to buy Daimler shares with more than two stock exchange trading days between the conclusion of the agreement and the delivery of the shares purchased ("forward purchases") may be entered into. Lastly, Daimler shares may be acquired by using a combination of these derivatives (hereinafter, all the above instruments are collectively referred to as "derivatives").

The use of derivatives in the context of acquiring treasury shares requires the approval of the Supervisory Board. This can be granted generally, or relating to a certain period, or for a certain volume.

The derivative transactions are to be concluded with an independent credit institution or companies operating in accordance with Section 53, Subsection 1, Sentence 1 or Section 53b, Subsection 1, Sentence 1 or Subsection 7 of the German Banking Act (*Kreditwesengesetz*) or a consortium of such credit institutions or companies.

The acquisition of treasury shares with the use of derivatives is restricted to shares in a maximum volume of 5% of the share capital at the time when the resolution is made by the Annual Meeting. This limitation applies in addition to the limits relating to the share capital as set out in lit. a) of the authorization proposed under Agenda Item 8. Treasury shares acquired in exercise of the authorization proposed under this Agenda Item 9 shall count towards these limits.

The term of a derivative may not exceed 18 months and must be selected such that the acquisition of the shares in exercise of the derivative does not take place after July 7, 2025

- b) The derivative conditions must ensure that the derivatives are honored only with shares that were acquired under observance of the principle of equal treatment. An acquisition via the stock exchange is sufficient for this purpose.
- c) The price agreed on in the relevant derivative and to be paid per Daimler share upon exercise of a put or a call option or in fulfillment of a forward purchase may not exceed the average price of a Daimler share determined at the close of Xetra trading (or at the close of a functionally equivalent successor to the Xetra system) on the Frankfurt Stock Exchange on the last three days of trading before the conclusion of the respective derivative transaction by more than 10% and may not be more than 20% lower than that price (in each case excluding transaction costs, but taking into consideration the option premium received or paid).

The price to be paid by the Company for derivatives shall not be significantly higher, and price received by the Company for derivatives shall not be significantly lower, than the theoretical market price of the respective derivative calculated in accordance with generally accepted actuarial methods. Among other factors, the predetermined strike price shall be taken into account when determining the theoretical market price.

- d) If derivatives are used under observance of the aforementioned regulations, the shareholders' right to conclude such derivative transactions with the Company is excluded in accordance with Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*). The shareholders also have no right to conclude derivative transactions insofar as in connection with the intended acquisition of treasury shares with the use of derivatives there is a preferred offer for the conclusion of derivative transactions related to lower numbers of shares.

Shareholders have the right to sell shares to the Company only to the extent that the Company is obliged to accept shares from them from concluded derivative contracts. Any further tender rights are excluded.

- e) The regulations stated under Agenda Item 8 lit. c), d) and e) also apply to the utilization of treasury shares acquired with the use of derivatives.

The written report of the Board of Management on the reasons for which it is to be authorized to exclude shareholders' subscription and sell-out rights (*Andienungsrecht*) under certain conditions (Section 71, Subsection 1, No. 8, Sentence 5 in conjunction with Section 186, Subsection 4, Sentence 2, Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*)) is appended to this Agenda and is available at www.daimler.com/ir/am2020. The report is presented together with the report on Agenda Item 8.

10. Resolution on authorization to issue convertible bonds and/or bonds with warrants and on the exclusion of shareholders' subscription right; creation of Conditional Capital 2020 and amendment to the Articles of Incorporation

The authorization to issue convertible bonds and/or bonds with warrants that the Annual Meeting granted on April 1, 2015 was limited in time by March 31, 2020. No use was made of this authorization, so that the corresponding Conditional Capital 2015 described in Article 3, Paragraph 3 of the Articles of Incorporation is to be cancelled.

In order to secure maximum possible flexibility for corporate financing and access to borrowed capital at favorable interest rates, the Board of Management is to be again authorized to issue convertible bonds and/or bonds with warrants in a comparable amount and a new Conditional Capital 2020 is to be resolved.

The Board of Management and the Supervisory Board submit the following resolution for adoption:

- a) New authorization to issue convertible bonds and/or bonds with warrants and to exclude subscription rights

aa) Face value, period of authorization, maturity, share capital amount

The Board of Management, with the approval of the Supervisory Board, is authorized until July 7, 2025 to issue bearer and/or registered convertible bonds and/or bonds with warrants or a combination of these instruments (including all possible arrangements envisaged in this resolution hereinafter jointly referred to as "bonds") with a total face value of up to €10,000,000,000.00 with a maturity of no more than ten years, and to grant the creditors or holders of such bonds (hereinafter collectively referred to as "holders") conversion rights or warrant rights for new registered no-par-value shares in Daimler AG (Daimler shares) with an allocable portion of the share capital of up to €500,000,000.00 in accordance with the details defined in the terms and conditions of the convertible bonds or bonds with warrants (hereinafter referred to as the "bond conditions").

The bonds may be issued in exchange for consideration in cash, but also for consideration in kind, in particular for a participation in other companies.

In addition to euros, they can also be issued in the legal currency of an OECD country, limited to the corresponding value of the permissible face value in euros. For the purpose of determining the permissible face value, the nominal amount of the Bonds shall be converted into euro on the date of the decision to issue them.

The bonds can also be issued by affiliates of the Company within the meaning of Sections 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*); in this case, the Board of Management is authorized, with the approval of the Supervisory Board, to assume the required guarantees for the issuing company and to grant shares in Daimler AG to the holders of such bonds, and to provide other statements and take other actions required for the successful issue of the bonds.

The bond conditions may also provide for a conversion or warrant obligation at the end of the term or at any other time; they may also provide for exchange rights of the issuing company or Daimler AG, in particular rights to replace the considerations originally owed under them by Daimler shares (including in the form of a tender right, substitution right or redemption option) and so establish the obligation to deliver Daimler shares or conversion or warrant rights or conversion or warrant obligations on Daimler shares when they are issued or subject to a separate declaration by the issuer or Daimler AG to exercise a conversion right or subject to other conditions (and any combination of the foregoing), in each case at the end of the term or at other points in time.

The bonds can be issued once or several times, wholly or in installments, or simultaneously in various tranches. All partial bonds belonging to a particular tranche issued have equal rights and obligations.

To the extent a bond stipulates an obligation to deliver Daimler shares or conversion or warrant rights or conversion or warrant obligations on Daimler shares only after a declaration by the issuer or Daimler AG to exercise an exchange right, the declaration in question must be issued by July 7, 2025.

bb) Convertible bonds

The holders of convertible bonds have the right to convert their convertible bonds into Daimler shares in accordance with the bond conditions. In the case of bonds with a conversion obligation, the bond conditions can include a provision that the Company is entitled to make up any difference, wholly or partially in cash, between the face value of the bonds and a stock-market price of the shares at the time of the conversion obligation, to be determined more precisely in the conditions, but at least 80% of the stock-market price of the shares at the time of issue of the bonds – as described under lit. ee) below – multiplied by the conversion ratio.

cc) Warrant bonds

In the case of the issue of bonds with warrants, each bond has one or more warrants entitling or obligating the holder to subscribe to Daimler shares in accordance with the bond conditions or that contain exchange rights of the issuing company or Daimler AG.

dd) Conversion and subscription ratio, share of share capital

The conversion ratio for convertible bonds is obtained by dividing the face value or a lower issue price of the bonds by the established conversion price for Daimler shares. The bond conditions can also include the provision that the conversion/subscription ratio is variable and can be rounded up or down to a whole number; moreover, an additional cash payment can also be stipulated. Provision can also be made for fractions to be combined and/or compensated in cash. The share capital attributable to the shares to be issued upon conversion of convertible bonds or exercise of warrants for each bond may in no case exceed the face value or the issue price of the convertible bonds or bonds with warrants.

ee) Conversion/warrant price

The conversion price or warrant price to be stipulated for a Daimler share in each case must – even in the event of a variable conversion ratio and taking into account rounding up or down and additional payments – amount to at least 80% of the average price of Daimler shares at the close of Xetra trading (or at the closing of a functionally equivalent successor to the Xetra system) on the Frankfurt Stock Exchange on the ten trading days prior to the day of the Board of Management resolution on the issue of the convertible bonds or bonds with warrants, or alternatively, in the case that the shareholders are granted subscription rights for the bonds, at least 80% of the average price of Daimler shares at the close of Xetra trading (or at the close of a functionally equivalent successor to the Xetra system) during the trading days on which the subscription rights are traded on the Frankfurt Stock Exchange, with the exception of the last two trading days of subscription rights trading. In the latter case, the conversion/warrant price for a share is published at the latest three calendar days before the subscription deadline. In the case of bonds with mandatory conversion or an exchange right of the issuing company or Daimler AG, the conversion or exercise price may either at least equal the minimum price (80%) set out above or correspond to the average volume-weighted price of the Daimler share in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange on at least three trading days immediately prior to calculation of the conversion/warrant price as defined in more detail by the terms and bond conditions, even if this average price is below the minimum price (80%) set out above. Section 9 Subsection 1 of the German Stock Corporation Act and Section 199 Subsection 2 of the German Stock Corporation Act remain unaffected.

The authorization shall also include the option, subject to the terms and conditions of the bonds, to provide dilution protection and/or other adjustments under certain circumstances. Dilution protection or other adjustments may be provided for in particular if the Company changes its share capital during the term of the bonds (e.g. through a capital increase, a capital decrease or a stock split), but also in connection with dividend payouts, the issue of additional convertible and/or warrant bonds, transformation measures, and in the case of other events affecting the value conversion/warrant rights or conversion/warrant obligations or exchange rights that may occur during the term of the bonds (e.g. control gained by a third party). Dilution protection or other adjustments may be provided in particular by granting subscription rights, by changing the conversion or warrant price, and by amending or introducing cash components.

ff) Authorized/Approved Capital (“genehmigtes Kapital”), treasury shares, cash settlement

The bond conditions can provide or allow that, in the Company’s discretion, also shares from an authorized/approved capital (“genehmigtes Kapital”) or treasury shares can be used for servicing the conversion/warrant rights or conversion/warrant obligations or exchange rights, apart from a conditional capital, in particular the Conditional Capital 2020 to be created in connection with this authorization. The bond conditions can also include a provision or allowance that the Company does not grant Daimler shares to the holders of conversion or warrant rights or of bonds with corresponding obligations, but pays the equivalent cash surrender value that corresponds, in accordance with the details of the bond conditions, to the average price of Daimler shares at the close of Xetra trading (or at the close of a functionally equivalent successor to the Xetra system) on the Frankfurt Stock Exchange during the ten to twenty trading days after the announcement of the cash compensation.

gg) Granting subscription rights, exclusion of subscription rights

The shareholders have statutory subscription rights when the bonds are issued. The bonds can also be offered to the shareholders by way of indirect subscription rights; they are then taken over by a credit institution or a company operating in accordance with Section 53, Subsection 1, Sentence 1 or Section 53b, Subsection 1, Sentence 1 or Subsection 7 of the German Banking Act (*Kreditwesengesetz*) or a consortium of such credit institutions or companies with the obligation to offer them to the shareholders.

However, with the approval of the Supervisory Board, the Board of Management is authorized to exclude the right of shareholders to subscribe to the bonds in the following cases

- if the bonds are issued in exchange for cash payment and the issue price is not significantly below the theoretical market value of the bonds, as calculated according to generally accepted, in particular actuarial calculation methods. The portion of the share capital mathematically attributable to shares to be issued or granted on the basis of bonds issued

under this authorization, with shareholders' subscription rights excluded in accordance with Section 186, Subsection 3 Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*) may not exceed 10% of the share capital at the time when this authorization takes effect or at the time at which it is exercised, if the latter amount is lower. When determining this limit of 10% of the share capital, shares shall also be taken into account which, during the term of this authorization until its use, are issued or disposed of by direct or *mutatis mutandis* application of Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*). Furthermore, also shares shall be included that were issued or granted or are still to be issued or granted on the basis of a convertible bond or warrant bond issued during the term of this authorization with shareholders' subscription rights excluded in accordance with Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*).

- if the bonds are issued in exchange for contribution in kind or consideration in kind, in particular in the context of business combinations or for the purpose of acquiring (also indirectly) companies, businesses, parts of companies, participations or other assets or rights to acquire assets, including receivables against the Company or its affiliates within the meaning of Sections 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*).
- in order to exclude fractional amounts resulting from the subscription ratio from the shareholders' subscription right to the bonds.
- in order to grant holders of conversion or warrant rights or corresponding conversion or warrant obligations on Company's shares subscription rights from bonds issued or to be issued by the Company or its affiliates pursuant to Sections 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*) as compensation against the effects of dilution to the extent to which they would be entitled upon exercising such rights or fulfilling such obligations.

Under this authorization, bonds may only be issued under exclusion of the subscription right if the computational portion of the share capital attributable to the total of new shares to be issued on the basis of such bond, does not exceed, with the approval of the Supervisory Board 10% of the share capital at the time this authorization takes effect or at the time it is exercised, if the latter amount is lower. If, during the term of this authorization and until it is exercised, other authorizations to issue or sell shares in the Company or to issue rights that enable or oblige the subscription of shares in the Company are exercised and the subscription right is excluded in the process, this shall be counted towards the aforementioned 10% limit.

hh) Authorization to stipulate other conditions

The Board of Management is authorized, with the approval of the Supervisory Board, to stipulate the other details of the issue and terms of the bonds, in particular the volume, time, interest rate, issue price, maturity term, denomination, conversion or warrant price and conversion or warrant period, or to stipulate these details in coordination with the executive bodies of the Company's affiliates within the meaning of Sections 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*) that issue convertible bonds or bonds with warrants.

b) Cancellation of the Conditional Capital 2015

The Conditional Capital 2015 approved by the Annual Meeting on April 1, 2015 and laid down in Article 3, Paragraph 3 of the Articles of Incorporation in the amount of €500,000,000.00, is cancelled.

c) Creation of a new Conditional Capital 2020

The share capital is conditionally increased by up to €500,000,000.00 (Conditional Capital 2020). The purpose of the conditional capital increase is to grant shares to the holders/creditors of convertible bonds and/or bonds with warrants (“bonds”) issued pursuant to the aforementioned authorization under lit. a) during the period until July 7, 2025 by the Company or its affiliates within the meaning of Section 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*). The new shares are issued at a conversion/warrant price to be stipulated pursuant to lit. a) ee). The conditional capital increase is to be carried out only to the extent to which use is made of the bond’s conversion/warrant rights, conversion/warrant obligations are fulfilled or shares are tendered and no other forms of fulfillment of delivery are used. The new shares participate in the profits of the Company as from the beginning of the financial year in which they are created through the exercise of conversion/warrant rights or through the fulfillment of conversion/warrant obligations. To the extent legally admissible, the Board of Management, with the approval of the Supervisory Board, may determine the dividend for new shares in derogation from Section 60, Subsection 2 of the German Stock Corporation Act (*Aktiengesetz*), also for a financial year already past. The Board of Management is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of conditional capital increases.

d) Amendment to the Articles of Incorporation

Article 3, Paragraph 3 of the Articles of Incorporation, which contains the Contingent Capital 2015 approved on April 1, 2015 and cancelled under lit. b) above, is amended to read as follows:

“(3) The share capital is conditionally increased by an amount not to exceed €500,000,000.00 (Conditional Capital 2020). The conditional capital increase shall be implemented only insofar as the holders/creditors of convertible bonds/bonds with warrants (“bonds”) issued by July 7, 2025 on the basis of the authorization resolution taken by the Annual Meeting of Shareholders on July 8, 2020 by the Company or any of its affiliates within the meaning of Sections 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*) make use of conversion/warrant rights or fulfill conversion/warrant obligations, or to the extent shares are tendered and provided that no other forms of fulfillment of delivery are used. The new shares participate in the profits of the Company as from the beginning of the financial year in which they are created through the exercise of conversion/warrant rights or through the fulfillment of conversion/warrant obligations. To the extent legally admissible, the Board of Management, with the approval of the Supervisory Board, may determine the dividend for new shares in derogation from Section 60, Subsection 2 of the German Stock Corporation Act (*Aktiengesetz*), also for a financial year already past. The Board of Management is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of conditional capital increases.”

- e) The Supervisory Board is authorized to amend Article 3, Paragraphs 1 and 3 of the Articles of Incorporation in accordance with actual utilizations of Conditional Capital 2020. The same applies in the case of non-utilization of the authorization to issue convertible bonds and/or bonds with warrants after expiry of the authorization period and in the case of non-utilization of Conditional Capital 2020 after expiry of all conversion/warrant deadlines.

The written report of the Board of Management on the reasons for which it is to be authorized to exclude the shareholders' subscription right under certain conditions is reproduced after this Agenda and will be available at www.daimler.com/ir/am2020 from the time of convening the Annual Meeting.

11. Resolution on the addition of a new Article 11a and a new Article 13, Paragraph 5 to the Articles of Incorporation (Annual Meeting – Video and audio transmission, electronic participation of shareholders)

Against the background of the continuing Corona crisis, the Act on Measures in Corporate, Co-operative, Association, Foundation and Home Ownership Law to Combat the Effects of the COVID 19 Pandemic (*Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie – COVID-19 Act*), under certain conditions for a limited period of time even without appropriate authorization by the Articles of Incorporation, enables the video and audio transmission of the entire Annual Meeting, the electronic participation of shareholders and the participation of members of the Supervisory Board by means of video and audio transmission. In order to maintain these possibilities also for the period after the end of the validity of the COVID-19 Act, the corresponding authorizations pursuant to Section 118, Subsection 1, Sentence 2, Subsection 3 Sentence 2 and Subsection 4 of the German Stock Corporation Act (*Aktengesetz*) shall be included in the Articles of Incorporation. This is intended to counter any future legal or practical restrictions for major events and to take account of technical possibilities.

- a) The Board of Management and the Supervisory Board propose that the following Article 11a be added to the Articles of Incorporation:

“Article 11a – Video and audio transmission

- (1) The Board of Management is authorized to permit the full or partial video and audio transmission of the Shareholders' Meeting.
- (2) In agreement with the Chairman of the meeting, members of the Supervisory Board are exceptionally permitted to participate in the Shareholders' Meeting by means of video and audio transmission in cases where, due to legal restrictions or due to their place of employment or residence abroad, personal participation is not possible or only possible at considerable expense.”

- b) The Board of Management and the Supervisory Board propose that the following Paragraph 5 be added to Article 13 of the Articles of Incorporation (Requirements for participation and the exercise of voting rights):

“(5) The Board of Management is authorized to make provisions such that the shareholders may also participate in the Shareholders' Meeting without being physically present on site and without having to appoint a proxy, as well as to exercise all or some of their rights, in whole or in part, by means of electronic communications.”

12. Resolution on the amendment of Article 16 of the Articles of Incorporation (Annual Meeting – Resolution)

Pursuant to Article 16, Paragraph 1 of the Articles of Incorporation, resolutions of the Annual Meeting are adopted by a simple majority of the votes cast, and, insofar as the German Stock Corporation Act (*Aktiengesetz*) additionally requires a majority of the share capital represented, by a simple majority of the share capital represented, unless mandatory provisions of the German Stock Corporation Act (*Aktiengesetz*) stipulate otherwise. Deviating from this principle, Article 16, Paragraph 2 of the Articles of Incorporation stipulates for elections that those candidates who receive the highest number of yes-votes are elected (so-called “relative majority”).

For resolutions on the election and dismissal of members of the Supervisory Board, Article 16 of the Articles of Incorporation is to be adapted to the majority requirements stipulated by law.

a) The Board of Management and Supervisory Board propose the following resolution:

Article 16, Paragraph 2 of the Articles of Incorporation (Resolution) is deleted in its entirety. The prior Article 16, Paragraph 1 of the Articles of Incorporation thus becomes Article 16.

b) The Board of Management and Supervisory Board propose that the current Article 16, Paragraph 1 of the Articles of Incorporation (Resolution) shall be amended and reworded as follows:

“Resolutions shall be passed at Shareholders’ Meetings by a simple majority of votes cast, unless otherwise required by mandatory stipulations of the German Stock Corporation Act (*Aktiengesetz*) or by the Articles of Incorporation. If the German Stock Corporation Act (*Aktiengesetz*) also requires that a resolution be passed by a majority of the share capital represented at the Meeting, a simple majority of the capital represented shall suffice to the extent permitted by applicable law. The dismissal of a member of the Supervisory Board elected by the shareholders requires a majority of at least three quarters of the votes cast.”

13. Resolution on the approval of the conclusion of a profit transfer agreement between Daimler AG and Mercedes-Benz Bank AG

Since January 1, 2020, Daimler AG has held all shares in Mercedes-Benz Bank AG, headquartered in Stuttgart, directly rather than indirectly. Daimler AG intends to conclude a profit transfer agreement with Mercedes-Benz Bank AG.

The Board of Management and Supervisory Board propose that the conclusion of the profit transfer agreement between Daimler AG as the controlling company (*Organträgerin*) and Mercedes-Benz Bank AG as the controlled company (*Organgesellschaft*) is approved.

The main content of the profit transfer agreement is as follows:

- The controlled company undertakes to transfer its entire profits to the controlling company as of the beginning of the fiscal year which is current when the agreement is registered in the commercial register. The provisions of Section 301 of the German Stock Corporation Act (*Aktiengesetz*), as amended from time to time, apply.

- At the request of the controlling company, other revenue reserves recognized in accordance with Section 272, Subsection 3 of the German Commercial Code (*Handelsgesetzbuch*) during the term of the agreement must be reversed and transferred as profit to the extent permitted by law. Other reserves and any profit carryforward or revenue reserve created before the start of the agreement may not be transferred to the controlling company as profit. The same applies to additional paid-in capital, regardless of whether it was formed before or after the agreement came into effect.
- The right to profit transfer crystallizes at the end of the fiscal year of the controlled company. The amount must be credited to the account of the controlling company on that date.
- The controlling company and the controlled company agree on the following measures for the transfer of profits, which take precedence over the contractual profit transfer as set out above, in order to implement the regulatory requirements for the capital resources of the controlled company based on the Capital Requirements Regulation (“CRR” - Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 646/2012):

When preparing the annual financial statements, the controlled company may, at its discretion and to the extent that this is economically justified on the basis of sound business judgment, reduce the amount of the profit transfer by allocating part or all of the profit to other revenue reserves (Section 272, Subsection 3 of the German Commercial Code (*Handelsgesetzbuch*)) or to the special item for general banking risks (Section 340g of the German Commercial Code (*Handelsgesetzbuch*)) before any payment is made to the controlling company.

- The provisions of Section 302 of the German Stock Corporation Act (*Aktiengesetz*), as amended from time to time, apply to the complete assumption of losses.
- The agreement is concluded subject to the approval of the General Meetings of the controlling company and the controlled company. It shall become effective upon registration in the commercial register of the controlled company and shall apply retroactively from the beginning of the fiscal year of the controlled company which is current at the time of registration of the agreement in the commercial register.
- The agreement is concluded for an indefinite period. It may only be terminated at the end of a fiscal year of the controlled company subject to six months’ notice in writing, but not before the end of the fiscal year after the end of which the fiscal unity for corporation and trade tax purposes to be established by the agreement has fulfilled its minimum term for tax purposes (hereinafter the “Minimum Contractual Term”) (five years according to the current legal situation; Section 14, Subsection 1, No. 3 of the German Corporation Tax Act (*Körperschaftsteuergesetz*), Section 2, Subsection 2, Sentence 2 of the German Trade Tax Act (*Gewerbesteuerengesetz*)). Based on the requirements of the CRR, it is clarified that in the event of such an ordinary termination at the end of the fiscal year, the controlling company remains obliged to assume the full loss for the current fiscal year.
- The parties are entitled to terminate the agreement for cause, in particular, (i) if, because of the sale of shares or other reasons, the prerequisites for financial integration of the controlled company with the controlling company in terms of tax law are no longer met once the measure in

question has taken effect; (ii) if the controlling company moves its investment in the controlled company to a different company; or (iii) if the controlling company or the controlled company is merged, split up, or liquidated.

- The agreement may be amended at any time if required by banking supervisory law.
- If the validity of the agreement, or its proper execution, is not recognized for tax purposes, either in whole or in part, the parties agree that the Minimum Contractual Term will not begin until the first day of the fiscal year of the controlled company during which the prerequisites for recognition for tax purposes of the agreement's validity or proper execution are first met or are first met again.
- The controlled company shall immediately notify the competent supervisory authorities of the conclusion of the profit transfer agreement. For this purpose, it will coordinate with the controlling company.
- Any amendments or additions to the agreement require the approval of the General Meetings of the controlling company and the controlled company and registration in the commercial register of the controlled company.
- In addition, amendments and additions to the agreement must be made in writing unless they are required to be recorded by a notary. This also applies to revocation of this written-form requirement.
- Should a provision of the agreement be or become invalid, impracticable, or unenforceable, either wholly or in part, or should the agreement contain an omission, this will not affect the validity and enforceability of the other provisions of the agreement. The parties agree to substitute the invalid, impractical, or unenforceable provision with a valid, practicable, and enforceable provision that as closely as possible reflects the commercial intention of the parties when they agreed the invalid, impractical, or unenforceable provision.
- Place of jurisdiction is Stuttgart.

Daimler AG is the sole shareholder of Mercedes-Benz Bank AG. No compensation payments or settlements for outside shareholders in accordance with Section 304 and Section 305 of the German Stock Corporation Act (*Aktiengesetz*) are to be granted. For the same reason, an audit of the profit transfer agreement by an auditor (Section 293b of the German Stock Corporation Act (*Aktiengesetz*)) is not required.

The Board of Management of Daimler AG and the Board of Management of Mercedes-Benz Bank AG have submitted a joint report pursuant to Section 293a of the German Stock Corporation Act (*Aktiengesetz*), in which the profit transfer agreement is explained and justified. The joint report, together with the draft of the profit transfer agreement and the other documents to be made available in accordance with Section 293f, Subsection 1 of the German Stock Corporation Act (*Aktiengesetz*), is available online at www.daimler.com/ir/am2020 from the day the Annual Meeting is convened. In addition, these documents will also be available during the Annual Meeting.

Re Agenda Item 7:

Information on the candidate proposed for election to the Supervisory Board

Timotheus Höttges, Bonn

CEO of Deutsche Telekom AG (listed)

Nationality: German

Timotheus Höttges was born in Solingen in 1962. He earned his degree of a *Diplom-Kaufmann* in 1988 after studies in business administration at Cologne University, after which he spent three years with a business consulting company. At the end of 1992, he moved to the VIAG Group in Munich. He held several managerial positions there, most recently as an authorized representative with full power of attorney (*Generalbevollmächtigter*) responsible for controlling, corporate planning, and mergers and acquisitions. Timotheus Höttges joined Telekom Group in 2000. Following his work as Managing Director, Finance and Controlling, and then as Chairman of the Managing Board of T-Mobile Deutschland, from 2005 until being appointed to the Group Board of Management in late 2006, Mr. Höttges headed European operations as member of the Board of Management of T-Mobile International. On the Board of Management of Deutsche Telekom AG, he was first responsible for T-Home, Sales and Service. In this position, he was in charge of fixed-network and broadband business, as well as integrated sales and service in Germany. From 2009 until his appointment as CEO of Deutsche Telekom AG in 2014, he was responsible for Finance and Controlling.

Timotheus Höttges is a member of the following further supervisory boards required by law or comparable supervisory bodies of the following companies:

Henkel AG & Co. KGaA (listed)

FC Bayern München AG (not listed)

Within Telekom Group:

Telekom Deutschland GmbH (Chairman)

T-Mobile US, Inc., USA (listed - Chairman)

He resigned from his office as non-executive director of BT Group plc in the United Kingdom as of May 14, 2020.

In the opinion of the Supervisory Board, the proposed candidate is independent; he has no personal or business relationship with Daimler AG or any of its Group companies, the corporate bodies of Daimler AG or any shareholder with a substantial interest in Daimler AG, the disclosure of which is recommended by the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*).

The Supervisory Board has also satisfied itself that the proposed candidate will be able to perform the duties expected of him in the time required for the office.

The candidate's CV also is available on the Internet at  www.daimler.com/ir/am2020.

Re Agenda Items 8 and 9:

Report of the Board of Management on the exclusion of shareholders' subscription rights and rights to sell shares to the Company in connection with the acquisition and sale of treasury shares pursuant to Section 71, Subsection 1, No. 8, Sentence 5 in conjunction with Section 186, Subsection 4, Sentence 2 and Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*):

Overview

The authorization to repurchase and use the Company's own shares (treasury shares) resolved by the Annual Meeting on April 1, 2015, expired on March 31, 2020. No use has been made of this authorization.

The proposed re-granted authorization to acquire treasury shares within a scope of up to 10% of the share capital is to give the Company the possibility to acquire treasury shares for any permissible purpose and to use them in particular to finance corporate mergers and acquisitions, to sell them to third parties for cash payment, to fulfill obligations arising from convertible bonds/bonds with warrants, or to transfer them to employees, or to cancel the shares. The authorization is intended to give the Company maximum flexibility and for the optimization of the buyback also to allow treasury shares to be acquired with the use of derivatives.

Agenda Items 8 and 9 are provisional resolutions. Currently, there are no plans to initiate a share buyback program.

Purchase and exclusion of the shareholders' right to tender

In addition to the acquisition via the stock exchange, the acquisition of treasury shares shall also be possible by means of a public purchase offer or by a request for submission of offers made by the Company or any of its affiliates within the meaning of Sections 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*), or by third parties acting on behalf of the Company or any of its affiliates.

If the number of Daimler shares tendered or offered by shareholders for purchase exceeds the total volume of shares that the Company intends to repurchase, the shareholders' right to tender may be excluded to the extent that, instead of in proportion to their quota participations, the repurchase will be in proportion to the Company's shares tendered or offered by each shareholder in order to facilitate the allocation process. The preferential treatment of small lots of up to 100 shares tendered per shareholder and rounding according to commercial principles may also be used to facilitate the allocation process. The Board of Management considers an inherent exclusion of any further shareholders' right to tender to be objectively justified and reasonable vis-à-vis the shareholders.

Use under exclusion of shareholders' subscription rights

The use of treasury shares acquired on the basis of the authorization granted by the Annual Meeting on July 8, 2020 or on the basis of an earlier authorization is intended to be possible with the exclusion of shareholders' subscription rights in defined cases:

- Under the authorization proposed under Agenda Item 8 lit. c) aa), the Board of Management shall be enabled, with the approval of the Supervisory Board, to offer and transfer treasury shares as a non-cash contribution and thus to use them as consideration, in particular in the context of busi-

ness combinations or in acquiring (also indirectly) companies, businesses, parts of companies, participations or other assets or rights to acquire assets, including receivables against the Company or its affiliates within the meaning of Sections 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*). International competition and the globalization of the economy increasingly require this form of consideration. The proposed authorization is therefore intended to give the Company the necessary flexibility to exploit acquisition opportunities quickly, flexibly and with little detriment to liquidity. The proposed exclusion of shareholders' subscription rights reflects this intention. When determining the valuation ratios, the Company shall ensure that the interests of shareholders are adequately safeguarded, taking into account the stock market price, but without a mathematical reference to it. There are no explicit plans to utilize this authorization at present.

- Moreover, the authorization proposed under Agenda Item 8 lit. c) bb) shall make it possible, with the approval of the Supervisory Board, to sell shares also in other ways than through the stock exchange or through an offer to all shareholders against cash payment to third parties, for example to institutional investors, or to attract new groups of investors. A precondition for such a sale is that the price achieved (excluding transaction costs) is not significantly lower than the stock exchange price for shares in the Company of the same type at the time of the sale. The possibility of selling repurchased shares held in treasury against cash payment under exclusion of shareholders' subscription rights serves the interests of the Company to obtain the best price possible on the sale. By excluding shareholders' subscription rights, it is possible to place the shares close to the stock market price, i.e. the discount normally associated with subscription rights issues is eliminated. The immediate inflow of funds will avoid the uncertainties of future stock market developments. The portion of the share capital mathematically attributable to treasury shares sold in this way may not exceed 10% of the Company's share capital at the time this authorization becomes effective or of the share capital existing at the time the authorization to sell the shares under exclusion of subscription rights is exercised, if the latter is lower.

The orientation towards the stock exchange price takes account of the shareholders' interest in preventing dilution and appropriately protects their assets and voting rights. When determining the selling price, Management shall keep any possible markdown on the quoted stock market price as low as possible, taking into account the conditions of the market. The shareholders are generally able to maintain the relative value of their shareholdings by purchasing shares on the stock exchange; while in the interests of all shareholders, the Company is given additional scope for action to utilize favorable stock market situations at short notice. The proposed deduction clause ensures that the number of treasury shares sold under the simplified exclusion of subscription rights in *mutatis mutandis* application of Section 186, Subsection 3, Sentence 4 of the of the German Stock Corporation Act (*Aktiengesetz*) together with other shares issued or sold under exclusion of shareholders' subscription rights during the term of the acquisition authorization until the authorization to exclude subscription rights when using acquired treasury shares in direct or *mutatis mutandis* application of this provision does not exceed the limit of 10% of the share capital. Furthermore, shares that were issued or are to be issued to service conversion/warrant rights or conversion/warrant obligations from convertible bonds and/or bonds with warrants shall also be included in the calculation, provided that the corresponding bonds were issued during the term of the acquisition authorization in *mutatis mutandis* application of Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*). There are no explicit plans to utilize this authorization at present.

- Furthermore, according to the authorization proposed under Agenda Item 8 c) cc), acquired treasury shares shall also be used to fulfill or secure rights or obligations to acquire Company's shares, in particular under or in connection with convertible bonds and/or bonds with warrants ("bonds") issued by the Company or any affiliate of the Company within the meaning of Sections 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*). This facilitates even more flexible action and, by avoiding the issue of additional shares, allows the avoidance of the dilution effect that is typical of a capital increase. In its decision whether to use treasury shares or to issue new shares when servicing obligations or rights to acquire treasury shares, the Board of Management will consider the interests of the shareholders appropriately. The same applies to the question of the – also possibly exclusive – serviceability of convertible bonds or warrant bonds using treasury shares. The exclusion of shareholders' subscription rights is a prerequisite in all such cases. This also applies if a customary market form of dilution protection is granted to the extent that holders of conversion/warrant rights or conversion/warrant obligations on shares in the Company are granted subscription rights to shares in the event of rights issues by the Company to the extent to which they would be entitled after having exercised such rights or fulfilled such obligations.
- In addition, according to the authorization proposed under Agenda Item 8 c) dd) it should also be possible to issue shares directly or indirectly to the employees of the Company and its affiliates within the meaning of Sections 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*), to board members of the Company's affiliates or to third parties which assign to those persons the economic ownership and/or the economic benefits of the shares. The issue of shares to these persons enhances the identification of those entitled with the Company and the ownership culture at the Company. This is also in the Company's interest. The same applies to the exclusion of subscription rights required in the event of such use. In order to facilitate the issue of shares for this purpose, the Company is to be allowed to acquire the necessary treasury shares also by means of securities lending, and if necessary, also to use treasury shares to meet the lenders' claim to repayment.
- During the term of the authorization, the total of treasury shares used with the exclusion of shareholders' subscription rights may not account for a notional share of more than 10% of the share capital at the time this authorization becomes effective or of the share capital existing at the time of the authorization being exercised, if the latter is lower. If, during the term of the authorization and until it is exercised, other authorizations to issue or sell shares in the Company or to issue rights that enable or oblige the subscription of shares in the Company are exercised and the subscription right is excluded in the process, this shall be counted towards the aforementioned 10% limit, so that the total of the shares issued or sold with the exclusion of subscription rights may not exceed 10% of the share capital. The shareholders are thus additionally protected against dilution of their existing shareholdings.
- Finally, according to the authorization proposed under Agenda Item 8 c) ee) it shall be possible to cancel treasury shares even without a new resolution to be adopted by the Shareholders' Meeting. The cancellation of treasury shares is to be possible following a decision by the responsible boards with or without a reduction in share capital, whereby in the latter case the proportion of the share capital represented by each share increases accordingly. In such a case, the Board of Management is authorized to adjust the number of shares specified in the Articles of Incorporation.

Acquisition using derivatives

Through the resolution of the Annual Meeting proposed under Agenda Item 9, the Company shall have the opportunity to acquire shares in the Company in accordance with Section 71, Subsection 8 of the German Stock Corporation Act (*Aktiengesetz*), in addition to the acquisition options provided for under Agenda Item 8, with the approval of the Supervisory Board, also by using derivatives. This additional alternative expands the Company's ability to structure the acquisition of treasury shares optimally. The Board of Management intends to apply derivatives only as a supplement to the conventional share buy-back. The use of put options, call options and forward purchases or a combination of these instruments (hereinafter "derivatives") may – also in combination with other admissible transactions not covered by this authorization – be advantageous for the Company compared to direct purchases of the shares.

The authorization proposed under Agenda Item 9 does not result in overshooting the maximum limit (provided for in Agenda Item 8) for the repurchase of Company's shares of up to 10% of the share capital existing when the Annual Meeting passes the resolution or the share capital existing as of the date on which the authorization is exercised, if the latter value is lower, but merely enables the purchase of treasury shares using derivative financial instruments within that scope up to an additional upper limit of 5% of the share capital existing when the Annual Meeting passes the resolution.

The derivative transactions are to be concluded with an independent credit institution or with companies operating in accordance with Section 53, Subsection 1, Sentence 1 or Section 53b, Subsection 1 or Subsection 7 of the German Banking Act (*Kreditwesengesetz*) or a consortium of such credit institutions or companies. The term of the derivatives must be chosen in such a way that the repurchase of Company's shares pursuant to the terms and conditions of the derivatives takes place no later than July 7, 2025. This ensures that after the expiration of the authorization to acquire treasury shares on July 7, 2025, the Company will no longer acquire treasury shares on the basis of this authorization. Furthermore, the maturity of a derivative is limited to 18 months.

When selling put options, the Company grants the purchaser of the put options the right to sell Daimler shares to the Company at a price specified in the put options ("exercise price"). As the so-called option writer, the Company is obliged to acquire the number of Daimler shares specified in the put option at the exercise price. As consideration, the Company receives an option premium when it sells the put options, substantially equivalent to the value of the selling right taking into consideration the exercise price, the term of the options and the volatility of Daimler's share price. If the put option is exercised, the option premium paid by the purchaser of the put options reduces the total consideration paid by the Company for the acquisition of the Daimler shares. Exercise of the put option makes financial sense for the holders if the price of Daimler shares is below the exercise price, because the holders can then sell shares to the Company at the higher exercise price. From the Company's perspective, a share buyback with the use of put options has the advantage that the exercise price is already defined on the date when the options are concluded. However, there is no cash flow until the day of exercise. Furthermore, the price paid by the Company to acquire the Daimler shares is below the share price at the time when the options are concluded due to the option premium received by the Company. If the options are not exercised because the share price is above the exercise price on the date of exercise, the Company cannot acquire treasury shares in this way. However, it has the advantage of the option premium it received when the options were sold.

When acquiring call options, in return for the payment of an option premium, the Company receives the right to buy a predefined number of Daimler shares at a predefined price (“exercise price”) from the seller of the options, the option writer. The Company thus buys the right to acquire treasury shares. Exercise of the call options makes financial sense for the Company if the price of Daimler shares is above the exercise price, because it can then buy the shares from the option writer at the lower exercise price.

In the case of a forward purchase contract, the Company agrees to purchase from the forward seller the Daimler shares at a fixed future date (“forward settlement date”) and at a predetermined price (“forward price”) that is agreed by the parties at the time the contract is entered into. It may be expedient for the Company to enter into forward purchase contracts in order to satisfy its need for Company’s shares on the forward settlement date at the forward price.

The terms and conditions of the derivatives must ensure that the derivatives are only serviced with shares acquired in compliance with the principle of equal treatment; acquisition on the stock exchange is sufficient for this purpose. This requirement ensures that shareholders are not economically disadvantaged by the use of derivatives.

Exclusion of shareholders’ subscription rights and rights to sell shares to the Company with the use of derivatives

Any claims on the part of shareholders to conclude such derivative transactions with the Company are excluded in accordance with Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*). The shareholders also have no right to conclude derivative transactions insofar as in connection with the intended acquisition of treasury shares with the use of derivatives there is a preferred offer for the conclusion of derivative transactions related to lower numbers of shares. Shareholders have the right to sell shares to the Company only to the extent that the Company is obligated to accept shares from them under the derivative contracts. Otherwise, the use of derivatives in share repurchases would not be possible, and the Company would not be able to reap the benefits thus opened up. Having carefully weighed the interests of shareholders and the Company, the Management considers the non-granting of the shareholders’ right to tender their shares to be justified.

The price agreed on in the relevant derivative and to be paid per share upon exercise of a put or a call option or in fulfillment of a forward purchase may not exceed the average price of a Daimler share determined at the close of Xetra trading (or at the close of a functionally equivalent successor to the Xetra system) on the Frankfurt Stock Exchange on the last three days of trading before the conclusion of the respective derivative transaction by more than 10% and may not be more than 20% lower than that price (in each case excluding transaction costs, but taking into consideration the option premium received or paid).

The price paid by the Company for derivatives shall not be significantly higher, and the price received by the Company for derivatives shall not be significantly lower, than the theoretical market price of the respective derivative calculated in accordance with generally accepted actuarial methods. Among other factors, the predetermined exercise price shall be taken into account when determining the theoretical market price. The determination of both option premium and exercise price/forward price in the manner described above and the commitment to be included in the terms and conditions of the derivative contract to satisfy the exercise of options or the fulfillment of forward purchases by utilizing only Company's shares that were previously acquired subject to compliance with the principle of equal treatment, are designed to rule out economic disadvantages for existing shareholders from such a repurchase of Company's shares. Since the Company receives or pays a fair market price, the shareholders not involved in the derivative transactions do not suffer any substantial loss in value. In this respect, this is comparable to the position of shareholders in the case of a share repurchase on the stock exchange, where also not all shareholders are able to actually sell shares to the Company. Both the regulations governing the structure of the derivatives and the regulations governing the shares suitable for delivery ensure that full account is also taken of the principle of equal treatment of shareholders in this form of purchase.

Report on the utilization of the authorization to acquire treasury shares and to use derivatives

In case of a utilization of the authorization to acquire treasury shares and to use derivative financial instruments, the Board of Management will notify the following Annual Meeting of this fact.

Re Agenda Item 10:

Report of the Board of Management concerning the exclusion of subscription rights in the event of the issue of convertible bonds and/or bonds with warrants pursuant to Section 221, Subsection 4 in conjunction with Section 186, Subsection 4, Sentence 2 and Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*):

Overview

Under Agenda Item 10, the Board of Management and the Supervisory Board propose to the Annual Meeting to grant a new authorization to issue convertible bonds and/or bonds with warrants, together with an associated new Conditional Capital 2020.

By resolution of the Annual Meeting adopted on April 1, 2015 the Board of Management was authorized to issue, with the approval of the Supervisory Board, by March 31, 2020 convertible bonds and/or bonds with warrants in an aggregate face value of up to €10,000,000,000.00 with a term of up to ten years. The proportionate amount of the share capital of the shares to be issued on the basis of the conversion and/or warrant rights or conversion and/or warrant obligations must not exceed €500,000,000.00. The Board of Management was also authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in certain cases. In order to fulfil the conversion and/or warrant rights or conversion and/or warrant obligations arising from the corresponding bonds, the same Annual Meeting resolved to create conditional capital in the amount of €500,000,000.00 (Conditional Capital 2015, cf. Article 3 Paragraph 3 of the Articles of Incorporation). No use has been made of this authorization.

Currently, there are no further authorizations to issue convertible bonds and/or bonds with warrants. Moreover, there are no other conditional capitals, either.

However, the Company has an authorized capital in the amount of €1,000,000,000.00 (corresponding to around 32.6% of the current share capital), which is valid until April 4, 2023, and which also provides for the possibility of issuing shares under exclusion of subscription rights for certain scenarios (Authorized Capital 2018, Article 3 Paragraph 2 of the Articles of Incorporation). The total of the shares issued against cash and/or non-cash contributions from the Authorized Capital 2018 with the exclusion of shareholders' subscription rights may not account for more than 10% of the share capital at the time the Authorized Capital 2018 became effective (i.e. a maximum of €306,967,197.00). This 10% limit shall include shares which (i) are issued or sold during the term of the Authorized Capital 2018 with the exclusion of subscription rights in direct or *mutatis mutandis* application of Section 186, Subsection 3 Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*), and which (ii) are, can or must be issued to service bonds with conversion or warrant rights or conversion or warrant obligations, provided that the bonds are issued after the Authorized Capital 2018 became effective in *mutatis mutandis* application of Section 186, Subsection 3 Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*) with the exclusion of shareholders' subscription rights.

Since the authorization to issue convertible bonds and/or bonds with warrants dated April 1, 2015 expired on March 31, 2020, it shall be renewed in its current volume and a corresponding new Conditional Capital 2020 shall be created, which replaces the Conditional Capital 2015 that became irrelevant as of March 31, 2020. This ensures that the company will continue to have the necessary flexibility in corporate financing in the coming years.

The proposed new authorization provides for the issuance of bonds with a total nominal amount of up to €10,000,000,000.00 with conversion/warrant rights or obligations for shares of Daimler AG with a proportionate amount of the share capital of up to €500,000,000.00. If this authorization was fully utilized, bonds could be issued which would grant subscription or conversion rights to up to around 16.3% of the Company's current share capital. In accordance with statutory requirements, the authorization is limited to five years until July 7, 2025.

Advantages of this financing instrument

Adequate capital resources are an essential basis for the Company's corporate development and successful market presence. Depending on the prevailing market situation, the issue of convertible bonds and bonds with warrants or a combination of these instruments (including all possible arrangements envisaged in this resolution hereinafter jointly referred to as "bonds") can enable the Company to take advantage of attractive financing possibilities and conditions in order to provide the Group with capital at low rates of interest. The conversion and/or warrant premiums generated are beneficial to the Company. Furthermore, the issue of convertible bonds or warrant bonds, potentially in combination with other instruments such as a capital increase, may serve to broaden the investor spectrum, including what are known as anchor investors.

For reasons of flexibility, the Company should be able to issue the bonds also via its affiliates within the meaning of Sections 15 et seq. of the German Stock Corporation Act (*Aktengesetz*) and, depending on the market situation, to make use of the German or of international capital markets and to issue bonds not only in euros but also in the legal currency of any OECD country.

The bond conditions may also provide for a conversion or warrant obligation at the end of the term or at any other time; they may also provide for exchange rights of the issuing company or Daimler AG, in particular rights to replace the considerations originally owed under them by Daimler shares (including in the form of a tender right, substitution right or redemption option). This gives more leeway for structuring such financial instruments. In addition, it is also intended to enable the issue of bonds in which the issuing company or Daimler AG can exercise an exchange right after the issue of the bonds by making a declaration to the bondholders, as a result of which Daimler shares are to be delivered in whole or in part instead of the consideration originally guaranteed in the bonds. This structuring option allows a flexible and liquidity-preserving response to changes in the general framework conditions between the issue and the maturity of such bond.

Conversion/warrant price

The conversion/warrant price for a Daimler share may not be below 80% of the average price of Daimler shares at the close of Xetra trading (or at the close of a functionally equivalent successor to the Xetra system) on the Frankfurt Stock Exchange on the ten trading days prior to the day of the resolution by the Board of Management on the issue of the convertible bonds or bonds with warrants. To the extent that the shareholders have the right to subscribe to the bond issue, there is to be the alternative opportunity to establish the conversion/warrant price for Daimler shares on the basis of the average price of Daimler shares at the close of Xetra trading (or at the close of a functionally equivalent successor to the Xetra system) during the trading days of subscription rights trading on the Frankfurt Stock Exchange, with the exception of the last two trading days of subscription rights trading, with this price also having to be at least 80% of the calculated value. In the case of bonds with a conversion/warrant obligation or an exchange right of the issuing company or Daimler AG, the conversion or option price may alternatively be based on the stock exchange price of the Daimler share at the time when the conversion/warrant price is determined in accordance with the conversion/warrant conditions, even if this is below the aforementioned minimum price (80%). However, Section 9 Subsection 1 and Section 199 Subsection 2 of the German Stock Corporation Act shall remain unaffected.

Without prejudice to Section 9, Subsection 1 and Section 199, Subsection 2 of the German Stock Corporation Act (*Aktengesetz*), the conversion or exercise price may be adjusted by virtue of a dilution protection or adjustment clause in accordance with the bond conditions in particular if the Company, for example, changes its share capital during the term of the bonds (e.g. through a capital increase, a capital decrease, or a stock split). Furthermore, dilution protection or other adjustments may be provided for in connection with dividend payouts, the issue of additional convertible and/or warrant bonds, transformation measures, and in the case of other events affecting the value of the conversion/warrant rights or conversion/warrant obligations or exchange rights that may occur during the term of the bonds (e.g. control gained by a third party). Dilution protection or other adjustments may be provided in particular by granting subscription rights, by changing the conversion or warrant price, and by amending or introducing cash components.

Authorized/Approved Capital (“genehmigtes Kapital”), treasury shares, cash settlement, variable structuring of the conditions

The bond conditions can provide or allow that, in case conversion or warrant rights are exercised or corresponding obligations are fulfilled, also shares from the authorized/approved capital (“genehmigtes Kapital”) or treasury shares can be granted. To further increase flexibility, the bond conditions can also include the provision or allowance that instead of granting shares in the Company to the holders of conversion/warrant rights or of bonds with corresponding obligations in the case of conversion or warrant rights being exercised or conversion or warrant obligations being fulfilled, the Company does not grant Daimler shares, but pays out an equivalent value in cash. Such virtual bonds enable the Company to use financing close to capital-market conditions with no actual need for a capital-raising measure under company law. This takes into account the fact that an increase in share capital may be inappropriate at the future time of exercise of the conversion/warrant rights or fulfillment of corresponding obligations. Moreover, since no new shares are issued, utilization of the cash settlement option protects the shareholders against any reduction in the relative amounts of their shareholdings and against dilution of the net asset value of their shares. In this respect, in accordance with the con-

version/warrant conditions, the equivalent value to be paid in cash corresponds to the average price of Daimler shares at the close of Xetra trading (or at the close of a functionally equivalent successor to the Xetra system) on the Frankfurt Stock Exchange during the last ten to twenty trading days after the announcement of the cash settlement.

Furthermore, the provision can also be made that the number of shares to be granted upon exercise of conversion or warrant rights or after fulfillment of corresponding obligations, or a related conversion ratio, is variable and can be rounded up or down to a whole number. Furthermore, for technical reasons, a supplemental cash payment can be stipulated, or provision can be made for fractions to be combined and/or compensated in cash.

Shareholders' subscription rights and exclusion of subscription rights

The shareholders are generally to have subscription rights when convertible bonds and/or bonds with warrants are issued. However, with the approval of the Supervisory Board, the Board of Management can exclude subscription rights in certain clearly defined cases.

- First, the Board of Management shall be authorized in *mutatis mutandis* application of Section 22 1, Subsection 4, Sentence 2 in conjunction with Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*) to exclude subscription rights, with the approval of the Supervisory Board, if the bonds are issued in exchange for cash payment and the issue price is not significantly below the theoretical market value of the bonds, as calculated according to generally accepted, in particular actuarial calculation methods. This enables the Company to respond quickly to favorable stock-market situations and to place bonds on the market quickly and flexibly with attractive conditions. On the other hand, in view of the increased volatility of the stock markets, the issue of convertible bonds and/or bonds with warrants with the inclusion of subscription rights is often less attractive, as in order to comply with the subscription period, the issue price must be set at a very early stage, which is to the detriment of optimum exploitation of the stock-market situation and the value of the bonds. Favorable conditions as close as possible to those prevailing on the market can generally only be established if the Company is not bound to them for an excessively long offer period. Due to applicable statutory periods in the context of subscription rights issues, it is frequently necessary to deduct a significant safety margin from the price. It is true that Section 186, Subsection 2 of the German Stock Corporation Act (*Aktiengesetz*) allows publication of the subscription price (and therefore of the bond conditions in the case of convertible bonds and/or bonds with warrants) not later than three days before the end of the subscription period. However, even in such cases, there is a market risk over several days, which leads to the deduction of safety margins. Moreover, due to the uncertainty regarding utilization, subscription rights make the alternative placement with third parties more difficult and cause additional expenditure. Finally, due to the length of the subscription period, the Company is also prevented from responding quickly to changes in market conditions. This makes it more difficult to raise capital.

If the bonds are issued in exchange for cash upon exclusion of the subscription right in *mutatis mutandis* application of Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*), the shareholders' interests are safeguarded by the bonds being issued at a price that is not significantly lower than the theoretical market value of the bond. The theoretical market value is to be calculated here according to generally accepted, in particular actuarial calculation methods. In determining the price and taking into account the then current capital market situation, the Management will keep the discount on that market price as small as possible, thus reducing the financial value of a subscription right in respect of the bonds to near zero. As a result, shareholders will not suffer a material economic disadvantage following the exclusion of their subscription rights. However, it is also ensured that the conditions are determined in line with the market and that thus a considerable dilution of the value is avoided if, for instance, a book building process is carried out. In this case, investors are asked, on the basis of preliminary bond conditions, to submit purchase requests, specifying e.g. the interest rate deemed in line with the market and/or other economic components. This way, the total value of the bond is determined in close conformity with market conditions and it is ensured that the exclusion of the subscription right does not result in a significant dilution of the share value. Shareholders who wish to maintain their relative shareholdings in the Company's share capital can do so under almost identical conditions by making additional purchases on the capital market. This provides appropriate protection for their asset interests.

The computational portion of the share capital attributable to the total of new shares which are to be issued or granted on the basis of bonds issued upon exclusion of the subscription right in *mutatis mutandis* application of Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*), must not exceed 10% of the share capital at the time when such authorization takes effect or at the time at which it is exercised, if the latter amount is lower. When determining this limit of 10% of the share capital, shares shall also be taken into account which, during the term of this authorization, are issued or disposed of by direct or *mutatis mutandis* application of Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*). Furthermore, also shares issued or granted or to be issued or granted on the basis of a convertible bond or warrant bond issued during the term of this authorization with shareholders' subscription rights excluded in *mutatis mutandis* application of Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*) are to be included.

- It is further proposed that the Board of Management shall be authorized, subject to the approval of the Supervisory Board, to exclude the shareholders' subscription rights if the bonds are issued in exchange for contribution or consideration in kind. This allows inter alia to use the bonds in appropriate cases as an acquisition currency, in the context of business combinations or for the purpose of acquiring (also indirectly) companies, businesses, parts of companies, participations or other assets or rights to acquire assets, including receivables against the Company or its affiliates pursuant to Sections 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*). This enables the Board of Management to react quickly and flexibly to advantageous offers or other opportunities arising on the national and international market and to take advantage of opportunities to expand the company by acquiring companies or interests in companies in return for the issue of bonds in the interests of the company and its shareholders. The Management will check in each individual case whether to make use of this authorization as soon as such acquisition opportunities take a more concrete shape. It will not exclude the shareholders' subscription rights to bonds unless this would be in best interests of the Company and its shareholders.

- The proposed authorization to exclude the subscription right in the case of fractions that may result from the amount of the total amount issued from time to time and from a practicable conversion/subscription ratio serves the purpose to facilitate ease of handling.
- Finally, the Board of Management, with the approval of the Supervisory Board, shall also be authorized to exclude subscription rights to these bonds in order to grant holders/creditors of conversion or warrant rights in the Company's shares or respective conversion or warrant obligations from bonds issued or to be issued by Daimler AG or its affiliates within the meaning of Section 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*) on the basis of other authorizations to grant subscription rights to bonds as compensation against the effects of dilution to the extent to which they would be entitled upon exercising such rights or fulfilling such obligations. The exclusion of shareholders' subscription rights for the benefit of holders/creditors of outstanding bonds has the advantage that the conversion or option price for the already outstanding bonds, which are commonly equipped with an anti-dilution mechanism, does not have to be reduced. As a result, the attractiveness of a bond issue may be enhanced by placing the bonds in several tranches in order to raise a higher total inflow of funds.

Bonds may be issued upon exclusion of the subscription right under this authorization only if the computational portion of the share capital attributable to the total of the new shares to be issued on the basis of such bond does not exceed 10% of the share capital at the time this authorization takes effect or at the time at which it is exercised, if the latter amount is lower. If, during the term of this authorization to issue bonds until its exercise, other authorizations to issue or sell shares in the Company or to issue rights that enable or oblige the subscription of shares in the Company are exercised and the subscription right is excluded in the process, this shall be counted towards the aforementioned 10% limit. The shareholders are additionally protected by this restriction against dilution of their existing shareholdings.

Conditional Capital 2020

The Conditional Capital 2020 is required to be able to service the conversion/warrant rights or conversion/warrant obligations associated with convertible bonds and bonds with warrants, unless other forms of performance are used for servicing. The issue price is equal to the conversion/warrant price.

There are currently no concrete plans to make use of the authorization to issue convertible bonds or bonds with warrants. In each case, the Board of Management will carefully examine whether it is in the interest of the Company and its shareholders to exercise the authorization. In the event that the authorization to issue bonds with the exclusion of subscription rights is exercised, the Board of Management will report on this at the following Annual Meeting.

Total number of shares and voting rights

At the time of convening the Annual Meeting, the Company's share capital is divided into 1,069,837,447 shares, each of which confers one vote to its holder.

Additional Information

Information on the implementation of the virtual Annual Meeting

The Board of Management, with the consent of the Supervisory Board, decided to hold the Annual Meeting in line with Section 1, Subsection 2 of the COVID-19 Act as a virtual general meeting without the physical presence of shareholders or their proxies. This results in the processes of the Annual Meeting and the shareholders' rights being modified. The complete Annual Meeting will be audio-visually broadcast on the Internet for shareholders listed as shareholders in the share register. Physical participation of the shareholders or their proxies (except for the proxies appointed by the Company) is ruled out. Voting rights may only be exercised by shareholders or their representatives by absentee voting or by granting power of attorney and issuing instructions to the proxies appointed by the Company. Electronic participation within the meaning of Section 118, Subsection 1, Sentence 2 of the German Stock Corporation Act (*Aktiengesetz*) is not possible. The shareholders will be given the opportunity to ask questions by means of electronic communications. Finally, shareholders having exercised their voting right may lodge an objection to resolutions of the Annual Meeting on record by means of electronic communications.

With regard to the particularities of the virtual Annual Meeting, we ask our shareholders this year to take particular note of the following information on notification, the exercise of voting rights, and the further shareholder rights.

Conditions for exercising voting rights

Shareholders are entitled, themselves or through proxies to exercise their voting rights if they are listed as shareholders in the Company's share register on the day of the Annual Meeting and have notified the Company in writing or via electronic media (»*Textform*«) of their intention to vote at the Annual Meeting so that notification is received by the Company **at the latest by 24:00 hours (midnight) on Friday, July 3, 2020.**

Shareholders who are listed as shareholders in the share register can notify the shareholder service of Daimler AG of their intention to vote at the Annual Meeting at:

Daimler
Aktionärsservice
Postfach 1460
61365 Friedrichsdorf, Germany
Fax: +49 69 2222 34282
Email: daimler.service@linkmarketservices.de

or as of June 16, 2020 by using the access-protected e-service for shareholders on the Internet at

 <https://register.daimler.com>

Shares will not be blocked as a result of shareholders' notification. Shareholders can also dispose of their shares after having given notification. Voting rights are based on the number of shares entered in the share register on the day of the Annual General Meeting. This number of shares will correspond to the number of shares as at the notification deadline of 24:00 hours (midnight) on July 3, 2020 since changes to the share register are not made for technical reasons from the end of July 3, 2020 up to the end of the Annual Meeting (registration stop). The technically decisive effective date regarding the number of shares (Technical Record Date) is, therefore, the end of July 3, 2020.

Details of the e-service for shareholders

The convocation of the virtual Annual Meeting on July 8, 2020 is sent by regular mail to all shareholders listed as shareholders in the share register who have not yet agreed to have it sent by e-mail. Shareholders who have agreed to have the Annual Meeting documentation sent by e-mail will receive the e-mail with a link to the convocation, as well as another link to the e-service for shareholders, at the e-mail address they have specified.

On the reverse side of the letter of invitation sent by regular mail, the registration data for our e-service for shareholders can be found, i.e., the shareholder's number and the individual access number. Users of the e-service for shareholders who have already registered for the service can use their self-issued User ID and password.

With this data, shareholders using the e-service for shareholders can – as from June 16, 2020 and within the respective deadlines – give notification, authorize and instruct the voting proxies appointed by the Company, or cast their vote by absentee voting, submit questions or lodge an objection to a resolution of the Annual Meeting during the event. Via the e-service for shareholders, the entire virtual General Meeting will also be transmitted in audio and video from 10:00 a.m. on July 8, 2020.

The use of the e-service for shareholders by a proxy requires that the proxy receives the relevant registration data from the person granting the power of attorney.

Absentee voting procedure

Shareholders who are listed as shareholders in the share register on the day of the Annual Meeting can cast absentee votes. For this purpose, too, timely notification is indispensable (such as described above under “Conditions for exercising voting rights”).

Absentee votes can be cast via the e-service for shareholders from June 16, 2020 onwards and, provided notification has been made on time, can still be withdrawn or amended in this way during the virtual Annual Meeting until the end of the voting on the Agenda Items.

Absentee votes can also be sent to the Company in writing or via electronic media (“*Textform*”) at the address, fax number or e-mail address stated above in the section headed “Conditions for exercising voting rights” for the notification of the intention to vote at the Annual Meeting by 24:00 hours (midnight) on July 3, 2020 (receipt). In advance of the Annual Meeting, absentee votes timely received can also be withdrawn or amended using these communication channels when received by the Company by 24:00 hours (midnight) on July 3, 2020. After that date, the withdrawal of or an amendment to voting decisions in absentee voting will be possible via the e-service for shareholders. Please note that after July 3, 2020, 24:00 hours, it will no longer be possible to change the form of exercising voting rights and switch between electronic voting by mail and electronic proxy and instruction to the proxy, not even via the e-service for shareholders.

Shareholders not using the e-service for shareholders to cast their absentee votes are requested to use the reply form enclosed with the invitation.

Absentee votes on Agenda Item 2 cast in advance of the voting in the virtual Annual Meeting shall also count in the voting on the adjusted proposal for the allocation of distributable profit only as a result of a change in the number of shares entitled to dividends for the preceding financial year 2019.

If an individual vote that was not announced already in the convocation notice is taken on an Agenda Item, a vote on this item in its entirety will count as a corresponding vote on each point of the individual vote.

Authorized credit institutions, shareholders' associations and other intermediaries covered by Section 135 of the German Stock Corporation Act (*Aktiengesetz*) and persons or institutions treated as such in accordance with Section 135 Subsection 8 of the German Stock Corporation Act (*Aktiengesetz*) may also use postal voting. If requested, the Company will make available respective forms and communication channels.

Exercise of voting rights by authorizing official Company proxies

Shareholders listed as shareholders in the share register on the day of the Annual Meeting have the possibility to authorize proxies appointed by the Company to vote in accordance with their instructions at the virtual Annual Meeting. For this purpose, too, timely notification is indispensable (such as described above under "Conditions for exercising voting rights").

The authorization of such proxies, the issuing of voting instructions and any amendments of such as well as the revocation of proxy authorization may be made in the following ways:

Power of attorney and instructions to the Company's proxies can be issued via the e-service for shareholders from June 16, 2020 and, provided that shareholders register in good time, can be revoked or amended in this way during the virtual General Meeting until the end of voting on the Agenda Items.

Proxy authorization and voting instructions to the proxies appointed by the Company can also be sent to the Company in writing or via electronic media ("*Textform*") at the address, fax number or e-mail address stated above in the section headed "Conditions for exercising voting rights" for the notification of the intention to vote at the Annual Meeting by 24:00 hours (midnight) on July 3, 2020 (receipt) at the latest. In advance of the Annual Meeting, proxy authorizations and voting instructions timely received can also be withdrawn or amended in using these communication channels when received by the Company by 24:00 hours (midnight) on July 3, 2020. After this date, withdrawal and amendment are possible via the e-service for shareholders. Please note that after 24:00 hours on July 3, 2020, it will also no longer be possible to change the form of exercising voting rights via the e-service for shareholders and to switch between electronic authorization and instruction to the proxy and electronic postal voting.

Shareholders not using the e-service for shareholders to grant proxy authorizations and issue instructions to the Company's appointed proxies are requested to use the reply form enclosed with the letter of invitation.

The Company's voting proxies will exercise shareholders' voting rights in accordance with their instructions; even when appointed as proxies, they may only exercise voting rights if express instructions have been given on the individual resolution proposals that are submitted for voting in the Annual Meeting.

Instructions to the Company's voting proxies on Agenda Item 2 issued in advance of the voting in the virtual Annual Meeting will also apply in the voting of the adjusted proposal for the allocation of distributable profit only as a result of a change in the number of shares entitled to dividends for the preceding financial year 2019.

If an individual vote that was not announced already in the convocation notice is taken on an item on the Agenda, an instruction on this item in its entirety will be deemed instruction on each point of the individual vote.

Authorized banks, shareholders' associations and other intermediaries covered by Section 135 of the German Stock Corporation Act (*Aktiengesetz*) and persons or institutions treated as such in accordance with Section 135 Subsection 8 of the German Stock Corporation Act (*Aktiengesetz*) may also issue power of attorney and instructions to the Company's proxies. If requested, the Company will make available respective forms and communication channels.

Procedure for proxy voting

Shareholders listed as shareholders in the share register on the day of the Annual Meeting also have the option of voting by other proxy than the voting proxies appointed by the Company, for example by a credit institution or a shareholders' association. In these cases, too, timely notification (such as described above under "Conditions for exercising voting rights") is to be ensured by the shareholder or by a proxy.

If **neither a credit institution nor a shareholders' association** or other intermediary covered by Section 135 of the German Stock Corporation Act (*Aktiengesetz*) nor any other person or institution treated as equivalent pursuant to Section 135 Subsection 8 of the German Stock Corporation Act (*Aktiengesetz*) is authorized, the granting of the power of attorney, its revocation and proof of authorization vis-à-vis the Company must be in text form.

The proof of authorization vis-à-vis the Company can be sent to the Company at the address, fax number or e-mail address specified above in the section "Prerequisites for exercising voting rights" for notification.

Statutory provisions, in particular Section 135 of the German Stock Corporation Act (*Aktiengesetz*), apply to the authorization and revocation of proxy authorizations of **credit institutions, shareholders' associations**, other **intermediaries** covered by Section 135 of the German Stock Corporation Act (*Aktiengesetz*) or equivalent persons or institutions as defined by Section 135, Subsection 8 of the German Stock Corporation Act (*Aktiengesetz*), as well as to the proof of such authorization or revocation. Please also observe any relevant regulations of the credit institutions, shareholders' associations, other intermediaries covered by Section 135 of the German Stock Corporation Act (*Aktiengesetz*) or other equivalent persons or institutions.

If persons or institutions mentioned in the preceding paragraph are listed in the share register, they can exercise the voting rights for shares they do not own only if they are authorized to do so.

Proxies (with the exception of the Company's proxies) can therefore not physically participate in the Annual Meeting, either. They may exercise the voting rights for the shareholders they represent only by means of a postal vote or by issuing a (sub-)proxy and instructions to the proxies of the Company.

Note for shareholders entered in the US share register

Shareholders entered in the US share register can also notify the Company of their intention to vote at the Annual Meeting and obtain further information from

Daimler AG
 c/o American Stock Transfer & Trust Company, LLC
 6201 15th Avenue 3rd Floor
 Brooklyn, NY 11219
 USA
 Fax No. +1 718 765 8730

Further information on the shareholders' rights and possibilities

Requests for additions to the Agenda (Section 122, Subsection 2 of the German Stock Corporation Act (*Aktiengesetz*), Section 1 Subsection 3 Sentence 4 COVID-19 Act)

Shareholders whose combined shareholdings add up to the proportionate amount of €500,000.00 of the share capital of Daimler AG (equivalent to 174,216 shares) can request that items be placed on the Agenda and announced as such. Each new item must be accompanied by supporting information or a resolution proposal. Such requests are to be addressed in writing to the Board of Management of Daimler AG. As the Annual Meeting is convened using the option to shorten the convocation period according to Section 1 Subsection 3 Sentence 1 COVID-19-Act, the requests must be received by the Company at least 14 days before the Annual Meeting, i.e., at the latest by 24:00 hours (midnight) on June 23, 2020. Please send such requests to the following address:

Daimler AG
 The Board of Management
 Attn.: Dr. Michael Hörtig, COB/CO
 HPC 096 - F600
 70546 Stuttgart, Germany

Pursuant to Section 122, Subsection 2 in conjunction with Subsection 1 of the German Stock Corporation Act (*Aktiengesetz*), shareholders making such requests must prove that they have held the required number of shares for at least 90 days prior to the day the request is received and that they will hold the shares until the Board of Management decides on the request. Section 70 of the German Stock Corporation Act (*Aktiengesetz*) is to be applied to the calculation of the period of ownership of the shares, Section 121, Subsection 7 of the German Stock Corporation Act (*Aktiengesetz*) is to be applied accordingly to the calculation of the period.

If not previously announced when the Annual Meeting was convened, additions to the Agenda that are required to be announced are published in the Federal Gazette (*Bundesanzeiger*) without delay upon receipt of the corresponding request. They are also published online at www.daimler.com/ir/am2020/motions and are communicated to the shareholders entered in the share register.

Counter motions and election proposals (Section 126, Subsection 1 and Section 127 of the German Stock Corporation Act (*Aktiengesetz*))

Any counter motions to proposals of the Board of Management and/or Supervisory Board concerning certain items of the Agenda and election proposals that are to be made accessible prior to the Annual Meeting are to be sent exclusively to:

Daimler AG
Investor Relations
HPC 096 – F343
70546 Stuttgart, Germany
(Fax +49 711/17-94075)

or by e-mail to:

investor.relations@daimler.com

We shall publish any counter motions and election proposals required to be made accessible that are received at the address indicated in the preceding paragraph 14 days prior to the Annual Meeting at the latest, i.e. by 24:00 hours (midnight) on June 23, 2020, including the shareholder's name and reasons that are to be made accessible – furnished with the supplementary contents provided under Section 127, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*), if any – upon receipt, online at www.daimler.com/ir/am2020/motions. Any statements of position by the Management will also be published at the same Internet address.

Counter motions and election proposals as well as the reason for counter motions need not to be made accessible in the cases stipulated in Section 126, Subsection 2 of the German Stock Corporation Act (*Aktiengesetz*). An election proposal also does not need to be made accessible if it does not contain the proposed person's name, current profession and place of residence and, in the case of proposals for the election of Supervisory Board members, details of the proposed candidate's memberships in other statutory supervisory boards as defined by Section 125, Subsection 1, Sentence 5 of the German Stock Corporation Act (*Aktiengesetz*).

A counter-motion or election proposal to be made accessible in accordance with Sections 126, 127 of the German Stock Corporation Act (*Aktiengesetz*) will be considered to have been made during the virtual General Meeting if the shareholder making the request has duly registered for the Annual General Meeting. The right of the Chairman of the Annual Meeting to put the Management's resolution proposals to vote first remains unaffected.

Opportunity for shareholders to ask questions by means of electronic communications (Section 1, Subsection 2 Sentence 1 No. 3, Sentence 2 of the COVID-19 Act)

The shareholders will be given the opportunity to ask questions by means of electronic communications in accordance with Section 1, Subsection 2, Sentence 1, No. 3, Sentence 2 of the COVID-19 Act.

Shareholders registered for the Annual General Meeting or their proxies may submit their questions to the Company via the e-service for shareholders at

 <https://register.daimler.com>

until 24:00 hours (receipt) on July 5, 2020. Authorized intermediaries, shareholders' association and persons and institutions treated as such in accordance with Section 135 Subsection 8 of the German Stock Corporation Act (Aktengesetz) also have the opportunity to submit questions by way of electronic communication within that period. Upon request, the Company will provide respective communication channel.

The Board of Management will decide in its dutiful free discretion on the questions they will answer and how they will answer them (Section 1, Subsection 2, first half of Sentence 2 of the COVID-19 Act). When answering questions during the Annual General Meeting or in the event that questions and answers are published in advance on the Company's website, the Company is only entitled to disclose the names of the questioners if they have expressly requested to do so when submitting their questions.

Possibility of objections to the resolutions of the Annual Meeting (Section 1, Subsection 2, Sentence 1, No. 4 of the COVID-19 Act)

Shareholders having exercised their voting right personally or through proxies have the opportunity to lodge an objection to resolutions of the Annual Meeting by means of electronic communications.

Corresponding declarations must be sent to the company via the e-service for shareholders at

 <https://register.daimler.com>

Declarations may be made from the beginning of the virtual Annual Meeting through its conclusion by the Chairman of the meeting.

Video and audio broadcast of the entire Annual Meeting on the Internet

The entire Annual Meeting will be audiovisually broadcast for shareholders listed as shareholders in the share register via the e-service for shareholders at  <https://register.daimler.com> beginning at 10:00 hours on July 8, 2020. Shareholders listed as shareholders in the share register will be given access by entering the shareholder number and the individual access number, which are indicated on the reverse side of the letter of invitation sent by regular mail; proxies are likewise given access by entering the shareholder number and the individual access number of the shareholder. Users of the e-service for shareholders who have already registered for the service will use their self-issued User ID and password. Following the Annual Meeting on the Internet does not enable participation within the meaning of Section 118, Subsection 1, Sentence 2 of the German Stock Corporation Act (*Aktiengesetz*).

Other interested persons can follow the introductory statement of the Chairman of the Supervisory Board and the speech of the Chairman of the Board of Management at  www.daimler.com/ir/am2020; these will also be available as a recording after the virtual Annual Meeting.

Website providing information and documentation for the Annual Meeting

The convocation of the Annual Meeting with the further legally required information and explanations, including the information pursuant to Section 124a of the German Stock Corporation Act (*Aktiengesetz*) and further explanations on the aforementioned rights and possibilities of the shareholders, are available at the website www.daimler.com/ir/am2020. There, you can also find the currently valid version of the Articles of Incorporation of Daimler AG as well as a mark-up version of the sections affected by the adjustments proposed under Agenda Items 11 and 12.

Further information about the Annual Meeting and the subsequent voting results as well as the resolution on Agenda Item 6 and the remuneration system for the members of the Board of Management can also be accessed at the same Internet address.

Data protection notice

If you notify your intention to vote at the Annual Meeting of Daimler AG, cast postal votes or grant authorization and issue instructions, if any, we will process personal data regarding you and/or your proxy/proxies in order to enable our shareholders to exercise their rights associated with the Annual General Meeting.

Daimler AG processes this data as the data controller in accordance with the provisions of the EU General Data Protection Regulation (GDPR) and all other applicable legal rules. You can find more information about the handling of your personal data and your rights under the GDPR online at

<https://register.daimler.com/en/Content/dataprotection/>

The convocation of the Annual Meeting will be published in the Federal Gazette (Bundesanzeiger) on June 10, 2020.

Stuttgart, June 2020

Daimler AG
The Board of Management

Internet | Information | Addresses

Information on the Internet

Specific information on our shares and earnings development can be found on our website

 [daimler.com](https://www.daimler.com) in the “Investors” section. The Group’s annual and interim reports and the company financial statements of Daimler AG can be accessed there. You can also find topical reports, presentations, an overview of various key figures, information on our share price and other services.  [daimler.com/investors](https://www.daimler.com/investors)

Publications for our shareholders:

- Annual Report (German, English)
- Interim Reports for the 1st, 2nd and 3rd quarters (German, English)

 [daimler.com/ir/reports](https://www.daimler.com/ir/reports)
[daimler.com/downloads/en](https://www.daimler.com/downloads/en)

The Annual Report can be requested from:
Daimler AG,
Investor Relations, HPC F343
70546 Stuttgart, Germany
Phone +49 711 17 92262
Fax +49 711 17 92287
order.print@daimler.com

Daimler AG

70546 Stuttgart
Phone +49 711 17 0
Fax +49 711 17 22244
www.daimler.com

Investor Relations

Phone +49 711 17 95277
+49 711 17 92285
+49 711 17 95256
Fax +49 711 17 94075
ir.dai@daimler.com



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Financial Calendar 2020

Virtual Annual Meeting 2020

July 8, 2020

Interim Report Q2 2020

July 23, 2020

Interim Report Q3 2020

October 23, 2020

As changes to the above dates cannot be ruled out, it is advisable to check on our website a short time in advance.  daimler.com/ir/calendar

