

DAIMLER

**Virtual Annual Meeting of Daimler AG
on Wednesday, March 31, 2021 at 10:00 a.m.
from the Carl Benz-Arena, Mercedesstraße 73d, 70372 Stuttgart**

**Re. Item 7 of the Agenda
Remuneration system for the members of the Supervisory Board**

The remuneration of the members of the Supervisory Board is commensurate with their duties and the state of the Company and takes into account the recommendations of the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*) as well as the remuneration of other major listed companies' supervisory boards.

At the same time, adequate and appropriate remuneration plays an important role in competing for outstanding individuals to fill positions on the Supervisory Board and thus in obtaining the best possible monitoring of and advice for the Board of Management. These factors in turn are a prerequisite for the long-term success of the Company.

The members of the Supervisory Board receive a function-related fixed remuneration without variable components in order to strengthen their independence in the performance of oversight and advisory duties and in personnel and remuneration decisions. In addition, especially in economically strained situations, in which variable remuneration components generally decrease, monitoring and advising the Board of Management must intensify, accompanied by an increased workload and an increase in the liability risk of the Supervisory Board members.

In relation to remuneration of Supervisory Board members, the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*) recommends that appropriate consideration be given to the larger time commitment of the Chairman and the Deputy Chairman of the Supervisory Board as well as of the Chairman and the members of committees.

As already resolved by the Annual Meeting on March 29, 2017, the basic remuneration for membership of the Supervisory Board shall continue to amount to €144,000.00. The Chairman of the Supervisory Board shall continue to receive an additional €288,000.00; the Deputy Chairman of the Supervisory Board as previously an additional €144,000.00.

Membership and chairmanship of the Audit Committee (*Prüfungsausschuss*) shall continue to be remunerated with an additional €72,000.00 and €144,000.00 respectively. Membership of the Presidential Committee (*Präsidialausschuss*) shall be remunerated with an additional €57,600.00. No additional remuneration shall be paid for chairmanship of the Presidential Committee (*Präsidialausschuss*), as this activity is generally included in the remuneration of the Chairman of the Supervisory Board, who

chairs the Presidential Committee (*Präsidentiausschuss*) by virtue of the Rules of Procedure of the Supervisory Board and its committees.

To date, membership of the other committees (Mediation Committee (*Vermittlungsausschuss*), Nomination Committee (*Nominierungsausschuss*) and Legal Affairs Committee (*Ausschuss für Rechtsangelegenheiten*)) has been remunerated with an additional €28,800.00. This is to remain the case for the Mediation Committee (*Vermittlungsausschuss*) and Nomination Committee (*Nominierungsausschuss*). No additional remuneration shall be paid for chairmanship of the Mediation Committee (*Vermittlungsausschuss*) and Nomination Committee (*Nominierungsausschuss*), as this activity is generally included in the remuneration of the Chairman of the Supervisory Board, who also occupies these roles by law or by virtue of the Rules of Procedure of the Supervisory Board and its committees.

With effect from January 1, 2021, the broader range of tasks and associated increased time investment required of the members and the Chairman of the Legal Affairs Committee are to be taken into account by means of additional function-related remuneration in the amount of €57,600.00 and €115,200.00 respectively.

Functions on committees shall only be taken into account for a maximum of three committees; if a member of the Supervisory Board has functions in more than three Supervisory Board committees, the three highest-paid committee functions shall be relevant. Functions on committees shall only be remunerated for a financial year, if the relevant committee has held at least one meeting in discharge of its duties during that period.

The members of the Supervisory Board and its committees shall receive an attendance fee of €1,100.00 for each meeting of the Supervisory Board and its committees that they attend as members, provided that members shall also be entitled to receive the fee if they attend the meeting by telephone or video conference or any other similar customary means of telecommunication. The attendance fee shall only be paid once for multiple meetings of the Supervisory Board and/or its committees on one calendar day.

If any members of the Supervisory Board resign from the Supervisory Board during a financial year, they shall receive remuneration proportionate to the time of office served. This applies accordingly if a member of the Supervisory Board resigns from a function for which there is additional remuneration. Proportionate remuneration for functions on committees shall only be paid if the relevant committee has held at least one meeting in discharge of its duties during that period.

In addition to the function-related fixed remuneration and the attendance fee, the members of the Supervisory Board shall continue to be reimbursed for their expenses and the value-added tax payable on the payments made to them. In addition, the members of the Supervisory Board shall be covered by insurance against pecuniary damage, taken out by and in the interest of the Company for executive bodies and certain senior executives, insofar as such insurance coverage exists. The insurance premiums shall be paid by the Company.

The members of the Supervisory Board are required to declare to the Supervisory Board that they will each acquire shares in the company for 20% of their annual remuneration (excluding committee remuneration

and the attendance fee and before deduction of taxes) and hold these shares for at least one year after they leave the Company's Supervisory Board (a "voluntary obligation" (*Selbstverpflichtung*) based on the "comply or explain" principle). This shall not apply to Supervisory Board members whose Supervisory Board remuneration is subject to the guidelines of the Confederation of German Trade Unions for transfer to the Hans Böckler Foundation on a mandatory or voluntary basis or whose remuneration is to be transferred to their employer to the corresponding extent on the basis of a service or employment contract or is to be set off against their contractual remuneration entitlement. If a smaller amount of the Supervisory Board remuneration is transferred or set off, the voluntary obligation relates to 20% of the non-transferred or set-off component. By making this voluntary obligation, the members of the Supervisory Board are demonstrating their focus on and commitment to the long-term, sustainable success of the Company.

The remuneration system and the individual remuneration provisions are regularly reviewed for appropriateness by the Presidential Committee (*Präsidialausschuss*) of the Supervisory Board. Independent, external remuneration consultants may be consulted for the review.

At least every four years, and in the event of proposals to amend the remuneration provisions, the Annual Meeting shall adopt a resolution on the remuneration of the members of the Supervisory Board. The Annual Meeting may confirm the relevant existing system of Supervisory Board remuneration or adopt a resolution to amend it. Corresponding resolution proposals to the Annual Meeting are submitted by the Board of Management and the Supervisory Board in accordance with the statutory division of competences in order to enable mutual controls between the two bodies. The decision on the structure of the remuneration system and the amount of remuneration is the responsibility of the Annual Meeting.