

DAIMLER

Position of the management on the counter motions for the Annual Meeting of the Shareholders to be held on May 22, 2019

The Board of Management and the Supervisory Board maintain their motions as presented in the Agenda and state their positions on the counter motions as follows:

Exhaust emissions from diesel vehicles

Daimler is currently subject to various governmental information requests, inquiries, investigations, administrative orders and proceedings relating to diesel exhaust emissions, most recently described in Annual Report 2018 and the report on the first quarter of 2019. The company's risk reporting has also described the possible risks in this context for some time.

The Board of Management has ordered that the facts of the case be fully clarified. Since the matter is extremely complex, the process is still continuing. The Board of Management informs the Supervisory Board on these topics in accordance with its legal reporting obligations.

The company is cooperating fully with all authorities.

We do not comment on ongoing proceedings as this would not be in the interest of our company. Our experience shows that our cautious communication supports the constructive dialogue with the authorities.

The Supervisory Board is monitoring the internal investigation of Daimler AG and has also engaged external lawyers to closely monitor and analyze the proceedings and advise the Supervisory Board.

In accordance with its monitoring obligation under stock corporation law, the Supervisory Board also continually reviews whether members of the Board of Management have fulfilled and are fulfilling their obligations under stock corporation law.

The Supervisory Board is convinced that the measures taken by the Board of Management to clarify the facts of the case are purposeful and objective.

Retrofitting diesel vehicles

Following the coalition decision at the beginning of October 2018, Daimler announced its intention to participate in a hardware retrofit program for diesel vehicles in the defined focus regions within the framework of the German government's concept.

Against this background, Daimler is prepared to take over the costs of hardware retrofitting up to a maximum amount of 3,000 euros for Mercedes-Benz customers with Euro 5 diesel vehicles in the focus regions.

The retrofit must be developed and offered by a third-party supplier and certified and approved by the Federal Motor Transport Authority. It must be proven that it entitles the vehicle to be used on roads with driving bans in certain cities.

Overall, we continue to regard other measures as more sensible and efficient – especially an accelerated fleet renewal and the installation of software updates.

Recall due to exhaust-system software update

In 2016, Daimler had already reached an agreement with the German Federal Ministry of Transport and the Federal Motor Transport Authority (KBA) to improve the emissions of our vehicles as quickly and effectively as possible by means of software updates. In July 2017, in advance of the National Diesel Forum in Berlin, the expansion of the ongoing voluntary service measure for more than three million vehicles in Europe was announced. Following discussions at the German Federal Ministry of Transport and Digital Infrastructure (BMVI) in June 2018, Daimler is now, by order of the KBA, carrying out a mandatory recall for approximately 680,000 vehicles in Europe, including about 280,000 in Germany. Most of the vehicles involved in the recall were already part of the previously announced voluntary service measure. This is continuing as planned.

With the software updates, Daimler is improving NOx emission behavior during normal driving for a large proportion of Mercedes-Benz Euro 5 and Euro 6 vehicles in Europe by 25 to 30 percent on average.

It goes without saying that we stand by our responsibility with regard to reconciling individual mobility, climate protection and air-pollution control. The aforementioned software updates are an important contribution to this.

Implementation of the new emissions test procedure WLTP

At Mercedes-Benz Cars, we certified the entire vehicle fleet for Europe according to the WLTP standard as of September 1, 2018 and converted more than 200 vehicle variants to the Euro 6d TEMP standard (WLTP and RDE Stage 1). In the meantime, over 90 percent of our current product portfolio has already been certified according to Euro 6d TEMP (RDE Stage 1) and the first models according to Euro 6d (A, B and CLA class with two-liter diesel engines and GLE with six-cylinder diesel engines as well as all diesel variants of the GLC and GLS), which will not be mandatory for new models until January 1, 2020. Nonetheless, there have also been disadvantages for us in connection with the changeover to the new emissions standard.

Delivery delays for various models

First of all, we are very happy that our current product range is inspiring both existing and new customers worldwide, and that demand for our vehicles continues to be so high.

In 2018, Mercedes-Benz certified its entire fleet for Europe according to the WLTP standard as of September 1. The vehicles were then on their way to the showrooms, but in the third quarter, it was not yet possible to meet all customer requirements at short notice against the backdrop of unchanged high demand.

In the fourth quarter of 2018, progress was made as planned with worldwide vehicle availability. However, delays in certification in some international markets continued to have an impact on unit sales until the end of the year.

Convincing environmentally friendly alternative drive systems

We are flipping the switch: The future is electric. In addition to cars, we are also electrifying vans, trucks and buses. With our studies such as the Concept EQ and the compact Concept EQA, the electrically powered Concept EQV and the eActros, we are impressively demonstrating that we will be able to offer a wide range of electric mobility in the future.

We will electrify the entire Mercedes-Benz Cars portfolio by 2022. This means that we will offer our customers various electrified alternatives in every segment – from the smart to large SUVs.

We are pursuing a three-lane drive-system strategy:

- highly efficient high-tech internal combustion engines with increasing electrification,
- a wide range of hybrid models,
- and purely electric drive powered by batteries or fuel cells.

Daimler assumes that by 2025, all-electric models will account for between 15 and 25 percent of total unit sales by Mercedes-Benz. Of course, this also depends on the development of the infrastructure and customer preferences.

More than 10 models will be purely electric cars – in all segments, from smart to large SUVs. They include our already-available electric models smart EQ fortwo, smart EQ fortwo cabrio and smart EQ forfour, the Mercedes-Benz GLC F-CELL and the Mercedes-Benz EQC, our first all-electric SUV. The EQC will be launched in Europe in mid-2019, followed by China in late 2019 and the United States in early 2020.

Refrigerant R134a

The Federal Motor Transport Authority (KBA) has asked us to retrofit a limited number of vehicles with R1234yf refrigerant. We have withdrawn our initial objection to this request and will comply with the instructions of the KBA.

We are currently exchanging information with the KBA on how to proceed and will inform customers soon. The recall of the affected vehicles is expected to begin in June 2019.

Compliance with arms-export regulations

We firmly reject the accusation that the Daimler Board of Management had violated arms-export regulations because Nexter installed howitzers on Unimog chassis from Daimler and exported them to Saudi Arabia. As previously stated, Daimler AG supplied Unimog chassis to a German body manufacturer within Germany with no need for an export permit. The deliveries took place between 2009 and 2011 in compliance with Daimler's internal export-control processes and in accordance with all applicable statutory export-control regulations. A corresponding check was carried out before delivery of the chassis. We would like to point out that the Federal Government is also aware of the deliveries and had them checked by the intelligence services. Even then, there were no objections (see the Federal Government's reply to the minor inquiry of the Bundestag parliamentary group ALLIANCE90/THE GREENS, Bundestag document 19/9065 of May 2, 2019, question 19 and preliminary remark). We therefore see no grounds for any further legal review.

Party donations

Party donations are reassessed each year and are at made at Daimler's discretion.

For 2019, we have decided not to make any party donations. We have decided to focus our donations this year on projects in the fields of education, nature conservation, science, the arts and culture.

New Group structure

In the separation report, the Board of Management has described in detail:

- the challenges facing the Daimler Group,
- the reasons in favor of creating legally independent entities,
- and the costs and possible risks,

and has stated reasons for its decision, made in consultation with the Supervisory Board. In this respect, we refer to the comments in section C of the hive-down report.

Obligations of the Supervisory Board in connection with cartel matters

In line with its responsibilities, the Supervisory Board dealt in detail with the issues regarding the possible responsibility of members of the Board of Management and obtained expert advice from independent external legal experts.

For example, the Supervisory Board again obtained an expertise from an independent legal expert, Prof. Dr. Mathias Habersack, who is specialized in German Stock Corporation law. This legal opinion was updated on the basis of the developments that have occurred since the Annual Shareholders' Meeting in 2018. The updated opinion of Prof. Dr. Mathias Habersack, in which he has summarized the results to date, is presented below.

In connection with the truck cartel and taking into consideration the principles established by the German Federal Supreme Court in the ARAG/Garmenbeck verdict, the Supervisory Board decided, after carefully examining the existence of claims for damages and detailed consideration of the Company's welfare, not to assert claims for damages at present. A final decision has therefore not been made. The Supervisory Board regularly reviews and discusses whether this decision should be adhered to. Also in connection with the allegations of the EU Commission against car manufacturers with regard to possible antitrust-relevant agreements concerning the development and introduction of systems for reducing emissions from gasoline and diesel cars, the Supervisory Board is examining, in accordance with its legal obligations, the existence of possible claims for damages against former and current members of the Board of Management. It is regularly kept informed of relevant developments in both matters and itself requests information on the matters. At the latest in the first quarter of 2020, it will again deal with the question of a possible assertion of claims for damages.

Stuttgart, May 2019

Daimler AG

Appendix: Statement by Prof. Dr. Mathias Habersack

PROF. DR. MATHIAS HABERSACK

Statement

on the duties of the Supervisory Board in connection with
the truck cartel and possible further cartel matters,
prepared for the Supervisory Board of Daimler AG

The undersigned holds the Chair of Civil Law and Corporate Law at Ludwig-Maximilian University in Munich. On behalf of the Supervisory Board of Daimler AG, he has prepared legal opinions in 2017, 2018 and 2019 on the obligations of the Supervisory Board of Daimler AG in connection with the proceedings of the European Commission AT.39824 – Trucks (“Truck Cartel”) and other possible violations of antitrust law. The results of these legal opinions can be summarized as follows:

1. a) The Supervisory Board of Daimler AG (hereinafter also referred to as “the Company”) has examined, with the involvement of legal counsel, whether in connection with the European Commission’s antitrust proceedings AT.39824 – Trucks, the Company is entitled to claims for damages against current or former members of the Board of Management; it has thus fully complied with its monitoring duties in this respect to date.

b) The Supervisory Board of Daimler AG has also complied in full with its duty to decide, in the interests of the Company and on the basis of information obtained from clarification of the facts, on the assertion of any claims for damages by the Company against current or former members of the Board of Management. Since such claims, should they exist, would not become time-barred in the near future, the Company continues to focus on proceedings in connection with the truck cartel and other matters relating to possible antitrust-law violations (see below under 2.). Particularly in view of the fact that in the context of the possible pursuit of claims, relevant legal issues are still awaiting clarification by the Supreme Court’s ruling, it is in accordance with the duty of discretion that the Supervisory Board attaches considerable importance to these proceedings within the framework of its considerations.

c) Finally, the Supervisory Board is also acting in accordance with its duties when it does not disclose further details of the considerations upon which its decision not to assert claims for damages at present is based, insofar as they could have a negative impact on the interests of the Company.

2. The Supervisory Board of Daimler AG has also dealt with further matters involving possible antitrust-law violations, including the accusation that Daimler had entered into agreements with

competing manufacturers in violation of antitrust-law concerning the development and introduction of systems for reducing the emissions of gasoline and diesel cars. The European Commission initiated formal proceedings in this respect on September 18, 2018. It has expressly stated that the outcome of these proceedings is unprejudiced. In the statement of objections made on April 5, 2019, the Commission now accuses Daimler and other manufacturers of collusion in violation of antitrust law.

Daimler AG has filed a leniency application so that, if the application were accepted, full or partial cancellation of any fine could be expected. The corporate statements supporting the leniency application are based on extensive investigations by the company, carried out within the framework of the cooperation with the European Commission. Based on these investigations, the Supervisory Board has also initiated its own independent investigations. After the formal opening of antitrust proceedings, it resolved to make a decision on the need for further complementary investigative measures as soon as new findings from the antitrust proceedings are available. The Supervisory Board has to date thus fully complied with its obligations under stock corporation law also in this respect.

3. The Supervisory Board of Daimler AG is guided by the principles developed by the Second Civil Senate of the BGH (German Federal Court of Justice) in its “ARAG/Garmenbeck” verdict of April 21, 1997 (II ZR 175/95) regarding the obligations of a supervisory board in connection with examining the existence and assertion of claims for damages by a company against current or former members of a board of management.

4. According to the results of my legal opinions, the Supervisory Board of Daimler AG has so far complied in full with its obligations under stock corporation law.

April 17, 2019

Prof. Dr. Mathias Habersack