

DAIMLER



Spin-Off and Hive-Down Report
(Demerger Report)
Extraordinary General Meeting
of Daimler AG on 1 October 2021

DAIMLER

Joint Spin-Off and Hive-Down Report (Demerger Report)

of the Board of Management of Daimler AG

and

the Board of Management of Daimler Truck Holding AG

concerning
the spin-off and hive-down of shares in Daimler Truck AG
and
the spin-off of the control and profit and loss transfer agreement exist-
ing between Daimler AG and Daimler Truck AG

pursuant to § 127 sent. 1 of the German Transformation Act

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Table of Abbreviations

ADR	American Depositary Receipt
AktG	<i>Aktiengesetz</i> – German Stock Corporation Act
approx.	approximately
BetrVG	<i>Betriebsverfassungsgesetz</i> – German Works Constitution Act
BGB	<i>Bürgerliches Gesetzbuch</i> – German Civil Code
BISO	Business Information Security Officer
BMF	<i>Bundesfinanzministerium</i> – German Federal Ministry of Finance
BStBl.	<i>Bundessteuerblatt</i> – Federal Tax Gazette
cf.	compare
CTA	Contractual Trust Arrangement (<i>Pensionstreuhand</i>)
D&O	Directors & Officers
DMO	Daimler Mobility
Dr.	Doctor
e.g.	<i>exempli gratia</i> – for example
e.V.	<i>Eingetragener Verein</i> (German registered association)
EBIT	Earnings before Interest and Taxes – operating result before interest and taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation – operating result before interest, taxes, depreciation of property, plant and equipment and amortisation of intangible assets
EBRG	<i>Europäische Betriebsräte-Gesetz</i> – European Works Councils Act
EMEA	Economic Area Europe, Middle East, Africa
EStG	<i>Einkommensteuergesetz</i> – German Income Tax Act
et seq.	and the following
et seqq.	and the following
etc.	<i>et cetera</i>
EUR	Euro
GCGC	German Corporate Governance Code in the version as of 16 December 2019, published in the Federal Gazette on 20 March, 2020
GewStG	<i>Gewerbsteuergesetz</i> – German Trade Tax Act
GrEStG	<i>Grunderwerbsteuergesetz</i> – German Real Estate Transfer Tax Act

HGB	<i>Handelsgesetzbuch</i> – German Commercial Code
HR	Human Resources
HRB	Section B of the Commercial Register
i.e.	<i>id est</i> – that is
IAS	International Accounting Standards
IDW	Institut der Wirtschaftsprüfer in Deutschland e.V. – Institute of Public Auditors in Germany
IDW S 1	IDW Standard: Grundsätze zur Durchführung von Unternehmensbewertungen (IDW S 1 i.d.F. 2008) – Principles for conducting business valuations (IDW S 1 as amended 2008)
IFRIC	IFRS Interpretations Committee
IFRS	International Financial Reporting Standards
Inc.	Incorporated
InvStG	<i>Investmentsteuergesetz</i> – German Investment Tax Act
IP	Intellectual Property
IPO	Initial Public Offering
IPS	International Procurement Services – Purchasing of non-production materials
ISIN	International Securities Identification Number
IT	Information Technology
KAGB	<i>Kapitalanlagegesetzbuch</i> – German Investment Code
KStG	<i>Körperschaftsteuergesetz</i> – German Corporation Tax Act
KWG	<i>Kreditwesengesetz</i> – German Banking Act
lit.	<i>litera</i> – letter
M&A	Mergers & Acquisitions
MitbestG	<i>Mitbestimmungsgesetz</i> – German Co-Determination Act
mn.	million
no.	(Marginal) number
para.	paragraph
plc	Public Limited Company
PPSP	Performance Phantom Share Plans
Prof.	Professor

resp.	respectively
ROS	Return on Sales
SGB IX	<i>Sozialgesetzbuch IX</i> – German Social Security Code, Book IX
SOG	Stock Ownership Guidelines
SprAuG	<i>Gesetz über Sprecherausschüsse der leitenden Angestellten</i> – German law on spokespersons' committees for executive employees
UmwG	<i>Umwandlungsgesetz</i> – German Transformation Act
UmwStG	<i>Umwandlungssteuergesetz</i> – German Transformation Tax Act
USMCA	United States-Mexico-Canada Agreement
WKN	<i>Wertpapierkennnummer</i> – German Securities Identification Number

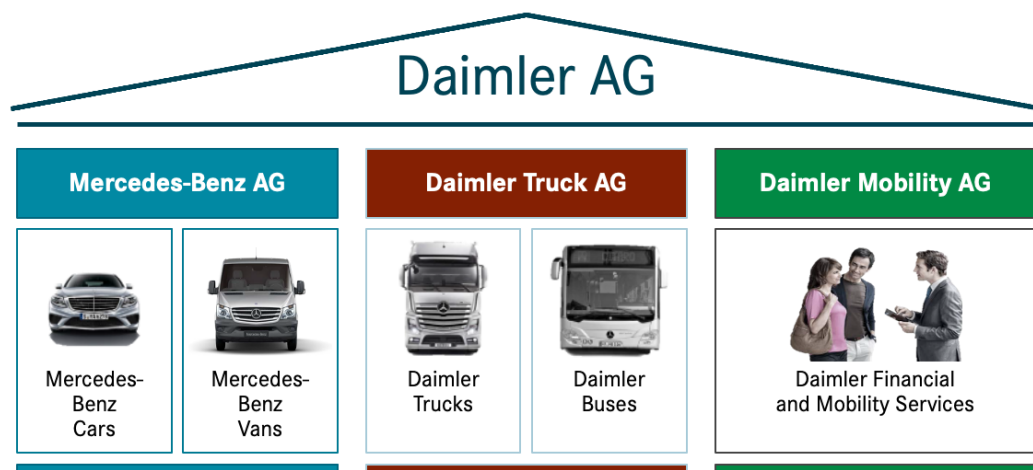
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A. Introduction

- 1 Since the restructuring of the Daimler Group in 2019 by way of the hive-down of assets and liabilities of the Cars & Vans division and the Trucks & Buses division to two wholly-owned subsidiaries of Daimler AG, the operating activities of the Daimler Group have been managed under the umbrella of Daimler AG as the Group's parent company in three legally independent entities.
- 2 Mercedes-Benz AG manages the operating activities of Daimler Group in the Mercedes-Benz Cars & Vans divisions. The operating activities of Daimler Group in the Daimler Trucks & Buses division are managed by Daimler Truck AG. In the Daimler Mobility division, Daimler Mobility AG is responsible, in particular, for the Group's financing and leasing offers. In this structure, Daimler AG performs the functions of control and governance and provides services for the Group companies. In addition, as the parent company, it decides on the Group's strategy, resolves on matters of material importance in the operating business and ensures the regulatory, legal and compliance functions throughout the Group.



- 3 With the approval of the Supervisory Board, the Board of Management of Daimler AG has now decided to separate the commercial vehicles business, which is bundled in Daimler Truck AG, from the Daimler Group by means of a spin-off of a majority interest in Daimler Truck AG in accordance with the German Transformation Act and to provide the shareholders of Daimler AG with listed shares in an independent company.
- 4 The background for this is the following: Since the realignment as part of the restructuring of the Daimler Group in 2019, the market environment for Daimler Group's operating business has changed at a rapid pace. New competitors from the technology sector have entered the market and are challenging traditional business models, especially in the competition for capital. The separation of the commercial vehicles business is intended to improve the conditions for the remaining Daimler Group and the new Daimler Truck Group to implement their own strategies. Each company should develop and pursue its own independent strategy and diversify its respective business activities

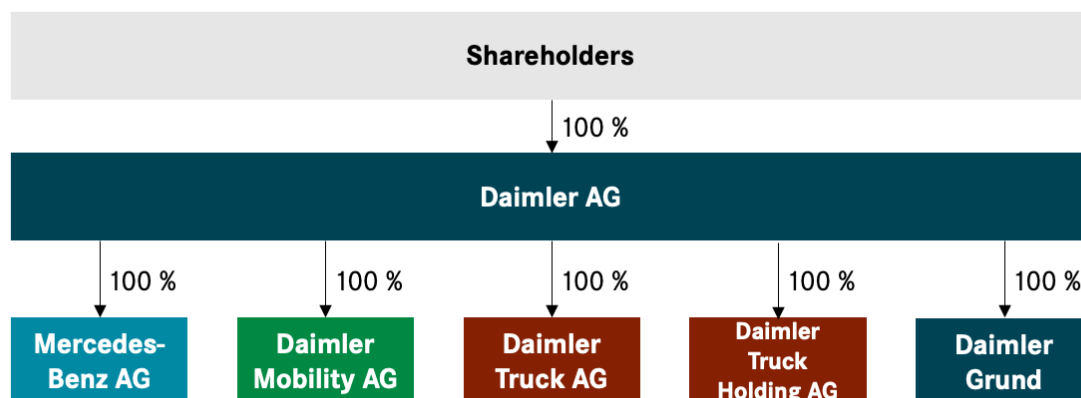
independently according to customers, technologies, risks and markets, and be able to adapt necessary processes to the competitive environment and changing market conditions in an even more agile and targeted manner. In particular, the aim is to enable the Daimler Truck Group to respond more effectively to the dynamics of the commercial vehicles market¹ and changing challenges through simplified and faster decision-making and reporting processes – independent of the requirements of the business of the remaining Daimler Group. At the same time, Daimler Group could further focus its product portfolio on the premium passenger car segment in the future.

- 5 In this respect, the characteristics of the commercial vehicles business differ from those of the passenger car business in many respects, meaning that the advantages of an independent strategic orientation are not significantly diminished by the loss of synergies. This is because in the commercial vehicles business different features are relevant than in the passenger car business, both in terms of customer focus and in the specific differentiation of future technologies such as in the areas of electrification and digitisation. The separation of the commercial vehicles business also has the advantage that the existing conglomerate discount on Daimler shares can be reduced and further increases in value could be realised by way of a 're-rating' of Daimler AG. At the same time, it was ensured by means of suitable agreements that both groups will be able to use the "Mercedes-Benz" trademark in their business areas also in the future.
- 6 In order to optimally support the future focus on the passenger car business, on the one hand, and the commercial vehicles business, on the other, it is also intended to split the financial services business currently operated under the umbrella of Daimler Mobility AG into two independent financial services companies. Such a step will enable even more focused support for the business of Mercedes-Benz AG and Daimler Truck AG, respectively: With two clearly aligned units and their tailor-made financing, leasing, insurance, fleet and mobility solutions, it will be possible to respond in the best possible way to the needs of the respective customers in the future.
- 7 In order to implement the restructuring, Daimler Truck Holding AG was founded in March 2021, which serves as the acquiring legal entity in the context of the transaction.
- 8 In legal terms, the separation of the commercial vehicles business from the Daimler Group is to be effected by a combination of spin-off and hive-down in that
 - a majority shareholding in Daimler Truck AG is transferred to Daimler Truck Holding AG by way of a spin-off by way of absorption pursuant to § 123 para. 2 no. 1 UmwG in return for the granting of shares in Daimler Truck Holding AG to the shareholders of Daimler AG, and

¹ Here and in the following, the term "market" refers to the product or geographic area in which the companies operate and not to the relevant market from a competition law perspective.

- a minority interest in Daimler Truck AG is transferred to Daimler Truck Holding AG by way of a hive-down by means of absorption pursuant to § 123 para. 3 no. 1 UmwG in return for the granting of shares in Daimler Truck Holding AG to Daimler AG.

9 The current Group structure – in simplified form – is as follows:

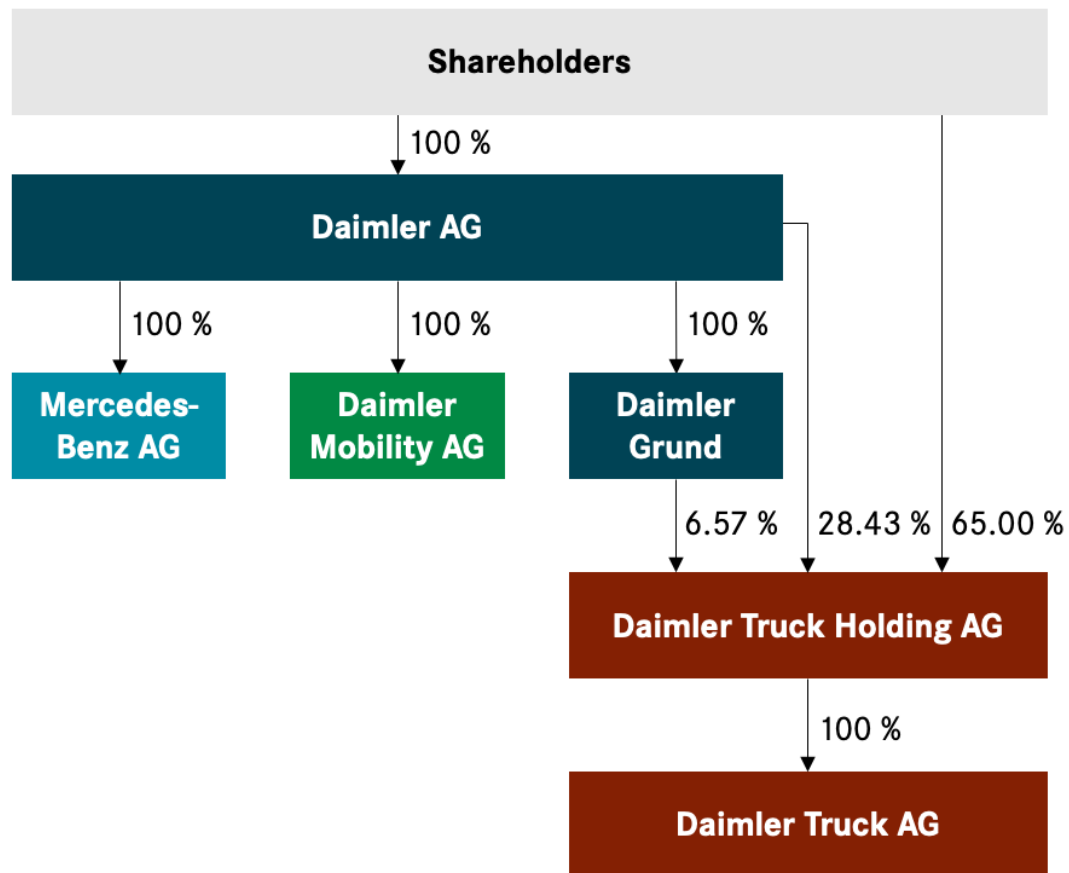


- 10 Prior to the spin-off and hive-down described above taking legal effect, the share capital of Daimler Truck AG is to be increased against contribution in kind and Daimler Verwaltungsgesellschaft für Grundbesitz mbH (hereinafter "**Daimler Grund**"), which will contribute its equity interests in various real estate management partnerships attributable to the Trucks & Buses division to Daimler Truck AG, will be admitted to subscribe for the new Daimler Truck shares (hereinafter "**New Daimler Truck Shares**"). The capital increase against contribution in kind at Daimler Truck AG will take place at the beginning of December 2021. Daimler Grund will contribute the New Daimler Truck Shares to Daimler Truck Holding AG, which will increase its share capital for this purpose, by way of a capital increase against contribution in kind. The capital increase against contribution in kind at Daimler Truck Holding AG will take place immediately following the spin-off and hive-down taking effect.
- 11 The basis of the spin-off and hive-down is the spin-off and hive-down agreement concluded between Daimler AG and Daimler Truck Holding AG in notarised form on 6 August 2021 (hereinafter the "**Demerger Agreement**"). The Demerger Agreement determines the subject matter of the spin-off and hive-down and specifies the shares in Daimler Truck AG which are to be transferred to Daimler Truck Holding AG in the course of the spin-off and hive-down. In addition, pursuant to the Demerger Agreement, the control and profit and loss transfer agreement existing between Daimler AG and Daimler Truck AG will be transferred to Daimler Truck Holding AG as a result of the spin-off. The spin-off and hive-down are to occur as between Daimler AG and Daimler Truck Holding AG with effect as of 1 January 2021, 0:00 hours. The Demerger Agreement provides that Daimler Truck Holding AG will grant new shares in Daimler Truck Holding AG to the shareholders of Daimler AG as consideration for the transfer of the assets to be spun off and to Daimler AG as consideration for the transfer of the assets to be hived down, respectively. On the basis of the contractual provisions, the shareholders of Daimler AG

will receive, free of charge and in proportion to their previously existing shareholdings (preserving the proportion of company interests held), one no-par value registered shares of Daimler Truck Holding AG for each two no-par value registered shares of Daimler AG. All new shares in Daimler Truck Holding AG will be entitled to a share in profits for the financial years from 1 January 2022.

- 12 Taking into account the capital increase at Daimler Truck AG described above, Daimler AG will, on the basis of the provisions of the Demerger Agreement, spin off a majority interest of 65.00 % in the (increased) share capital of Daimler Truck AG to Daimler Truck Holding AG and spin off a minority interest in Daimler Truck AG to Daimler Truck Holding AG. The spin-off and the hive-down as well as the capital increase against contribution in kind by means of which the shares to be granted to Daimler Grund are to be created are to follow each other immediately and take effect on the same day (hereinafter the "**Consummation of the Demerger Agreement**"). Accordingly, following the implementation of these steps, Daimler AG will retain a minority shareholding in the share capital of Daimler Truck Holding AG totaling 35.00 %, held directly by Daimler AG in the amount of 28.43 % (as a consequence of the spin-off of shares of Daimler Truck AG) and indirectly via Daimler Grund in the amount of 6.57 % (as a consequence of the implementation of the contribution of Daimler Truck shares by way of a capital increase against contribution in kind described above). As a consequence of the spin-off of the control and profit and loss transfer agreement existing between Daimler AG and Daimler Truck AG, Daimler Truck Holding AG will replace Daimler AG as the controlling company when the spin-off takes effect.
- 13 As a result of the steps described above, all Daimler Truck shares will be held directly by Daimler Truck Holding AG (Daimler Truck Holding AG with its direct and indirect subsidiaries existing after the spin-off hereinafter referred to as the "**Future Daimler Truck Group**"; the Daimler Group without the companies of the future Daimler Truck Group hereinafter referred to as the "**Future Daimler Group**").
- 14 Immediately upon the Consummation of the Demerger Agreement, all shares of Daimler Truck Holding AG are to be admitted for trading on the Regulated Market of the Frankfurt Stock Exchange and additionally on the sub-segment of the Regulated Market of the Frankfurt Stock Exchange with additional post-admission obligations (Prime Standard).
- 15 Due to the (indirect) minority shareholding of Daimler AG in Daimler Truck Holding AG of 35.00 %, it cannot be excluded that Daimler AG (directly and indirectly) will have a majority presence in the shareholders' meeting of Daimler Truck Holding AG. In order to ensure the independence of Daimler Truck Holding AG, Daimler AG and Daimler Grund, on the one hand, and Daimler Truck Holding AG, on the other hand, have entered into a deconsolidation agreement on 6 August 2021. This ensures that Daimler Truck Holding AG can operate in the market as an independent company and also be perceived as such.

- 16 After the Consummation of the Demerger Agreement, the Group structure – in simplified form – will be as follows:



- 17 Daimler AG intends to transfer a shareholding in Daimler Truck Holding AG in the amount of 5 % to Daimler Pension Trust e.V., as security assets after the Consummation of the Spin-Off Agreement.
- 18 In view of the stronger focus of Daimler AG on the core business of Mercedes-Benz AG intended by the restructuring, it is also planned to make this focus visible externally by changing the name of Daimler AG to 'Mercedes-Benz Group AG'. The change of the company name is to take effect as of 1 February 2022, provided that the spin-off has taken effect until then.
- 19 In order to take effect, the Demerger Agreement requires the approval of the general meetings of shareholders of Daimler AG and of Daimler Truck Holding AG. In view of this, the Board of Management of Daimler AG submits the Demerger Agreement to the extraordinary General Meeting of Daimler AG on 1 October 2021, for the adoption of a resolution and approval. The resolution requires a majority of at least three quarters of the share capital represented at the passing of the resolution, in addition to the simple majority of votes. Daimler AG intends, in its capacity as the sole shareholder of Daimler Truck Holding AG, to approve the Demerger Agreement.

- 20 Both the spin-off and the hive-down will become effective upon registration in the commercial register of Daimler AG. Upon entry in the commercial register of Daimler AG, the assets covered by the spin-off and hive-down will be transferred to Daimler Truck Holding AG in their entirety. As mentioned above, Daimler AG and Daimler Truck Holding AG will endeavor to ensure that the spin-off and hive-down (by registration in the commercial register of Daimler AG) and the implementation of the capital increase at Daimler Truck Holding AG (by registration in the commercial register of Daimler Truck Holding AG) take effect on the same day, so that there is as short a period of time as possible between the consummation dates of the spin-off and hive-down and the capital increase at Daimler Truck Holding AG.
- 21 For the purpose of informing the shareholders of Daimler AG about the intended spin-off and hive-down and the measures related thereto and in preparation of the shareholders' meeting in this regard, the Board of Management of Daimler AG and the Board of Management of Daimler Truck Holding AG jointly submit the present report pursuant to § 127 UmwG (hereinafter referred to as the "**Demerger Report**"). In this Demerger Report, the spin-off and hive-down as well as the Demerger Agreement are explained and the reasons therefore described in detail from a legal and economic point of view.

B. Initial Situation**I. The current structure of the Daimler Group****1. Overview****a) History and development**

- 22 Daimler can look back on a tradition covering more than 130 years – a tradition that goes back to Gottlieb Daimler and Carl Benz, the inventors of the automobile, and features pioneering achievements in automotive engineering. They set up the predecessor companies which merged to form Daimler-Benz AG in 1926 – Gottfried Daimler with his Daimler Motorengesellschaft and Carl Benz with his Benz & Cie. Rheinische Gasmotorenfabrik, Mannheim. Daimler-Motoren-Gesellschaft had already had the brand name "Mercedes" patented in 1902 and introduced the Mercedes star as its company logo in 1909.
- 23 After initially entering into a joint venture with the aim of rationalising production, the two companies Daimler Motorengesellschaft and Benz & Cie. merged in June 1926 to form Daimler-Benz AG with its registered office in Berlin and administrative headquarters in Stuttgart-Untertürkheim.
- 24 Under the leadership of Wilhelm Kissel the company was stabilised by strictly limiting the number of models and introducing a flexible production system, first and foremost at the large factories in Untertürkheim, Sindelfingen and Mannheim; this also made it possible to successfully overcome the world economic crisis that broke out in 1929. In 1928, Daimler-Benz AG had only four basic models in the medium-size and luxury car segments. In addition, during the world economic crisis the Stuttgart automaker managed to add the 170 Mercedes to its model range. In the commercial-vehicle sector, Daimler-Benz introduced the first compressorless six-cylinder diesel truck in 1927. The Lo 2000 developed by Daimler-Benz at the beginning of the 1930s brought the company the major breakthrough in the truck business.
- 25 From 1937, Daimler-Benz AG increasingly produced armament items such as the LG 3000 truck and aircraft engines such as the DB 600 and DB 601. To create additional capacity for aircraft engine production in addition to the Marienfelde plant the Genshagen plant was built in 1936. The most important line of business was truck production, whilst passenger-car manufacture – already limited to military requirements since the beginning of the war – was in decline and virtually came to a standstill by the end of 1942.
- 26 After the end of the Second World War, Daimler-Benz lost all foreign subsidiaries, affiliates and branches as well as all assets in the Soviet-occupied areas. The international network which had previously been in place was destroyed as a result and the company had to start its internationalisation anew. In addition, Daimler-Benz had to relinquish unsettled claims against the German state. In 1945 the company was reduced to its four original southern German plants Untertürkheim, Sindelfingen, Mannheim and

Gaggenau as well as Berlin-Marienfelde and the West German outlets. Daimler-Benz thus found itself back in the position it had been in before the National Socialists came to power. At the beginning the Untertürkheim plant operated mainly as a repair facility for US military vehicles. The denazification of the top management led to fundamental changes in the make-up of the Board of Management. After extensive efforts, the company received a new production permit from the American occupation authorities on 3 January 1946. Of seminal importance was the decision to transfer final assembly of the vehicles to Sindelfingen. Despite the chaotic financial situation existing up until the currency reform on 20 June 1948, the company balance sheet for the year 1948/1949 already showed a profit.

- 27 During the period from 1949 to 1960, in the fast-expanding German automotive industry Daimler-Benz AG succeeded in regaining the position it had enjoyed before the Second World War. Already in 1954 the company achieved one billion Deutsche Mark in terms of turnover and with that broke the existing sales record. As for commercial vehicles, the spectrum was broadened and the range extended to everything from light vans to heavy-duty trucks. At the same time, the company pressed ahead with the internationalisation of production. In passenger-car production, technically sophisticated, upmarket vehicles continued to be the focus of the Mercedes-Benz brand. Apart from a few completely-knocked-down (CKD) assembly operations, production of the vehicles took place solely in Germany. In the mid-1950s the demand for Mercedes-Benz cars exceeded the company's production possibilities. To ensure the necessary expansion of capacity, in 1958 Daimler-Benz AG took over Auto-Union. The plan to additionally acquire Bayerische Motoren Werke AG (BMW) in Munich was thwarted by the resistance of the small shareholders at the BMW annual shareholders' meeting at the end of 1959. The most attractive export market was America, where Daimler-Benz of North America Inc. was set up in 1955.
- 28 Daimler-Benz, an all-rounder of the automotive industry, retained its outstanding position in the international motor-vehicle markets in the 1960s and 1970s while the industry overall was subject to sharp fluctuations in sales. In Europe, Daimler-Benz was leader both in the production of cars for a discerning clientele, as well as trucks and buses. In the mid-1970s a fundamental change took place in the shareholder structure of Daimler-Benz AG. The Quandt Family sold its 14 % share to the Government of Kuwait; the 29 % block of shares indirectly held by Friedrich Flick was sold to Deutsche Bank and finally contributed to Mercedes-Automobil-Holding, which then distributed it broadly through the stock exchange.
- 29 The second oil crisis at the end of the 1970s, growing environmental awareness, and the advance of new East Asian competitors changed the basic conditions for further development of the company. With operating results declining on the whole, the commercial-vehicle sector went into the red. The sales opportunities for top-quality cars in the markets relevant to Mercedes-Benz also attracted a cautious assessment. On the initiative of the then Chief Financial Officer and later Chairman of the Board of Management, Edzard Reuter, the company was to be made more independent of cyclical fluctuations in the motor-vehicle sector by enlarging the corporate portfolio. Access to key technologies and growth sectors like electronics, aviation and services was seen as a

precondition for safeguarding the Group's earning power in the long term. Through the many-sided use of various technologies, future-proof, expandable core competencies were to be acquired and synergy effects achieved. MAN's 50 % share in Motoren- und Turbinen Union München GmbH and majority shares in Dornier GmbH (1985), AEG AG (1985) and Messerschmitt-Bölkow-Blohm GmbH (1989) were taken over against this backdrop.

- 30 These acquisitions called for restructuring the considerably larger and more complex Group. Within the framework of Daimler Benz AG's new corporate structure, Mercedes-Benz AG was established on 29 June 1989. Prof. Werner Niefer became Chairman of the Board of Management. As of July 1989 Daimler-Benz AG thus operated as a managing holding company under whose roof the corporate units AEG AG, Mercedes-Benz AG and Deutsche Aerospace AG were gathered. In 1990 they were joined by a fourth corporate unit, Daimler-Benz InterServices (debis) AG. In 1993 Daimler-Benz AG was listed on the New York Stock Exchange (NYSE). In April 1993 the commercial-vehicles division entered into a cooperation with US-American Detroit Diesel Corporation, a large engine manufacturer in the USA. The goal was to develop, produce and market a diesel engine for heavy-duty trucks and buses. In 2000 this cooperation led to the takeover of Detroit Diesel Corporation.
- 31 Although it was in keeping with economic and scientific trends at the time, the diversification did not, however, produce the hoped-for results. As a result, the group was restructured again, starting in 1995. The new Chairman of the Board of Management, Jürgen E. Schrempp, initiated a strategic realignment of the group, since many of the existing divisions did not enjoy a favorable competitive position. The portfolio was focused by parting with Fokker, selling Dornier Luftfahrt GmbH and dissolving AEG; this move, together with measures designed to boost competitiveness, was intended to strengthen the earning power of the group, which now concentrated on automotive mobility, transportation and services. Taking advancing globalisation into account, among other things car production was taken up in Tuscaloosa in 1995, and in 1998 the merger with Chrysler Corporation to form DaimlerChrysler AG was announced. The intention of the merger was to safeguard the long-term competitiveness of the companies involved. Simultaneously, Mercedes-Benz launched a strategic model initiative in the car sector. New model series like the A, B and M-Class, niche models like the SLK and CLK, and the cooperation with Schweizerische Gesellschaft für Mikroelektronik und Uhrenindustrie to develop the small city car smart made Mercedes-Benz a full-line supplier.
- 32 On 1 January 2006, Dr. Dieter Zetsche became the new Chairman of the Board of Management. The corporate headquarters were transferred back to the parent plant in Untertürkheim. The merger with Chrysler Corporation and the taking of stakes in the Asian automakers Mitsubishi Motors and Hyundai Motor Company pursued the aim of making the company a world-leading automotive group. In 2007 the majority stake in Chrysler Group and the associated North American financial services business was sold. The cooperative links both with Mitsubishi Motors and Hyundai Motor Company were also gradually severed. In October 2007, an extraordinary general meeting approved the change of name from DaimlerChrysler AG to Daimler AG. Approximately 99 % of the 5,000 assembled shareholders voted in favor of this change. The renaming of the company

involved renaming also of production facilities and sales organisations both in Germany and overseas. The guiding principle behind this name change was to make a clear distinction between the company brand Daimler and the Group's various product brands. Some two years later, on 27 April 2009, Daimler AG relinquished the 19.9 % stake which it had initially retained in Chrysler.

- 33 The global banking crisis that occurred in September 2008 quickly caused a significant deterioration in the global automotive economy, which also impacted Daimler AG and led to losses. 2009 was dominated by the global financial and economic crisis: For the first time since the Second World War, global economic output had shrunk. Many passenger car markets had slumped by 20 to 40 % at times; in the commercial vehicles markets the decline was even more dramatic. After the controlled defensive of the crisis year 2009, the company returned to growth in 2010.
- 34 While the financial and economic crisis of 2008/2009 led to massive market slumps, Daimler made a successful comeback in 2010 – with double-digit growth rates in all divisions. Also in 2010, Daimler-Benz AG discontinued its listing on the New York Stock Exchange (NYSE) after 17 years. Another strategic decision was taken at the beginning of the new decade: As a car sharing provider, car2go has since been introduced in numerous cities worldwide.
- 35 Together with Rolls-Royce Holdings plc, Daimler AG acquired the engine system manufacturer Tognum in 2011, strengthening its position as one of the leading suppliers of industrial engines. In the same year, Daimler AG generated sales of over 100 billion euros for the first time and set itself the goal of becoming the number one premium car manufacturer again by 2020 – which was already achieved in 2016. The conclusion of a strategic partnership with the Renault-Nissan Alliance and the establishment of several joint ventures, such as with BAIC Motor and BYD in China, created the opportunity to better serve new markets and segments. A streamlining of the portfolio of equity interests held in the years 2012 to 2014 with the sale of the shares in EADS, Rolls-Royce Power Systems Holding GmbH and Tesla Motors, Inc. resulted in substantial capital gains and liquidity inflows that further strengthened the core business.
- 36 The year 2012 marked a milestone in the product strategy: The launch of the new A-Class, which heralded a rejuvenation of the Mercedes-Benz product range and a number of innovations. For the production of the new compact car family, a state-of-the-art production site was built in Kecskemét, Hungary. Major steps towards modernisation and digitisation were taken in the following years with the digital platform "Mercedes me" and the Fleetboard App Store for the logistics industry. In 2016, sales reached more than EUR 150 billion; in the same year, Daimler Financial Services expanded its portfolio by acquiring Athlon Car Lease International B.V. for manufacturer-independent fleet management.
- 37 Today, the company is a globally leading vehicle manufacturer with an unparalleled range of premium automobiles, trucks, vans (reported as a separate segment since 2009) and buses. Its product portfolio is rounded out by a range of customised financial services and mobility services. Daimler's goal is to continue playing a leading role in the

development of products and services for the future of mobility. The automotive industry is in the process of a fundamental transformation, and Daimler intends to play a major role in promoting and shaping that change. With its strong core business, Daimler is creating the financial foundation for investments in the future-oriented fields of Connected, Autonomous, Shared & Services (flexible use) and Electric. Innovations from these future-oriented fields enable Daimler to safeguard the attractiveness and profitability of its core business.

- 38 On 22 May 2019, Ola Källenius became the new Chairman of the Board of Management of Daimler AG and Mercedes-Benz AG. Under his leadership, the Board of Management drives the development of focused strategies for the individual divisions and thus lays the foundation for profitable growth, competitiveness and sustainability in the respective segment (for information on the strategies of the Future Daimler Group and the Future Daimler Truck Group, see Sections H.I. and I.I.).

b) Key figures

- 39 With its strong brands, Daimler is active in nearly all the countries of the world. The company has production facilities in Europe, North and South America, Asia and Africa. The global networking of its research and development activities as well as its production and sales locations gives Daimler advantages in the international competitive field, and also offers additional growth opportunities.

- 40 In 2020, Daimler generated revenue of EUR 154.3 billion. The three divisions contributed to total revenue as follows:

- Mercedes-Benz Cars & Vans at 61.25 %,
- Daimler Trucks & Buses at 21.54 %, and
- Daimler Mobility at 17.21 %.

At the end of 2020, Daimler employed a total workforce of more than 288,000 people worldwide.

- 41 The following overview summarises key figures of Daimler Group for the past two financial years, 2020 and 2019:

	2020	2019	2020/2019
EUR amounts in millions			% change
Sales (in units)	2,840,402	3,344,951	-15
Revenue	154,309	172,745	-11 ¹
EBIT	6,603	4,313	+53

	2020	2019	2020/2019
EUR amounts in millions			% change
EBIT adjusted	8,641	10,276	-16
Net profit	4,009	2,709	+48
Earnings per share (in EUR)	3.39	2.22	+53
Dividend per share (in EUR)	1.35	0.90	+50
Free cash flow of the industrial business	8,259	1,368	+504
Free cash flow of the industrial business adjusted	9,155	2,709	+238
Net liquidity of the industrial business (31 December)	17,855	10,997	+62
Investment in property, plant and equipment	5,741	7,199	-20
Research and development expenditure	8,614	9,662	-11
Employees (31 December)	288,481	298,655	-3
¹ Adjusted for the effects of currency translation, decrease in revenue by 9 %.			

- 42 The following overview summarises key figures of Daimler Group for the first six months 2021, compared to the prior-year period:

	1st 6 months 2021	1st 6 months 2020	2021/2020
EUR amounts in millions			% change
Sales (in units)	1,464,994	1,186,149	+24
Revenue	84,499	67,407	+25 ¹
EBIT	10,933	-1,065	.
EBIT adjusted	10,388	11	.
Net profit/loss	8,077	-1,738	.
Earnings per share (in EUR)	7.37	-1.78	.
Free cash flow of the industrial business	4,396	-1,631	.
Free cash flow of the industrial business adjusted	5,782	-1,084	.
Net liquidity of the industrial business	20,863	9,481	+120

	1st 6 months 2021	1st 6 months 2020	2021/2020
EUR amounts in millions			% change
Investment in property, plant and equipment	2,234	2,637	-15
Research and development expenditure thereof capitalised development costs	4.780 1.162	4.609 1.343	+4 -13
Employees	289,643	288,481 ²	+0

¹ Adjusted for the effects of currency translation, decrease in revenue by 30 %.
² As of 31 December 2020

2. The business activities of Daimler Group

43 Daimler Group's divisions are presented below as they are currently presented in the segment reporting of the Group. The focus of the presentation is on the most recent business development in the year 2020 as well as in the first six months of 2021.

a) Overview of the key figures for the divisions and of the brands of Daimler Group

44 Until 31 December 2019, the Group's reportable segments included Mercedes-Benz Cars, Daimler Trucks, Mercedes-Benz Vans, Daimler Buses and Daimler Mobility. Since 1 January 2020, the Group's activities have been divided among the segments Mercedes-Benz Cars, Mercedes-Benz Vans, Daimler Trucks & Buses, and Daimler Mobility. This breakdown corresponds to the Group's internal reporting and organisational structure. The segments Mercedes-Benz Cars and Mercedes-Benz Vans are combined due to comparable longer-term average returns on sales as well as comparable development of revenue and capital intensity. Furthermore, both segments are comparable in terms of the type of products and services offered as well as the brands, distribution channels and customer profiles.

45 In order to ensure comparability of the 2020 figures with the previous year's figures, the 2019 figures have been adjusted to the new segment structure described above. The internal supply and service relationships within the new segments were taken into account. In addition, the effects of certain legal issues, in particular, as well as equity interests not previously allocated to the segments, were reclassified from the reconciliation to the vehicle segments in the previous year.

- 46 The following overview summarises the key figures for the individual divisions of Daimler Group for the past two financial years, 2020 and 2019:

	2020	2019	2020/2019
EUR amounts in millions			% change
Mercedes-Benz Cars & Vans			
Unit sales	2,461,884	2,823,818	-13
Revenue	98,576	106,897	-8
EBIT	5,172	-109	.
EBIT adjusted	6,802	6,151	+11
Return on sales (in %)	5.2	-0.1	.
Return on sales adjusted (in %)	6.9	5.8	.
CFBIT	7,048	598	.
CFBIT adjusted	7,917	1,939	+308
Cash Conversion Rate adjusted ¹	1.2	0.3	.
Investment in property, plant and equipment	4,862	5,869	-17
Research and development expenditure	7,199	8,061	-11
thereof capitalised	2,391	3,000	-20
CO ₂ emissions of the new passenger car fleet in Europe (in g/km)	104	137	-24
Employees (31 December)	170,515	177,187	-4
Daimler Trucks & Buses			
Unit sales	378,518	521,133	-27
Revenue	34,671	44,429	-22
EBIT	525	2,672	-80
EBIT adjusted	678	2,672	-75
Return on sales (in %)	1.5	6.0	.
Return on sales adjusted (in %)	2.0	6.0	.
CFBIT	2,513	2,654	-5













	2020	2019	2020/2019
EUR amounts in millions			% change
CFBIT adjusted	2,513	2,654	-5
Cash Conversion Rate adjusted ¹	3.7	1.0	.
Investment in property, plant and equipment	789	1,105	-29
Research and development expenditure	1,488	1,689	-12
thereof capitalised	107	76	+41
Employees (31 December)	99,640	101,639	-2
Daimler Mobility			
Revenue	27,699	28,646	-3
EBIT	1,436	2,140	-33
EBIT adjusted	1,595	1,827	-13
Return on equity (in %)	9.8	15.3	.
Return on equity adjusted (in %)	10.9	13.1	.
New business	67,786	74,377	-9
Contract volume (31 December)	150,553	162,843	-8
Investment in property, plant and equipment	39	87	-55
Employees (31 December)	11,650	12,680	-8
¹ The adjusted cash conversion rate is calculated as the ratio of CFBIT adjusted to EBIT adjusted.			

- 47 The following overview summarises key figures of the individual divisions of Daimler Group for the first six months 2021, compared to the prior-year period:

	1st 6 months 2021	1st 6 months 2020	2021/2020
EUR amounts in millions			% change
Mercedes-Benz Cars & Vans			
Unit sales	1,246,845	1,027,542	+21
Revenue	55,038	42,145	+31
EBIT	7,516	-615	.
EBIT adjusted	7,445	319	.
Return on sales (in %)	13.7	-1.5	.
Return on sales adjusted (in %)	13.5	0.8	.
CFBIT	4,470	-1,299	.
CFBIT adjusted	5,934	-759	.
Cash Conversion Rate adjusted ¹	0.8	-2.4	.
Investment in property, plant and equipment	2,012	2,283	-12
Research and development expenditure	4,058	3,887	+4
thereof capitalised	1,076	1,296	-17
Employees	170,387	170,515 ¹	-0
Daimler Trucks & Buses			
Unit sales	218,149	158,607	+38
Revenue	18,677	14,944	+25
EBIT	1,860	-509	.
EBIT adjusted	1,349	-500	.
Return on sales (in %)	10.0	-3.4	.
Return on sales adjusted (in %)	7.2	-3.3	.
CFBIT	1,288	-206	.

	1st 6 months 2021	1st 6 months 2020	2021/2020
EUR amounts in millions			% change
CFBIT adjusted	1,128	-206	.
Cash Conversion Rate adjusted ¹	0.8	0.4	.
Investment in property, plant and equipment	191	308	-38
Research and development expenditure	736	737	-0
thereof capitalised	86	47	+83
Employees	102,114	99,640 ¹	+2
Daimler Mobility			
Revenue	13,840	13,551	+2
EBIT	1,668	263	+534
EBIT adjusted	1,621	371	+337
Return on equity (in %)	22.1	3.6	.
Return on equity adjusted (in %)	21.4	5.0	.
New business	33,955	30,145	+13
Contract volume	150,596	150,553 ¹	+0
Employees	11,255	11,650 ¹	-3
¹ As of 31 December 2020.			

48 The following overview provides a summary of Daimler Group's key brands:

Mercedes-Benz Cars & Vans	Daimler Trucks & Buses	Daimler Mobility
  MAYBACH MERCEDES-EQ Mercedes me 	      	Mercedes-Benz Bank Mercedes-Benz Financial Services  

b) Mercedes-Benz Cars & Vans

49 The products supplied by **Mercedes-Benz Cars** comprise an exclusive offer per segment, ranging from the family of compact models to a highly varied portfolio of C-Class and E-Class models, G-Class, SUVs, roadsters, coupes and convertibles, and S-Class luxury sedans. The Mercedes-Benz umbrella brand is supplemented by the sub-brands Mercedes-EQ, Mercedes-AMG and Mercedes-Maybach, which are able to meet individual customer requirements even more precisely. The product range is rounded out by the Mercedes me brand for personalised services and connectivity and the high-quality small cars of the smart brand for an urban environment. The most important markets for Mercedes-Benz Cars in 2020 were China with 36 % of unit sales, Germany (14 %), the other European markets (24 %), the United States (12 %), South Korea (4 %) and Japan (2 %). Mercedes-Benz Cars is continuously refining its flexible production network. In this regard, the global production network is systematically prepared to meet the requirements of electric mobility, digitisation and CO₂-neutral vehicle production.

50 **Mercedes-Benz Vans** is a global supplier of a complete portfolio of vans and related services. The models offered in the commercial segment comprise the Sprinter large van, the Vito mid-size van (marketed as the "Metris" in the United States) and the Citan urban delivery van. In the private customer segment, Mercedes-Benz Vans offers the V-Class full-size MPV and Marco Polo camper vans and recreational vehicles. Within the framework of its eDrive@VANS activities, Mercedes-Benz Vans is also demonstrating just how systematically it is moving forward with the electrification of the van model segment with the eVito, the eVito Tourer (combined electricity consumption: 26.2 kWh/100 km; combined CO₂ emissions: 0 g/km)², the eSprinter and the first all-electric full-size MPV from Mercedes-Benz – the EQV (combined electricity consumption: 26.4 – 26.3 kWh/100 km; combined CO₂ emissions: 0 g/km)². The division has manufacturing

² Electricity consumption and range have been calculated on the basis of Commission Regulation (EC) No. 692/2008. Electricity consumption and range depend on the vehicle configuration. The actual range also depends on the individual driving style, road and traffic conditions, outside temperature, use of air conditioning/heating etc., and may vary.

facilities in Germany, Spain, the United States and Argentina and also produces vehicles in the Fujian Benz Automotive Co. Ltd. joint venture in China. Production of the Citan is part of the strategic alliance with Renault-Nissan-Mitsubishi. The most important markets for Mercedes-Benz Vans are the EU 30 region (European Union, United Kingdom, Switzerland, Norway), which accounted for 65 % of unit sales in the year under review, North America (15 %) and Asia (10 %).

Business development in the 2020 financial year

- 51 Against the backdrop of the COVID-19 pandemic, **Mercedes-Benz Cars** unit sales nonetheless surpassed the two million mark in 2020, totaling 2,087,200 vehicles (2019: 2,385,400). With unit sales of 2,052,000 (2019: 2,278,300) vehicles, Mercedes-Benz was once again the strongest-selling luxury brand in the automobile industry. Mercedes-Benz remains number one in the premium segment in Germany and some other key European markets, as well as in South Korea, Canada, South Africa and Japan. In addition, in China more exclusive vehicles were delivered than by any other luxury brand, once again setting a sales record. The A-Class and B-Class models, including the CLA and CLA Shooting Brake, attained unit sales of 449,000 vehicles (-15 %). Sales of C-Class vehicles decreased by 30 % to 309,300 sedans, wagons, coupes and convertibles. A total of 332,400 vehicles of the E-Class were delivered to customers (-21 %). Although unit sales decreased to 53,800 vehicles in 2020, the S-Class sedan continues to be the world's best-selling luxury sedan. Our unit sales in this market segment dropped to a total of 56,000 vehicles (2019: 75,400). The SUV segment developed particularly successfully, with unit sales rising by 12 % to 887,500 vehicles. Unit sales of the sports cars produced in the Mercedes-Benz Cars division amounted to 17,800 vehicles and were thus 37 % lower than in the previous year. In Europe, Mercedes-Benz Cars sold 783,800 vehicles, or 21 % less than in 2019. As a result, the drop in sales at Mercedes-Benz Cars was less pronounced than that of the European market as a whole. Decreases were registered in Germany (-16 %), the UK (-35 %) and France (-23 %). Mercedes-Benz Cars was once again very successful in China, where unit sales built on the growth of the previous years by rising by 9 % to 758,100 vehicles. At 286,800 vehicles, unit sales in North America did not reach the high level of the prior year (2019: 368,900). Sales decreased in the United States, the main market there, by 21 % to 248,800 units. The smart brand sold 35,200 fortwo and forfour vehicles worldwide (2019: 107,100). This decrease was influenced by the complete switchover of the models to all-electric drive systems.
- 52 Mercedes-Benz Vans finished the 2020 financial year with unit sales of 374,700 vehicles worldwide (2019: 438,400). This substantial decrease of 15 % was largely due to the consequences of the COVID-19 pandemic. At 245,200 units (2019: 298,100), sales in the core region of EU 30 were lower than in the previous year. 109,500 vehicles were sold in Germany during this period (2019: 121,300). Unit sales also decreased in North America, where they dropped to 54,400 vehicles (2019: 56,500). However, a new record of 47,500 vehicles was achieved in the United States (2019: 45,700). In Latin America, sales decreased to 12,000 vehicles (2019: 18,600). Mercedes-Benz achieved a new record in China with 30,500 units (2019: 29,500).

Business development in the first six months of 2021

- 53 Due in particular to significantly higher unit sales, the revenue of the **Mercedes-Benz Cars & Vans** division increased by 31 % to EUR 55,038 million in the first half of 2021 (Q1-Q2 2020: EUR 42,145 million). The segment's EBIT amounted to EUR 7,516 million (Q1-Q2 2020: EUR -615 million); adjusted EBIT amounted to EUR 7,445 million (Q1-Q2 2020: EUR 319 million). The adjusted return on sales of 13.5 % was above the adjusted prior-year figure of 0.8 %.
- 54 Caused by the consequences of the COVID-19 pandemic, gross profit in relation to revenue was reduced in the first half of 2020 by a worldwide significant decline in unit sales. As well as the significant year-on-year increase in unit sales, a favorable product mix and improved pricing had positive impacts. On the other hand, exchange rate effects reduced earnings. Overall, gross profit in relation to revenue increased significantly from 13.1 % to 23.9 %. In the first half of 2021, functional costs increased, primarily due to advance expenditures for new technologies and vehicles as well as higher raw material prices. In addition, the measures introduced in response to the COVID-19 pandemic, including the use of short-time working in Germany, led to an improvement in the cost position in the prior year. On the other hand, the increased income from the equity-method investment in Beijing Benz Automotive Co, Ltd. had a positive impact on earnings. In addition, the IPO of charging infrastructure operator Chargepoint, Inc. and its resulting remeasurement at fair value had a positive effect on other financial income/expense.
- 55 Furthermore, income of EUR 604 million in connection with the establishment of the joint venture for fuel cells, cellcentric, resulted in a positive contribution to earnings. The segment's earnings were reduced by restructuring expenses of EUR 351 million (Q1-Q2 2020: EUR 788 million), including expenses of EUR 351 million (Q1-Q2 2020: EUR 101 million) for personnel cost optimisation programmes. Furthermore, the restructuring expenses in the prior-year period include expenses related to ongoing governmental and court proceedings and measures taken relating to Mercedes-Benz diesel vehicles (EUR 182 million; Q1-Q2 2020: EUR 146 million).

c) Daimler Trucks & Buses

- 56 Daimler Trucks & Buses is one of the world's largest manufacturer of trucks above six metric tons gross vehicle weight. Daimler Trucks & Buses operates a global network in which it produces trucks under the brands Mercedes-Benz, Freightliner, Western Star, FUSO and BharatBenz and buses under the brands Mercedes-Benz, Setra, BharatBenz, Thomas Built Buses and FUSO. Daimler Trucks & Buses has more than 40 production facilities that are located in North America, Europe, Asia and Latin America. In China, Beijing Foton Daimler Automotive Co., Ltd., a joint venture with the Chinese partner Beiqi Foton Motor Co., Ltd., has been producing trucks under the Auman brand name since 2012. Daimler Trucks' product range includes light-, medium- and heavy-duty trucks for long-distance, distribution and construction-site haulage, as well as special vehicles that are used mainly in municipal applications. Due to close links in terms of production technology, the product range of Daimler Trucks also includes buses of the

Thomas Built Buses and FUSO brands. Daimler Trucks' most important sales markets in 2020 were North America with 39 % of unit sales, Asia with 27 % and the EU 30 region with 17 %. The Daimler Buses product range comprises city and inter-city buses, touring coaches and bus chassis. While Daimler Buses mainly sells complete buses in Europe, the business in Latin America, Mexico, Africa and Asia focuses on the production and distribution of bus chassis. Daimler Buses' most important sales markets in 2020 were the EU 30 region with 37 % and Latin America with 38 % of unit sales.

Business development in the 2020 financial year

- 57 In 2020, unit sales by **Daimler Trucks** were substantially lower than in the previous year. This development was largely due to the strong contraction of our global core markets as a result of the COVID-19 pandemic. The impact was especially severe during the first half of the year; markets began to recover in the second half. In total, 358,300 heavy-, medium and light-duty trucks as well as buses of the Thomas Built Buses and FUSO brands we delivered in the year under review (2019: 488,500). Sales in North America amounted to 139,400 units (2019: 201,100). Following the high sales figures of the previous years, this market had been expected to normalise. The COVID-19 pandemic caused demand to decrease somewhat more than expected. Sales in the EU 30 region amounted to 60,600 trucks (2019: 79,800). Unit sales also decreased in Latin America, where they dropped to 33,200 trucks (2019: 42,600). Even though the decrease in the main Latin American market of Brazil was somewhat less pronounced than in Latin America as a whole, it was nevertheless significant, with unit sales dropping to 25,300 trucks (2019: 29,700). Sales also decreased in Asia, where they amounted to a total of 98,200 units (2019: 135,200). The decreases were especially strong in Indonesia and India. In Indonesia, sales declined by 50 % to 19,500 units, while they decreased by 34 % to 9,600 vehicles in India. The decrease was much less in the third core market in Asia, Japan; at 39,100 units, sales were slightly lower here than in the previous year (2019: 42,200). Due to the strong rise in demand on the Chinese truck market, sales of Auman trucks, which are produced in China at the Beijing Foton Daimler Automotive Co., Ltd., joint venture (BFDA), were significantly higher than in the prior year, at 126,400 units (2019: 86,200).
- 58 **Daimler Buses** sold 20,200 buses and chassis worldwide in financial year 2020 (2019: 32,600). The marked decrease was mainly influenced by the global effects of the COVID-19 pandemic. In the EU 30 region, Daimler Buses sold 7,500 fully equipped buses and chassis of the Mercedes-Benz and Setra brands; this was 19 % less than in the previous year. Unit sales decreased especially strongly in the touring coach segment. At 3,000 (2019: 3,000) units, sales in Germany were at the prior year level. Sales dropped substantially in Mexico, where they decreased to 1,500 units (-43 %). 5,600 chassis were sold in Brazil, the main market in Latin America; this represents a decrease of 50 %. Bus sales in India also dropped considerably to 500 units (2019: 1,600).

Business development in the first six months of 2021

- 59 Due to the significant increase in unit sales, the revenue of **Daimler Trucks & Buses** in the first half of 2021 increased by 25 % to EUR 18,677 million (Q1-Q2 2020:

EUR 14,944 million). The EBIT amounted to EUR 1,860 million (Q1-Q2 2020: EUR -509 million); adjusted EBIT amounted to EUR 1,349 million (Q1-Q2 2020: EUR -500 million). The segment's adjusted return on sales was above the adjusted prior-year figure at 7.2 % (Q1-Q2 2020: -3.3 %).

- 60 The prior-year results were strongly influenced by the consequences of the COVID-19 pandemic. The sales increase in almost all regions, resulting from the market recovery, had a positive effect on EBIT. On the other hand, additional costs from increasing raw material prices reduced earnings. Positive effects resulted from lower expenses for customer service measures, a higher contribution to earnings from the after-sales business as well as favorable pricing. Cost of sales was higher than in the prior-year period. Gross profit in relation to revenue increased from 12.1 % to 18.5 %. Furthermore, the continued and successful cost discipline in the functional cost areas, income from the IPO of Proterra, Inc. and the sale of the plant in Campina had positive effects on earnings. On the other hand, the segment's earnings were reduced by expenses of EUR 100 million for personnel cost optimisation programmes (Q1-Q2 2020: EUR 9 million). Income of EUR 611 million in connection with the establishment of the joint venture for fuel cells, cellcentric, resulted in a positive contribution to earnings, primarily in other income/expenses.

d) Daimler Mobility

- 61 The Daimler Mobility division supports the sales of the Daimler Group's automotive brands worldwide with tailored mobility and financial services; these services range from customised leasing and financing packages and insurance solutions to flexible subscription and rental models and fleet management services for business customers. Daimler Mobility has more than five million leased and financed vehicles in 39 markets for its financing, leasing and insurance business alone, offering services that meet a wide range of requirements. In the 2020 financial year, Daimler Mobility financed or leased approx. 50 % of the vehicles sold by Daimler. The mobility ecosystem is rounded out by flexible-use services such as Mercedes-Benz Rent (rental vehicles) as well as investments in companies that offer mobility services, such as YOUR NOW, StarRides or Blacklane:

Business development in the 2020 financial year

- 62 At the end of 2020, the Daimler Mobility division had a contract volume of EUR 150.6 billion (-8 %). Adjusted for the effects of currency translation, contract volume decreased by 3 %. The economic effects of the COVID-19 pandemic caused new business to decrease considerably in the first half of the year, although it stabilised in the second half. Daimler Mobility concluded 1.8 million new financing and leasing contracts worth a total of EUR 67.8 billion in 2020. The total value of all new contracts was thus significantly below the prior-year level (-9 %, adjusted for exchange-rate effects -7 %). New business decreased in almost all countries of Europe. In Germany, Mercedes-Benz Bank's new business decreased to EUR 11.7 billion (-12 %). New business in Europe totaled EUR 27.4 billion, which was significantly below the prior year's level. As a result, Daimler Mobility's contract volume in Europe dropped by 4 % to EUR 64.8 billion. The fleet business, consisting of the brands Athlon and Daimler Fleet Management, had a

total of 402,000 contracts at the end of the year (-6 %). This corresponds to a contract volume of EUR 6.6 billion (-5 %).

- 63 In the Americas new financing and leasing contracts worth EUR 21.7 billion were concluded (-11 %). New business decreased substantially in the two biggest countries of the region, the United States (-7 %) and Canada (-14 %). Contract volume in the Americas region amounted to EUR 51.2 billion at the end of December and was thus 14 % lower than at the end of 2019. At EUR 6.8 billion, new business in the Africa & Asia-Pacific region (excluding China) was also much lower than the prior-year level (-19 %). At the end of 2020, contract volume in this region amounted to EUR 16.8 billion, which was 14 % lower than in the previous year. By contrast, new business increased significantly in China, where new leasing and financing contracts worth EUR 11.9 billion (+29 %) were concluded in 2020. At the end of the year, contract volume in China amounted to EUR 17.7 billion – an increase of 8 % compared with the prior year level. Daimler Mobility also brokered approx. 2.3 million policies in the insurance business. This corresponds to a decrease of 2 %.

Business development in the first six months of 2021

- 64 In the first half of 2021, the **Daimler Mobility** segment achieved EBIT of EUR 1,668 million (Q1-Q2 2020: EUR 263 million); adjusted EBIT amounted to EUR 1,621 million (Q1-Q2 2020: EUR 371 million). Adjusted return on equity of 21.4 % was above the adjusted prior-year figure of 5.0 %.
- 65 The main reason for the positive development of gross profit in relation to revenue was lower credit risk provisions in the first half of 2021, as the prior year was significantly impacted by the response to the COVID-19 pandemic. Further positive effects were achieved due to lower refinancing costs, as well as the improved development of the business operations of mobility and fleet services. The measures introduced in response to the COVID-19 pandemic, including the use of short-time working in Germany, led to an improvement in the cost position in the prior-year period. Expenses of EUR 42 million (Q1-Q2 2020: EUR 3 million) in connection with personnel cost optimisation programmes adversely affected functional costs. In addition, a positive effect on earnings of EUR 89 million at Daimler Mobility resulted from the sale of its shares in Via Transportation Inc. The increase in income from investments accounted for using the equity method was due to a negative effect of EUR 105 million in the first half of the previous year caused by an impairment of the investment in YOUR NOW Holding GmbH.

3. Sustainability strategy in the Daimler Group

- 66 Daimler is committed to the Sustainable Development Goals of the United Nations and the Paris Agreement on climate protection. Sustainability is not an isolated field of action, but forms an integral part of Daimler Group's corporate strategy. With this, Daimler aims to achieve CO₂-neutral mobility by 2039, consume fewer resources despite growth, ensure greater safety in road traffic, continue to handle data responsibly, and assume responsibility for safeguarding human rights along the value chain. Central sustainability management enables the planning of ambitious goals and their implementation.

- 67 With its "Ambition 2039" strategy for **Mercedes-Benz passenger cars**, Daimler is making an emphatic commitment to climate protection. The business division is to become CO₂-neutral by 2039. To achieve this, CO₂-neutral production is to be carried out at the company's own passenger car plants from 2022. Mercedes-Benz sets the course for an electric-only future: By the end of the decade, the brand with the star will be ready to go full electric – wherever market conditions permit. With this strategic step from "Electric first" to "Electric only", Mercedes-Benz is accelerating the transformation to a zero-emission and software-driven future. By 2022, Mercedes-Benz will offer battery electric vehicles in all segments in which the brand is engaged. From 2025, all new vehicle architectures will be exclusively electric, and customers will have a pure electric alternative for every model. In total, investments in battery electric vehicles of more than EUR 40 billion are planned between 2022 and 2030. Finally, Daimler also aims to drive forward the implementation of the goal of climate neutrality among its suppliers and partners.
- 68 In the **Mercedes-Benz Vans** division, Daimler has set itself the goal of making its new-vehicle fleet of privately positioned vans CO₂-neutral throughout its entire lifecycle by 2039. In the commercial vans segment, the Group aims to offer only new vehicles that are CO₂-neutral in driving operation ("tank-to-wheel") in the triad markets of Europe, Japan and North America by 2039. Production at the Mercedes-Benz Vans plants is to be CO₂-neutral by 2022.
- 69 By 2039, the **Daimler Trucks & Buses** division is to only offer new vehicles in Europe, Japan, and North America that are CO₂-neutral in driving operation ("tank-to-wheel"). By 2022, Daimler intends to offer series-produced trucks and buses with battery-electric drive systems in the main sales regions Europe, the United States and Japan. In the second half of the 2020s, Daimler Trucks & Buses intends to supplement its portfolio of series-produced vehicles by adding fuel cell-powered electric trucks. In cooperation with the Volvo Group we will drive forward the series-ready development, production and marketing of fuel-cell systems for use in heavy-duty commercial vehicles and other fields of application. Plans call for all Daimler Trucks & Buses plants in Europe to be CO₂-neutral by 2022.
- 70 **Daimler Mobility's** sustainability efforts are focusing on avoiding and reducing CO₂ emissions as well as on collecting knowledge and promoting employee involvement. The aim is to become climate-neutral by the end of 2022 – not only in administrative departments but at all locations. New leasing and financing offers will explicitly serve to promote the sale of electric vehicles at the divisions.
- 71 The issue of the first 'green bonds' has further accelerated Daimler's development of CO₂-neutral technologies and services. The proceeds from this bond are used exclusively to fund green projects. In this way, financing activities are also helping to transform Daimler into a carbon-free company and make the industry CO₂-neutral.

II. Daimler AG as transferring legal entity

72 Daimler AG is the parent company of Daimler Group. The business activities of Daimler AG mainly comprise management and governance as well as the provision of services for the Group companies. In addition, as the parent company, it decides on the Group's strategy, resolves on matters of material importance in the operating business and ensures the regulatory, legal and compliance functions throughout the Group.

1. General corporate information

73 Daimler AG is a stock corporation (*Aktiengesellschaft*) under German law with its registered office in Stuttgart. Its business address is Mercedesstraße 120, 70372 Stuttgart. Daimler AG is registered in the commercial register of the Local Court of Stuttgart under HRB 19360. The financial year of Daimler AG corresponds to the calendar year.

74 The purpose of Daimler AG as defined in § 2 para. 1 of its Articles of Incorporation is to engage, directly or indirectly, in the business of developing, producing and selling products and providing services, especially in the following lines of business:

- vehicles, engines and technical drives of all kinds including their parts, assemblies and accessories,
- other traffic engineering products,
- electronic equipment, devices and systems,
- communication and information technology,
- mobility and transport services and concepts,
- banking and insurance activities, financial and payment services and insurance brokerage, and
- management and development of real property.

75 Pursuant to § 2 para. 3 of the Articles of Incorporation, the company is authorised to set up domestic and foreign branches, to acquire interests in other companies, to acquire and dispose of other companies, to place them under joint management and conclude intercompany agreements with them, provide services to these companies or to limit itself to the management of its interests in such companies and to place all or part of its business operations into subsidiaries. § 2 para. 4 of the Articles of Incorporation stipulates that the company may not itself directly perform financial services, banking and real estate transactions subject to permits.

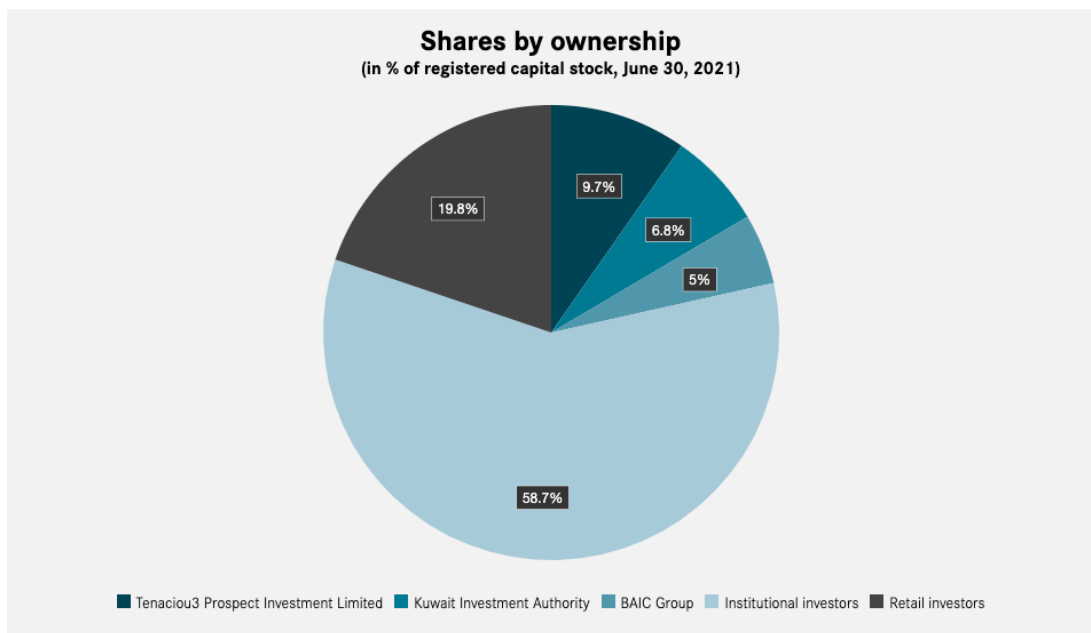
2. Share capital and shares

- 76 As of the date of the signing of this Demerger Report, the share capital of Daimler AG amounts to EUR 3,069,671,971.76. It is divided into 1,069,837,447 registered no-par value shares (*Stückaktien*) with a proportionate amount of the share capital of approx. EUR 2.87 per share. Pursuant to § 67 para. 2 AktG (*Aktiengesetz* – German Stock Corporation Act), only those persons who are entered as such in the share register are deemed to be shareholders in relation to the company. With the exception of own shares, from which the company has no rights, all shares confer the same rights. Each share conveys one vote and, with the possible exception of any new shares not entitled to dividends, the same share of the profit in accordance with the dividend distribution resolved by the General Meeting.
- 77 § 3 para. 2 of the Articles of Incorporation of Daimler AG provides for an approved capital in the amount of EUR 1,000,000,000.00, which may be utilised in full or in partial amounts until 4 April 2023 with the consent of the Supervisory Board by issuing new no-par value registered shares on one or more occasions against cash contributions and/or contributions in kind. Such existing authorisation has not been used so far.
- 78 The General Meeting of Daimler AG on 8 July 2020 authorised the Board of Management to issue, with the approval of the Supervisory Board, bearer and/or registered convertible bonds and/or option bonds or a combination of these instruments with a total nominal amount of up to EUR 10,000,000,000.00 and a maximum term of ten years until 7 July 2025 and to grant the holders or creditors of these bonds conversion or option rights to new no-par value registered shares of Daimler AG with a proportionate amount of the share capital of up to a total of EUR 500,000,000.00 in total, in accordance with the more detailed terms of the convertible or option bonds. In connection with this authorisation, a conditional capital exists under § 3 para. 3 of the Articles of Incorporation of Daimler AG. Such existing authorisation has not been used so far.
- 79 The General Meeting of Daimler AG of 8 July 2020 has authorised Daimler AG pursuant to § 71 para. 1 no. 8 AktG, to acquire own shares until 7 July 2025 in an extent of up to 10 % of the share capital existing at the time of the adoption of a resolution by the General Meeting or – if this value is lower – of the share capital existing at the time of the exercise of this authorisation. The shares acquired on the basis of this authorisation, together with other own shares which are in the possession of the company or are attributable to it pursuant to §§ 71a et seqq. AktG, may at no time exceed 10 % of the company's share capital. Daimler AG currently holds no own shares.

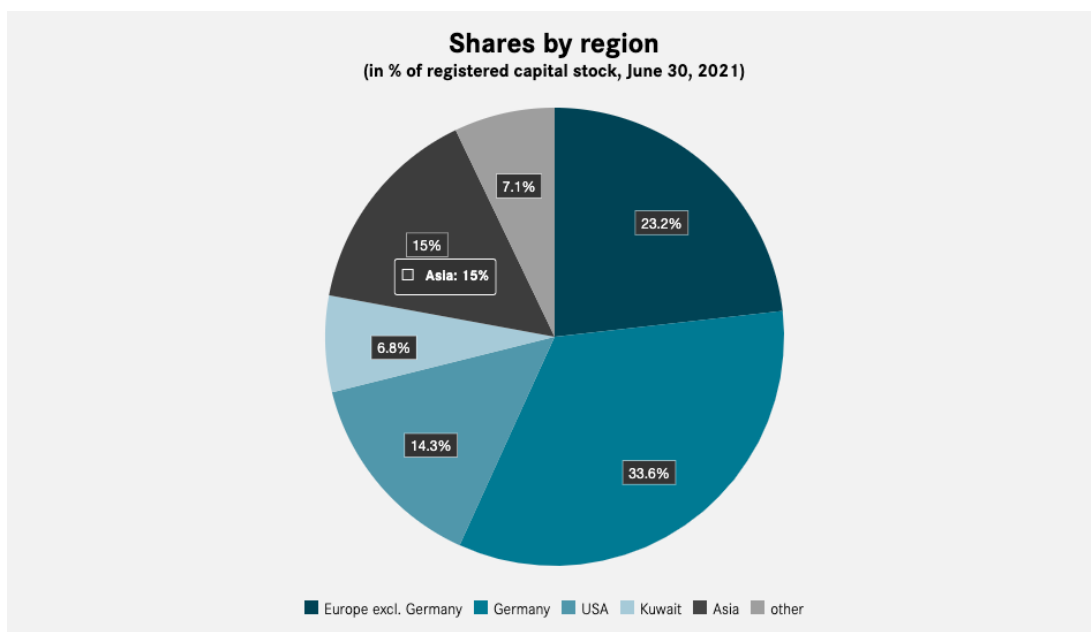
3. Stock exchange trading and shareholder structure

- 80 The Daimler shares are admitted for trading on the Regulated Market of the Frankfurt Stock Exchange (Prime Standard) as well as on the Stuttgart Stock Exchange (stock exchange symbol: DAI; German Security Code Number (WKN): 710 000; ISIN: DE 000 7100000). The shares are included, inter alia, in the DAX, the CDAX and the EURO STOXX 50.

- 81 As per 30 June 2021, the largest individual shareholders of Daimler AG were Tenaciou3 Prospect Investment, Ltd. with 9.7 %, the Kuwait Investment Authority (KIA) with 6.8 % and the BAIC Group with 5 % of the share capital.



- 82 As per 30 June 2021, institutional investors held a total of 58.7 % of the share capital, while 19.8 % of the share capital was held by private investors. German investors held approx. 33.6 %, European investors outside Germany approx. 23.2 % of the share capital; approx. 14.3 % of the share capital is held by US investors.



4. Board of Management

83 Pursuant to § 5 sent. 1 of the Articles of Incorporation of Daimler AG, the Board of Management of Daimler AG comprises at least two members. Pursuant to § 5 sent. 2 of the Articles of Incorporation of Daimler AG, the Supervisory Board appoints the members of the Board of Management in accordance with the provisions of the German Stock Corporation Act and the German Co-Determination Act and determines their number.

84 Currently, the Board of Management of Daimler AG comprises eight members:

- Ola Källenius, Chairman of the Board of Management, Head of Mercedes-Benz Cars & Vans (appointed until the end of May 2024),
- Martin Daum, Daimler Trucks and Buses (appointed until the end of February 2025),
- Renata Jungo Brüngger, Integrity and Law (appointed until the end of December 2023),
- Wilfried Porth, Human Resources and Labor Director (appointed until the end of April 2022),
- Markus Schäfer, Group Research and Mercedes-Benz Cars Chief Operating Officer (appointed until the end of May 2024),
- Britta Seeger, Mercedes-Benz Cars Sales (appointed until the end of December 2024),
- Hubertus Troska, Greater China (appointed until the end of December 2025),
- Harald Wilhelm, Finance and Controlling, Daimler Mobility (appointed until the end of March 2027).

85 Curricula vitae and further information on the members of the Board of Management of Daimler AG can be found at <https://www.daimler.com/konzern/corporate-governance/vorstand/>.

5. Supervisory Board

86 Pursuant to § 8 para. 1 of the Articles of Incorporation of Daimler AG, the Supervisory Board of Daimler AG is comprised in accordance with the applicable statutory provisions. The Supervisory Board has 20 members and is comprised in accordance with the provisions of the German Co-Determination Act of ten Supervisory Board members each of the shareholders' and of the employees' side. In compliance with § 96 para. 2 AktG, it comprises at least 30 % women and at least 30 % men.

87 Daimler AG's Supervisory Board currently comprises the following shareholder representatives:

- Dr. Bernd Pischetsrieder, Chairman of the Supervisory Board (elected until 2024),
- Bader M. Al Saad (elected until 2022),
- Sari Baldauf (elected until 2023),
- Dr. Clemens Börsig (elected until 2022),
- Elizabeth Centoni (elected until 2025),
- Ben van Beurden (elected until 2025),
- Timotheus Höttges (elected until 2025),
- Joe Kaeser (elected until 2024),
- Dr. Martin Bruder Müller (elected until 2025),
- Marie Wieck (elected until 2023).

88 In order to become members of the Supervisory Board of Daimler Truck Holding AG in the future, the members of the Supervisory Board Joe Kaeser and Marie Wieck resigned from their offices with effect as of the end of the extraordinary General Meeting of Daimler AG on 1 October 2021. Therefore, a by-election to fill the vacant positions is also held at this extraordinary General Meeting in order to ensure a complete composition of the Supervisory Board of Daimler AG. The Supervisory Board of Daimler AG has proposed that Helene Svahn and Olaf Koch be elected to the Supervisory Board with effect from the end of the extraordinary General Meeting (cf. the proposed resolution under agenda item 3).

89 Daimler AG's Supervisory Board currently comprises the following employee representatives:

- Michael Brecht, Deputy Chairman of the Supervisory Board (elected until 2023),
- Michael Bettag (elected until 2023),
- Raymond Curry (elected until 2023),
- Michael Häberle (elected until 2023),
- Ergun Lümalı (elected until 2023),

- Elke Tönjes-Werner (elected until 2023),
- Nadine Boguslawski (court-appointed until 2023)
- Dr. Frank Weber (elected until 2023),
- Dr. Sabine Zimmer (elected until 2023),
- Roman Zitzelsberger (elected until 2023).

90 Curricula vitae and further information on the members of the Supervisory Board of Daimler AG can be found at <https://www.daimler.com/konzern/corporate-governance/aufsichtsrat/>.

III. Daimler Truck Holding AG as the acquiring legal entity

91 Daimler Truck Holding AG, which acts as the acquiring legal entity in the context of the spin-off and hive-down, was established on 25 March 2021, by Daimler Verwaltungsgesellschaft für Grundbesitz mbH, a wholly-owned subsidiary of Daimler AG. In July 2021, Daimler Grund transferred its shares to Daimler AG.

1. General corporate information

92 Daimler Truck Holding AG is a stock corporation (*Aktiengesellschaft*) under German law with its registered office in Stuttgart. Its business address is Mercedesstraße 120, 70372 Stuttgart. The company was entered in the commercial register of the Local Court of Stuttgart under HRB 778600 on 12 April 2021. The financial year of Daimler Truck Holding AG corresponds to the calendar year. Its first financial year is an abbreviated financial year ending on 31 December 2021.

93 The corporate purpose of Daimler Truck Holding AG as set forth in its Articles of Incorporation corresponds to that of Daimler Truck AG. Pursuant to § 2 para. 1 of its Articles of Incorporation, the corporate purpose of Daimler Truck Holding AG is to engage, directly or indirectly, in the business of developing, producing and selling products and providing services, especially in the following lines of business:

- vehicles, in particular commercial vehicles and buses, engines and technical drives of all kinds including their parts, assemblies and accessories,
- other traffic engineering products,
- electronic equipment, devices and systems,
- communication and information technology,
- mobility and transport services and concepts,

- banking and insurance activities, financial and payment services and insurance brokerage, and
- management and development of real property.

94 Pursuant to § 2 para. 3 of its Articles of Incorporation, Daimler Truck Holding AG is authorised to set up domestic and foreign branches, to acquire interests in other companies, to acquire and dispose of other companies, to place them under joint management and conclude intercompany agreements with them, provide services to these companies or to limit itself to the management of its interests in such companies and to place all or part of its business operations into subsidiaries. § 2 para. 4 of the Articles of Incorporation stipulates that the company may not itself directly perform financial services, banking and real estate transactions subject to permits.

2. Share capital and shares

95 The share capital of Daimler Truck Holding AG currently amounts to EUR 50,000.00. It is divided into 50,000 registered no-par value shares (*Stückaktien*) with a proportionate amount of the share capital of EUR 1.00 per share. All shares are currently held by Daimler AG.

3. Board of Management

96 Pursuant to § 6 of the Articles of Incorporation of Daimler Truck Holding AG, the Board of Management of Daimler Truck Holding AG comprises at least two members. The Supervisory Board may appoint a chairman as well as a deputy chairman of the Board of Management. In the course of the formation of Daimler Truck Holding AG, Fabian Römer and Lars Wettlaufer were initially appointed in March 2021 as members of the Board of Management. The aforementioned persons are executives of Daimler AG who were appointed for the purpose of preparing the spin-off and hive-down. Both have therefore resigned from office with effect from the expiry of 11 July 2021.

97 With effect from 12 July 2021, the following members of the Board of Management of Daimler Truck AG were appointed as members of the Board of Management of Daimler Truck Holding AG:

- Martin Daum (appointed until the end of February 2025),
- Jochen Götz (appointed until the end of June 2026).

98 A chairman of the Board of Management has not been appointed. Pursuant to § 7 para. 1 of its Articles of Incorporation, Daimler Truck Holding AG is represented by two members of the Board of Management or by one member of the Board of Management jointly with a holder of a general commercial power of attorney (*Prokurist*). Pursuant to § 7 para. 2 of the Articles of Incorporation, the company may also be represented, subject to the applicable legal restrictions, by two holders of a general commercial power of attorney.

- 99 The future composition of the Board of Management is described in more detail below in Section I.III.3 a).

4. Supervisory Board

- 100 Pursuant to § 8 para. 1 of the Articles of Incorporation of Daimler Truck Holding AG, the Supervisory Board of Daimler Truck Holding AG currently consists of three members. Since Daimler Truck Holding AG currently has no employees and no employees are attributed to it, the Supervisory Board is not subject to employee co-determination pursuant to the Co-Determination Act or the One-Third Participation Act.

- 101 The Supervisory Board of Daimler Truck Holding AG currently comprises the following members, who are executives of Daimler AG:

- Tim Zech (Vice President Head of Tax Daimler Group), Chairman of the Supervisory Board,
- Robert Köthner (Vice President Accounting & Financial Reporting, Chief Accounting Officer), Deputy Chairman of the Supervisory Board,
- Dr. Annette Matzat (Head of HR & Labor Policy HRP).

- 102 The future composition of the Supervisory Board is described in more detail in Section I.III.4 a) below.

5. Independent auditor

- 103 The founder Daimler Grund appointed KPMG AG Wirtschaftsprüfungsgesellschaft as auditor for the first financial year of Daimler Truck Holding AG when the company was founded on 25 March 2021.

6. Business activities

- 104 Daimler Truck Holding AG has not yet carried out any operating business activities in the 2021 financial year.

IV. Daimler Truck AG

- 105 Daimler Truck AG is a direct wholly-owned subsidiary of Daimler AG. The company is responsible for the Daimler Group's operating activities in the Daimler Trucks & Buses division.

1. General corporate information

- 106 Daimler Truck AG is a stock corporation (*Aktiengesellschaft*) under German law with its registered office in Stuttgart. Its business address is Mercedesstraße 120, 70372 Stuttgart. Daimler Truck AG is registered in the commercial register of the Local Court

of Stuttgart under HRB 762884. The financial year of Daimler Truck AG corresponds to the calendar year.

107 The purpose of Daimler Truck AG as currently defined in § 2 para. 1 of its Articles of Incorporation is to engage, directly or indirectly, in the business of developing, producing and selling products and providing services, especially in the following lines of business:

- vehicles, in particular commercial vehicles and buses, engines and technical drives of all kinds including their parts, assemblies and accessories,
- other traffic engineering products,
- electronic equipment, devices and systems,
- communication and information technology,
- mobility and transport services and concepts,
- banking and insurance activities, financial and payment services and insurance brokerage, and
- management and development of real property.

108 Pursuant to § 2 para. 3 of the Articles of Incorporation, the company is authorised to set up domestic and foreign branches, to acquire interests in other companies, to acquire and dispose of other companies, to place them under joint management and conclude intercompany agreements with them, provide services to these companies or to limit itself to the management of its interests in such companies and to place all or part of its business operations into subsidiaries. § 2 para. 4 of the Articles of Incorporation stipulates that the company may not itself directly perform financial services, banking and real estate transactions subject to permits.

2. Share capital and shares

109 As of the date of the signing of this Demerger Report, the share capital of Daimler Truck AG amounts to EUR 826,453,714.00. It is divided into 826,453,714 registered no-par value shares (*Stückaktien*) with a proportionate amount of the share capital of EUR 1.00 per share. All shares are currently held by Daimler AG.

110 The share capital of Daimler Truck AG originally amounted to EUR 50,000.00 at the time of its formation. In the course of the hive-down of assets and liabilities of the Trucks & Buses division in 2019, the share capital of Daimler Truck AG was increased by EUR 299,950,000.00 to EUR 300,000,000.00. Subsequently, the share capital of Daimler Truck AG was increased several times in connection with the contribution of various foreign subsidiaries, in particular in connection with the contribution of the truck business in the United States.

3. Board of Management

- 111 Pursuant to § 6 of the Articles of Incorporation of Daimler Truck AG, the Board of Management of Daimler Truck AG comprises at least two members. The Supervisory Board may appoint a chairman as well as a deputy chairman of the Board of Management. Currently, the Board of Management of Daimler Truck AG comprises the following members:
- Martin Daum, Chairman of the Board of Management (appointed until the end of February 2025),
 - Jochen Götz, Finance and Controlling (appointed until the end of October 2022),
 - John O'Leary, North America Region and the Freightliner, Western Star and Thomas Built Buses brands (appointed until the end of March 2024),
 - Karin Rådström, Europe and Latin America Regions and the Mercedes-Benz Trucks brand (appointed until the end of January 2024),
 - Hartmut Schick, Asia Region and the FUSO and BharatBenz brands (appointed until the end of December 2022),
 - Dr. Andreas Gorbach, Trucks Technology (appointed until the end of June 2024),
 - Jürgen Hartwig, Human Resources and Labor Director (appointed until the end of October 2022),
 - Stephan Unger, Financial Services (appointed until the end of June 2024).
- 112 By resolution of 2 December 2020, the Supervisory Board of Daimler Truck AG set a target of 14 % for the proportion of women on the Board of Management of Daimler Truck AG in accordance with § 111 para. 5 AktG and determined a period of five years for achieving the target quota. The current composition of the Board of Management of Daimler Truck AG meets this target quota.
- 113 Pursuant to § 7 para. 1 of the Articles of Incorporation, Daimler Truck AG is represented by two members of the Board of Management or by one member of the Board of Management jointly with a holder of a general commercial power of attorney (*Prokurist*). Pursuant to § 7 para. 2 of the Articles of Incorporation, the company may also be represented, subject to the applicable legal restrictions, by two holders of a general commercial power of attorney.
- 114 Curricula vitae and further information on the members of the Board of Management of Daimler Truck AG can be found at <https://www.daimler-truck.com/unternehmen/unternehmensfuehrung/vorstand-daimler-truck-ag.html>.

4. Supervisory Board

115 Pursuant to § 8 para. 1 of the Articles of Incorporation of Daimler Truck AG, the Supervisory Board of Daimler Truck AG has 20 members and is comprised in accordance with the provisions of the German Co-Determination Act of ten Supervisory Board members each of the shareholders' and of the employees' side. By resolution of 2 December 2020, the Supervisory Board of Daimler Truck AG set a target of 30 % for the proportion of women on the Supervisory Board of Daimler Truck AG in accordance with § 111 para. 5 AktG and specified a period of five years for achieving the target quota.

116 Currently, the Supervisory Board of Daimler Truck AG comprises the following shareholder representatives:

- Ola Källenius, Chairman of the Supervisory Board,
- Sari Baldauf,
- Dr. Clemens Börsig,
- Renata Jungo Brüngger
- Joe Kaeser,
- Sabine Kohleisen,
- Wilfried Porth,
- Hubertus Troska,
- Marie Wieck,
- Harald Wilhelm.

117 With the aim of efficient work at board level, the Supervisory Board of Daimler Truck Holding AG and the Supervisory Board of Daimler Truck AG are intended to be composed – to the extent possible – of the same persons (cf. also the comments in Section I.III.4 a)) regarding the future composition of the Supervisory Board of Daimler Truck Holding AG). Against this background, there will also be changes in the Supervisory Board of Daimler Truck AG in connection with the spin-off.

118 The employee representatives on the Supervisory Board of Daimler Truck AG comprise – currently based on judicial appointment by the Local Court of Stuttgart:

- Michael Brecht, Deputy Chairman of the Supervisory Board,
- Harald Dorn,

- Florence Göckeritz,
- Bruno Buschbacher,
- Jörg Lorz,
- Ergun Lümalı,
- Claudia Peter,
- Frank Trampedach,
- Roman Zitzelsberger,
- Thomas Zwick.

5. Independent auditor

- 119 The Annual General Meeting of Daimler Truck AG on 22 April 2021, appointed KPMG AG Wirtschaftsprüfungsgesellschaft as auditor of Daimler Truck AG for the 2021 financial year.

6. Control and profit and loss transfer agreement between Daimler AG and Daimler Truck AG

- 120 A control and profit and loss transfer agreement dated 7 November 2017, as amended on 9/12 February, 2018, exists between Daimler AG and Daimler Truck AG (cf. Annex 3.1(b) to the Demerger Agreement). The agreement was originally concluded between Daimler Vermögens- und Beteiligungsgesellschaft mbH and Daimler Truck AG (still operating under the name LEONIE TB AG at the time of conclusion) and was transferred to Daimler AG by way of the intra-group merger of Daimler Vermögens- und Beteiligungsgesellschaft mbH onto Daimler AG. The enterprise agreement is to be transferred to Daimler Truck Holding AG as part of the spin-off.
- 121 The control and profit and loss transfer agreement between Daimler Truck AG as controlled company and Daimler AG as controlling company complies with the standard for intra-group control and profit and loss transfer agreements of Daimler Group.
- 122 The control and profit and loss transfer agreement, as amended on 9/12 February, 2018, essentially has the following content:
- Pursuant to § 1, the controlled company subordinates the management of the company to the controlling company, with the consequence that the controlling company is entitled to issue instructions to the Board of Management of the controlled company regarding the management of the company.

- Pursuant to § 2, the controlled company undertakes to transfer all its profits to the controlling company. The controlled company may – to the extent legally permissible and based on reasonable commercial and economic judgement – with the consent of the controlling company allocate amounts from the net income for the year to retained earnings (§ 272 para. 3 HGB), with the proviso that other reserves pursuant to § 272 para. 3 HGB formed during the term of the agreement may – to the extent legally permissible – be dissolved at the request of the controlling company and transferred as profit. The claim for transfer of profits arises at the end of the financial year of the controlled company.
- Pursuant to § 3, the assumption of losses by the controlling company is governed by the provision of § 302 AktG, as amended.
- Pursuant to § 4, the agreement – with the exception of the right to manage the controlled company – applies retroactively from the beginning of the financial year of the controlled company that had begun at the time of the entry of the agreement in the commercial register. The agreement is valid for an indefinite period and can – without prejudice to the right to terminate for good cause – only be terminated by giving six months' notice to the end of the financial year of the controlled company, but not before the end of the financial year after the end of which the minimum contractual term required for the recognition of a tax group for corporation and trade tax purposes has been fulfilled. In the event that the effectiveness of the agreement or its proper execution is not or not fully recognised for tax purposes, the minimum term pursuant to § 4 para. 5 does not commence until the first day of the financial year of the controlled company for which the conditions for the tax recognition of its effectiveness or its proper execution are satisfied for the first time or for the first time again.

7. Business activities

- 123 Since the hive-down of assets and liabilities of the Trucks & Buses division took effect at the beginning of November 2019, Daimler Truck AG has been responsible for Daimler Group's global truck and bus business. Nearly 100,000 employees worldwide develop, produce and sell Daimler Trucks & Buses products and services. Daimler Truck AG, with its subsidiaries, is one of the world's largest commercial vehicles manufacturers.
- 124 In the course of the hive-down, a core workforce of almost 30,000 employees at four domestic production sites (Gaggenau, Wörth, Mannheim and Kassel), 26 German Own Retail sites and several administrative sites (including Untertürkheim, Vaihingen and Esslingen) were transferred to Daimler Truck AG.
- 125 In addition, various domestic and foreign companies of the Daimler Group were transferred to Daimler Truck AG in the course of and subsequent to the hive-down. In particular, as part of the hive-down, various equity interests in Germany allocated to the Trucks & Buses division were transferred to Daimler Truck AG, including EvoBus GmbH, in which the worldwide bus business is bundled. In addition, in the course of the hive-

down, the equity interests of Trucks & Buses, in particular in Japan, France as well as the United Kingdom and Canada, were transferred to Daimler Truck AG.

- 126 Furthermore, as already described in perspective in the hive-down report of 26 March 2019, additional equity interests of the Trucks & Buses division, in particular in Belgium, the Netherlands, Austria, Poland, Romania, Switzerland, Spain, the Czech Republic, Turkey, Argentina, Brazil, Mexico, China and Australia, have been transferred to Daimler Truck AG in the course of 2020. The Trucks & Buses investment in France was transferred to Daimler Truck AG in the second quarter of 2021.
- 127 In addition, following the hive-down, the US Trucks & Buses companies were transferred to Daimler Truck AG by way of a US merger. As a result, the Freightliner, Western Star, Thomas Built Buses and Detroit Diesel brands, which are important for the USMCA region (USA, Mexico, Canada) and in some cases market leaders, were transferred to the Daimler Truck Group. In addition, various production locations in the USA were allocated to the Daimler Truck Group in the course of this transfer.
- 128 The global presence of the commercial vehicles business makes it possible to exploit economies of scale and make developments in a cost-efficient manner. For this reason, where it makes economic and strategic sense, the business is served by global functions provided by Daimler Truck AG. This relates, on the one hand, to the Truck Technology Group, in which all the main technology and powertrain activities of Daimler Trucks are bundled. Daimler Truck AG also provides a sales organisation for the overseas companies.

a) Truck Technology Group

- 129 In view of the increasing pace towards CO₂-neutral transport and the rapid development of software and connectivity, Daimler Truck AG is bundling all the main technology and powertrain activities of Daimler Trucks in the Truck Technology Group. This is the global competence center for the research, development and production of all future powertrain technologies (combustion engine, battery and fuel cell). The department bundles the entire driveline expertise of Daimler Trucks. The Truck Technology Group is also responsible for the areas of vehicle software and electrics/electronics as well as global purchasing. This not only allows differentiating technologies to be scaled economically through broad use in all regions, but also enables global synergies to be tapped.

Global competence center for research and development and global purchasing

- 130 The competence centers for research and development activities are located at twelve sites: in Germany (Stuttgart, Wörth), the USA (Portland, Detroit), Japan (Kitsuregawa, Kawasaki), Brazil (Sao Bernardo do Campo), Turkey (Istanbul, Aksaray), China (Beijing) and India (Chennai, Bangalore). In addition, the global purchasing organisation is present at 18 locations according to material groups and brands and ensures the cost-optimised material and parts supply of the worldwide plants with currently more than 730,000 part numbers in eight time zones. Development and Purchasing are jointly

responsible for global cooperation with innovative suppliers for future topics such as eMobility, autonomous driving and hydrogen technology.

- 131 The decentralised structure of the development and purchasing locations ensures local proximity to customers and partners in the key core markets. The central bundling in one global organisational unit leads to the best possible use of global economies of scale.
- 132 The focus of research and development activities is on the further consolidation of technological leadership as a key success factor and core component of the corporate strategy of Daimler Truck AG – especially in the areas of fuel efficiency, safety, electrification, automation, and connectivity.
- 133 In addition, global purchasing actively supports the profitability of Daimler Truck AG by reducing material costs in the world's largest purchasing volume of a commercial vehicles manufacturer. Due to the global platform and module strategy, new systems and technologies can be made available to customers in many markets worldwide quickly and cost-effectively. A key prerequisite for this is the uniform electrics/electronics architecture in the global vehicle portfolio, as well as the joint development of future technologies for all vehicle platforms.
- 134 In addition, the department manages the optimal use of resources within the global development and purchasing network. This increases efficiency, leverages important synergy effects, avoids redundancies and increases the speed of development.
- 135 Global platform management encompasses all product management functions for the conventional and zero-emission powertrain at Daimler Trucks. Based on a clear product and market orientation, all activities from project management and series management to module and change management are bundled. Locations in the regions ensure close proximity to markets and customers. In addition, global platform management works closely with the global powertrain product strategy function.

The global powertrain production network

- 136 The global powertrain production network stands not only for the integrated powertrain, but also for the integration of all global locations and relevant functions along the value chain. The department manufactures innovative and reliable drive components with uniform quality standards worldwide.
- 137 The components are used for all commercial vehicles divisions and brands of Daimler Truck AG as well as by external customers. At approx. 50 %, the powertrain accounts for the largest share of a truck's value added and thus makes a decisive contribution to the economic success and growth of Daimler Truck AG. Intelligent platforms and close cooperation in a global network can create synergy effects for customers and companies across vehicles and markets. In the area of fully electric trucks and buses, with ePowertrain the business unit is also relying on a global platform architecture.

- 138 The global production network for the integrated powertrain consists of four core plants that cover the total demand for axles, transmissions, engines and components of internal and external customers in the production network. In a global network, these plants produce product ranges for Mercedes-Benz AG (including the VAN, G-Class, and Powertrain Aggregate plants for passenger cars) as well as the third-party business of Daimler Truck AG. In addition, the Powertrain activities are managed in Brazil, India, China and Japan.
- 139 The plant in Kassel is the global competence center for commercial vehicles axles of Daimler Truck AG. Using future-oriented production processes, the current workforce of some 2,800 employees manufactures, among other things, axles for trucks, buses, vans and passenger cars, as well as cardan shafts and wheel sets.
- 140 The plant in Gaggenau, with its approx. 6,200 employees, manufactures transmissions for all Daimler vehicle divisions, as well as planetary and portal axles and passenger car converters. The plant is the competence center for commercial vehicles transmissions in the international production network, and employees provide worldwide quality management support or start-up assistance on site.
- 141 The Detroit plant, which employs some 2,500 people, builds large engines, axles and transmissions primarily for Freightliner trucks in the North American market and has expanded its product portfolio to include advanced safety systems and telematics to keep trucks serviced and on the road quickly. The Detroit plant also includes a Mexican production facility in Saltillo, where axles circumferences are manufactured for the American market.
- 142 Approx. 4,800 employees (not including EvoBus GmbH) produce engines and related components for all Daimler commercial vehicles divisions worldwide at the Mannheim plant. With the newly integrated foundry "Atlantis Foundry" in Cape Town and the approx. 780 employees there, the global foundry network of Global Powertrain is the world leader in the production of vehicle castings made of iron.
- 143 In addition, engines for commercial vehicles and passenger cars are remanufactured in the so-called European center for exchange engine production. Moreover, the competence center for emission-free mobility has been supporting the drives of the future in all vehicle classes from prototype to series production for over 25 years, including the fuel cell concept truck Mercedes-Benz GenH2 Truck.
- 144 The third-party powertrain business also offers engines, transmissions and axles as individual units or complete powertrain solutions for external customers. In addition to products that are optimally tailored to customer and market-specific requirements for maximum efficiency and top quality, customers from the on- and off-highway segment also benefit from the global after-sales network.

b) Sales organisation for the overseas companies

- 145 Daimler Trucks Overseas is a sales organisation with the goal of realising an optimal market position for all Daimler Trucks & Buses brands in the regional centers.
- 146 The six regional centers cover Latin America, the Middle East and North Africa, Central Africa, South Africa, Southeast Asia and Australia-Pacific with over 130 markets. The regions contain many potential growth markets for Daimler Trucks & Buses.
- 147 The regional teams with more than 1,000 employees worldwide manage the sales, after-sales and service functions for all Daimler Trucks & Buses brands. There, Daimler Trucks Overseas acts as a direct link to the regional sales units, distributors, customers and partners.
- 148 The focus is on regional customer excellence and delivering the right products and services to the network to achieve the leading market position for Daimler Trucks & Buses in the growth markets.
- 149 At the core of Daimler Trucks Overseas is a brand-independent management philosophy with a high degree of ability to act and responsibility for the regional centers. With a dedicated team close to the customer, access to the entire Trucks & Buses product and service portfolio and a focus on the next growth markets, Daimler Trucks Overseas aims to make a significant contribution to Daimler Trucks & Buses.

C. Decision for a Separation of Daimler's Commercial Vehicles Business by way of a Combined Spin-Off and Hive-Down

150 After thorough examination and careful consideration of all circumstances, the Board of Management of Daimler AG – in consultation with and with the approval of the Supervisory Board – has come to the conclusion that the separation of Daimler's commercial vehicles business by way of a combined spin-off and hive-down is in the best interests of Daimler AG and its shareholders.

151 This section explains how the Board of Management of Daimler AG came to this conclusion. First of all, the Board of Management presents the main reasons for the separation of Daimler's commercial vehicles business (cf. no. I below). Subsequently, it is explained why the Board of Management of Daimler AG has decided that Daimler AG maintains a significant shareholding in Daimler Truck Holding AG while relinquishing a controlling influence (cf. no. II below). Finally, the main reasons are presented which, in the view of the Board of Management, speak in favor of implementing the separation of the commercial vehicles business by way of a combined spin-off and hive-down in accordance with the German Transformation Act and against pursuing alternative transaction structures (cf. no. III below).

152 The Board of Management of Daimler Truck Holding AG has also dealt in detail with the decision parameters explained below and, after extensive consideration, has reached the same conclusions as the Board of Management of Daimler AG.

I. Decision for the separation of Daimler's commercial vehicles business

1. Reasons for the separation of Daimler's commercial vehicles business

153 By separating Daimler's commercial vehicles business, the Board of Management of Daimler AG is pursuing the goal of giving this division the entrepreneurial flexibility it needs in order to adapt its strategy and business model to changing market conditions in an independent and agile manner. Moreover, direct access to the capital market opens up additional sources of financing. In detail, the following reasons speak in favor of a separation of Daimler's commercial vehicles business:

Changes in the market environment

154 Since the realignment as part of the restructuring of the Daimler Group in 2019, the market environment for Daimler Group's operating business has changed at a rapid pace. New competitors from the technology sector have entered the market and are challenging traditional business models, especially in the competition for capital.

- 155 Meanwhile, investment requirements for addressing challenges from traditional business and for taking a leadership role in electrification and digitisation have increased. In order to keep pace with highly specialised competitors with expertise in the software and technology sector, increased agility of the corporate structure and fast decision-making processes are required. In addition, the continuation of technology partnerships is crucial for controlled investment activity while maintaining the claim to offer superior products in the premium segment.
- 156 In recent years and with the COVID-19 pandemic, the different needs of customers in the truck and passenger car businesses have become more apparent. For customers in the passenger car business, for example, brand appeal, design and luxury, greater comfort through functions such as autonomous driving and entertainment in passenger cars are playing an increasingly important role, whereas for customers in the truck business the focus is on the total costs incurred during the life cycle of the vehicle (total cost of ownership). However, availability and autonomous driving as value-adding contributions to the business also play a significant role in the truck business. In summary, the passenger car business is driven by end consumers (business to customer, B2C) and the truck business is driven by other companies (business to business, B2B). Although electrification, autonomous driving and software will play an important role for both the passenger car and truck businesses in the future, the respective technological requirements differ significantly, especially at the component level (sensors, powertrains, vehicle software, etc.).
- 157 As a result of this development over the recent years, the future direction of the technology and collaboration needs of the two businesses differs significantly today and requires Daimler AG to invest significant amounts of capital in an environment where the technology needs of the passenger car business compete for capital with those of the truck business. The spin-off will enable capital allocation to be focused on the requirements of the passenger car and commercial vehicles businesses, respectively. Separately listed shares for the passenger car and commercial vehicles businesses offer advantages in entering into cooperative ventures, which may also include an equity investment. The tradability of the shares of Daimler Truck Holding AG could make cooperations and equity investments even more attractive to potential partners, whereas a conglomerate discount, which is often reflected in the share price of companies with multiple business divisions, makes it less attractive for the company to enter into cooperations, e.g. via a cross-shareholding.
- 158 The rapidly changing market environment requires continuous decisions on the strategic direction of the commercial vehicles business and on the distribution and allocation of capital for research and development within the Daimler Group. The envisaged separation is intended to enable the Daimler Truck Group, as an autonomous and independent company group, to respond flexibly and agilely to short-term requirements in a changed competitive environment in dynamic markets. The need for greater agility and flexibility to manage the passenger car and commercial vehicles businesses was reinforced by developments during the COVID-19 pandemic. The COVID-19 pandemic has forced companies to make quick decisions to respond to the needs of their organisation and

their end markets. The agility and decision-making ability of the organisation lead to the most efficient use of resources.

- 159 The legal separation of Daimler Group's operating business activities in the passenger cars and commercial vehicles divisions by means of the transfer of the respective division into a legally independent unit under the umbrella of Daimler AG in 2019 created the conditions for responding flexibly to changing market requirements through structural changes.

Better framework conditions for implementing the respective own strategy and a more focused profile

- 160 The separation of the commercial vehicles business improves the conditions for the Future Daimler Group and the Future Daimler Truck Group for implementing their own strategies. In the new structure, each company can develop and pursue its own strategy independently from the other and diversify its respective business activities independently according to customers, technologies, risks and markets, and be able to adapt necessary processes to the competitive environment and changing market conditions in an even more agile and customised manner.
- 161 It also has to be borne in mind that there are currently only limited synergies and economies of scale between the passenger car and commercial vehicles businesses, as the commercial vehicles business follows different characteristics than the passenger car business in terms of both customer focus and the specific differentiation of future technologies in the areas of electrification and digitisation, and the exploitation of potential synergies in administrative functions is partly reduced by the complexity of the Group's structures. In addition, the two business areas run along different product cycles and are each exposed to specific transformational challenges.
- 162 Following the separation of the commercial vehicles business, the Future Daimler Group will be able to further focus its product portfolio on the premium passenger car segment. This offers the company the opportunity to further expand its leading position in growth markets and the transformation in areas of innovation such as powertrain electrification, digitisation and software, as well as autonomous driving. In addition, the efficiency and value potential of the passenger car business can be increased by strengthening the customer focus and achieving an even clearer market positioning.
- 163 The Future Daimler Truck Group will also be able to pursue its strategy independently. There will no longer be any coordination or competition with the divisions of the Future Daimler Group with regard to capital allocation, acquisition strategy or investment budget. This increases entrepreneurial agility and facilitates the implementation of attractive investment opportunities, including entering into partnerships or potential business acquisitions.
- 164 In addition, with the separation the Daimler Truck Group will be enabled to respond more effectively to the dynamics of the commercial vehicles market and changing challenges through simplified and more agile decision-making and reporting processes –

independent of the requirements of the business remaining with the Future Daimler Group. This independence will allow the Daimler Truck Group to focus exclusively on its own markets and to address customer needs even more directly in a changing competitive environment and in line with the product cycles of the commercial vehicles market. This will enable the Daimler Truck Group to approach the safeguarding and expansion of its position in the market for heavy-duty commercial vehicles with full entrepreneurial freedom.

165 The company's own regular reporting and investor relations work that will be entailed in the stock exchange listing will enable Daimler Truck Group to sharpen its corporate profile and perception among the general public and to present Daimler Truck Group's position in the market in a transparent and detailed manner.

166 A stock exchange listing will also make it possible to introduce share-based compensation and employee participation programmes that are directly linked to the success of Daimler Truck Group. This will enable the Daimler Truck Group to strengthen participation of its employees in the success of their own company and to expand the opportunities for further recruitment and retention of highly qualified personnel.

Avoidance of internal competition for investment resources

167 Once the Daimler Truck Group has direct access to the capital market in the future, the Future Daimler Group will be able to allocate the capital available to it even better in accordance with its focused strategic orientation in order to further strengthen and expand Daimler Group's competitive position in the premium passenger car segment.

168 The Future Daimler Truck Group will be able to finance itself independently via the capital and banking markets and to decide on the use of its financial resources without having to comply with the additional approval requirements that are necessary in a company group with different divisions (such as the Daimler Group today). As part of the Daimler Group, the commercial vehicles business today has only very limited possibilities for an independent external supply of capital and is mainly financed by the allocation of resources within the Group. This allocation depends on a number of factors, such as growth and profitability as well as the strategic importance of the financed part of the Group for the Daimler Group as a whole.

Enabling the realisation of value potential for shareholders

169 The opportunities described above for an independent and more focused positioning of both the passenger car and commercial vehicles businesses can realise existing value potential if both units are able to achieve strong financial performance relative to their competitors.

170 Prior to the announcement of the planned separation of the Daimler Truck Group, the valuation of the Daimler share indicated, in the view of the Board of Management of Daimler AG, that a separation could lay the foundation for a higher valuation of the two parts. The background to this is that, in the view of the Board of Management of Daimler

AG, the market did not fully reflect the value potential of the commercial vehicles business. Therefore, the purpose of the separation is to ensure that the Future Daimler Group is valued as a pure passenger car manufacturer and the Future Daimler Truck Group as a commercial vehicles manufacturer, so that the value of the commercial vehicles business is no longer underrepresented. This may also lead to a "re-rating" of Daimler AG's passenger car business.

- 171 At the same time, the planned separation of the commercial vehicles business offers existing Daimler shareholders the opportunity to decide independently whether they wish to continue to hold shares in both companies, Daimler AG and Daimler Truck Holding AG. This will enable existing Daimler shareholders to make a specific investment decision. They can choose to invest in either of the companies or in both, depending on their own risk preferences and investment strategies. In addition, establishing the commercial vehicles business as a separate player will facilitate attracting new investors who have not previously held Daimler shares. In this respect, it must also be taken into account that the selected transaction structure ensures a sufficient free float (cf. no. III below on the transaction structure).
- 172 Finally, the planned separation of the commercial vehicles business creates the conditions for a possible conglomerate discount on the Daimler share to be reduced and for value potential to be increased. The background to this is that Daimler AG is perceived by the capital market as a conglomerate due to the different markets it serves (passenger cars and (heavy-duty) commercial vehicles) and the resulting different risk profiles. Companies which, in contrast, are only active in a more focused business area, have been favored by the capital market for some time for reasons of transparency, efficiency and portfolio composition. As a result, the shares of companies that – like Daimler AG – serve different business areas are traded on the stock market at a conglomerate discount. The Board of Management of Daimler AG is confident that any conglomerate discount on Daimler shares can at least be reduced in the course of a separation of the commercial vehicles business, which may facilitate a "re-rating" of Daimler AG.

Logical further development of the unbundling achieved within the framework of Project Future

- 173 The planned separation of the commercial vehicles business represents a logical continuation of the restructuring of the Daimler Group implemented in 2019, in which the operating business activities of the Daimler Group in the areas of passenger cars and commercial vehicles were separated by transferring the respective divisions into legally independent units under the umbrella of Daimler AG (Project Future).
- 174 Even at that time, the declared objective of the Board of Management of Daimler AG was to sharpen the focus and strengthen the entrepreneurial activities of the divisions by means of legally independent business units with their own decision-making bodies. At the same time, the intention was to create the conditions for reacting flexibly to changing market requirements through structural changes.

- 175 As outlined above, the market environment has changed at a rapid pace since the restructuring in 2019, so that the flexibility created by Project Future will now be leveraged by increasing the independence of the commercial vehicles business further, combined with a stock exchange listing.

2. Disadvantages and risks as well as costs

- 176 In the analysis of the pros and cons of the proposed separation of the commercial vehicles business, the Board of Management of Daimler AG also examined and weighed possible disadvantages and risks against the advantages and opportunities. In this context, the following aspects, in particular, were taken into account.

Increase of individual risks by reduction of diversification

- 177 The separation of the commercial vehicles business (combined with a focusing on the premium passenger car segment) reduces the degree of diversification, with the result that individual risk positions become proportionately more significant. While the risk profiles of the passenger car and commercial vehicles businesses differ, thus reducing the overall risk through diversification, the risk profiles of the two independent groups are to be considered separately in the future. The respective risk profile may develop negatively, in particular, if both the relevant market and the overall capital market come under pressure at the same time. The Daimler Truck Group's business model, which will be focused after the spin-off takes effect, may thus be more susceptible to negative developments in the market for heavy-duty commercial vehicles in the perception of the capital market, since it can no longer be offset by the passenger car business. The same applies to the business of the Future Daimler Group, which will also be more focused after the spin-off takes effect.
- 178 In the opinion of the Board of Management of Daimler AG, the change of the risk profile of the two company groups is a necessary effect that has to be accepted to create two more focused groups. From an investor's point of view, this effect will not have a negative impact if – as at the time the spin-off becomes effective – a shareholding exists in both Daimler AG and Daimler Truck Holding AG; otherwise, investors will generally have the possibility to reduce or completely eliminate the effect by their own initiative through diversification within the scope of a sufficiently large portfolio. Substantial risks could result for both companies or their shareholders if they lacked sound capitalisation and financing. In the opinion of the Board of Management of Daimler AG and the Board of Management of Daimler Truck Holding AG, Daimler Truck Group will be soundly capitalised and financed after the implementation of the spin-off in the specific form proposed. In particular, in the Demerger Agreement Daimler AG has undertaken to strengthen the equity capital of Daimler Truck AG in an appropriate manner prior to the Consummation of the Demerger Agreement (cf. also the comments in Section D.VIII). In the opinion of the Board of Management of Daimler AG, the Future Daimler Group will also continue to be adequately capitalised.

Vulnerability of the separated units

- 179 From the perspective of both Daimler AG and Daimler Truck Holding AG, the proposed separation and stock exchange listing of the commercial vehicles business could increase the risk of stronger influence by major shareholders with different ideas about the strategic orientation of the business.
- 180 However, these risks can be mitigated by a strong financial performance of the remaining Daimler Group and the Future Daimler Truck Group. At the level of Daimler Truck Holding AG, the remaining significant shareholding held by Daimler AG would also provide some protection.

Loss of synergies and economies of scale as well as reputational risk due to simultaneous brand use

- 181 At present, there are only minor synergies and economies of scale between the passenger car and commercial vehicles businesses (cf. the comments in Section 1). Nevertheless, as a result of the proposed separation of the commercial vehicles business, the limited synergies and economies of scale could be further reduced or lost altogether. In addition, the separation will also lead to increased internal and external costs. With respect to the IT environment, in particular for Daimler Truck AG, including its infrastructure, systems, applications and related support and development functions, as well as in the areas of After Sales/Logistics, additional costs will also be incurred, at least in the next couple of years.
- 182 The fact that the Future Daimler Group and the Future Daimler Truck Group will continue in part to use common brands creates a certain mutual reputational risk in the event of separation. In particular, it must be taken into account that after the separation Daimler AG will no longer be able to influence the structure of the compliance organisation in the Daimler Truck Group to the same extent as before. However, in the event of a risk of lasting damage to the reputation of the commonly used brands (in particular 'Mercedes-Benz' and 'Three-Pointed Star'), the new trademark and domain license agreement (cf. also the comments in Section D.III) may be terminated extraordinarily with immediate effect in whole or in part. Besides, conforming use shall be governed by corporate identity policies, and changes and deviations in the use of the commonly used trademarks by Daimler Truck AG will require the consent of Daimler AG.

Significant effort to build up a proprietary financial services business

- 183 A significant expense in connection with the proposed separation of the commercial vehicles business results from the separation of the global financial services activities and the establishment of a separate financial services business for the Future Daimler Truck Group. This applies both in terms of time and with regard to the costs entailed.
- 184 The current structure of the financial services business, which is bundled in Daimler Mobility AG and its international subsidiaries, is focused on the cross-divisional provision of financial services and mobility services for the entire Daimler Group. In particular,

the business is also characterised by various regulatory requirements in different countries. In connection with the separation of the commercial vehicles business, the central structures must be separated from both a legal and an operational perspective, which is expected to result in dissynergies accordingly. In addition to the regulatory requirements, the tax framework, in particular, must also be taken into account. The principles for the separation of the worldwide financial services activities and the time schedule have been laid down in Annex 2.1 to the Group Separation Agreement, which in turn is an annex to the Demerger Agreement (cf. also to the building up of the financial services business at Daimler Truck AG the comments in Section D.VI).

Ambitious timeline

- 185 Moreover, the separation of the commercial vehicles business is to be carried out in a very short period of time considering the complexity of this transaction. It cannot be ruled out that individual functions and processes of the Daimler Truck Group will not be fully functional at the time the separation is planned to take effect. However, the Board of Management of Daimler AG is of the opinion that the aforementioned risks can be reduced through thorough preparation and planning of the functions and processes as well as open communication with the external partners to such an extent that they are no longer material compared to the benefits of a quick implementation of the separation.

Lower rating of the Daimler Truck Group

- 186 As a result of the financial independence of the commercial vehicles business and its separation from the Daimler Group, the Future Daimler Truck Group could – at least in a transitional phase – incur additional costs with respect to the fulfillment of certain financial and asset requirements compared to the current cost structure of the Daimler Group.
- 187 In preparation for the spin-off, Daimler Truck AG will replace financing previously obtained from the Daimler Group and refinance it itself. For this purpose, sufficient credit capacity and financing must be built up for the acquisition of significant parts of the financial services business of the Daimler Truck Group. Poorer refinancing conditions could result from a lower rating of the Daimler Truck Group compared to the Daimler Group.
- 188 A deterioration of the rating could also have an impact on suretyships, guarantees, letters of comfort and other declarations of indemnity previously provided by Daimler AG directly or indirectly in favor of third parties for liabilities of Daimler Truck AG or its subsidiaries, which generally must be replaced by corresponding securities provided by the Future Daimler Truck Group once the spin-off takes effect. Business partners of the Future Daimler Truck Group could increasingly demand the provision of bank guarantees instead of Group guarantees due to a deterioration of the rating. Banks could be more restrictive in providing bank guarantees and charge higher fees.
- 189 However, if the existing Guarantees issued by the Daimler Group today cannot be successfully replaced, there is a risk that the Future Daimler Group will continue to be liable

for obligations of the commercial vehicles business until the relevant Guarantees expire. In the internal relationship, indemnities of the Future Daimler Truck Group in favor of the Future Daimler Group will be agreed for this purpose.

- 190 Furthermore, the currency, interest rate and commodity price hedging transactions concluded with Daimler AG by the individual Daimler Truck Group companies must be terminated. Daimler Truck Group might face less favorable conditions for the hedging transactions to be newly concluded in the future.
- 191 In order to secure the independent financing and financial flexibility as well as to stabilise the capital market rating of the Future Daimler Truck Group, a syndicated loan agreement in the amount of EUR 18 billion has already been concluded at the beginning of August 2021 with an international banking consortium by Daimler Truck Holding AG, Daimler Truck AG and various Daimler Truck financing companies, which includes a revolving credit line in the amount of EUR 5 billion and a credit line for bridge financing in the amount of EUR 13 billion (cf. Section D.I.7 a)). Also, discussions are already taking place with selected rating agencies in preparation for the capital market rating of the Future Daimler Truck Group. In view of these measures, the Board of Management of Daimler AG is convinced that the Future Daimler Truck Group will be able to finance itself independently and, on the basis of a planned positive business development, a solid capital structure and liquidity position of the Future Daimler Truck Group, expects an investment grade rating for Daimler Truck AG (cf. Section D.I.7).

Costs incurred by separation

- 192 Based on current estimates, the amount of the one-time expenses for the separation of the Daimler commercial vehicles business described in this Demerger Report will be approx. EUR 700 million. This total amount of one-off costs comprises the costs for the establishment of two separate company groups, including in particular the costs for (i) the separation and establishment of the financial services business, (ii) the establishment and expansion of the central functions (including the required separation of IT systems and applications as per December 2021) and (iii) the separation of mandated functions (including the required separation of the sales and after-sales functions), each at approx. one third of the above-mentioned amount. Internal costs are not included in the above-mentioned amount. Should deviations occur with regard to the planned employee transfers, which require corresponding personnel measures, these must be integrated into the overarching personnel planning processes.
- 193 In the areas of IT and After Sales / Logistics, in particular, a significant volume of services will be provided via transitional services agreements from the spin-off taking effect. The complete separation (in particular of IT systems and applications) can only take place over time and is not included in the above-mentioned amount, as the separations are to be carried out on a case-by-case basis in a way that is as cost-efficient and thus economically reasonable as possible.
- 194 In addition, according to current estimates, there will be tax burdens of approx. EUR 400 million. The majority of the tax costs incurred (around two thirds) only have a temporary

effect and will result in tax reductions in subsequent years. The remaining part (about one third) leads to a permanent tax burden. In addition, there are transaction and consulting costs of approx. EUR 100 million. The latter amount includes costs for external consulting in the areas of accounting, legal and M&A (in particular by investment banks, lawyers and other consultants), audit costs (auditors), notarisation costs, costs of general meetings, costs of commercial register applications, costs of the planned stock exchange listing and the costs of a corresponding prospectus liability insurance.

195 Due to the operational changes brought about by the separation of the commercial vehicles business, in addition to the one-time costs estimated above, initially higher on-going operational costs are expected for the Future Daimler Truck Group in the industrial business, which, according to current estimates, will initially be at approx. EUR 250 million per year and can be reduced to an amount of approx. EUR 150 million per year by 2025 according to current planning. These costs can be further reduced by measures to increase efficiency. This already includes a risk position that is defined accordingly for dissynergies that could arise in the area of purchasing.

196 For the future financial services business of the Daimler Truck Group, additional annual running costs in the mid-double-digit million range are initially expected. From today's perspective, this amount is expected to decrease further over the years until 2025.

3. Conclusion

197 After thorough examination and careful consideration of the advantages and disadvantages of separating the commercial vehicles business, the Board of Management of Daimler AG – in consultation with and with the approval of the Supervisory Board – has come to the conclusion that a separate and independent setup of the passenger car and commercial vehicles businesses offers further opportunities for growth and profitability for both the Future Daimler Group and the Future Daimler Truck Group, and that both the one-time costs and the increased running costs are more than offset by the advantages.

198 The separate and independent setup of the passenger car business in the Future Daimler Group and the commercial vehicles business in the Future Daimler Truck Group will give both companies the necessary entrepreneurial flexibility to independently and agilely adapt their strategic orientation and business model to the constantly changing market conditions.

II. Decision for Daimler AG to retain a shareholding in Daimler Truck Holding AG while relinquishing a controlling influence

199 In connection with the separation of the commercial vehicles business, Daimler AG does not intend to completely divest itself of the commercial vehicles business, but to support Daimler Truck Holding AG in the upcoming transformation as an anchor shareholder for a longer transitional period and thus, at the same time, to participate in future value enhancement potential. Against this background, Daimler AG thus considers its future investment in Daimler Truck Holding AG as a significant investment, it has undertaken

vis-à-vis Daimler Truck Holding AG in the Group Separation Agreement not to sell its shareholding in Daimler Truck Holding AG for a period of 36 months from the first trading day of the shares of Daimler Truck Holding AG, subject to the conditions stipulated therein (in this respect, cf. the explanations in Sections I.III.1 and L.II.4). In this context, it should also be noted that the future shareholdings of Daimler AG and Daimler Grund in Daimler Truck Holding AG, as well as the future shareholding of Daimler Truck Holding AG in Daimler Truck AG, are subject to blocking periods under tax law for a (remaining) period of five and seven years, respectively, meaning that these shareholdings can in any case only be disposed of within these blocking periods by triggering presumably substantial income tax burdens.

200 However, Daimler AG does not intend to exercise a controlling influence within the meaning of § 17 para. 1 AktG on Daimler Truck Holding AG, either through a *de facto* majority at the General Meeting (so-called attendance majority) or in any other way. In order to ensure this, Daimler AG, Daimler Grund and Daimler Truck Holding AG have additionally concluded a deconsolidation agreement on the restriction of the exercise of voting rights of Daimler AG and Daimler Grund at the General Meeting of Daimler Truck Holding AG, which is explained in more detail in Section L.III. In the deconsolidation agreement, Daimler AG and Daimler Grund undertake not to exercise their voting rights in the election of two of the ten Supervisory Board members to be elected by the shareholders to the Supervisory Board. The same applies to the early re-election, the election of substitute members and the dismissal of such Supervisory Board members. The direct and indirect shareholding of Daimler AG in Daimler Truck Holding AG will not be fully consolidated upon the spin-off and hive-down taking effect, but will be included in the consolidated financial statements of the Future Daimler Group as a financial investment accounted for using the equity method (cf. Section G.I.3).

201 The Board of Management of Daimler AG has carefully considered the question of whether the retention of a significant minority shareholding in Daimler Truck Holding AG totaling 35.00 % – while relinquishing its controlling influence through the conclusion of the deconsolidation agreement – is in the best interest of the company.

Reasons for the conclusion of the deconsolidation agreement

202 In the view of the Board of Management of Daimler AG, the following reasons speak in favor of relinquishing its controlling influence within the meaning of § 17 para. 1 AktG:

- By relinquishing its controlling influence despite retaining a significant minority shareholding totaling 35.00 % of the share capital of Daimler Truck Holding AG, it is clearly signaled that Daimler Truck Holding AG, as a listed company, will in the future act autonomously and independently of Daimler AG and that the latter will not claim any entrepreneurial control. At the same time, it signals confidence in the potential and future development of Daimler Truck Holding AG and enables Daimler AG to participate in a possible increase in value.
- In the chosen structure, Daimler Truck Holding AG can develop independently and autonomously, which, in the opinion of the Board of Management of Daimler

AG, will also have a positive influence on the market valuation of the Daimler share and the share of Daimler Truck Holding AG. Daimler Truck Holding AG will deliberately be placed on the capital market independently and autonomously from Daimler AG, which has the potential of increasing the attractiveness of the share of Daimler Truck Holding AG for certain investors who wish to invest in the commercial vehicles business.

- Without the conclusion of the deconsolidation agreement, there would be the risk that Daimler AG could continue to exercise a controlling influence over Daimler Truck Holding AG due to the existence of an attendance majority at the General Meeting of Daimler Truck Holding AG. This would have the consequence that a so-called *de facto* group relationship would arise between Daimler AG and Daimler Truck Holding AG, to which special rules under stock corporation law would apply. In particular, Daimler Truck Holding AG would have to report regularly in a dependent company report on its relationships with affiliated companies, which would include Daimler AG and its subsidiaries.
- With the significant minority shareholding of 35.00 %, Daimler AG will retain an interest in Daimler Truck Holding AG as a stable, non-fully consolidating anchor shareholder, which would provide some protection against the influence of larger investors with different ideas about the strategic orientation of the business or against a potential takeover scenario.
- The Board of Management of Daimler AG is confident that the deconsolidation resulting from the relinquishment of a controlling influence can lead to a more focused financial profile with the consequence that any conglomerate discount on the Daimler share could be reduced (cf. already above in Section I.1).

Reasons against the conclusion of the deconsolidation agreement

203 However, the conclusion of the deconsolidation agreement also entails disadvantages for Daimler AG, which the Board of Management of Daimler AG took into account when deciding to conclude the deconsolidation agreement:

- The conclusion of the deconsolidation agreement results in a reduced influence of Daimler AG in the Supervisory Board of Daimler Truck Holding AG, which means that Daimler AG may not be able to – from its point of view – work towards an optimal composition of the Board of Management of Daimler Truck Holding AG or from preventing transactions in the Supervisory Board which are disadvantageous for Daimler Truck Holding AG from the point of view of Daimler AG and which require the approval of the Supervisory Board.
- In this context, the Board of Management of Daimler AG has also taken into account that Daimler AG and other Daimler Group companies will be liable to a considerable extent for liabilities of the Future Daimler Truck Group due to the fact that the commercial vehicles business will be part of the Daimler Group until the spin-off takes effect, as well as due to outstanding guarantees and other

collateral issued by the Daimler Group for the benefit of the commercial vehicles business. However, the Group Separation Agreement contains provisions on the indemnification of Daimler AG in this respect (cf. Clause 1 of the Group Separation Agreement as well as the relevant explanations in Section L.II).

- Finally, the loss of a controlling influence leads to the loss of legal privileges for groups, in particular under antitrust law and the German Banking Act. In addition, it is generally accepted that a dependent company is entitled to provide the controlling company with information to a wide extent for the purposes of group management, including trade and business secrets and other confidential information subject to the strict duty of confidentiality of the Board of Management under stock corporation law pursuant to § 93 para. 1 sent. 3 AktG. This privilege will also cease to apply.

Conclusion

- 204 After carefully weighing the advantages and disadvantages, the Board of Management of Daimler AG is convinced that the aforementioned advantages of relinquishing a controlling position clearly outweigh the disadvantages associated with entering into the deconsolidation agreement.
- 205 Giving up the controlling position will enable Daimler Truck Holding AG to develop independently and autonomously, which, in the opinion of the Board of Management of Daimler AG, will have a positive influence on the market valuation of the Daimler share and the share of Daimler Truck Holding AG. In addition, the conclusion of the deconsolidation agreement counters the risk that Daimler AG, due to its significant minority shareholding, will continue to have a controlling influence after the spin-off, which would entail considerable additional expense in order to comply with special regulations under stock corporation law. At the same time, Daimler AG's significant minority interest provides a certain degree of protection against the influence of larger investors with different ideas about the strategic orientation of the commercial vehicles business or against a potential takeover scenario.
- 206 Compared to these advantages, the disadvantages associated with the conclusion of the deconsolidation agreement, such as the reduced influence in the Supervisory Board of Daimler Truck Holding AG or the loss of legal privileges of corporate groups, clearly are of lesser importance.

III. Decision for implementation by way of a combined spin-off and hive-down under the German Transformation Act

- 207 After careful consideration, the Board of Management of Daimler AG has decided, with the consent of the Supervisory Board, to carry out the separation of the Daimler commercial vehicles business by way of a combined spin-off and hive-down in accordance with the German Transformation Act. In this context, the Board of Management of Daimler AG also intensively considered other options for implementing the separation of the

commercial vehicles business and weighed the various implementation models against each other.

- 208 In addition to the implementation by way of a combined spin-off and hive-down under the German Transformation Act, the separation of the Daimler Commercial Vehicles business could be implemented by way of a (partial) initial public offering (IPO) of Daimler Truck AG or an M&A transaction. In addition, the distribution of shares in Daimler Truck AG by way of a dividend in kind could be considered.

1. Decision for a combined spin-off and hive-down under the German Transformation Act

a) Reasons for the combined spin-off and hive-down under the Transformation Act

- 209 In the opinion of the Board of Management of Daimler AG, the implementation of the separation by way of a combined spin-off and hive-down under the German Transformation Act is in the best interests of Daimler AG and its shareholders. In this respect, in particular the following reasons are decisive.

Transaction security

- 210 The successful implementation of a combined spin-off and hive-down is not dependent on a positive capital market environment to the same extent as would be the case with a public offering of the shares in the course of an IPO, which would require a disposal of the shares to be placed, and therefore offers a high degree of transaction security. In the context of the spin-off, the stock exchange listing of Daimler Truck Holding AG is proceeding along a clearly defined roadmap that provides both Daimler AG and Daimler Truck Holding AG with a reliable basis for planning.

Clarity and room for maneuver with regard to the relationship between Daimler Group and Daimler Truck Group

- 211 In the case of a combined spin-off and hive-down, the shareholding of Daimler AG in Daimler Truck Holding AG can be determined with certainty and precision in advance. In the case of an IPO, the size of the shareholding (indirectly) remaining with Daimler AG would have depended on the willingness of the market to assume the shares. The combined spin-off and hive-down and the conclusion of a deconsolidation agreement can thus create certainty at an early stage with regard to the future shareholding structure and the management of the Daimler Truck Group. Uncertainties regarding the continued control of Daimler Truck AG or Daimler Truck Holding AG by Daimler AG and the full consolidation of the commercial vehicles business in the consolidated financial statements of Daimler AG are avoided. The combined spin-off and hive-down ensures the intended relinquishment of entrepreneurial control over the commercial vehicles business by Daimler AG.

Avoidance of a value discount to the detriment of Daimler shareholders

- 212 A combined spin-off and hive-down can also avoid a possible value discount to the detriment of Daimler shareholders, which would probably be incurred in the event of an IPO. Generally, only a minority stake can be placed at a reasonable price in an IPO; the placement of a majority stake, if it is possible at all in the context of an IPO, regularly requires a significant discount on the value of the shares, as investors might otherwise be unwilling to subscribe to the shares in view of an overall volatile capital market environment. Against this background, a substantial discount would probably have been necessary in the case of an IPO of Daimler Truck AG in the volume of a majority shareholding in order to be able to place the shares with sufficient certainty, assuming that the market was receptive. Such a discount, if subsequently recovered, would have benefited only the newly investing shareholders and would thus have been to the detriment of Daimler shareholders.
- 213 In contrast, in the case of a combined spin-off and hive-down, Daimler shareholders can decide for themselves whether or not to realise the value of Daimler Truck Holding AG reflected on the stock exchange. In the course of a spin-off, the new shares in Daimler Truck Holding AG are distributed directly to the shareholders. This gives Daimler shareholders the possibility to decide separately on their investments in both companies with their clearly defined investment and risk profiles. In this context, it must also be taken into account that the spin-off of a majority shareholding ensures a sufficient free float of shares.

Enabling the realisation of value potential

- 214 Also, from a capital market perspective, the implementation of the separation of the commercial vehicles business by way of a combined spin-off and hive-down is the most suitable transaction option for the realisation of value potential at Daimler AG. A spin-off enables a stringent equity story and a strong industrial positioning. It is the best way to exploit the value potentials of the commercial vehicles business and the passenger cars business, with the entrepreneurial success of both units also being a decisive factor in this.
- 215 With regard to the valuation of the commercial vehicles business, the spin-off of a majority interest also has the advantage that an existing holding company discount is reduced by a smaller interest held by Daimler AG. If, in the event of an IPO or an M&A transaction, only a minority interest were sold in the first step, a higher discount would remain due to a then existing majority interest held by Daimler AG, meaning that the value potential of the commercial vehicles business would be insufficiently exploited. Accordingly, the spin-off of a majority interest allows for a better performance of the minority interest remaining with Daimler AG.

b) Disadvantages and risks

- 216 The proposed implementation of the separation of the commercial vehicles business by way of a combined spin-off and hive-down under the German Transformation Act also entails disadvantages which were taken into account in the decision-making process.

No direct cash inflow at Daimler AG

- 217 Unlike in the case of an IPO or a sale of shares in the context of an M&A transaction, Daimler AG will not directly receive any liquid funds from the spin-off in the form of sale or placement proceeds. Rather, the spin-off leads – in non-technical terms – to a distribution to the shareholders of Daimler AG.
- 218 However, the potential for value enhancement inherent in a spin-off should increase in turn the value of Daimler AG's remaining interest in Daimler Truck Holding AG. Furthermore, in view of the company's currently very solid liquidity position, Daimler AG is not dependent on proceeds of this kind, but can allow the Daimler shareholders to benefit directly from the value of the commercial vehicles business. On the contrary, the Board of Management of Daimler AG had to assume that an IPO or a sale of shares in the context of an M&A transaction with an inflow of funds at Daimler AG would not have been positively received by the capital market in view of the very solid capitalisation of the company.

Effects on the Individual Balance Sheet and consolidated balance sheet of Daimler AG

- 219 The spin-off represents a distribution of equity capital of the transferring legal entity to its shareholders. Therefore, the spin-off leads to an immediate reduction of the freely available profit reserves of EUR 10,333 million at Daimler AG under HGB; this corresponds to the carrying amount of the spun-off shareholding in Daimler Truck AG. If the (remaining) carrying amount after the spin-off and hive-down of Daimler AG's shareholding in Daimler Truck Holding AG resulting from the hive-down is higher than the corresponding value to be allocated, there is a risk of an unscheduled impairment loss to be recognised in profit or loss. For further information on the accounting effects of the spin-off and hive-down on the balance sheet of Daimler AG under HGB, please refer to Section G.I.2.

- 220 Also, under IFRS the spin-off constitutes a distribution of equity. Accordingly, immediately after the approval of the spin-off by the General Meeting, a spin-off liability will be recognised directly in equity, which must be measured at fair value on initial recognition and subsequently at the time the spin-off takes effect. Upon the spin-off and the hive-down taking effect, the carrying amounts of the assets and liabilities of the Future Daimler Truck Group (net book assets) and the spin-off liability will be derecognised and the (remaining) shareholding of Daimler AG in Daimler Truck Holding AG (directly and indirectly via Daimler Grund) will be recognised in the consolidated balance sheet of Daimler AG at fair value as a financial investment accounted for using the equity method. Any difference between the retired net book assets and the spin-off liability plus the initial recognition of the shareholding will be recognised in profit or loss as a gain or loss on the Demerger.
- 221 For the purposes of the pro forma consolidated balance sheet of Daimler AG as at 1 January 2021, shown in Section G.I.3 b), an amount of EUR 9,447 million for the net book assets to be retired and EUR 3,048 million for the shareholding, each based on the carrying amounts as at 31 December 2020, were applied for simplification purposes, resulting in a reduction of equity by EUR 6,399 million. If the fair value of the Daimler Truck Group at the time the spin-off and hive-down take effect exceeds the net carrying amount at the time the spin-off and hive-down take effect, this will lead to a positive gain on retirement and, consequently, to a smaller decrease or even an increase in equity in the consolidated financial statements of Daimler AG. Conversely, a negative gain or loss on retirement could result in an increased reduction in equity in the consolidated financial statements of Daimler AG. In subsequent consolidated financial statements, the shareholding in Daimler Truck Holding AG will be accounted for using the equity method. Changes will generally be recognised in profit or loss. In addition to attributable earnings contributions, this may also include scheduled amortisation of disclosed hidden reserves and, besides, impairment losses charged to the consolidated net income of Daimler AG. For further information on the accounting effects of the spin-off and hive-down on the consolidated balance sheet of Daimler AG under IFRS, please refer to Section G.I.3 b).

Tax disadvantages

- 222 The spin-off will lead to a pro rata elimination of existing tax loss carryforwards in the amount of approx. EUR 1 billion at the level of Daimler AG. In addition, the transaction will result in an income tax burden due to the existing tax blocking periods on the shares of Daimler Truck AG (so-called taxation on contribution profit I). However, this is generally offset by an increase in the tax carrying amounts at Daimler Truck AG in the same amount.

Complexity of the transaction structure

- 223 The structure of the entire transaction, when implemented by way of a combined spin-off and hive-down under the German Transformation Act and the other preparatory measures discussed in this report, is in parts more complex than would have been the case if other transaction alternatives, such as an IPO, had been chosen. This primarily

relates to the target structure and the steps necessary to achieve it, such as securing the number of shares entitled to allocation, the referral to the General Meeting of Daimler AG required under the Transformation Act, the preparation of a demerger report and the audits by court-appointed auditors necessary for implementation.

- 224 The necessary referral to the General Meeting is also associated with a risk of actions for avoidance, as the resolution of the General Meeting of Daimler AG on the implementation of the spin-off and hive-down can be challenged in court, with the consequence that the entry in the register necessary for the spin-off and hive-down to take effect cannot (initially) take place (so-called register blocking). However, the blocking of the register can be overcome in summary proceedings before a court (so-called clearance proceedings) (cf. Section E.X). In any event, however, a possible challenge to the resolution of the General Meeting would result in a delay in the registration of the spin-off and hive-down of four to seven months (calculated from the date of the General Meeting of Daimler AG).

Increased administrative and board expenses

- 225 In addition, the creation of two independent listed companies will increase administrative and board expenses. If the transaction is implemented by way of a combined spin-off and hive-down, a two-tier structure will be created in the Daimler Truck Group, in which Daimler Truck Holding AG will hold all shares in Daimler Truck AG. This two-tier structure could only have been avoided by a so-called direct spin-off by spinning off Daimler AG's shareholding in Daimler Truck AG to Daimler Truck AG itself. However, as this transaction model could not be implemented with legal certainty in the view of the Board of Management of Daimler AG due to various open legal issues, such a structuring of the transaction was ruled out. After the spin-off and hive-down have taken effect, both stock corporations (Daimler Truck Holding AG and Daimler Truck AG) will therefore be subject to the German Co-Determination Act and must therefore each establish a co-determined Supervisory Board with ten members each on the shareholder and employee side. In addition, new works council bodies (General Works Council, Group Works Council, European Works Council) must be formed at the level of Daimler Truck AG in accordance with the statutory provisions on co-determination.
- 226 To avoid tax disadvantages, this structure must be maintained until 2026. However, in the future, the administrative and committee expenses are to be reduced by striving to have identical individuals on the Boards of Management and Supervisory Boards of both companies (cf. the description in Section I.III.3 a) and 4 a)), so that board meetings can be combined to the extent legally permissible – as far as possible.

Joint and several liability for liabilities incurred prior to the spin-off and hive-down

- 227 Furthermore, Daimler Truck Holding AG will be jointly and severally liable, in accordance with the provisions of the German Transformation Act, for all liabilities of Daimler AG as the transferring legal entity which were created prior to the spin-off and hive-down taking effect. In specific circumstances, transformation law further entitles creditors to request Daimler AG or Daimler Truck Holding AG to provide a collateral security. In this

context it is necessary, among other things, to provide *prima facie* evidence that the fulfilment of the claim is prejudiced by the spin-off or hive-down.

- 228 However, in the opinion of the Board of Management of Daimler AG and the Board of Management of Daimler Truck Holding AG, the requirements for providing collateral security will not be met in view of the capital and financial resources of both companies upon completion of the spin-off and hive-down. With regard to the joint and several liability of Daimler Truck Holding AG, the Demerger Agreement contains provisions on the allocation of liability in the internal relationship, according to which Daimler AG will indemnify Daimler Truck Holding AG in the event of claims being asserted against it by third parties if and to the extent that claims are asserted against it by creditors for liabilities, obligations or contingent liabilities of Daimler AG which are not transferred to Daimler Truck Holding AG under the Demerger Agreement (cf. § 16.3 of the Demerger Agreement as well as the relevant explanations in Section L.I.16). For further discussion of joint and several liability, cf. Section G.III.1.

Flowback risk

- 229 In the case of the spin-off, in which all Daimler shareholders will receive shares in Daimler Truck Holding AG, it is to be expected that a relevant portion of the investors (e.g. certain index funds) will sell the shares allocated to them in the first few days after the commencement of trading, as they are bound, for example, by their statutes to invest only in shares which are included in certain indices. This may affect the market price of the share of Daimler Truck Holding AG. As is customary in the case of spin-offs, Daimler Truck Holding AG and Daimler AG will endeavor to ensure a positive share price development of Daimler Truck Holding AG after the stock exchange listing by means of appropriate active capital market communication and marketing measures.

c) Conclusion

- 230 After careful consideration of the advantages and disadvantages presented, the Board of Management of Daimler AG has come to the conclusion that the advantages of implementing the separation of the commercial vehicles business by way of a combined spin-off and hive-down clearly outweigh the associated disadvantages.
- 231 The implementation by way of a combined spin-off and hive-down offers a degree of transaction security as well as clear structuring options with regard to the future relationship between the Daimler Group and the Daimler Truck Group which cannot be achieved with alternative transaction models. In addition, from a capital market perspective, the combined spin-off and hive-down is also the most suitable transaction alternative for the realisation of value potential at Daimler AG, and in this way a possible value discount to the detriment of the Daimler shareholders, which would presumably be incurred in the event of an IPO, can be avoided.
- 232 Compared to this, the disadvantages associated with implementation by way of a combined spin-off and hive-down such as, in particular, the increased administrative and board costs after separation are clearly outweighed.

2. Decision against an initial public offering (IPO) of Daimler Truck AG

- 233 The Board of Management of Daimler AG has carefully examined the implementation of the separation of the commercial vehicles business by means of an IPO of Daimler Truck AG as a transaction alternative. In the opinion of the Board of Management of Daimler AG, such a transaction cannot be implemented at present or in the foreseeable future in a manner that is in the interest of Daimler AG and its shareholders. The following reasons, in particular, are decisive in this respect.

Lesser degree of transaction security

- 234 In the view of the Board of Management, the transaction security required for an IPO is not given from today's perspective due to the current capital market environment and the perspective expected in the short term. It would not be possible to predict with sufficient certainty whether a public offering of the shares in the context of an IPO could be carried out at all and to the extent necessary to achieve the intended separation, in particular whether there would be sufficient demand for the shares issued at an acceptable price. This means that in the event of an IPO, there is a risk that it cannot be carried out at attractive conditions within the desired timeframe.

Less clarity and freedom to design the transaction structure

- 235 In the event of an IPO, the determination of a clearly defined shareholding of Daimler AG after the transaction would not be possible to the same extent as in the case of a combined spin-off and hive-down pursuant to the German Transformation Act, as the market's absorption capacity for the contemplated placement volume cannot be estimated.

No timely achievement of the target structure

- 236 In the event of an IPO, a timely separation of Daimler's commercial vehicles business would not have been possible to the same extent as in the case of a combined spin-off and hive-down under the German Transformation Act. Generally, only a minority shareholding can be placed at an appropriate price in an IPO. If, in contrast, a larger shareholding is placed, price markdowns cannot be ruled out. A shareholding by Daimler AG in excess of the targeted minority shareholding could only have been reduced in the medium term by means of further placements in a market-sensitive way. The advantages sought with the separation of the commercial vehicles business could thus not have been achieved in a timely manner or in the same way as with the combined spin-off and hive-off under the Transformation Act.

3. Decision against an M&A transaction

- 237 The Board of Management of Daimler AG also considered the separation of the commercial vehicles business by means of an M&A transaction as a further transaction alternative, but decided against it after careful consideration.

- 238 In the opinion of the Board of Management of Daimler AG, a separation of the commercial vehicles business by way of an M&A transaction would not have been feasible within a timeframe comparable to the combined spin-off and hive-down with the necessary transaction security. In this context, in particular, it must be taken into account that in the case of the intended sale of a majority interest in Daimler Truck AG, the group of potential purchasers would have been limited in view of the financial magnitude of the transaction and, in the opinion of the Board of Management of Daimler AG, it would not have been possible to implement the transaction on attractive terms. In addition, there would probably have been significant merger control obstacles for larger competitors.
- 239 Against this background, if only a minority interest in Daimler Truck AG were to be sold as part of an M&A transaction, the objective pursued with the separation of the commercial vehicles business of transferring overall entrepreneurial responsibility for the commercial vehicles business from Daimler AG to the Daimler Truck Group would not be achieved.

4. Decision against the distribution of a dividend in kind

- 240 Finally, the Board of Management of Daimler AG also considered implementing the separation by way of a distribution of a dividend in kind, but after careful consideration decided against this transaction alternative. The distribution of shares in Daimler Truck AG to the Daimler shareholders by way of a dividend in kind does not offer any significant advantages compared to the implementation by way of a combined spin-off and hive-down – apart from the fact that the two-tier governance structure could have been avoided – but would have the following significant disadvantages.
- 241 For one thing, implementation by way of distribution of a dividend in kind would offer a significantly lower degree of transaction security compared to the combined spin-off and hive-down. This is because stock corporation law does not allow for clearance proceedings for actions against the resolution of the general meeting on the distribution in kind – in contrast to transformation law in the case of a spin-off and hive-down – by means of which the measure could be made effective in an accelerated procedure. Therefore, even an unfounded action for avoidance against the resolution on the distribution in kind by a shareholder holding only a single share could delay the measure taking effect for years.
- 242 In addition, the implementation by way of a distribution of a dividend in kind would be disadvantageous for Daimler shareholders from a tax perspective, as the dividend in kind – like any other dividend – would be taxable by them. Thus, in contrast to the combined spin-off and hive-down, especially for small German shareholders, there would not be the possibility that for tax purposes the shares received would, under certain conditions, replace the Daimler shares previously held on a pro rata basis.

D. Preparation for the Separation of Daimler's Commercial Vehicles Business**I. Establishment and expansion of central functions**

243 In preparation for the spin-off, the central functions required for the Daimler Truck Group in the future will be established or expanded at the level of Daimler Truck AG. In more detail, this concerns the following functions: Group Strategy, External Affairs, Corporate Office, Communications, Accounting & Financial Reporting, Taxes & Customs, Treasury, M&A, Investor Relations, Real Estate, Legal & Compliance, HR, IT and Purchasing of Non-Production Materials. The respective planning and the respective status of implementation are described below. On the other hand, mandated functions and production are dealt with in the following Section D.II. Service relationships remaining after the spin-off for central functions as well as for mandated functions and production are described in sections J.III and J.IV.

244 The establishment of the central functions at the level of Daimler Truck AG is being carried out with the objective of making Daimler Truck Holding AG's structure as lean as possible. For this reason, it is currently intended that, after the spin-off has taken effect, only a few selected executives will be employed by Daimler Truck Holding AG by way of dual employment contracts and that the performance of the tasks of Daimler Truck Holding AG as the listed parent company will be ensured – to the extent possible – by concluding service level agreements.

1. Group Strategy

245 Currently, Daimler Truck AG already operates an independent strategy function with approx. 25 employees (full-time equivalents – FTEs). The additional Group Strategy function of Daimler AG, which has four employees (FTEs), is responsible for aggregating the strategies of its subsidiaries.

246 Until the spin-off takes effect, the existing strategy function at Daimler Truck AG will be expanded by two employees (FTEs). To achieve this, two employees (FTEs) will transfer from the Group Strategy department of Daimler AG to Daimler Truck AG. After the spin-off takes effect, the strategy function of Daimler Truck AG will perform the group strategy function for the entire Future Daimler Truck Group. Thus, after the spin-off takes effect, the group strategy functions of the Future Daimler Group and the Future Daimler Truck Group will operate completely independently of each other.

2. External Affairs

- 247 For the time being, the Future Daimler Truck Group will not establish a separate, definable department for External Affairs. However, until the spin-off takes effect, approx. ten employees (FTEs) of Daimler AG and approx. two further employees (FTEs) of Mercedes-Benz Belgium Luxembourg S.A., all of them specialised in the relevant field, will transfer to Daimler Truck AG or its subsidiaries, respectively, and be assigned to the areas of Truck Technology Group, Strategic Projects Daimler Trucks and Legal North America. Any remaining need for staff specialised in the relevant field will be met through hiring.
- 248 The transferred employees, as well as new employees hired as needed, will independently perform the following activities for the entire Future Daimler Truck Group: (i) interaction with governments and authorities at the national and international level on regulatory issues affecting the commercial vehicles industry, (ii) interaction with local and national authorities, politicians, non-governmental organisations and other interest groups in order to provide the best possible political support for the operational commercial vehicles business, (iii) interaction with the political environment in the U.S. and China that is relevant for the commercial vehicles industry, and (iv) representation of the Future Daimler Truck Group in industry-relevant bodies and associations.
- 249 Daimler Truck AG has so far had access to the broad network of Daimler AG in politics, administration, associations and non-governmental organisations. After the spin-off has taken effect, access to this network will be maintained for the time being via a transitional services agreement, taking into account antitrust considerations (cf. Section J.III.1).

3. Corporate Office

- 250 Until now, Daimler Truck AG did not have a corporate office of its own. In line with this, an assistant to the Chairman of the Board of Management of Daimler Truck AG is currently responsible for preparing and accompanying the meetings of the Board of Management of Daimler Truck AG. The Corporate Office of Daimler AG is currently still responsible for preparing and accompanying the meetings of the Supervisory Board of Daimler Truck AG and its committees, as well as providing support in the preparation and implementation of the compensation systems for the members of the Board of Management and the Supervisory Board of Daimler Truck AG.
- 251 Until the spin-off takes effect, Daimler Truck AG will establish its own corporate office. With regard to the staffing of this function, it is currently planned that approx. three employees (FTEs) will transfer from the Corporate Office of Daimler AG to Daimler Truck AG. The remaining need for approx. 15 employees (FTEs) will be covered by new hires. The new Corporate Office will serve both the corporate bodies of Daimler Truck AG and the corporate bodies of Daimler Truck Holding AG.
- 252 The responsibilities of the new Corporate Office function will include, in particular, the preparation and holding of meetings of the Board of Management, the Supervisory Board

and the Supervisory Board committees of Daimler Truck AG and Daimler Truck Holding AG. The core task of the Corporate Office will also be to develop legally compliant remuneration systems for the members of the Board of Management and the Supervisory Board of Daimler Truck AG and Daimler Truck Holding AG, in the case of Daimler Truck Holding AG in particular with a view to its future stock exchange listing. In addition, in the case of Daimler Truck Holding AG, there is the preparation of resolutions of the Annual General Meeting on the approval of the remuneration system for the members of the Board of Management, on the remuneration of the members of the Supervisory Board, and on the approval of the annual remuneration report pursuant to § 162 AktG.

- 253 Further responsibilities of the Corporate Office in connection with remuneration will be the preparation and (co-)negotiation of the service agreements of the members of the Board of Management and, if relevant, of the members of the respective senior management levels of Daimler Truck AG and Daimler Truck Holding AG. In addition, the responsibilities of the Corporate Office will include the settlement of salaries (including pensions to former board members or their widows and widowers) as well as the administration and processing of long-term oriented remuneration components. The responsibilities of the Corporate Office also include the administration of D&O insurance policies, the submission of notifications regarding so-called managers' transactions, the administrative management of the company cars of executives, security (in particular the management of residential property security) as well as the preparation and (co-)negotiation of any cancellation agreements.

4. Communications

- 254 Daimler Truck AG already has a function that is responsible for global Board of Management, product, and location communications (including communications via social media channels) as well as internal communications for Daimler Truck AG. This function is also responsible for the concept, planning, organisation and implementation of external media events of Daimler Truck AG.
- 255 In contrast, Group-related communications tasks and services are currently still provided centrally by the Communications unit of Daimler AG or outsourced by the latter to external service providers, also with regard to the Trucks & Buses division. This includes financial and human resources communications as well as communications relating to legal, compliance and sustainability issues. Daimler Truck AG only provides support in this regard on an ad hoc and topic-related basis. In addition, the following services are provided centrally by Daimler AG or external service providers commissioned by Daimler AG: global media monitoring and the associated worldwide press monitoring, the definition and further development of the corporate design, the preparation and maintenance of communication guidelines (e.g. social media guidelines), and the provision of technical platforms used across the Group (including the company-wide global Social Intranet, company-wide news monitoring, the external media site for journalists, translation services for texts and events, the platforms for press releases, electronic reservation management for the planning and holding of events and the database for stand personnel for trade fairs). Internal and external communication for Daimler

Mobility AG is currently the responsibility of the relevant department of Daimler Mobility AG.

- 256 After the spin-off has taken effect, the Communications department of Daimler Truck AG will perform the above-mentioned communications tasks independently and autonomously for the entire Daimler Truck Group. This applies, in particular, to financial and human resources communications, communications relating to legal and compliance issues, and communications relating to the financial services business of the Future Daimler Truck Group. In order to establish the function accordingly, the employment relationships of twelve employees (FTEs) who are currently employed in the central communications department at Daimler AG will be transferred from Daimler AG to Daimler Truck AG prior to or at the latest upon the spin-off taking effect. In addition, 8.5 employees (FTEs) currently employed in the communications department of Daimler Mobility AG will be transferred from Daimler Mobility AG to Daimler Truck Financial Services GmbH or Daimler Truck Financial Services USA LLC, respectively, also prior to or at the latest upon the spin-off taking effect.
- 257 As is already the case, communications services will also be procured in future from external service providers in relation to the above-mentioned areas of responsibility. In addition, selected services and technical platforms will continue to be provided by Daimler AG after the spin-off taking effect on the basis of several transitional services agreements (cf. Section J.III.2).

5. Accounting & Financial Reporting

- 258 Daimler Truck AG already has a function with responsibility for Accounting & Financial Reporting. The Daimler Trucks segment has been presented independently in the Daimler consolidated financial statements in terms of organisation and processes by this function since 2016. Until now, Daimler Truck AG was not required to prepare consolidated financial statements, consisting of a consolidated balance sheet, income statement, statement of comprehensive income, cash flow statement, statement of changes in equity and notes to the consolidated financial statements as well as a management report; this was also not necessary for the financial reporting relating to the Daimler Trucks segment in the Daimler consolidated financial statements.
- 259 On the other hand, various Group-wide tasks relating to Accounting & Financial Reporting are currently still performed for Daimler Truck AG and its subsidiaries by Daimler AG as well as Mercedes-Benz AG, among others. This includes group consolidation, the preparation of accounting policies and accounting procedures, the design of processes and systems to record business transactions, and tax and treasury accounting.
- 260 Until the spin-off takes effect, the Accounting & Financial Reporting function located at Daimler Truck AG will be expanded so that it can independently and autonomously perform all tasks related to accounting and financial reporting for the Future Daimler Truck Group. In particular, the structural and procedural organisation of the Accounting & Financial Reporting department will be adapted to the new requirements arising from future independence. Besides, approx. 100 employees (FTEs) will transfer from the

Accounting department of Daimler AG to Daimler Truck AG. In addition, it is expected that at least 50 employees (FTEs) will be added through new hires.

- 261 After the spin-off has taken effect, the Accounting & Financial Reporting function of the Future Daimler Truck Group will continue to use the so-called Captive Shared Service Organisation and, for a transitional period, certain accounting systems of Daimler AG (cf. Section J.III.3).

6. Tax & Customs

- 262 Daimler Truck AG currently has no independent tax and customs function. Global tax and customs governance is currently ensured by the Group Tax Department of Daimler AG. This includes the fulfilment of tax obligations, such as the preparation of tax returns in selected countries and the preparation of central guidelines to ensure customs compliance under local responsibility. In addition, the Tax and Customs Department maintains a so-called Center of Competence for customs-related issues. This center serves as a contact for the foreign companies as well as the domestic Group companies in matters relating to customs law, in particular customs valuation law, provides support in questions relating to the structural and procedural organisation of the local customs function and accompanies local customs audits and internal customs audits.
- 263 Current customs governance: Responsibility for customs compliance and operational customs clearance at the local companies lies with the respective chief financial officers of the local companies. Therefore, the companies have their own resources for operational customs clearance. This is only different at Daimler Truck AG: As explained above, the latter does not have an independent tax or customs function. It is in line with this that the Group Tax Department of Daimler AG assumes full responsibility for customs compliance of Daimler Truck AG in this respect. In contrast, the operational implementation of customs compliance for Daimler Truck AG is the responsibility of other organisational departments (namely two so-called operational customs clearance control centers for cross-plant customs issues as well as employees mostly located in the logistics departments of the individual plants for local site issues).
- 264 Current tax governance: The responsibility for fulfilling tax obligations currently lies with Daimler AG. Individual subsidiaries of Daimler Truck AG abroad already have local tax functions (a total of approx. 40 employees (FTEs) in the USA, India, Japan and Brazil), to whom the Group Tax Department of Daimler AG is authorised to issue instructions. Daimler AG is currently responsible for fulfilment of the tax obligations of Daimler Truck AG.
- 265 As of the spin-off taking effect, the Future Daimler Truck Group is to have an independent function with global responsibility for the tax and customs governance of the Future Daimler Truck Group (a worldwide total of approx. 80 employees (FTEs), including the 40 employees abroad already mentioned). This central tax department will be located at Daimler Truck AG. The central tax department will have the authority to issue instructions on all tax matters to all companies of the Future Daimler Truck Group in order to be able to exercise global tax responsibility. With regard to customs governance, the

cooperation model will be implemented along the lines of the current structure. Accordingly, operational customs clearance will continue to be carried out by the subsidiaries of Daimler Truck AG or its plants in Germany also after the spin-off takes effect. The above-mentioned control centers of Mercedes-Benz AG will be replaced by two control centers of Daimler Truck AG (currently being established).

266 The employees in Germany and abroad required to perform the central tax function of the Future Daimler Truck Group will be built up – to the extent possible – by the transfer of current employees of the central tax function at Daimler AG and its local tax functions abroad (in total, probably approx. 40 employees (FTEs)). If the function has not been fully established by the time the spin-off takes effect, external consultants will be called in for a transitional period, if necessary.

267 With regard to performance relationships that will continue for a transitional period, cf. Section J.III.4.

7. Treasury

268 Financial management in the Daimler Group mainly comprises capital structure management, cash and liquidity management, the management of market price risks (currencies, interest rates, commodity prices) as well as the management of pension assets and credit default risks. Global financial management is currently performed by the treasury organisation of the Daimler Group in a uniform manner for all Group companies within the framework of applicable legal requirements. In principle, financial management operates within a predefined framework of guidelines, limits and benchmarks; in organisational terms, it is separate from the financial controlling, reporting and accounting functions at the operational level.

269 Until the spin-off takes effect, the companies of the Future Daimler Truck Group will participate in the financial management of the Daimler Group. As part of the preparations for the spin-off, a fully functional, independently acting treasury function for the Future Daimler Truck Group will be established at the level of Daimler Truck AG ("**Daimler Truck Treasury**"), which will obtain certain services from the Future Daimler Group beyond the spin-off taking effect (cf. Section J.III.5). In this context, it is planned to establish an organisation of more than 100 employees (FTEs) worldwide by the time the spin-off takes effect, which will be staffed primarily by employees of the treasury function of the Daimler Group, whose employment relationships will be transferred to Daimler Truck AG or its subsidiaries, respectively, in this context. In addition to the central treasury management at the level of Daimler Truck AG, regional treasury centers will be established, including in Tokyo for the Asia Pacific region and in Portland for the Americas region. These treasury centers will be set up under the umbrella of existing local companies assigned to the Trucks & Buses business until the spin-off takes effect.

270 In line with the current one-credit approach of Daimler AG, the Future Daimler Truck Group will also act as a single market participant in the money and capital markets and vis-à-vis banks on behalf of its majority-owned companies. Even before the spin-off takes effect, it is planned to establish the Future Daimler Truck Group for the capital

markets. As part of the preparations for the spin-off, consultations are therefore already being held with selected rating agencies regarding the expected capital market rating of the Future Daimler Truck Group. Based on the capital structure as well as the liquidity position of the Future Daimler Truck Group, the aim is to obtain an investment grade rating for Daimler Truck AG.

a) Liquidity management/financing

- 271 The purpose of liquidity management is to ensure that the Group can meet its payment obligations at all times. It is responsible for the central management of liquidity and for securing the financing of Group companies so that they can always meet their financial obligations on time and in full. The financing requirements that arise are covered by means of suitable instruments for liquidity management (e.g. bank loans, commercial papers, bonds); the Group invests liquidity surpluses in the money or capital market, taking into account expected returns and risks.
- 272 The companies of the Future Daimler Truck Group are currently integrated into the central liquidity management of the Daimler Group or are themselves active on the banking or capital markets under the leadership and with a suretyship or guarantee of Daimler AG.
- 273 In preparation for the spin-off, the financial liabilities existing towards Daimler AG and companies of the Future Daimler Group will be settled by Daimler Truck AG and the companies of the Future Daimler Truck Group and, if necessary, replaced by external financing or financing within the Future Daimler Truck Group (for guarantees, including the global suretyships of Daimler Truck AG and Daimler Truck Holding AG, cf. Section D.I.7 d)). The financial claims of Daimler Truck AG and the companies of the Future Daimler Truck Group against Daimler AG and the companies of the Future Daimler Group are also to be settled, generally, until the spin-off takes effect.
- 274 In order to secure the financial flexibility as well as to stabilise the capital market rating of the Future Daimler Truck Group, a syndicated loan agreement in the amount of EUR 18 billion was concluded with an international banking consortium by Daimler Truck Holding AG, Daimler Truck AG and various Daimler Truck financing companies at the beginning of August 2021, which includes a firm commitment of a revolving credit line in the amount of EUR 5 billion (Revolving Credit Facility) and a firm commitment for a credit line for bridge financing in the amount of EUR 13 billion (Bridge Facility). The obligations of Daimler Truck Holding AG under the loan agreement only arise upon the Consummation of the Demerger Agreement (condition precedent). The Revolving Credit Facility will have a term of at least five years with two extension options of one year each and will be agreed at standard market conditions. The Future Daimler Truck Group does not intend to draw on the Revolving Credit Facility. The Bridge Facility will have a term of twelve months with two six-month extension options.
- 275 The Bridge Facility serves to cover the general financing needs of the Future Daimler Truck Group, in particular in connection with the transfer of the Financial Services portfolios (cf. Section D.VI). The Bridge Facility is expected to be repaid primarily through

the issuance of bonds by the Future Daimler Truck Group on the capital market, which will lead to a mandatory prepayment of the Bridge Facility in this respect. The credit line will be agreed at standard market conditions.

- 276 The transfer or sale of the financial services portfolios of Phase 1 to the financial services companies of the Future Daimler Truck Group is to take place already before the spin-off takes effect. The purchase prices to be paid by the financial services companies of the Future Daimler Truck Group are to be financed by the selling companies of the Future Daimler Group and secured by guarantees of Daimler Truck AG. Alternatively, in addition to the Bridge Facility, it is also planned to finance part of the purchase price through bilateral loans from banks, which are to be disbursed before the spin-off takes effect. The redemption of the liabilities relating to the financed purchase prices vis-à-vis the companies of the Future Daimler Group by the Future Daimler Truck Group will be effected from the funds which will accrue to the Future Daimler Truck Group through the utilisation of the Bridge Facility or through the issuance of bonds shortly after the spin-off has taken effect.
- 277 In addition to providing financial security by the syndicated loan agreement, one or several capital market transactions are to be prepared for the Future Daimler Truck Group even before the spin-off takes effect. On the basis of existing loan agreements, contractual documentation with banks is being prepared for the purpose of taking out bilateral bank loans by companies of the Future Daimler Truck Group. Upon the spin-off taking effect, the existing securitisation platform "Daimler Trucks Retail Trust" of Mercedes-Benz Financial Services USA, together with all related securitisation transactions (asset-backed securities), will be transferred to the Future Daimler Truck Group. The current financing volume of these amortising securitisation transactions, which are based on specific receivables of Daimler Truck Financial Services, amounts to approx. USD 1.3 billion as per 30 June 2021. Besides, discussions are already taking place with two renowned rating agencies in preparation for the capital market rating of the Future Daimler Truck Group. Based on a planned positive business development, a solid capital structure and liquidity position of the Future Daimler Truck Group, an investment grade rating of Daimler Truck AG is expected.

b) Cash management

- 278 The Daimler Group's cash management system balances cash requirements and invests cash surpluses on a daily basis. In this process, liquidity is concentrated centrally in bank accounts of Group finance companies, so-called in-house banks, within the Daimler Group by means of cash pooling procedures in various currencies. Wherever possible, payment transactions are carried out centrally and settlements between Group companies are made via internal clearing accounts, so-called intercompany accounts, to the extent that this is legally permissible and economically sensible. In addition, standards are set in cash management for the secure and efficient processing of all of the Group's internal and external payments.
- 279 To the extent legally permissible, the companies of the Future Daimler Truck Group are currently linked to the global cash management system of Daimler Group via

intercompany accounts with Daimler AG as the in-house bank in Europe and with other regional finance companies. Until the spin-off takes effect, the participation of the companies of the Future Daimler Truck Group in the cash management of Daimler Group, including the cash pooling of Daimler Group, will be terminated.

280 As part of the preparations for the spin-off, a separate global cash management structure will be established for the Future Daimler Truck Group, which will replace the existing Daimler cash management structure upon the spin-off taking effect. It is planned to set up regional Daimler Truck in-house banks at whose level clearing accounts will be maintained for the companies of the Future Daimler Truck Group, which will also be used for the settlement of supply and service relationships with internal and external partners. In addition to the administration of the internal clearing account structure of the Future Daimler Truck Group, even before the spin-off takes effect relevant bank accounts will be opened and agreements with financial institutions will be concluded and implemented to enable independent cash pooling upon the spin-off taking effect.

281 The cash management structure of the Future Daimler Truck Group, in which Daimler Truck AG acts as an in-house bank, will be put into operation already before the spin-off takes effect. Daimler Truck AG itself will have clearing accounts with Daimler AG until the spin-off takes effect, but these accounts will be balanced and closed when the spin-off takes effect.

c) Management of market price risks (currencies, interest rates, commodity prices)

282 The management of market price risks has the task of limiting the effects of fluctuations in currencies, interest rates, and commodity prices on the earnings of the divisions and the Daimler Group. In this context, the Daimler Group makes hedging decisions on the basis of the Group-wide risk volume (exposure). These include the volume to be hedged, the period to be hedged and the choice of hedging instruments. The hedging strategy for the Daimler Group is defined centrally at the level of Daimler AG.

283 The management of market price risks within Daimler Group is currently the central responsibility of the Treasury function of Daimler AG. The necessary procedural and system structures for the management of market price risks in the Future Daimler Truck Group will be set up prior to the spin-off so that the future central Daimler Truck Treasury is in a position to define the risks relevant to the Future Daimler Truck Group and then execute appropriate hedging transactions. Once the spin-off takes effect, the management of market price risks and their hedging will be carried out independently by the Future Daimler Truck Group. It is not planned to continue existing internal hedging transactions with Daimler AG beyond this date.

d) Suretyships, guarantees, letters of comfort and other declarations of indemnity

284 Within the Daimler Group, suretyships, guarantees, letters of comfort and other declarations of indemnity (hereinafter collectively referred to as "**Guarantees**") are issued

for financial transactions and in relation to the operating business. Financial guarantees are generally issued by Daimler AG. Operational guarantees are issued either by Daimler AG and other Daimler Group companies (group guarantees) or by banks, financial institutions, insurance companies or other third parties on behalf of Daimler AG and other Daimler Group companies (bank guarantees). In order to enable effective management of the risk arising from contingent liabilities, uniform standards are defined for this purpose throughout the Group by the Treasury function. Operational transactions include, for example, the sale of Group products (vehicles, spare parts, etc.), taxes and customs duties, M&A transactions, real estate transactions (e.g. leases) and litigation. Financial transactions are transactions resulting from the management of financial risks, e.g. credit facilities, loans or other liabilities to banks, and transactions in connection with the issue of bonds.

- 285 Depending on the underlying financial transaction, there are two types of financial guarantees: individual financial guarantees of Daimler AG for capital and money market transactions, i.e. issues of bonds or money market paper, and the global financial guarantees (Daimler global guarantees) of Daimler AG to financial institutions for bank loans, bank facilities and bank suretyships and guarantees. The Daimler global guarantees as directly enforceable suretyships in favor of banks and financial institutions follow the one-credit approach described above and enable the companies of the Daimler Group to obtain financing on the basis of Daimler AG's creditworthiness. For this purpose, the respective Daimler Group company pays a standard market fee to Daimler AG depending on its financial liabilities outstanding over the period under review.
- 286 Daimler AG will continue to issue financial guarantees to secure financial obligations of the companies of the Future Daimler Truck Group until the spin-off takes effect. Operational bank guarantees for Daimler Truck AG will be commissioned from banks as before under the guarantee framework of Daimler AG until the spin-off takes effect. With regard to the issuing of operational Group guarantees to secure obligations of the companies of the Future Daimler Truck Group, the aim is to switch to Daimler Truck AG and the Future Daimler Truck companies as guarantors until the spin-off takes effect.
- 287 As part of the preparations for the separation of the commercial vehicles business, the aforementioned Guarantees are to be replaced by new and essentially equivalent Guarantees issued by the companies of the Future Daimler Truck Group. With respect to the financial guarantees, the Daimler global guarantees and the individual financial guarantees of Daimler AG will be replaced by corresponding Daimler Truck global guarantees or individual guarantees of Daimler Truck AG and Daimler Truck Holding AG, who will be jointly and severally liable thereunder. In the context of the described replacement, the banks, financial institutions and insurance companies covered by the Daimler global guarantees will be informed accordingly at an early stage so that the existing liability declarations of Daimler AG can be replaced by the Daimler truck global guarantees as new security elements with effect as of the first trading day of the shares of Daimler Truck Holding AG at the Frankfurt Stock Exchange.
- 288 Operational group guarantees will be replaced, to the extent possible and reasonable from an administration perspective, by new group guarantees issued by Daimler Truck

AG or other companies of the Future Daimler Truck Group. With respect to the bank guarantees, the companies of the Future Daimler Truck Group will successively establish their own guarantee frameworks with banks, financial institutions and insurance companies. Existing guarantees issued on behalf of the companies of the Future Daimler Group for the companies of the Future Daimler Truck Group will be transferred to the new guarantee frameworks. If group guarantees have not been replaced or bank guarantees have not been transferred, Daimler Truck Holding AG will ensure vis-à-vis Daimler AG that the respective principal debtor of the Future Daimler Truck Group will indemnify the company of the Future Daimler Group against all expenses and costs in connection with the guarantees and will pay the respective agreed fees due. As of the spin-off taking effect, no new financial guarantees and operational guarantees will be issued by Daimler AG or the companies of the Future Daimler Group to secure obligations of the companies of the Future Daimler Truck Group. To the extent that guarantees have been issued by companies of the Future Daimler Truck Group for obligations of companies of the Future Daimler Group, the aforementioned obligations of Daimler Truck Holding AG apply accordingly to Daimler AG.

289 With regard to performance relationships that will continue for a transitional period, cf. Section J.III.5 a).

e) Management of pension assets

290 The management of pension assets (plan assets) involves the investment of assets held to cover pension obligations. This serves the purpose of mitigating pension risks arising from long-term pension obligations. Both the funding level of the pension obligations and the investment of pension assets for the Group as a whole are managed centrally. The asset investment generally takes into account the structure of the pension obligations of the respective Group companies.

291 The Pension Asset Management of Daimler AG currently manages the pension-related investments for certain German companies of the Daimler Group (Daimler AG, Mercedes-Benz AG, Daimler Truck AG, EvoBus GmbH, Daimler Mobility AG, Mercedes-Benz Bank AG and other companies within the scope of the "Debt Assumption Daimler Mobility AG"), which have entered into one or more CTAs with Daimler Pension Trust e.V., as well as the investments of Daimler Pensionsfonds AG. In this context, the respective CTA regulates the procedure for determining the investment strategy. On the basis of a proposal, the investment committees of the companies adopt an investment strategy for the trust assets of the company pension scheme which defines the optimum proportion of each asset class in the overall portfolio and the permitted deviation therefrom. The investment concept for the trust assets of the new company pension scheme is based on the age of the respective beneficiary. Investments are made primarily via special funds with fixed investment conditions in accordance with § 284 KAGB (*Kapitalanlagegesetzbuch* – German Investment Code). Capital management companies and/or asset managers are commissioned to provide the necessary investment structure and to manage the special funds. A custodian has been appointed for the safekeeping of the assets.

- 292 The primary tasks of pension asset management include, in addition to developing a proposal for the respective investment strategies, the selection of the external asset managers, the agreement of the investment guidelines under which the management of the assets takes place, and the permanent performance monitoring of the external asset managers. In addition, Pension Asset Management assumes operational tasks such as liquidity management and currency management for the pension assets.
- 293 Prior to the spin-off taking effect, Daimler Truck AG, EvoBus GmbH and Daimler Truck Financial Services GmbH will conclude one or several CTA(s) with the newly established Daimler Truck Pension Trust e.V. Subsequently, the respective plan assets will be transferred to the CTAs. The capital investment for the trust assets of the company pension scheme is to be made on the basis of a proposal of a capital investment strategy to the investment committees of the aforementioned companies and will be implemented via a newly established special fund with fixed investment conditions in accordance with § 284 KAGB. The investment concept and the fund investment for the trust assets of the new company pension scheme remain unchanged. Until the establishment of a separate investment platform, Daimler AG will provide certain services defined in a transitional services agreement. All operational activities will be carried out at Daimler Truck AG from the time the spin-off takes effect, mainly within the Pension and Risk Management department.
- 294 With regard to performance relationships that will continue for a transitional period, cf. Section J.III.5 b).

f) Management of credit default risks: Export credit & trade finance

- 295 The management of working capital and credit default risks in the Export Credit & Trade Finance unit mainly comprises the management of trade receivables in the export business from general agents and direct customers as well as ensuring adequate provision for financial risks of the Daimler Group. In the export business, additional credit collateral is usually requested from general agencies and direct customers.
- 296 In the majority of sales markets, general agents act as regular sales channels for products and services of both the Cars & Vans division and the Trucks & Buses division. This is already commercially and legally separated today by separate general distributor agreements. After the spin-off takes effect, these distribution channels will continue to be used jointly on the basis of separate supply agreements. The decision on the continuation of the business relationship with general agents and direct customers will be made separately and independently for the Cars & Vans division and for the Trucks & Buses division.
- 297 The entire export credit and trade finance business of the Daimler Group is currently the overall responsibility of the Daimler Group Treasury function. Until the spin-off takes effect, all export credit and trade finance functions will be separated. The companies of the Future Daimler Truck Group will be managed by an independent export credit and trade finance function within Daimler Truck Treasury from the spin-off taking effect, and the risks will be managed separately.

g) Factoring

- 298 By selling a receivable (factoring) to a purchaser of receivables (factor/bank), working capital can be optimised and customer default risks can be reduced. This instrument, which is used in accordance with central guidelines, is currently only used to a limited extent in the Daimler Group.
- 299 The Future Daimler Truck Group already has factoring framework agreements with external banks. Upon the spin-off taking effect, the administration and monitoring of the existing factoring programmes will be transferred to Daimler Truck Treasury.

8. M&A

- 300 Currently, Daimler Truck AG does not have an independent M&A function. To the extent necessary, it has so far obtained the relevant services from Daimler AG.
- 301 Until the spin-off takes effect, Daimler Truck AG will establish an independent M&A function. The M&A function will be responsible for managing M&A projects and strategic cooperation projects in the Future Daimler Truck Group throughout the entire project process. This includes supporting the departments in identifying targets, potential buyers and cooperation partners, developing business models, conducting due diligence, valuation, contract negotiations, project approvals, contract implementation as well as the subsequent support of the departments in the integration and documentation after the transaction has been completed.
- 302 The staffing of the M&A function of Daimler Truck AG will be ensured, among other things, by the expected transfer of up to ten employees (FTEs) from Daimler AG. Ongoing Daimler Truck projects, contracts and documentation from previous transactions will be migrated from Daimler AG to Daimler Truck AG until the spin-off takes effect. In addition, a corresponding process environment is being established. This includes an archiving database, project management tools and systemic investment management. However, the M&A function will continue to use the investment management system of Daimler AG beyond the spin-off taking effect on the basis of transitional services agreements (cf. Section J.III.6).

9. Investor Relations

- 303 As a company that is not yet listed on the stock exchange, Daimler Truck AG currently does not have its own Investor Relations function. All Investor Relations activities and financial communications relating to Daimler shares at Daimler AG are performed by a dedicated central Investor Relations department.
- 304 As of the spin-off taking effect, the Future Daimler Truck Group will require an independent central Investor Relations function. The new department to be established by this date is to be located in the finance department of Daimler Truck AG.

- 305 As well as the central Investor Relations function of Daimler AG today, the future central Investor Relations function will mainly perform the function of financial communication vis-à-vis the capital market with the following main areas of activity: (i) coordination and preparation of the disclosure of all financial information (e.g. annual/quarterly reports, capital market presentation, fact sheets, Investor Relations releases, etc.) to be published by Daimler Truck Holding AG, in particular at the time of the full-year/quarterly reporting as well as on an ongoing basis; (ii) organisational and administrative preparation and handling of the Annual General Meeting of Daimler Truck Holding AG and all other capital market events (capital market days, road shows, conference participation, etc.); (iii) active financial communication in the context of individual and group discussions at capital market events, roadshows and conferences, in particular with analysts (sell/buy side), potential or existing institutional equity investors (equity buy side), potential or existing institutional debt investors (creditor buy side), rating agencies and investment banks; (iv) active sustainability communication (ESG) in the context of individual and group discussions at roadshows and conferences as well as preparation and implementation of special governance roadshows; (v) identification of potential investors in the context of so-called targeting analyses for the further development of the shareholder structure; (vi) support of all systems and applications specifically required for IR work (share register, financial information systems, customer relationship applications, etc.); (vii) ensuring compliance with all relevant regulatory capital market requirements in coordination with the legal department (e.g. consensus analysis, ad hoc publicity, voting rights notifications, etc.); (viii) advising the top management of Daimler Truck Holding AG on the further development of the equity story and on all other issues relating to financial communications and the capital market (e.g. competitive analyses, reporting of capital market indicators, etc.).
- 306 The Investor Relations central function of Daimler Truck AG is expected to consist of eleven employees (FTEs) in future. The staffing will be carried out successively and as quickly as possible through the transfer of several experienced employees from the existing Investor Relations team of Daimler AG to Daimler Truck AG, additional employees from other divisions of the Daimler Group and, if necessary, through individual external hires. Staffing will be largely completed by the fall of 2021 so that the Investor Relations function will be operational when the spin-off becomes effective.

10. Real Estate

- 307 The Real Estate department of Daimler Group consists of, among others, Daimler Real Estate GmbH and Daimler Grund Services GmbH ("**Daimler Grund Services**"). Daimler Real Estate GmbH is responsible for real estate transactions (i.e. the acquisition and disposal of real estate through building, renting, buying, selling, including the necessary consulting services) as well as the associated governance processes in accordance with the real estate policy of Daimler AG. Daimler Grund Services, on the other hand, manages the real-estate holdings in Germany. The technical operation of Daimler Group's real estate is not performed by the Real Estate department, but by the decentralised Facility Management unit (cf. Section D.II.8).

- 308 Upon the spin-off taking effect, a phase of a maximum of two years will commence during which Daimler Real Estate GmbH will provide real estate services to the Future Daimler Truck Group on the basis of transitional services agreements to the same extent as before. Legal services are excluded from the scope of services under the transitional services agreements. At the time of termination of the transitional services agreements, an independent Real Estate department will have been established in the Future Daimler Truck Group at the level of Daimler Truck AG which will be in charge of responsibilities in the area of real estate transactions.
- 309 In addition, Daimler Grund Services will manage the real estate holdings of the Future Daimler Truck Group located in Germany beyond the spin-off taking effect for a transitional period which is expected to last until the end of 2024. After this transitional period, the future Real Estate department of Daimler Truck AG will also perform this task for the entire Future Daimler Truck Group.
- 310 The staffing of the Real Estate function of Daimler Truck AG will be ensured, among other things, by the expected transfer of approx. 18 employees (FTEs) from Daimler AG or Daimler Real Estate GmbH, respectively. In parallel, IT solutions and the corresponding process landscape (standards, format specifications, tools, processing models for transactions, etc.) are being set up to ensure data consistency in portfolio management and construction processing. This ensures that all information required for the implementation of long-term real estate projects (usually lasting several years) is transferred to the Real Estate department of the Future Daimler Truck Group. Relevant contracts as well as documentation from previous transactions (construction projects, lease agreements, etc.) will be transferred to the real estate department of the Future Daimler Truck Group.
- 311 With regard to the future performance relationships, cf. Section J.III.7.

11. Legal & Compliance

- 312 The Legal & Compliance department of the Future Daimler Truck Group as an independent central function of the Future Daimler Truck Group will be newly established from the existing Integrity & Legal department at Daimler AG and will have a similar structure.
- 313 At Daimler AG, the Board of Management department for Integrity & Legal comprises, in particular, the legal department, the compliance organisation, Corporate Audit, and Integrity Management throughout the Group. The legal department advises the Group in all legal matters and identifies and deals with the legal risks of the company. Compliance activities focus on compliance with all applicable anti-corruption regulations, the maintenance and promotion of fair competition, compliance with legal and regulatory requirements in product development (including technical compliance) and in regard with digital risks, as well as compliance with data protection laws, compliance with sanctions and the prevention of money-laundering. IL is also responsible for the respecting and upholding of human rights and for anchoring a permanent corporate culture of integrity. The central task is to advise and support employees in such a way that they can always perform their tasks in accordance with applicable laws, regulations and the

Group's values. In addition, the Board of Management department for Integrity & Legal is responsible for sustainability issues (ESG), together with other departments, in particular the Development department. Corporate Audit is an independent and objective safeguarding and advisory function of Daimler Group. The department supports the optimisation of the company's risk exposure and is responsible for the implementation and evaluation of internal controls and processes worldwide.

- 314 The Legal & Compliance department of the Future Daimler Truck Group will also comprise a legal department and a compliance organisation. The organisation is set up regionally and functionally. The regional units will provide advice on key legal and compliance matters and will be supplemented by the functional units on special issues. Compliance activities focus on compliance with all applicable anti-corruption regulations, the maintenance and promotion of fair competition, compliance with legal and regulatory requirements in product development (including technical compliance) and in regard with digital risks, as well as compliance with data protection laws, compliance with sanctions and the prevention of money-laundering. Responsibility for social compliance, integrity and sustainability issues (ESG) will also lie with the Legal & Compliance unit. Here, also, the central task is to advise and support employees in such a way that they can always perform their tasks in accordance with applicable laws, regulations and the Group's values.
- 315 In addition, the function will cover the Corporate Audit area of responsibility and will be an independent and objective security and advisory function for Daimler Trucks & Buses. The relevant department of the Legal & Compliance function will support the optimisation of the company's risk exposure and be responsible for the implementation and evaluation of internal controls and processes worldwide. The Corporate Audit department will have a direct reporting line to the Chairman of the Board of Management and the Chairman of the Supervisory Board of Daimler Truck Holding AG.
- 316 The function also includes the IP department, which protects and manages the intellectual property of Daimler Truck AG. The department is responsible for the support, management, defense and enforcement of Daimler Truck AG's portfolio of patents, trademarks, designs and domains. The defense and enforcement of Daimler AG's Multi-Use Rights used by Daimler Truck AG will be provided to Daimler Truck AG on a permanent basis by Daimler AG through a service level agreement. For the future licensing structure and the license agreements for trademarks, domains and patents, cf. Section D.III.
- 317 The establishment of the new Daimler Trucks & Buses Legal & Compliance function has already begun and will be largely completed in terms of structure and staffing by the time the spin-off takes effect. In total, i.e. nationally and internationally, the function will have approx. 430 employees (FTEs). The department will primarily consist of former employees of Daimler AG and the Daimler Group. Any remaining needs will be covered by new recruitment.
- 318 With regard to the future performance relationships, cf. Section J.III.8.

12. HR

- 319 Daimler Truck AG already has its own HR function, which is headed by the member of the Board of Management responsible for Human Resources and Labor Director of Daimler Truck AG. As of the spin-off taking effect, the HR function of Daimler Truck AG will independently exercise, in particular, the following responsibilities for the Future Daimler Truck Group, which were previously performed by the HR functions of Daimler AG, Mercedes-Benz AG and Daimler Mobility AG or their subsidiaries for the entire Daimler Group: HR management for indirect functions, Own Retail locations, financial services functions and all international locations and/or companies; HR and labor law policy; labor and social law; overarching health management and occupational safety; remuneration and pension benefits; Group-wide human resources planning and consolidation, group organisation, Group security, HR development (including development of top level management, executives, employees and supplementary functions of training and continuing education) and staff unit of the General Works Council.
- 320 The expansion of the HR function of Daimler Truck AG will take place until the spin-off takes effect. The function will have a total staff of approx. 1,704 (FTEs). By 1 December 2021, approx. 343 employees (FTEs) will transfer from Daimler AG or its subsidiaries to Daimler Truck AG or its subsidiaries. A further approx. 30 staff positions (FTEs) will be filled internally or by new hires. In contrast, approx. 12 employees (FTEs) will transfer from subsidiaries of Daimler Truck AG to Mercedes-Benz AG.
- 321 With regard to performance relationships that will continue for a transitional period, cf. Section J.III.9.

13. IT

- 322 Daimler Truck AG currently already has an independent IT function with approx. 1,500 employees (FTEs) worldwide. The function is presently still connected to the IT function of the Daimler Group.
- 323 For the Future Daimler Truck Group (including the financial services business it operates), the IT function already in place at Daimler Truck AG will be expanded in such a way that it can independently perform the IT-related tasks for the Future Daimler Truck Group. For this purpose, approx. 432 employees (FTEs, not including Mercedes-Benz Research and Development India Private Limited) are expected to be transferred from Daimler AG or its subsidiaries to Daimler Truck AG or its subsidiaries when the spin-off takes effect. In addition, a further 100 employees (FTEs) will be built up through new hires in companies of the Future Daimler Truck Group.
- 324 In the past, Daimler Truck AG used software (e.g. by SAP, Microsoft, Oracle) mainly via group framework agreements of the Daimler Group. The individual software licenses under the Group framework agreements, which were exclusively allocated to Daimler Truck AG, have already been transferred to Daimler Truck AG. Daimler AG, Mercedes-Benz AG and Daimler Truck AG have agreed that the legally required consent of the respective licensor to the transfer will be obtained for Daimler Truck AG until the spin-

off takes effect and, if necessary, the company will conclude its own license and/or maintenance agreements with the relevant providers on possibly amended terms. In addition to the aforementioned individual license and/or maintenance agreements, there is an outsourcing agreement for infrastructure services concluded between Daimler AG and InfoSys Limited. This agreement will be "split up" when the spin-off takes effect. As a consequence, separate agreements will be concluded between Daimler AG and InfoSys Limited and between Daimler Truck AG and InfoSys Limited. With the transfer of the IT service provision from the companies of today's Daimler AG to InfoSys Limited, which has not yet been completed, the related transitional services agreements (cf. Section J.III.10) will also be adjusted or terminated. The services referenced in the aforementioned transitional services agreements will then be delivered under the outsourcing agreements by InfoSys Limited and no longer by companies of today's Daimler AG.

- 325 Other than that, according to the current state of affairs, the establishment of the IT function, including IT systems and IT infrastructure, is expected to be largely completed by the end of 2025. In the transitional period between the spin-off taking effect and the complete establishment of the IT function of the Future Daimler Truck Group, the Future Daimler Truck Group will procure services from Daimler AG or its subsidiaries under a number of transitional services agreements, with services in some cases also being procured in the reverse direction (cf. Section J.III.10). It is also planned that Daimler Truck AG will conclude its own license and maintenance agreements with external providers in the future as required. It is also possible that procurement alliances will be formed with the Future Daimler Group, where this is possible and beneficial.

14. Purchase of non-production material (International Procurement Services – IPS)

- 326 Daimler Truck AG currently does not have an independent department for the purchase of non-production materials. This task is currently being performed throughout the Group mainly by Daimler AG.
- 327 The IPS department of Daimler AG is responsible for the procurement of non-production materials, including services and capital goods. These include, for example, IT services (in this respect, cf. Section D.I.13), machinery and equipment, construction services, tools as well as transport, marketing and consulting services. IPS has the lead responsibility for contract negotiations, the selection of suppliers and finally the contract preparation for all companies supported by IPS. In addition, IPS provides the following services to the Group: Global Travel Management, Global Language Management, Corporate Information Resources and Media.
- 328 The IPS department of Daimler AG will continue to be responsible as before for the purchase of non-production materials and the services described above for the Future Daimler Truck Group for a transitional period after the spin-off takes effect. The contractual basis will be transitional services agreements (cf. Section J.III.11).
- 329 It is planned that in the course of 2022 a group of approx. 80 to 110 employees (FTEs) worldwide of Daimler AG, Mercedes-Benz AG or their subsidiaries will transfer to Daimler

Truck AG or its subsidiaries and form a new, independent department there with approx. 300 employees worldwide for the purchase of non-production materials. Vacant positions at Daimler Truck AG are expected to be filled internally or by external recruitment.

II. Separation of mandated functions and production

330 Until now, there has been close cooperation between the Cars & Vans and Truck & Buses divisions in many respects. It is in line with this that Daimler AG and Mercedes-Benz AG, on the one hand, and Daimler Truck AG, on the other hand, cooperate closely with regard to mandated functions and production and have service relationships with each other. In preparation for the spin-off, these connections will be unbundled to the extent that this is possible and economically reasonable. In more detail, this relates to Sales & After Sales, Production & Supply Chain, Production Planning, Energy and Environmental Management, Quality Management, Purchasing of Production Materials, Research & Development and Facility Management & Mobility Stuttgart. The respective planning and the respective status of implementation are described below. Service relationships that continue beyond the spin-off or are newly established on the occasion of the spin-off are described in Section J.IV.

1. Sales & After Sales

331 Daimler Truck AG already has its own sales department today. The department manages the sales and marketing activities (Sales) as well as the service activities (After Sales) of all Daimler Truck brands. The business activities focus on the management of all sales markets, the further development of the dealer network, national and international direct sales, after sales management and global order implementation. However, not all areas of Daimler Truck Sales have so far been operated fully independently, but in particular in Europe with the involvement of the corresponding functions of Mercedes-Benz AG.

332 The extensive sales network, which currently comprises a total of several thousand external contractual partners and several hundred of the company's own sales and service establishments, is operated to a large extent jointly with Mercedes-Benz AG and its subsidiaries, especially for the Mercedes-Benz brand. Synergies in both domestic and international direct business between the Cars & Vans and Trucks & Buses divisions have also been exploited to date. There is a close link in the area of after sales regarding the operation of the globally operating logistics centers and the so-called Customer Assistance Center in Maastricht. Likewise, the procurement and distribution logistics of aggregates and complete vehicles as well as customs clearance are partially controlled centrally by Daimler AG or Mercedes-Benz AG, respectively. In addition, the Sales & After Sales department of Daimler Truck AG uses the information technologies of Daimler AG or its subsidiaries for large parts of its sales organisation. In the majority of the aforementioned cases, the service relationship is such that Mercedes-Benz AG operates the relevant activities and the Sales & After Sales department of Daimler Truck AG procures the relevant services via so-called service level agreements.

- 333 Until the spin-off takes effect, the relevant contractual relationships will be largely terminated. However, some service relationships are to be continued beyond the spin-off taking effect. In these cases, the existing contractual relationships will be replaced by transitional services agreements and long-term services agreements. In addition, transitional services agreements will be concluded to ensure system and process stability as well as for the use of after sales logistics and IT systems (cf. Section J.IV.1).
- 334 Until the spin-off takes effect, an additional approx. 400 jobs (FTEs) are expected to be created at Daimler Truck AG for the Sales & After Sales department, including an expected approx. 150 to 200 employees (FTEs) who will transfer from Daimler AG or Mercedes-Benz AG to Daimler Truck AG. At the same time, approx. 50 employees (FTEs) from the Sales & After Sales department of Daimler Truck AG are expected to be used in other Group divisions. In addition, after the spin-off has taken effect and the planned target organisation has been fully implemented until 2025, further changes in the personnel structure are expected. The target structure provides for a further transfer of an estimated approx. 800 employees (FTEs) to the Sales & After Sales function of Daimler Truck AG. In the opposite direction, there will be an expected transfer of a small number of employees (FTEs) from Daimler Truck AG to Daimler AG or Mercedes-Benz AG. Following the implementation of this measure, a further increase in personnel of approx. 300 employees (FTEs) is planned in the Sales & After Sales function of Daimler Truck AG, mainly against the background of the establishment of that company's own Customer Assistance Center.

2. Production & Supply Chain

- 335 Daimler Truck AG already has a Production & Supply Chain function. In this area, however, there are close service relationships between Daimler Truck AG and Mercedes-Benz AG. These interdependencies concern the aspects of production network as well as transport and load carrier network.

a) Production network

- 336 The production network comprises four core sites in Germany as well as additional production facilities in Brazil, South Africa and the USA, for example. In Germany, the Wörth location is the main plant for the production of Mercedes-Benz trucks. The other three German core locations (Kassel, Gaggenau, Mannheim) produce individual car and commercial vehicles components for the global market. The largest interdependencies between Daimler Truck AG and Mercedes-Benz AG exist at the plants in Gaggenau and Mannheim, since the respective plant sections of both companies are located on the same site. In contrast, at the Kassel and Wörth locations, at the foreign locations and with regard to the production of buses, there are only very limited interdependencies without any significant scope.
- 337 Until 1 December 2021, any remaining service interdependencies in relation to the production network will generally be separated. At the Mannheim location, the existing joint establishment will be dissolved and the production unit located there for the reworking of individual components and engines for Trucks & Buses and for engines and high-

voltage batteries for passenger cars with approx. 300 employees (FTEs) will be integrated into the Trucks & Buses plant in Mannheim. The existing interdependencies between the Cars & Vans production and the Trucks & Buses production at the Gaggenau location, consisting of the Gaggenau, Bad Rotenfels, Rastatt and Kuppenheim plant sections, will also be dissolved. In future, the Gaggenau and Bad Rotenfels plant sections will be production sites exclusively for the Trucks & Buses business, while the Kuppenheim plant section will be allocated to the Cars & Vans business. The unbundling will involve the transfer of a total of approx. 140 employees (FTEs) from Mercedes-Benz AG to Daimler Truck AG. In order to achieve a uniform allocation of the plant units, approx. eight employees (FTEs) will transfer from Daimler Truck AG to Mercedes-Benz AG based on tasks and departments.

- 338 Only in the Rastatt plant section, a small number of service relationships will continue to exist with a corresponding contractual basis. This primarily involves infrastructure and services for Mercedes-Benz AG on the factory premises of the Rastatt site. In this respect, cf. Section J.IV.2.

b) Transport and load carrier network

- 339 The transport network includes national and international road transports, rail transports, air and sea freight transports, transports of courier, express and parcel service providers, as well as special transports for time-critical deliveries. In this regard, contracts exist with external transport service providers that have been concluded for the benefit of both Mercedes-Benz AG and Daimler Truck AG.

- 340 In addition, Mercedes-Benz AG and Daimler Truck AG use a joint load carrier network operated by SLT Systemtechnik Ladungsträger GmbH, a subsidiary of Mercedes-Benz AG. The load carrier network provides a common pool of standard load carriers for vendor parts, which can be used by the respective company for a rental fee. Pool management is carried out centrally by Mercedes-Benz AG. Mercedes-Benz AG also provides the necessary IT systems for the transport and load carrier network and charges Daimler Truck AG for the corresponding services on a pro rata basis.

- 341 The described close interdependencies in the transport and load carrier network cannot be completely dissolved until the spin-off takes effect, in particular due to the complexity and scope of the load carrier network (cf. Section J.IV.2). Mercedes-Benz AG and Daimler Truck AG are currently jointly developing a step-by-step plan to implement the gradual unbundling, which is expected to occur within a transitional period until the beginning of 2025. In line with this, Daimler Truck AG will have to build up the necessary network structures and resources itself during this period, including the required specialist personnel in the order of approx. 45 employees (FTEs).

3. Production Planning

- 342 This function, which already exists at Daimler Truck AG and is responsible for production planning, plans and develops production locations for end products and their components for the various Daimler Truck AG brands worldwide. This ranges from operational

production support for vehicle and aggregate plants to planning, conceptual design and support for the commissioning of new production facilities and plants worldwide. In addition, the function performs upfront cost planning to determine manufacturing costs, internal consulting to other departments regarding efficiency improvements, and provides the Business Information Security Officer (BISO) for Daimler Truck AG, who is the primary Cyber Security & Assurance contact for the assigned region or business unit and assists in the implementation of the Cyber Security programme.

- 343 Currently, there are still several interdependencies: On the one hand, there are explicit contractual cooperations or service agreements between Daimler Truck AG, on the one hand, and Mercedes-Benz AG, Daimler AG and its subsidiaries, on the other. On the other hand, there are activities not explicitly regulated by contract concerning the exchange of know-how with regard to the further development of standards and specifications as well as the use of newly developed production technologies. In addition, the BISO of Daimler Truck AG is supported in the performance of its function to a significant extent by existing central capacities at Daimler AG and Mercedes-Benz AG.
- 344 The aim is to continue all essential cooperations and service agreements of the Production Planning function on the basis of transitional services agreements for several years beyond the spin-off taking effect. Tasks assigned to the current subsidiary of Daimler AG, Mercedes-Benz Research and Development India Private Limited, will be transferred to the subsidiary Daimler Trucks Innovation Center India Private Limited, which is to be newly established by Daimler Truck AG. The same applies to existing agreements of Daimler Truck AG with central service functions, such as Daimler Group Services Berlin GmbH. All agreements are concluded at arm's length (cf. Section J.IV.3).
- 345 The only exception to maintaining the cooperations is with regard to the function of the BISO. The function is to be exercised fully autonomously and independently from the spin-off taking effect. Accordingly, until the spin-off takes effect, capacity will be increased at this function in the form of an internal build-up of personnel and an annually recurring commissioning of external specialist service providers. In addition, according to current planning, transfers of employees on a small scale (one to three employees) are planned as part of the reorganisation of a foreign project previously jointly operated by Daimler Truck AG and Mercedes-Benz AG.

4. **Energy and Environmental Management**

- 346 Energy and environment management is currently controlled to a large extent by Daimler AG on a Group-wide basis for both Mercedes-Benz AG and Daimler Truck AG by a central department which is responsible for ensuring compliance with the company's environmental and energy policy. This department designs the development of a sustainable strategic orientation of the company in relation to the environmental impact of the company's processes. The specialist teams in this area are responsible, for example, in a Group-wide, comprehensive controlling and management function, for environmental and energy-related management systems, monitoring legislative developments and legal requirements, preparing comprehensive balances (life cycle analyses), supporting risk prevention at the plant sites (due diligence) and managing the company's radiation

protection and hazardous materials management, among other things. In addition, the department provides the necessary product- and production-related data and specialist information for all external comprehensive reporting on sustainability in the areas of climate protection and resource conservation.

347 Further, the interests of the Trucks & Buses division are represented by a separate environmental and energy management team, which is organisationally located in the Production Planning department of Daimler Truck AG. The function of the dangerous goods safety advisor already exists as a completely independent function within Daimler Truck AG. This team works closely with the corporate department at the level of Daimler AG to ensure the implementation of the Group's specifications and to relieve the Board of Management with regard to the fulfillment of legal requirements in production-related environmental protection, to monitor environmental protection-related risks in production, to develop strategic positions for the Trucks & Buses division, and to make appropriate contributions to the company's sustainability strategy. Due to the current limited set-up, this team is highly dependent on the overarching and technical leadership of Daimler AG's central department. For this reason, service agreements exist between Daimler Truck AG and Daimler AG, on the basis of which Daimler Truck AG obtains extensive mandated services, such as centralised worldwide environmental and energy data management, from the relevant central department of Daimler AG.

348 As of the spin-off taking effect, Daimler Truck AG is to independently provide all services previously obtained under the service agreements with Mercedes-Benz AG or Daimler AG, since in most cases a continuation of the cooperation is not possible for legal reasons (antitrust and competition law). Accordingly, the contractual relations will be terminated. The necessary overall documentation (policies, guidelines, etc.), IT systems and IT processes as well as the necessary know-how will be transferred to Daimler Truck AG for this purpose. Daimler Truck AG is also striving to increase capacity in the form of an internal increase in personnel and the additional commissioning of external service providers. No employee transfers are currently planned in the area of energy and environmental management.

5. Quality Management

349 Daimler Truck AG already currently operates an independent function for quality management. The quality management systems and processes of Daimler Truck AG are therefore already largely independent of those of Daimler AG or Mercedes-Benz AG. Selected exceptions exist, for example, for the documentation of chemical product components (service from Mercedes-Benz AG to Daimler Truck AG) or for services in the powertrain area (service from Daimler Truck AG to Mercedes-Benz AG). These services will continue to a minor extent also beyond the spin-off taking effect. The services concerned will continue to be provided by Mercedes-Benz AG and Daimler Truck AG, respectively, on a contractual basis and at arm's length conditions (cf. Section J.IV.5). Irrespective of this, no employee transfers are currently planned in the area of quality management.

6. Purchase of production material

- 350 Daimler Truck AG maintains its own global organisation for the purchase of production materials for the Trucks & Buses division. In principle, all purchasing supply contracts for production materials are already concluded by Daimler Truck AG or one of its subsidiaries today. Nevertheless, there are selected topics which Daimler Truck AG or Mercedes-Benz AG – on the basis of a mandate issued for this purpose – work on for the respective other company. Among other things, there is a bundling of operational purchasing activities for special series and aftermarket purchased parts, i.e. components and systems that are required for the production of the vehicles. In addition, with major suppliers that supply both companies framework agreements on purchasing conditions are negotiated jointly or on the basis of a mandate by only one of the two companies on behalf of both companies. Insolvency management, association and committee work as well as external supplier communication also take place to some extent in cooperation. Service agreements exist between the companies for all mutual services.
- 351 As of the spin-off taking effect, the currently bundled purchasing activities will be separated, the joint activities will be discontinued and the relevant service agreements will be terminated (for possible future purchasing cooperations, see Section J.IV.6). Daimler Truck AG will build up 27 further jobs (FTEs) to ensure the activities currently covered by service agreements, 20 of whom will be established by the time the spin-off takes effect and the remaining seven in 2022. Of these 27 employees, approx. eight employees (FTEs) are to be hired externally; these are experts for insolvency and risk management at suppliers. The remaining positions are to be filled internally.
- 352 In addition, a shared service center for administrative purchasing activities was established in Turkey in 2017 at Mercedes-Benz Türk A.Ş. In this shared service center, 74 employees of Daimler Truck AG currently work for the production material purchasing department of Mercedes-Benz AG, based on a service agreement. Until the spin-off takes effect, all activities will be formally separated, i.e. organisation as well as access to systems and data. In a transitional period lasting until the end of 2022, all employees of Mercedes-Benz Türk A.Ş. who exclusively provide services for Mercedes-Benz AG will transfer to a subsidiary of Mercedes-Benz AG.

7. Research & Development

- 353 Daimler Truck AG maintains research and development centers in Germany, the USA, Japan, Brazil, Turkey, China, and India. The decentralised structure of the development locations ensures local proximity to customers and market requirements in the key core markets of Daimler Truck AG.
- 354 As of today, Daimler Truck AG and Mercedes-Benz AG cooperate only to a limited extent in the area of research & development, e.g. in the areas of research, design, driver assistance systems, electromobility and diagnostic functions, and also in the use of test benches and test tracks. It is intended to further reduce these minor cooperations in view of the planned spin-off. Where they still exist in the future, this will only be on a transitional basis on the basis of a transitional services agreement (cf. Section J.IV.7).

In line with this, Daimler Truck AG will expand its internal research and development resources by 2024 and also rely on external commissions and partnerships.

- 355 Mercedes-Benz Research and Development India Private Limited is a subsidiary of Daimler AG based in Bangalore, India. It performs IT and development services for both Mercedes-Benz AG and Daimler Truck AG. The main focus of its work is in the areas of mechatronics and calculation/Computer Aided Engineering (CAE). For the Future Daimler Truck Group, Daimler Trucks Innovation Center India Private Ltd. will assume the relevant IT and development services. The new company is a subsidiary of Daimler Truck AG (99.99 %) and Daimler Truck Vermögens- und Beteiligungsgesellschaft mbH (0.01 %) and is also located in Bangalore, India.

8. Facility Management & Mobility Stuttgart

- 356 Daimler Truck AG currently does not have its own Facility Management & Mobility function at the Stuttgart location. Instead, Mercedes-Benz AG has so far been responsible for administering and managing the buildings in the Stuttgart area used (solely or also) by Daimler Truck AG, as well as the associated technical facilities and equipment, on the basis of service level agreements. This includes, among other things, the complete range of services of technical building management, infrastructural services and commercial administration for all office and development buildings and areas of Daimler Truck AG at the Stuttgart location up to refurbishments and new construction services.

a) Solitary sites

- 357 Until the spin-off takes effect, Daimler Truck AG will establish a separate Facility Management & Mobility function for the greater Stuttgart area. This function will assume responsibility for the management of all buildings as well as the associated technical facilities and equipment which Daimler Truck AG uses in the greater Stuttgart area solely for its own purposes (solitary sites).

b) Shared sites/buildings

- 358 Daimler Truck AG is currently using a number of buildings and areas in Untertürkheim and in the greater Stuttgart area together with Mercedes-Benz AG. Due to the deep technical and infrastructural interdependencies, a complete separation is neither economically sensible nor actually feasible until the spin-off takes effect. It is therefore intended to continue the joint use of the buildings and sites that cannot be separated until then beyond the effective date of the spin-off. This mainly concerns the Untertürkheim site. In line with this, the administration and management of these shared buildings will continue to be carried out mainly by the Facility Management function of Mercedes-Benz AG through commissioning on the basis of service agreements at arm's length conditions (cf. Section J.IV.8). Exceptions to this are individual infrastructural facility management services which are not building-related but user-related (e.g. postal services and relocation services) and which will be assumed by the new Facility Management & Mobility Stuttgart function of Daimler Truck AG and for which the latter will be responsible at the latest from the time the spin-off takes effect.

c) Logistics control and customs clearance services

359 Mercedes-Benz AG is currently responsible for logistics control and customs clearance services for Daimler Truck AG at the Stuttgart location. It is planned to transfer the responsibility for this to Daimler Truck AG until the spin-off takes effect. This includes, among other things, internal site transport orders for materials for prototypes as well as for hazardous materials, the dispatch of development parts including specific packaging services as well as customs clearance services for import and export from the Stuttgart site.

d) Mobility services

360 Mercedes-Benz AG currently provides the following mobility services to Daimler Truck AG on the basis of a service level agreement: Vehicle rentals to ensure business-related mobility at the Stuttgart location and provision of replacement vehicles for company cars in the event of accidents or repairs; service provider commissioning for buses, e.g. for events and provision of chauffeur services as well as company car management. It is intended that Daimler Truck AG will handle this service package via an external service provider in the future.

III. License structure and license agreements for trademarks, domains and patents

361 In the context of the Group restructuring in 2019, Daimler AG already transferred to Daimler Truck AG those IP rights that were exclusively used by the Trucks & Buses division (hereinafter "**Single-Use Rights**"). As a result, legal and beneficial ownership of the Single-Use Rights was transferred to Daimler Truck AG, while they continue to be held in trust by Daimler AG.

362 Daimler AG is the owner or at least the beneficial owner of several thousand intellectual property rights in Germany and abroad. These are technical and non-technical property rights eligible for registration, in particular trademarks, domains, designs and technical property rights (hereinafter "**IP Rights**"). Due to the existing operational interdependencies within the Daimler Group, some IP Rights are used by several divisions at the same time or could be used at the same time in the future (hereinafter "**Multi-Use Rights**").

363 Daimler AG's most important Multi-Use Rights include, in particular, the rights to the "Mercedes-Benz" and "Three-Pointed Star" trademarks. These trademarks have different connotations within the various business divisions. The main reason for this is that the passenger car business, which is bundled in Mercedes-Benz AG, and the commercial vehicles business, which is bundled in Daimler Truck AG, each address divergent customer groups, use different technologies, and have different capital requirements. While Mercedes-Benz AG, with its "Mercedes-Benz" trademark as the most valuable premium automobile trademark, targets discerning customers primarily in the luxury segment, Daimler Truck AG provides its customers with industry-leading transportation solutions and services under the "Mercedes-Benz" trademark (cf. also the comments on the

strategy of the Future Daimler Group and the Future Daimler Truck Group in Sections H.I.1 b) and I.I.1 a)).

- 364 For the Cars & Vans business, the value of the "Mercedes-Benz" and "Three-Pointed Star" trademarks is therefore determined, in particular, by their high degree of distinctiveness and the brand appreciation of their customers. In addition, they enjoy a luxury image with regard to passenger cars. In contrast, in the commercial vehicles business, the trademark value is primarily based on the high reliability and cost efficiency of the vehicles. This – albeit different, but equally significant – value of the trademarks for the divisions justifies the need of Daimler AG as the Group's parent company to safeguard the trademark value against negative influences by means of appropriate brand positioning and product quality.
- 365 In the course of the group separation, the two core trademarks "Mercedes-Benz" and "Daimler" are also to be implemented in company names. The Future Daimler Group will therefore no longer use the name "Daimler" in the company names of its companies in the next five years; the same applies to establishments. Vice versa, this will also be implemented in principle at Daimler Truck AG for company names and establishments with the component "Mercedes-Benz".
- 366 To date, Daimler AG and Daimler Truck AG have a so-called divisional license agreement, on the basis of which Daimler Truck AG is permitted to use the Multi-Use Rights. When the spin-off takes effect, the divisional license agreement will be terminated and replaced by a new license structure.
- 367 The starting point for the new licensing structure and the further use of the trademarks by Daimler Truck AG will be a trademark licensing and domain usage agreement for the licensing of the "Mercedes-Benz" and "Three-Pointed Star" trademarks as well as for the use of the domain names belonging to the business segment of Daimler Truck AG that comprise the component "Mercedes-Benz" (hereinafter **"Trademark Licensing and Domain Usage Agreement Mercedes-Benz"**). Thereunder, Daimler Truck AG shall obtain the right, free of charge, to use these trademarks for its products and services and to operate websites under the domain names as well as to grant sublicenses within the business segment operated as per 30 November 30, 2021.
- 368 By limiting the rights of use granted under the Trademark Licensing and Domain Usage Agreement Mercedes-Benz to the business segment operated as per 30 November 2021, it is to be ensured that the Future Daimler Truck Group will not be active in the product area and segment of the Future Daimler Group and its affiliated companies using the "Mercedes-Benz" and "three-pointed star" trademarks, to avoid market confusion caused by the use of the same trademarks and other rights by two different suppliers.
- 369 The Trademark Licensing and Domain Usage Agreement Mercedes-Benz will obligate Daimler Truck AG to ensure that the contractual products manufactured by it using the licensed rights are of uniform and consistent quality, belong to the upper quality or price category for the respective product, and do not adversely affect the value of the licensed rights for Daimler AG, in particular the substantial market value in the premium

passenger car segment as well as its luxury image, which is decisive for the high distinctiveness and esteem of the "Mercedes-Benz" and "Three-Pointed Star" trademarks. In addition to product quality as a potential reputational risk, any kind of reputational damage has to be avoided. Daimler Truck AG shall therefore be obliged to maintain compliance structures that are customary in the industry in order to protect the commercially significant reputation of the brands from damage caused by misconduct.

- 370 The Trademark Licensing and Domain Usage Agreement Mercedes-Benz shall be concluded for an indefinite period and is subject to ordinary termination by Daimler AG only in the event of a direct or indirect acquisition of control by third parties over Daimler Truck AG. In addition, in the event of serious breaches of contract, in particular in the event of sustained damage to the reputation of the licensed trademarks, for example through non-compliance with product quality requirements, the Trademark Licensing and Domain Usage Agreement Mercedes-Benz may be terminated extraordinarily, in whole or in part, with immediate effect. Misconduct with regard to compliance standards with a sustained reputational risk can also constitute a serious breach of contract.
- 371 In addition, Daimler Truck AG will acquire from Daimler AG, on the basis of three IP purchase agreements, those IP Rights that are used exclusively or predominantly by its business segment, in particular a patent portfolio as well as the "Charterway" and "Fleetboard" trademark families, including the corresponding domain name portfolio. Under these agreements, legal and economic ownership of the IP Rights shall be transferred to Daimler Truck AG, with Daimler AG being granted a grant-back license. Daimler Truck AG will also acquire the "Daimler" trademark family, including the corresponding domain names, from Daimler AG by means of a trademark purchase agreement. In addition to legal and economic ownership, trademark control shall also be transferred to Daimler Truck AG. Daimler AG shall be granted a grant-back license as well as a right of first refusal with regard to the "Daimler" trademark family in the event of a disposal by Daimler Truck AG to third parties.
- 372 With two additional license agreements, those Multi-Use Rights of Daimler AG shall be licensed to Daimler Truck AG that are not already part of the above-mentioned agreements. This shall give Daimler Truck AG the right to use the Multi-Use Rights of Daimler AG, in particular the technical property rights that have arisen by 30 November 2021.
- 373 Specifics of the aforementioned agreements are set out in Annex 2.4 of the Group Separation Agreement, which in turn is an annex to the Demerger Agreement.

IV. Allocation of equity interests and business activities

- 374 The following section explains the allocation of equity interests in enterprises which has not yet been implemented in the course of the restructuring of the Daimler Group in 2019 and which is now to be implemented in connection with the spin-off. Section D.IV.1 first describes the transfer of significant foreign equity interests for portfolio allocation purposes. Section D.IV.2 deals with the contribution of several real estate management partnerships to Daimler Truck AG.

1. Allocation of equity interests and business activities outside of Germany

- 375 In the course of the restructuring of the Daimler Group in 2019, the foreign companies of the Daimler Group were categorised according to their affiliation with the Cars & Vans, Trucks & Buses and Daimler Financial Services divisions in order to achieve a precise allocation of the investment portfolio in this way. Prior to the Group restructuring, many of these companies operated both in the Cars & Vans and in the Trucks & Buses business. The business activities of these 'mixed companies' therefore had to be separated before a transfer to Mercedes-Benz AG or Daimler Truck AG could be considered.
- 376 With regard to the Trucks & Buses division, the vast majority of the equity interests concerned have already been transferred to Daimler Truck AG in the course of or following the Group restructuring in 2019. At the time, however, the focus was on the transfer of the worldwide production and wholesale companies. For operational and economic reasons, it was decided at the time not to separate the mixed retail companies, whose central activity is the local distribution of vehicles purchased from the respective wholesale company and the provision of after sales services. Instead, the mixed retail companies were allocated according to the "main user principle".
- 377 In preparation for the separation of the Group, these equity interests have now been re-examined in order to ensure that the business activities of the foreign companies are allocated as accurately as possible to the respective shareholding portfolios of the Future Daimler Group and the Future Daimler Truck Group. In addition, the allocation of the remaining production and wholesale companies as well as financing companies that were not transferred to Daimler Truck AG in the course of the Group restructuring in 2019 was examined.
- 378 The main steps for separating the shareholding portfolio in 2021 up to the spin-off taking effect are presented below, together with an outlook on the measures which, according to current planning, are to be taken after the spin-off takes effect. Specifics on the transactions not yet implemented can be found in Annex 2.2 to the Group Separation Agreement, which in turn is an annex to the Demerger Agreement.

a) Transfer of equity interests until the spin-off takes effect

- 379 Until the end of the first half of 2021, Trucks & Buses equity interests, particularly in the following countries, have been transferred to Daimler Truck AG:
- *Portugal (Mercedes-Benz Trucks Portugal S.A.):* In Portugal, the import and distributor company Mercedes-Benz Trucks Portugal S.A. was contributed by Daimler AG to Daimler Truck AG by way of a capital increase against contribution in kind.
 - *South Africa (Daimler Truck and Buses Southern Africa (Pty) Ltd.):* In South Africa, the interest in the wholesale company Daimler Trucks and Buses Southern Africa (Pty) Ltd., which was established as part of the 2019 restructuring, was

transferred from a subsidiary of Mercedes-Benz AG to Daimler Truck AG by way of a share purchase agreement.

- *France (Mercedes-Benz Trucks France S.A.S.U):* In France, Mercedes-Benz AG originally held an interest in the wholesale company Mercedes-Benz Trucks France S.A.S.U via its subsidiary Mercedes-Benz France S.A.S. This company, together with its regional subsidiaries that provide sales and after sales services in the retail sector, has now been transferred to Daimler Truck AG by way of a share purchase agreement.
- *India (Daimler India Commercial Vehicles Private Ltd.):* In India, Daimler AG transferred the production company Daimler India Commercial Vehicles Private Ltd. to Daimler Truck AG.
- *Czech Republic (Mercedes-Benz PRAHA s.r.o.):* In the Czech Republic, the sales and retail business of Mercedes-Benz PRAHA s.r.o., which is part of the Trucks & Buses division, was transferred to Mercedes Benz Trucks Česká republika s.r.o., a wholly-owned subsidiary of Daimler Truck AG.

380 In addition, until the spin-off takes effect, equity interests or business activities in the following countries will be transferred to Daimler Truck AG or a subsidiary of Daimler Truck AG:

- *India:* The activities of Mercedes-Benz Research and Development India Private Limited in the area of IT development and the provision of research and development services, which are attributable to the Trucks & Buses division, will be transferred to the subsidiary Daimler Trucks Innovation Center India Private Limited, which was newly established by Daimler Truck AG.
- *Czech Republic:* In the Czech Republic, the service company Mercedes-Benz Parts Logistics Eastern Europe s.r.o. will be transferred from Mercedes-Benz AG to Daimler Truck AG.
- *Canada:* In Canada, Daimler Trucks Finance Canada Inc. (formerly Daimler Canada Investments Company) will be transferred from Daimler AG to Daimler Truck AG. This company is to be used in future as a Canadian financing company.
- *Mexico:* With the transfer of the Daimler Trucks Finance Canada Inc., the shares in the Mexican subsidiary Daimler Mexico, S.A. de C.V. will also be transferred to Daimler Truck AG. This company provides services for the Mexican Daimler Group companies in the areas of finance, taxes and financial reporting.

381 In addition, various fund investments will be allocated to the Daimler Truck Group prior to the spin-off taking effect. From DA Investments Co. LLC, the investments in Funds Atomico IV, L.P. (0.67 %), 8VC Fund II, L.P. (0.63 %), G2VP I, LLC (5.71 %), RRE Ventures VII, L.P. (3.77 %) and Trucks Venture Fund 1, L.P. (20.76 %) will be transferred to Daimler Trucks & Buses US Holding LLC. Furthermore, the equity interest of

Daimler Vermögens- und Beteiligungsgesellschaft mbH in Magma Venture Capital IV L.P. (1.87 %) will be transferred to Daimler Truck AG.

382 Conversely, the Singapore operation of the sales and service company Daimler Commercial Vehicles South East Asia Pte. Ltd., which is to be allocated to the Mercedes-Benz Vans division, will be transferred to Daimler South East Asia (Singapore) Pte. Ltd., a subsidiary of Mercedes-Benz AG.

b) Transfer of business activities and equity interests after the spin-off taking effect

383 After the spin-off taking effect, the Trucks & Buses business of further retail companies is to be transferred to Daimler Truck AG in 2022 for the purpose of portfolio allocation. According to current planning, this is planned for the activities in the following countries: Spain, South Africa, Italy, Slovakia, Poland and Portugal.

384 In addition, the following foreign business activities are to be transferred to subsidiaries of Daimler Truck AG:

- *Slovakia:* In Slovakia, the business activities of the wholesale company Mercedes-Benz Slovakia s.r.o., which is attributable to the Trucks & Buses division, are to be transferred to a company to be newly established by Daimler Truck AG.
- *Taiwan:* In Taiwan, the sales business of Mercedes-Benz Taiwan Ltd., an indirect subsidiary of Mercedes-Benz AG which is attributable to the Trucks & Buses division, is to be transferred to Daimler Trucks Asia Taiwan Ltd., which is indirectly controlled by Daimler Truck AG.

385 Conversely, in South Korea, the operations of Daimler Trucks Korea Ltd., which are attributable to the Mercedes-Benz Vans division, are to be transferred to Mercedes Benz Korea Limited, a subsidiary of Mercedes-Benz AG.

386 It is also planned to sell the business activities of Mercedes-Benz Trucks Center Sint-Pieters-Leeuw NV/SA in Belgium and Daimler Colombia S.A. in Colombia to external parties.

2. Allocation of real estate management partnerships

387 As part of the restructuring of the Daimler Group in 2019, the assets and liabilities of the Trucks & Buses division of Daimler AG were hived down to Daimler Truck AG. Various real estate management partnerships allocated to the Trucks & Buses division could not be transferred to Daimler Truck AG at the time, because of tax blocking periods, the non-observance of which would have led to a significant tax burden.

388 The transfer of the real estate management partnerships is now to be implemented in advance to the planned spin-off and hive-down of shares of Daimler Truck AG to Daimler

Truck Holding AG and will be carried out in legal terms by way of a capital increase against contribution in kind to Daimler Truck AG. Subsequently, Daimler Truck AG, in turn, will transfer the real estate management partnerships to Daimler Truck Verwaltungsgesellschaft für Grundbesitz mbH, a wholly owned subsidiary of Daimler Truck AG.

- 389 The real estate management partnerships to be transferred are Grundstücksverwaltungsgesellschaft Daimler AG & Co. Gamma 1 OHG, Grundstücksverwaltungsgesellschaft Daimler AG & Co. Gamma 2 OHG, Grundstücksverwaltungsgesellschaft Daimler AG & Co. Gamma 3 OHG and Grundstücksverwaltungsgesellschaft Daimler AG & Co. Gamma 4 OHG, each with its registered office in Schönefeld (hereinafter jointly referred to as "**Gamma Partnerships**"). Grundstücksverwaltungsgesellschaft Daimler AG & Co. Gamma 1 OHG is the owner of the production properties in Mannheim, Rastatt, Gaggenau, Wörth and Kassel; Grundstücksverwaltungsgesellschaft Daimler AG & Co. Gamma 2 OHG is the owner of the properties on which Daimler Truck AG operates so-called truck stores; Grundstücksverwaltungsgesellschaft Daimler AG & Co. Gamma 3 OHG is the owner of a property in Wörth on which a breaking-in track is located; Grundstücksverwaltungsgesellschaft Daimler AG & Co. Gamma 4 OHG is the owner of a property in Leinfelden-Echterdingen with an administration building that will be completed in 2021 and will serve as the new headquarters of Daimler Truck AG. Daimler Grund currently holds 100 % of the fixed capital of each of the Gamma Partnerships. Another partner of the Gamma Partnerships is Daimler Grund Services. The latter currently holds no equity interest.
- 390 The ownership of the Gamma Partnerships will be restructured in advance of the planned transfer to Daimler Truck AG. Daimler Grund Services, which so far has not held an interest in the fixed capital of the Gamma Partnerships, is to acquire an interest of 10.1 % of the fixed capital of each of the Gamma Partnerships on the basis of corresponding cash contributions. The amount of the cash contributions to be made by Daimler Grund Services was determined in each case on the basis of an enterprise valuation of the relevant Gamma Partnership, which was carried out by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft in accordance with the IDW standard: Principles for Conducting Enterprise Valuations (IDW S 1 as amended 2008). The valuation made as at 30 November 2021, will be reviewed subsequently, which may result in compensation payments in both directions.
- 391 Following the restructuring of the equity interests in the Gamma Partnerships, Daimler Grund will contribute its interests in the Gamma Partnerships to Daimler Truck AG by way of a capital increase against contribution in kind, with the proportion of values being maintained. The transfer is expected to become effective at the beginning of December 2021, meaning that as of that date Daimler Truck AG will hold an 89.9 % interest in each of the Gamma Partnerships and Daimler Grund will withdraw from the Gamma Partnerships. As consideration, Daimler Truck AG will grant Daimler Grund new no-par value registered shares, which will be created by way of the aforementioned capital increase against contribution in kind. For this purpose, the share capital of Daimler Truck AG is to be increased by EUR 58,091,270.00 from EUR 826,453,714.00 to EUR 884,544,984.00 by issuing 58,091,270 new no-par value shares. To the extent that the total amount of the carrying amounts of the interests in the Gamma Partnerships

exceeds the pro rata amount of the share capital attributable to the capital increase in the amount of EUR 58,091,270.00, the excess amount will be recorded in the capital reserve of Daimler Truck AG pursuant to § 272 para. 2 no. 1 HGB. The number of new Daimler Truck shares to be granted has been determined on the basis of a comparative enterprise valuation of the equity interests in the Gamma Partnerships to be transferred, on the one hand, and Daimler Truck AG, on the other hand, which was also carried out by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft in accordance with the standard IDW S 1. After the capital increase against contribution in kind becomes effective, the shareholding of Daimler Grund in Daimler Truck AG will amount to 6.57 %. The comparative valuation made as at 30 November 2021, will also be reviewed subsequently, which may result in compensation payments in both directions. For this reason, there is no need to adjust the ratios of the equity interests held.

- 392 In the context of the capital increase described, an audit of the contribution in kind will be carried out. For this purpose, it will be examined, among other things, whether the value of the contribution in kind is equal to the lowest issue price of the shares granted in return. At the request of the Board of Management of Daimler Truck AG, the Local Court of Stuttgart appointed KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, as the auditor of the contribution in kind for intra-group transactions carried out until 31 December 2021, by order dated 18 December 2020 (cf. §§ 183 para. 3, 33 paras. 3 to 5, 34 et seq. AktG). The auditor of the contribution in kind will submit a report on the value of the contribution in kind. The report on the contribution in kind will be filed and deposited with the commercial register of Daimler Truck AG at the Local Court of Stuttgart. The entry in the commercial register of Daimler Truck AG required for the implementation of the capital increase against contribution in kind is expected to take place at the beginning of December 2021, in any case prior to the Consummation of the Spin-off and Hive-down. Moreover, the consummation of the contribution is to take place at this point in time irrespective of whether the spin-off and hive-down can also become effective immediately thereafter.
- 393 Immediately after the transfer of the equity interests in the Gamma Partnerships from Daimler Grund to Daimler Truck AG, Daimler Truck AG, in turn, will transfer these interests to Daimler Truck Verwaltungsgesellschaft für Grundbesitz mbH.
- 394 Following the transfer of its interests in the Gamma Partnerships, Daimler Grund will no longer hold an interest in them. Daimler Grund Services, as a wholly-owned subsidiary of Daimler AG, will hold 10.1 % in each partnership and Daimler Truck Verwaltungsgesellschaft für Grundbesitz mbH as a wholly owned subsidiary of Daimler Truck AG will hold 89.9 % of the fixed capital of each of the Gamma Partnerships.
- 395 Daimler Grund will then contribute the 58,091,270 new Daimler Truck shares which it received for the contribution of the interests in the Gamma Partnerships to Daimler Truck Holding AG by way of a capital increase against contribution in kind and will receive in return 54,046,227 new shares in Daimler Truck Holding AG (for details, please refer to Section E.V).

- 396 A corresponding restructuring of the equity interests will also take place at Grundstücksverwaltungsgesellschaft EvoBus GmbH & Co. OHG (hereinafter "**EvoBus OHG**"). This partnership is already a wholly-owned (indirect) subsidiary of Daimler Truck AG. Due to tax considerations, Daimler Grund Services will also make an appropriate cash contribution in this case and in this way acquire a 10.1 % interest in the fixed capital of EvoBus OHG. Daimler Truck AG will then – through EvoBus GmbH – hold only 89.9 % of EvoBus OHG.
- 397 The documentation for the contribution of the interests in the Gamma Partnerships and for the pre-structuring of the equity interests in the real estate management partnerships is enclosed in draft form to the Demerger Agreement (cf. Annex 13.1 to the Demerger Agreement).

V. Governance Greater China

- 398 In 2019, the equity interests in enterprises of the Daimler Trucks & Buses division in China were transferred to the then newly established Daimler Truck China Ltd. Daimler Truck China Ltd. holds 100 % of the shares in Daimler Trucks and Buses China Ltd. and 50 % of the shares in Beijing Foton Daimler Automotive Co. Ltd., a joint venture with Chinese Beiqi Foton Motor Co., Ltd. Daimler Trucks and Buses China Ltd. is the import company for Mercedes-Benz Trucks for the Chinese market and also provides after-sales support. Beijing Foton Daimler Automotive Co. Ltd. produces heavy- and medium-duty commercial vehicles under the Auman brand. The local production of the Mercedes-Benz Actros truck series at Beijing Foton Daimler Automotive Co. Ltd. is currently in the project phase. Production is planned to be launched at the end of 2022.
- 399 Administrative functions for the above-mentioned companies are currently mainly sourced from Daimler Greater China Ltd., a subsidiary of Mercedes-Benz AG, through service agreements. Services include Human Resources, IT, Corporate Audit, Legal, Compliance, External Affairs, Tax and Treasury, among other things. Until the spin-off takes effect, these functions will be gradually integrated into Daimler Truck China Ltd. or Daimler Trucks and Buses China Ltd., respectively, with a few exceptions (management of employees on international assignments (cf. Section J.III.9 for the corresponding continuing service relationships), use of IT systems (cf. Section J.III.10 for the corresponding continuing service relationship)). For this purpose, approx. 35 employees (FTEs) are to be transferred from Daimler Greater China Ltd. to Daimler Truck China Ltd. and Daimler Trucks and Buses China Ltd. This largely corresponds to the capacities that are already allocated to or charged to the Trucks & Buses division. The currently valid framework conditions for employees will remain unchanged. If it is not possible to fully staff the function in this way, the positions will be filled by new hirings in exceptional cases.
- 400 The functions located at Daimler Truck China Ltd. and Daimler Trucks and Buses China Ltd. are to exercise their areas of responsibility fully autonomously from the time the spin-off takes effect. It is expected that the processes and systems already in place today at Daimler Truck China Ltd. or its subsidiaries can be largely continued or continue to be used for this. In order to ensure this, the contractual and procedural requirements

are currently being created. The necessary know-how development of the employees takes place through appropriate training measures. The supply of spare parts is also to be carried out independently as soon as possible, at the latest from the time the spin-off takes effect.

- 401 Furthermore, Mercedes-Benz Auto Finance Ltd. and Mercedes-Benz Leasing Company Ltd., which are subsidiaries of Daimler Mobility AG, currently offer financing services for the Trucks & Buses division in China to the customers of Daimler Trucks and Buses China Ltd. on a small scale. Mercedes-Benz Auto Finance Ltd. and Mercedes-Benz Leasing Company Ltd. are expected to continue to make such offers to the customers of Daimler Trucks and Buses China Ltd. also after the spin-off takes effect. There is a possibility that Daimler Trucks and Buses China Ltd. will financially support financing services provided by Mercedes-Benz Auto Finance Ltd. and Mercedes-Benz Leasing Company Ltd. through sales promotion programmes. For this purpose, standardised contracts will be concluded between Daimler Trucks and Buses China Ltd. and Mercedes-Benz Auto Finance Ltd. for each sales promotion programme.

VI. Building up of the financial services business

1. Starting position: Automotive financial services of Daimler AG

- 402 Daimler Mobility AG is a manufacturer-affiliated financial services provider in the automotive sector. With the Daimler Mobility division it heads, it supports the vehicle sales of all divisions of Daimler AG. On average, approx. every second vehicle sold worldwide across all vehicle classes is financed or leased by Daimler Mobility.
- 403 Financial services also play an important role in the sale of trucks and buses. The share of vehicles financed or leased by Daimler Mobility AG in total sales in the truck segment was approx. 24 % in 2020; for the bus segment, this share was 27 %. Worldwide, Daimler Mobility's truck and bus portfolio amounted to approx. EUR 28 billion at the end of 2020.

2. Objective: Splitting-up of the financial services business into Cars & Vans financial services and Trucks & Buses financial services

- 404 In order to optimally support the future focus of the Daimler Group on the passenger car business and of the Daimler Truck Group on the commercial vehicles business, Daimler Mobility AG intends to split the current Financial Services business into two independent financial services companies. Such a step will enable even more focused support for the business of the Future Daimler Group and the Future Daimler Truck Group, respectively: With two clearly aligned units, it will be possible in future to respond in the best possible way to the needs of the respective customers. Two separate organisations will enable the two industrial groups to act more quickly in the future, to invest in a more focused manner and to align growth plans even more closely with their strategic orientation. At the same time, the planned new organisational structure will help to further reduce the complexity within the business model and thus to operate even more competitively in the market. The parent companies of the two financial services units

will be named Daimler Truck Financial Services GmbH (for Trucks & Buses) and Mercedes-Benz Mobility AG (for Cars & Vans), respectively.

3. Principles for the split-up

405 In terms of concept, the split-up of the financial services business will be based on the following principles:

- The aim is to split the overall portfolio consistently and quickly in order to clearly allocate risks and opportunities to the two companies.
- The size and economic viability of the companies at country level are taken into account in the allocation of the business.
- If one segment predominates in the respective portfolio, as a general rule all shares in the respective company are to be transferred. In the event of the transfer of a portfolio in which the trucks and/or buses segment predominates, the existing Cars & Vans portfolio in these companies is to be phased out in the long term. In some cases, there are plans to set up a new financial services company focused exclusively on Cars & Vans.
- If both the Cars & Vans and Trucks & Buses financial services businesses are of a significant size in a country, it is intended to hive down the commercial vehicles business.
- In principle, a so-called lift and shift approach is pursued in the hive-down of the financial services business, i.e. a transfer of business processes and systems with as little changes as possible without significant adjustments and further developments prior to the transfer. This is intended to ensure the timely completion of the measures. In selected countries where the separation measures are scheduled to be completed after 1 December 2021, a different approach will be taken to optimise the economic viability of the new companies from the outset.
- The operational capacity of the financial services companies that will be allocated to the Daimler Truck Group in the future and will support the Trucks & Buses business will be ensured by temporary transitional services agreements with the future Mercedes-Benz Mobility and/or other companies of the Future Daimler Group. The relevant service relationships are described in Section J.V.
- In selected countries, vehicles from the respective other group are to continue to be financed and leased for a limited transitional period in order to support the transition phase (so-called financial services brokerage programme).

4. Phases of separation

406 Phase 1: The major part of the financial services business of the Future Daimler Truck Group will already be transferred before the spin-off takes effect in the so-called Phase 1: By 1 December 2021, the financial services business of today's Daimler Mobility business division for Trucks & Buses in the U.S. (excluding the leasing portfolio), Canada, Brazil, Mexico, as well as Japan, Australia and South Africa is to be transferred; in addition, there is the splitting up of the German headquarters. In Brazil and Mexico, the Cars & Vans portfolio is also to be transferred in the course of the complete disposal of the companies there and then gradually phased out after a transition phase. Operationally, the financial services business for Trucks & Buses in the countries concerned is to continue smoothly from 1 December 2021, subject to the necessary approvals from the relevant regulatory authorities being obtained. Overall, the total portfolio of the companies to be transferred in Phase 1 will be in the order of approx. EUR 18 billion (value as at 1 December 2021, as expected in July 2021; planning range +/-5 %) (cf. Section D.VI.7 a)).

407 Phase 2: The so-called Phase 2 concerns transfers of the financial services business from December 2021. In Argentina, a transfer of the financial services business is planned for January 2022. In line with the approach in Brazil and Mexico, a transfer of the Cars & Vans portfolio is also intended in this context in the course of the complete disposal of the companies there; this portfolio is to be gradually phased out after a transition phase. In the course of 2022, the transfer of the financial services business for the Trucks & Buses division is also planned in the European countries of Belgium, the United Kingdom, Italy, the Netherlands, Spain and Turkey. All in all, the total portfolio of the above-mentioned companies to be transferred is likely to be in the single-digit billion range. In addition, completely new financial services companies for Trucks & Buses are to be established in Germany and France in the course of 2022; from today's perspective, a portfolio transfer is not planned (cf. Section D.VI.7 b)).

408 For the financial services brokerage programmes in the respective Phase 1 and 2 countries, cf. no. 7 a) and b).

5. Allocation of the underlying personnel capacities

409 In order to ensure the functionality of both companies, the following personnel requirements are expected after completion of all transactions envisaged from today's perspective (including the transactions intended for 2022), based on the anticipated portfolio split: (i) approx. 8,900 employees (FTEs) for the Cars & Vans-related financial services business, and (ii) approx. 1,900 employees (FTEs) for the Trucks & Buses-related financial services business. The total capacities in both financial services companies are thus likely to be at the level of approx. 10,800 employees (FTEs) once all transactions envisaged from today's perspective have been completed.

410 The Trucks & Buses-related financial services business is intended to be staffed to a large extent by way of a transfer of employees of Daimler Mobility AG and the companies

currently allocated to the Daimler Mobility division to the financial services companies of the Future Daimler Truck Group (for implementation measures, cf. Section D.VI.7).

- 411 Approximately two-thirds of the total employees (FTEs) to be transferred are expected to transfer on 1 December 2021. The transfer of the remaining employees (FTEs) is planned gradually as part of the transactions taking place after 1 December 2021, and as part of the start-up phase of the newly established companies in Germany and France.

6. Organisational structure

- 412 The planned organisational structure of the new Trucks & Buses-related financial services organisation is based on the parent company Daimler Truck AG. For example, the allocation of responsibilities in the Board of Directors of Daimler Truck Financial Services GmbH will be based on the allocation of responsibilities in the Board of Management of Daimler Truck AG. In principle, the aim is to keep the structure as lean as possible.

7. Overview of the structure of the financial services business in the individual jurisdictions

- 413 Relevant principles for Phase 1 and Phase 2 transactions are to be set out in agreed principles ("Guiding Principles") in order to ensure a structured and uniform approach across all countries and companies. The relevant principles are, in particular, the following: the determination of the purchase prices for the local Phase 1 and Phase 2 transactions (based on valuations prepared by an independent auditing firm) as well as purchase price adjustment mechanisms, the timeline for the implementation of the transactions in the Phase 1 and Phase 2 countries, provisions on the distribution of risks and benefits, on information and participation rights as well as on pre-closing conditions. The Guiding Principles are set out in detail in Annex 2.1 to the Group Separation Agreement, which in turn is an annex to the Demerger Agreement.
- 414 The following provides an overview (i.e. the description is partially simplified and limited to material transaction steps) of the companies and assets which are to be transferred to Daimler Truck AG or its subsidiaries for the purpose of establishing the financial services business in the Future Daimler Truck Group. The presentation is based on the two Phases 1 and 2 described above, i.e. the periods before and after 1 December 2021.
- 415 The type of business transfer (transfer of shares or transfer of assets) varies from country to country. In Mexico, Brazil and Argentina, a complete sale of existing financial services companies is planned. In other cases, the financial services business for the Trucks & Buses division is to be spun off or hived down and transferred to a new company to be established. In some cases, share transfers are planned following these measures. In some countries, only assets are transferred. The purchase prices for the companies and business activities to be transferred will be based on an external valuation in line with market practice as per the respective transfer date.
- 416 The following presentation reflects the current status of the planning.

a) Transactions in Phase 1 (until 1 December 2021)

- 417 According to the current state of planning, transactions in the following jurisdictions are envisaged in Phase 1.
- 418 HQ in Germany: A new headquarters for the independent Trucks & Buses financial services business is to be established in Germany. For this purpose, Daimler Truck Financial Services GmbH with its registered office in Stuttgart was founded in April 2021 as a subsidiary of Daimler Truck AG. By 1 December 2021, assets of the current Daimler Mobility headquarters relating to the financial services business for Trucks & Buses are to be transferred to Daimler Truck Financial Services GmbH. This affects, among others, the central functions HR, Finance, IT, Operations, Risk Management and Legal. Daimler Truck Financial Services GmbH is to assume the coordination and management function for the worldwide financial services business of the Future Daimler Truck Group and will hold equity interests in various local financial services companies of the Daimler Truck Group. It is also planned that Daimler Truck Financial Services GmbH will provide services to the local Daimler Truck financial services companies on the basis of service level agreements yet to be concluded (cf. also Section J.V.). Daimler Truck Financial Services GmbH will not itself conduct any business that requires a license under the German Banking Act, the German Securities Trading Act and/or the German Payment Services Supervision Act.
- 419 Handling minority interests: Amongst other things, Daimler Mobility Services GmbH, a subsidiary of Daimler Mobility AG, currently holds approx. 3 % of the shares in FlixBus GmbH. These shares are to be transferred to EvoBus GmbH, a subsidiary of Daimler Truck AG, by 1 December 2021. In addition, Daimler AG currently holds 15 % of the shares in Toll4Europe GmbH. This shareholding allocated to the Daimler Mobility division. These shares are also to be transferred to Daimler Truck AG by 1 December 2021.
- 420 Brazil: In Brazil, Daimler Mobility AG currently holds 100 % minus one share in Daimler Mobility Brasil Holding S.A., which in turn holds interests in various subsidiaries. As of 1 December 2021, Daimler Mobility AG's shares in Daimler Mobility Brasil Holding S.A. are to be transferred in full to Daimler Truck Financial Services GmbH. The one share held by Daimler Mobility Vermögens- und Beteiligungsgesellschaft mbH in Daimler Mobility Brasil Holding S.A. is to be transferred to Daimler Truck Vermögens- und Beteiligungsgesellschaft mbH.
- 421 Mexico: In Mexico, Daimler Mobility AG currently holds more than 99 % of the shares in Daimler Financial Services México S. de R.L. de C.V. and in Daimler Servicios Corporativos México S. de R.L. de C.V., which in turn holds over 99 % of the interests in Daimler Financial Services, S.A. de C.V., S.O.F.O.M., E.N.R. The remaining shares in the aforementioned companies are currently held by Daimler Mobility Vermögens- und Beteiligungsgesellschaft mbH. By 1 December 2021, the shares held by Daimler Mobility AG in Daimler Financial Services México S. de R.L. de C.V. and in Daimler Servicios Corporativos México S. de R.L. de C.V. will be transferred to Daimler Truck Financial Services GmbH. The shares of Daimler Mobility Vermögens- und

Beteiligungsgesellschaft mbH in the aforementioned companies are to be transferred to Daimler Truck Vermögens- und Beteiligungsgesellschaft mbH. Furthermore, it is intended to set up a new financial services company for Cars & Vans in Mexico.

- 422 USA: In the U.S., the financial services business for Trucks & Buses of Mercedes-Benz Financial Services USA LLC is to be separated and transferred by way of asset transfer to the newly established company Daimler Truck Financial Services USA LLC, a wholly-owned subsidiary of Daimler Trucks and Buses US Holding LLC, as of 1 December 2021. The existing leasing portfolio is excluded from the transfer for tax reasons. In addition, the establishment of a new subsidiary for insurance services is planned.
- 423 Canada: In Canada, the financial services business for the Trucks & Buses division of Mercedes-Benz Financial Services Canada Corporation is to be separated and transferred to the newly established Daimler Truck Financial Services Canada Corporation by way of an asset transfer as of 1 December 2021. Daimler Truck Financial Services Canada Corporation is a wholly-owned subsidiary of Daimler Truck Financial Services GmbH.
- 424 Australia: In Australia, the financial services business for the Trucks & Buses division of Mercedes-Benz Financial Services Australia Pty. Ltd. is to be separated and transferred to the newly established Daimler Truck Financial Services Australia Pty. Ltd. by way of an asset transfer as of 1 December 2021. Daimler Trucks Financial Services Australia Pty. Ltd. is a wholly-owned subsidiary of Daimler Truck Financial Services GmbH.
- 425 South Africa: In South Africa, the financial services business for Trucks & Buses of Mercedes-Benz Financial Services South Africa (Pty) Ltd. is to be separated and transferred to the newly established Daimler Trucks Financial Services South Africa (Pty) Ltd. by way of an asset transfer as of 1 December 2021. Daimler Trucks Financial Services South Africa (Pty) Ltd. is a wholly-owned subsidiary of Daimler Trucks & Buses Southern Africa (Pty Ltd).
- 426 Japan: In Japan, Daimler Truck Financial Services Asia Co., Ltd. will initially be established as a new wholly-owned subsidiary of Mercedes-Benz Finance Co. Ltd. As of 1 December 2021, the financial services business for Trucks & Buses of Mercedes-Benz Finance Co. Ltd. is to be transferred to this subsidiary by way of a spin-off. Subsequently, the newly established Daimler Truck Financial Services Asia Co., Ltd. is to be transferred to Daimler Truck Financial Services GmbH. Talks are currently being held with the minority shareholder of Mercedes-Benz Finance Co. Ltd. to this end.
- 427 Brokerage programmes in connection with Phase 1 transactions: Financial services for Cars & Vans are to be offered in Brazil and Mexico for a limited period of time after 1 December 2021 (financial services brokerage programme).

b) Transactions in Phase 2 (after the beginning of December 2021)

- 428 According to the current state of planning, transactions in the following jurisdictions are envisaged in Phase 2.

- 429 Argentina: In Argentina, Daimler Mobility AG currently holds 100 % of the shares in Mercedes-Benz Servicios S.A.U., which in turn holds 97 % of the shares in Mercedes-Benz Compañía Financiera Argentina S.A. and 95 % of the shares in Mercedes-Benz Broker Argentina S.A. The remaining shares in the aforementioned companies are currently held by Daimler Mobility Vermögens- und Beteiligungsgesellschaft mbH. In January 2022, (i) 85 % of the shares in Mercedes-Benz Servicios S.A.U. and (ii) 95 % of the shares in Mercedes-Benz Argentina S.A. are to be transferred to Daimler Truck Financial Services GmbH, and the remaining 15 % of the shares are to be transferred to Daimler Truck Vermögens- und Beteiligungsgesellschaft mbH. The minority interests in Mercedes-Benz Compañía Financiera Argentina S.A. and Mercedes-Benz Broker Argentina S.A. are also to be transferred from Daimler Mobility Vermögens- und Beteiligungsgesellschaft mbH to Daimler Truck Vermögens- und Beteiligungsgesellschaft mbH.
- 430 Belgium: In Belgium, Daimler Mobility AG is initially to acquire all shares of Daimler Mobility Vermögens- und Beteiligungsgesellschaft mbH in the current subsidiary Mercedes-Benz Financial Services BeLux N.V. Thereafter, Daimler Mobility AG is to establish Mercedes-Benz Trucks Financial Services Belgium N.V. In the course of 2022, the financing business for Trucks & Buses of the current subsidiary Mercedes-Benz Financial Services BeLux N.V. is to be spun off and transferred to Mercedes-Benz Trucks Financial Services Belgium N.V. Daimler Mobility AG is then to transfer all of its shares in Mercedes-Benz Trucks Financial Services Belgium N.V. to Daimler Truck Financial Services GmbH.
- 431 Germany: In Germany, the establishment of a new leasing company, Mercedes-Benz Trucks Financial Services Deutschland GmbH, is planned; following the start of operations, the Trucks & Buses portfolio at Mercedes-Benz Bank AG is to be phased out. A transfer of portfolio is currently not planned due to the expected disproportionately high technical complexity of such a transfer.
- 432 France: In France, the establishment of a new financial services company for Trucks & Buses is envisaged; subsequently, it is planned to phase out the Trucks & Buses portfolio at the financial services company for Cars & Vans. A transfer of portfolio is currently not intended due to the expected disproportionate costs of re-registration of vehicles required in the event of a transfer.
- 433 United Kingdom: In the United Kingdom, the financial services business for Trucks & Buses of the subsidiary Mercedes-Benz Financial Services UK Ltd. is to be separated and transferred in the course of 2022 by way of an asset transfer to the company Mercedes-Benz Trucks Financial Services UK Ltd. to be newly founded as a wholly-owned subsidiary of Daimler Truck Financial Services GmbH.
- 434 Italy: In Italy, as a first step, Mercedes-Benz Trucks Financial Services Italia S.p.A. is to be established as a new wholly-owned subsidiary of Daimler Mobility AG. In the course of 2022, the financial services business for Trucks & Buses of the current subsidiary Mercedes-Benz Financial Services Italia S.p.A. is to be spun off and transferred to the newly established Mercedes-Benz Trucks Financial Services Italia S.p.A. Subsequently,

all shares of Daimler Mobility AG in Mercedes-Benz Trucks Financial Services Italia S.p.A. are to be transferred to Daimler Truck Financial Services GmbH.

- 435 The Netherlands: In the Netherlands, the current subsidiary Mercedes-Benz Financial Services Nederland B.V. will initially establish a subsidiary Mercedes-Benz Trucks Financial Services Nederland B.V. In the course of 2022, the financing business for Trucks & Buses of Mercedes-Benz Financial Services Nederland B.V. is to be separated and transferred to Mercedes-Benz Trucks Financial Services Nederland B.V. Subsequently, Mercedes-Benz Trucks Financial Services Nederland B.V. is to be transferred to Daimler Truck Financial Services GmbH.
- 436 Spain: In Spain, in the course of 2022, the financial services business for Trucks & Buses of the current subsidiary Mercedes-Benz Financial Services España, E.F.C., S.A. is to be transferred to the newly established company Mercedes-Benz Trucks Financial Services España, E.F.C., S.A.U., by means of a spin-off by way of new formation. Subsequently, Daimler Mobility AG is to sell its 100 % interest in Mercedes-Benz Trucks Financial Services España, E.F.C., S.A.U. to Daimler Truck Financial Services GmbH. The current Mercedes-Benz Renting, S.A., a subsidiary of Daimler Mobility AG, is to transfer its Trucks & Buses rental business in the course of 2022 by way of an asset transfer to the newly established Mercedes-Benz Trucks Renting España, S.A.U., a wholly-owned subsidiary of Daimler Truck Financial Services GmbH.
- 437 Turkey: In Turkey, in a first step Daimler Mobility AG will acquire all shares of the four existing minority shareholders (0.0006 % each) in the current subsidiary Mercedes-Benz Finansman Türk A.S. Subsequently, Mercedes-Benz Finansman Türk A.S. is to establish the wholly-owned subsidiary Mercedes-Benz Kamyon Finansman A.S. In the course of 2022, the financing business of Mercedes-Benz Finansman Türk A.S. for Trucks & Buses is to be transferred to the newly established subsidiary. Subsequently, all shares of Mercedes-Benz Finansman Türk A.S. in Mercedes-Benz Kamyon Finansman A.S. are to be transferred to Daimler Truck Financial Services GmbH. In addition, the establishment of a new subsidiary for insurance services is planned.
- 438 Brokerage programmes in connection with Phase 2 transactions: In Argentina, financial services for Cars & Vans will be offered for a limited period of time after the transfer. Temporary financial services for Trucks & Buses are planned in Belgium, the United Kingdom, Italy, the Netherlands, Spain and Turkey between 1 December 2021, and the completion of the transaction in 2022. In Germany and France, such a brokerage programme is planned between 1 December 2021 and the start of operations of the new subsidiaries of Daimler Truck Financial Services GmbH being established in these countries.

c) Procedure in other jurisdictions

- 439 In a number of countries, no transfer of the financial services business is intended, in particular due to the small size of the business activities in this segment.

440 In some of these countries, a complete phase-out of the financial services business for Trucks & Buses is planned. This concerns the activities in Denmark, India, Hong Kong, Luxembourg, Malaysia, Portugal, Sweden, Switzerland, Singapore, South Korea and Taiwan. In contrast, the financial services business for Cars & Vans in these countries is to be continued.

441 In other countries in which no transfer of the financial services business is intended, the financial services business for Trucks & Buses is to be served by the existing company for the time being in the form of a brokerage programme (cf. also Section J.V). This concerns Austria, China, Czech Republic, Hungary, New Zealand, Poland, Romania, Russia, Slovakia and Thailand. The financial services business for Cars & Vans in these countries is to be continued.

VII. Insurance

442 Daimler Truck AG and its subsidiaries are currently covered by corporate insurance policies that apply to the entire Daimler Group – for example, for production facilities, transportation, or for members of the corporate bodies of the included companies.

443 For the period after the spin-off takes effect, a separate D&O insurance policy is to be taken out for members of the corporate bodies of companies of the Future Daimler Truck Group. For all other insurance programmes, it is intended that the companies of the Future Daimler Truck Group will continue to be included in the insurance coverage under the existing insurance programmes of Daimler AG, i.e. beyond the effective date of the spin-off and until the end of the respective current insurance period. To this end, insurance certificates will be provided, a provision for the distribution of indemnification payments in the event that insurance limits are exceeded will be agreed and assignments of indemnification payments to the companies of the Future Daimler Truck Group will be stipulated.

444 Generally, existing insurance coverage will terminate at 0:00 a.m. on 1 January 2022, with the exception of global liability insurance, which is not due for renewal until 1 July 2022. Until these dates, Daimler Truck AG will conclude independent insurance contracts for the companies of the Future Daimler Truck Group, which will be brokered by Daimler Insurance Services GmbH (a subsidiary of today's Daimler Mobility AG). One exception is the area of information technology: In view of the expected status of the separation of the IT infrastructure, it is currently assumed that a joint cyber policy will be concluded in 2022.

445 For the future performance relationships relating to insurance, cf. Section J.V.

VIII. Further strengthening of the equity of Daimler Truck AG

446 In order to ensure that the Future Daimler Truck Group will be adequately capitalised, Daimler AG has undertaken to make corresponding additional payments into the free reserves of Daimler Truck AG in the Demerger Agreement prior to the Consummation of the Demerger Agreement (cf. § 17.4 of the Demerger Agreement).

- 447 An amount of EUR 1,987 million of the additional payment will initially be used for the acquisition and development of the commercial vehicles-related financial services business (cf. the comments in Section D.VI) as well as for the acquisition of companies, business activities and assets (including rights to use trademarks and patents) attributable to the Trucks & Buses division (in this respect, cf. the comments in Sections D.IV.1 and D.III). This amount will therefore, over time, flow back almost entirely to companies of the Daimler Group. The above amount has been determined on the basis of preliminary valuations of the assets to be transferred, but is not subject to any adjustments in the event that deviations should arise when the final valuations are available.
- 448 An amount of EUR 250 million of the additional payment serves as an endowment into the trust assets of the Future Daimler Truck Group to strengthen the protection of long-term pension obligations.
- 449 A further amount of the additional payment of EUR 3,143 million is made with the aim of ensuring on the whole that Daimler Truck AG has an adequate equity base. Based on a planned positive business development, a solid capital structure and liquidity position, the Board of Management of Daimler AG expects an investment grade rating for the Future Daimler Truck Group. In order to achieve the desired investment grade rating, the further additional payment referred to above was therefore contractually promised to Daimler Truck Holding AG. In this context, the net liquidity of the industrial business targeted for the Future Daimler Truck Group (cf. for its calculation and significance also the description in the regular financial reporting of Daimler AG) at the time the spin-off is forecast to become effective and the economic development of Daimler Truck AG in the 2021 financial year were taken into account. The free cash flow generated by the commercial vehicles business in the second half of the financial year will be available in full to the Future Daimler Truck Group (in the event that the effective date of the spin-off is postponed to 2022, cf. the special provision in § 17.4 of the Demerger Agreement as well as, in this respect, the explanation in Section L.I.17). Furthermore, this additional payment includes an allocation of EUR 1,500 million for an innovation fund, which is to be used to promote the further development of future technologies and to secure employment on the path to transformation at the German sites, as well as compensation for provisions already formed for legal proceedings, which may lead to corresponding cash outflows in subsequent years.

IX. Administrative proceedings

- 450 The spin-off of a majority interest in Daimler Truck AG pursuant to the German Transformation Act and the resulting separation of Daimler Truck AG from today's Daimler Group as well as various intra-group transfers of companies or company shares and/or assets from Daimler AG (or the subsidiaries belonging to its group also after the spin-off takes effect) to Daimler Truck AG or its subsidiaries required in this context trigger legally binding regulatory approval procedures with the authorities responsible for merger and/or foreign investment control.
- 451 Daimler AG will carry out all legally required merger control notification, filing and approval procedures. This concerns, as a prerequisite for the spin-off to take effect,

proceedings in the countries India, Mexico, South Africa and Russia. Besides, the competition authority in Israel has already confirmed that there is no notification obligation in Israel.

- 452 In addition, Daimler AG will also carry out all necessary filing, notification and approval proceedings with respect to foreign investment control proceedings. This is expected to concern the countries Australia and France in which the administrative proceedings are still pending. Furthermore, Daimler AG has already notified the Committee on Foreign Investment in the United States (CFIUS) of the project, which has informed Daimler AG, on 6 August 2021 that there are no national security concerns. Moreover, Daimler AG has also notified the project to the competent authority in Italy (Presidenza del Consiglio dei Ministri) and received confirmation that the project does not fall within the scope of Legislative Decree no. 21/2012 (so-called Golden Power Regulation). Daimler AG has also made informal contact to the Department for Business, Energy & Industrial Strategy in the United Kingdom.
- 453 The Board of Management of Daimler AG expects that the notification, filing and approval procedures under merger control law as well as the notification, filing and approval procedures relating to foreign investment control proceedings can be completed in time for the spin-off and hive-down to take effect in December 2021. If – contrary to expectations – this is not the case, the Board of Management will examine on a case-by-case basis how outstanding regulatory approvals and clearances can be accounted for.

E. Legal Implementation of the Separation of Daimler's Commercial Vehicles Business

454 This section explains the legal steps to be taken to implement the spin-off and hive-down and the related measures.

I. Summary overview

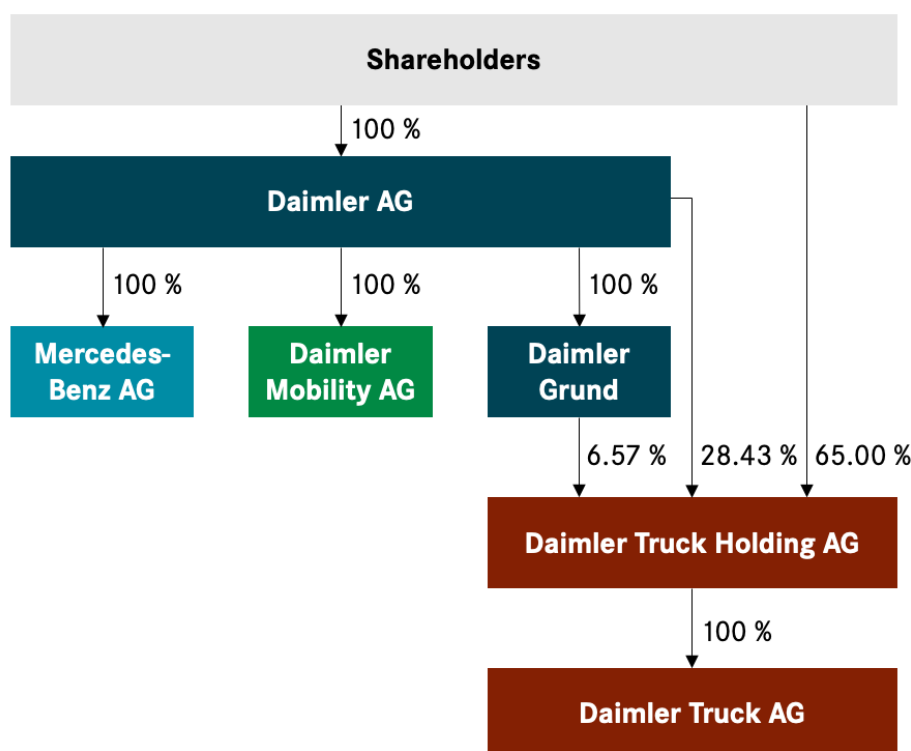
455 From a legal perspective, the separation of the commercial vehicles business from the Daimler Group will be carried out in three steps, which are to be completed in direct temporal correlation:

- With the spin-off, which will be the first step, Daimler shareholders will acquire an interest in Daimler Truck Holding AG.
- The hive-down as the second step serves to create the direct interest of Daimler AG in Daimler Truck Holding AG remaining after the spin-off and hive-down have become effective.
- The third step consists of the contribution of several real estate management partnerships which are attributable to the Trucks & Buses division, but which could not already be transferred in the course of the Group restructuring in 2019 for tax reasons (so-called Gamma Partnerships, cf. Section D.IV.2). In legal terms, this step will technically be implemented by Daimler Grund contributing the new Daimler Truck shares it will receive for contributing the Gamma Partnerships to Daimler Truck AG into Daimler Truck Holding AG immediately in connection with the spin-off and hive-down. As a result, this step will lead to Daimler Grund's participation in Daimler Truck Holding AG as indicated below in the target chart.

456 In the first step, Daimler AG will spin off a majority interest of 65.00 % in the (increased) share capital of Daimler Truck AG as well as the control and profit and loss transfer agreement existing between Daimler AG and Daimler Truck AG to Daimler Truck Holding AG by way of a spin-off by means of acquisition (§ 123 para. 2 no. 1 UmwG). As consideration for the transfer of the assets to be spun off, the Daimler shareholders will receive one share of Daimler Truck Holding AG for two Daimler shares, i.e. a total of 534,918,723 new no-par value registered shares of Daimler Truck Holding AG. The shares required for this purpose will be created by means of a capital increase at the level of Daimler Truck Holding AG for the purpose of implementing the spin-off (hereinafter the "**Capital Increase Against Contribution in Kind I**").

457 In the second step, Daimler AG will transfer 251,498,474 Daimler Truck shares to Daimler Truck Holding AG by way of a hive-down by means of absorption (§ 123 para. 3 no. 1 UmwG). As consideration for the transfer of the Daimler Truck Shares, Daimler AG will receive 233,936,002 new no-par value registered shares of Daimler Truck Holding AG. The shares required for this purpose will be created by means of a capital increase at the level of Daimler Truck Holding AG for the purpose of implementing the hive-down (hereinafter the "**Capital Increase Against Contribution in Kind II**").

- 458 In order to implement the third step, Daimler Grund will contribute its interests in the Gamma Partnerships to Daimler Truck AG before the spin-off and hive-down take effect. In return, the latter will increase its share capital by EUR 58,091,270.00 to EUR 884,544,984.00 by issuing new no-par value registered shares (hereinafter the **"New Daimler Truck Shares"**) and allow Daimler Grund to subscribe to the New Daimler Truck Shares. Immediately after the spin-off and hive-down take effect, Daimler Grund will contribute the New Daimler Truck Shares by way of a capital increase against contribution in kind to Daimler Truck Holding AG, which for this purpose will increase its share capital – after implementation of Capital Increase Against Contribution in Kind I and Capital Increase Against Contribution in Kind II – by EUR 54,047,157.00 to EUR 822,951,882.00 by issuing 54,047,157 new shares (hereinafter the **"Capital Increase Against Contribution in Kind III"**). In the course of the Capital Increase Against Contribution in Kind III, Daimler Grund will, in addition to the New Daimler Truck Shares, also contribute to Daimler Truck Holding AG 1,000 (already existing) Daimler Truck shares which were created in February 2021 and therefore are not to be hived down or spun off and which Daimler AG will contribute to the free capital reserve of Daimler Grund after the conclusion of the Demerger Agreement.
- 459 Following the implementation of the three steps described above, the consummation of which in accordance with the provisions of the Demerger Agreement is to take place immediately after each other and on the same day at the level of Daimler Truck Holding AG, the shareholding structure in simplified form will be as follows:



- 460 Daimler AG intends to transfer an interest in Daimler Truck Holding AG in the amount of 5 % to Daimler Pension Trust e.V., which will hold the shares in trust for Daimler AG

or Mercedes-Benz AG, if necessary via a special fund, as security assets after the Consummation of the Spin-Off Agreement.

II. Transferring and acquiring legal entity in the context of spin-off and hive-down

461 In the spin-off and hive-down, Daimler AG as transferring entity and Daimler Truck Holding AG as acquiring entity are involved.

III. Spin-off by means of absorption pursuant to § 123 para. 2 no. 1 UmwG and spin-off assets

462 From a legal perspective, the spin-off to be implemented as the first step is effected in the form of a spin-off by means of absorption pursuant to § 123 para. 2 no. 1 UmwG. Accordingly, Daimler AG, as the transferring legal entity, transfers the assets to be spun off to Daimler Truck Holding AG in accordance with the spin-off and hive-down agreement. The assets to be spun off consist of 574,954,240 Daimler Truck shares, which are listed in the share register of Daimler Truck AG under numbers 251,498,475 to 826,452,714, as well as the control and profit and loss transfer agreement between Daimler AG and Daimler Truck AG with all rights and obligations resulting therefrom as at the spin-off effective date, i.e. 1 January 2021 (for the content of the control and profit and loss transfer agreement, cf. the explanations above in Section B.IV.6).

463 As consideration, Daimler Truck Holding AG, as the acquiring entity, will grant to the shareholders of Daimler AG, free of charge and in proportion to their shareholdings in Daimler AG, one no-par value registered share of Daimler Truck Holding AG for each two no-par value registered shares of Daimler AG. A total of 534,918,723 new no-par value registered shares of Daimler Truck Holding AG will be granted to the shareholders of Daimler AG, with an entitlement to profits from 1 January 2022.

464 The assets to be spun off are transferred by way of partial universal succession, i.e. they are transferred to Daimler Truck Holding AG in their entirety upon entry of the spin-off in the commercial register of Daimler AG. As of that date, the shareholders of Daimler AG will hold 65.00 % of the share capital of Daimler Truck Holding AG. As part of the assets to be spun off, the control and profit and loss transfer agreement existing between Daimler AG and Daimler Truck AG will be transferred to Daimler Truck Holding AG, i.e. Daimler Truck Holding AG will replace Daimler AG as the controlling company. For reasons of legal precaution, the consent of Daimler Truck AG has been obtained for this transaction. The change of controlling company must be filed for entry in the commercial register of Daimler Truck AG; however, the entry has only declaratory significance.

465 The transfer of the assets to be spun off is to take place in the internal relationship between Daimler AG and Daimler Truck Holding AG for commercial balance sheet purposes with economic effect as of 0:00 a.m. on 1 January 2021 (hereinafter the "**Spin-Off Effective Date**"). From this date onwards, between Daimler AG and Daimler Truck Holding AG the transactions of Daimler AG relating to the assets to be spun off will be

carried out for the account of Daimler Truck Holding AG for the purposes of the commercial balance sheet. The tax transfer effective date for the spin-off is 31 December 2020, 12:00 p.m.

466 In the event that the spin-off is not entered in the commercial register of Daimler AG until the end of 31 December 2021, the Demerger Agreement provides that the Spin-Off Effective Date is postponed to 1 January 2022, 0:00 a.m. and that the Tax Transfer Effective Date for the Spin-Off is postponed to 31 December 2021, 12:00 p.m. In case of a further delay of the entry in the commercial register beyond 31 December of the following year, the Spin-Off Effective Date is to be postponed by another year in each case. The same applies to the Tax Transfer Effective Date for the Spin-Off.

467 Pursuant to § 31.2 of the Demerger Agreement, both Daimler AG and Daimler Truck Holding AG have the right to withdraw from the Demerger Agreement in the event that registration of the spin-off and hive-down cannot be achieved by 30 June 2022.

IV. Hive-down by means of absorption pursuant to § 123 para. 3 no. 1 UmwG and hive-down assets

468 From a legal perspective, the hive-down as the second step of the transaction is effected in the form of a hive-down by means of absorption pursuant to § 123 para. 3 no. 1 UmwG. Accordingly, Daimler AG, as the transferring legal entity, transfers the assets to be hived down pursuant to the Demerger Agreement to Daimler Truck Holding AG for absorption. The assets to be hived down consist exclusively of 251,498,474 Daimler Truck shares, which are listed in the share register of Daimler Truck AG under numbers 1 to 251,498,474. As consideration, Daimler Truck Holding AG, as the acquiring entity, grants 233,936,002 new no-par value registered shares to Daimler AG, with an entitlement to profits from 1 January 2022.

469 The assets to be hived down are also transferred by way of partial universal succession, i.e. they are transferred to Daimler Truck Holding AG in their entirety upon entry of the hive-down in the commercial register of Daimler AG. As a result of the hive-down, Daimler AG will hold 28.43 % of the share capital of Daimler Truck Holding AG (in relation to the increased share capital of the company after spin-off and hive-down and after the contribution of the Daimler Truck shares have become effective). Together with the shareholding of Daimler Grund in Daimler Truck Holding AG, the (direct and indirect) shareholding of Daimler AG in Daimler Truck Holding AG will thus amount to a total of 35.00 % (in relation to the increased share capital).

470 The transfer of the assets to be hived down is to take place in the internal relationship between Daimler AG and Daimler Truck Holding AG for commercial balance sheet purposes with economic effect as of 0:00 a.m. on 1 January 2021 (hereinafter the "**Hive-Down Effective Date**"). From this effective date onwards, between Daimler AG and Daimler Truck Holding AG the transactions of Daimler AG relating to the assets to be hived down will be carried out for the account of Daimler Truck Holding AG for the purposes of the commercial balance sheet.

- 471 The tax transfer effective date for the hive-down is the consummation date of the hive-down within the meaning of § 15.1 of the Demerger Agreement, i.e. the entry of the hive-down in the commercial register of Daimler AG.
- 472 In the event that the hive-down is not entered in the commercial register of Daimler AG until the end of 31 December 2021, the Demerger Agreement provides that the Hive-Down Effective Date is postponed to 1 January 2022, 0:00 a.m. In case of a further delay of the entry in the commercial register beyond 31 December of the following year, the Hive-Down Effective Date is to be postponed by another year.
- 473 Pursuant to § 31.2 of the Demerger Agreement, both Daimler AG and Daimler Truck Holding AG have the right to withdraw from the Demerger Agreement in the event that the registration of the spin-off and hive-down cannot be achieved by 30 June 2022.

V. Contribution of new shares of Daimler Truck AG to Daimler Truck Holding AG by Daimler Grund

- 474 Immediately following the spin-off and hive-down, Daimler Grund will contribute the Daimler Truck Shares held by it to Daimler Truck Holding AG. These are, on the one hand, the New Daimler Truck Shares which Daimler Grund received as consideration for the contribution of its interests in the Gamma Partnerships to Daimler Truck AG in the course of a previous capital increase against contribution in kind at Daimler Truck AG (in this respect, reference is made to the description in Section D.IV.2), and, on the other hand, 1,000 already existing Daimler Truck shares which Daimler AG will contribute to Daimler Grund prior to the Consummation of the Demerger Agreement.
- 475 Pursuant to § 191 sent. 1 AktG, a transfer of new shares cannot take place prior to the registration of the implementation of the capital increase in the commercial register of the respective stock corporation. Therefore, the capital increase at Daimler Truck AG must first become effective by registration in the commercial register of Daimler Truck AG. Only then can the contribution of the New Daimler Truck Shares by Daimler Grund to Daimler Truck Holding AG be completed by way of a separate agreement and the capital increase against contribution in kind of Daimler Truck Holding AG be filed for registration in the commercial register. The capital increase against contribution in kind at Daimler Truck AG will take place at the beginning of December 2021.
- 476 As consideration for the contribution, Daimler Truck Holding AG will grant 54,047,157 new no-par value registered shares to Daimler Grund, with an entitlement to profits from 1 January 2022. This is equivalent to 6.57 % of the share capital of Daimler Truck Holding AG based on the increased share capital of the company after the spin-off and hive-down and the contribution of the Daimler Truck shares have become effective.
- 477 The contribution of the Daimler Truck shares by Daimler Grund will be subject to both the condition precedent of the spin-off and hive-down taking effect and the condition precedent of the registration of the implementation of the Capital Increase Against Contribution in Kind III in the commercial register of Daimler Truck Holding AG. This

mechanism ensures that all Daimler Truck shares are transferred to Daimler Truck Holding AG on the same day.

- 478 The documentation regarding the contribution of the Daimler Truck shares by Daimler Grund is enclosed in draft form with the Demerger Agreement (cf. Annex 14.1 to the Demerger Agreement).

VI. Demerger Agreement

- 479 The basis of the spin-off and hive-down is the Demerger Agreement dated 6 August 2021, concluded between Daimler AG and Daimler Truck Holding AG in notarised form. The Demerger Agreement will be submitted to the General Meetings of Daimler AG and Daimler Truck Holding AG for approval. In particular, it contains the mandatory information required for the spin-off and hive-down pursuant to § 126 UmwG. This includes provisions, among other things, for determining the assets to be spun off and the assets to be hived down as well as details of the transfer of the assets to be spun off and hived down, and the consideration to be given in return. In addition, the Demerger Agreement describes the creation of the New Daimler Truck Shares through the contribution of the shares in the Gamma Partnerships to Daimler Truck AG and the contribution of the newly created Daimler Truck shares to Daimler Truck Holding AG. The provisions of the Demerger Agreement, including its annexes, are described in detail in Section L.

- 480 The Demerger Agreement will be filed with the commercial register of Daimler AG prior to the convening of the extraordinary General Meeting of Daimler AG which is to decide on its approval (cf. § 125 sent. 1 in conjunction with § 61 sent. 1 UmwG). At the same time, in anticipation of the General Meeting of Daimler Truck Holding AG to be held after the General Meeting of Daimler AG (cf. Section E.IX below in this respect), the Demerger Agreement will also be submitted to the commercial register of Daimler Truck Holding AG.

- 481 The Demerger Agreement will be submitted to the General Works Council existing at Daimler AG and the Group Works Council existing at Daimler AG (§ 126 para. 3 UmwG). No works council exists at Daimler Truck Holding AG, which means that the Demerger Agreement cannot be submitted.

VII. Spin-off audit and spin-off audit report

- 482 Pursuant to § 125 sent. 1 in conjunction with § 9 para. 1 UmwG, the spin-off set out in the Demerger Agreement has to be audited by a court-appointed expert spin-off auditor. Upon the joint application of the Board of Management of Daimler AG and the Board of Management of Daimler Truck Holding AG, by order dated 30 April 2021, the Regional Court of Stuttgart appointed KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, as joint expert spin-off auditor pursuant to § 125 sent. 1 in conjunction with § 10 para. 1 UmwG.

- 483 The spin-off auditor will submit a written report on the results of the audit pursuant to § 125 sent. 1 in conjunction with § 12 UmwG, which, like this Demerger Report, will be

publicly accessible as of the publication of the convening of the extraordinary General Meeting of Daimler AG.

- 484 Pursuant to § 125 sent. 2 UmwG, the hive-down also provided for in the Demerger Agreement does not have to be audited by a court-appointed expert auditor.

VIII. General Meeting of Daimler AG

- 485 For the Demerger Agreement to be effective, the approval by the General Meeting of Daimler AG with a majority of at least three quarters of the share capital represented when the resolution is adopted (§ 125 sent. 1 in conjunction with §§ 13 para. 1, 65 para. 1 UmwG) and a simple majority of the votes cast (§ 133 para. 1 AktG) is required.

- 486 The Demerger Agreement is to be submitted to an extraordinary General Meeting of Daimler AG on 1 October 2021, for approval. The documents to be displayed with regard to the spin-off and hive-down pursuant to § 63 para. 1 UmwG, including, in particular, the interim balance sheets of Daimler AG and Daimler Truck Holding AG as at 30 June 2021, will be made available on the website of Daimler AG in advance of the General Meeting.

- 487 Due to the planned renaming of Daimler AG to "Mercedes-Benz Group AG", the approval of the necessary amendment to the Articles of Incorporation is also to be obtained at the extraordinary General Meeting. In order for the amendment to the Articles of Incorporation to be effective, a simple majority of the share capital represented when the resolution is adopted is required (§ 179 para. 2 sent. 2 sub-clause 1 AktG in conjunction with § 16 sent. 2 of the Articles of Incorporation of Daimler AG) as well as a simple majority of the votes cast (§ 133 para. 1 AktG). The renaming of Daimler AG to "Mercedes-Benz Group AG" is to take effect as of 1 February 2022, provided that the spin-off has taken effect until then.

IX. General Meeting of Daimler Truck Holding AG; capital increases to implement the measures provided for in the Demerger Agreement; audits of contribution in kind and post-formation

- 488 The effectiveness of the Demerger Agreement further requires the approval of the General Meeting of Daimler Truck Holding AG. Also, in this regard, the approval by the General Meeting with a majority of at least three quarters of the share capital represented when the resolution is adopted (§ 125 sent. 1 in conjunction with §§ 13 para. 1, 65 para. 1 UmwG) and a simple majority of the votes cast (§ 133 para. 1 AktG) is required.

- 489 The General Meeting of Daimler Truck Holding AG will be held after the extraordinary General Meeting of Daimler AG. Daimler AG, as the sole shareholder of Daimler Truck Holding AG, will grant its consent to the Demerger Agreement. At the same General Meeting, it is also intended to resolve on the implementation of the capital increases for conducting the spin-off and hive-down (Capital Increases Against Contribution in Kind I

and II) and the capital increase for the implementation of the contribution of Daimler Truck Shares by Daimler Grund (Capital Increase Against Contribution in Kind III).

- 490 To implement the spin-off, Daimler Truck Holding AG will increase its share capital in the course of the Capital Increase Against Contribution in Kind I from EUR 50,000.00 by EUR 534,918,723.00 to EUR 534,968,723.00 by issuing 534,918,723 new no-par value registered shares. No additional premium is owed (cf. § 4.3 of the Demerger Agreement). The contribution in kind shall be made by transfer of the assets to be spun off. To the extent that the value at which the contribution in kind made by Daimler AG is assumed by Daimler Truck Holding AG exceeds the amount of the increase of Daimler Truck Holding AG's share capital, such excess amount will be allocated to the capital reserve of Daimler Truck Holding AG pursuant to § 272 para. 2 no. 1 HGB (cf. § 4.4 of the Demerger Agreement). The registration of the spin-off can only take place after the implementation of the Capital Increase Against Contribution in Kind I has been entered in the commercial register of Daimler Truck Holding AG (§ 125 sent. 1 in conjunction with § 66 UmwG).
- 491 To implement the hive-down, Daimler Truck Holding AG will then increase its share capital in the course of the Capital Increase Against Contribution in Kind II from EUR 534,968,723.00 by EUR 233,936,002.00 to EUR 768,904,725.00 by issuing 233,936,002 new no-par value registered shares. In this respect, too, no additional premium is owed (cf. § 10.3 of the Demerger Agreement). The contribution in kind is made by transfer of the Hive-Down Assets. To the extent that the value at which the contribution in kind made by Daimler AG is assumed by Daimler Truck Holding AG exceeds the amount of the increase of Daimler Truck Holding AG's share capital, such excess amount will be allocated to the capital reserve of Daimler Truck Holding AG pursuant to § 272 para. 2 no. 1 HGB (cf. § 10.4 of the Demerger Agreement). The registration of the hive-down can only take place after the implementation of the Capital Increase Against Contribution in Kind II has been entered in the commercial register of Daimler Truck Holding AG (§ 125 sent. 1 in conjunction with § 66 UmwG).
- 492 In order to implement the contribution of the Daimler Truck shares by Daimler Grund to Daimler Truck Holding AG, Daimler Truck Holding AG will increase its share capital by EUR 54,047,157.00 from EUR 768,904,725.00 to EUR 822,951,882 by issuing 54,047,157 new no-par value registered shares in Daimler Truck Holding AG in the course of the Capital Increase Against Contribution in Kind III and will admit Daimler Grund to subscribe for such shares. An additional premium is not owed. The contribution in kind will be made through the contribution of the New Daimler Truck Shares as well as 1,000 already existing Daimler Truck shares. To the extent that the value at which the contribution in kind made by Daimler Grund is acquired by Daimler Truck Holding AG exceeds the amount of the increase of Daimler Truck Holding AG's share capital, such excess amount will be allocated to the capital reserve of Daimler Truck Holding AG pursuant to § 272 para. 2 no. 1 HGB (cf. § 14.5 of the Demerger Agreement).
- 493 In the context of the capital increases described above, an audit of the contribution in kind will be carried out. For this purpose, it will be examined, among other things, whether the value of the contribution in kind reaches the lowest issue price of the shares

granted for it (cf. with regard to the audit of the contribution in kind (§§ 142 para. 1, 69 para. 1 sent. 1 UmwG in conjunction with) §§ 183 para. 3, 33 paras. 3 to 5, 34 et seq. AktG).

- 494 Since Daimler Truck Holding AG was entered in the commercial register less than two years prior to the conclusion of the Demerger Agreement and the contribution agreement with Daimler Grund, respectively, the provisions on post-formation pursuant to § 52 AktG must also be complied with in the course of the spin-off and hive-down and the contribution of the Daimler Truck shares by Daimler Grund.
- 495 Pursuant to the provisions governing post-formation, the Supervisory Board of Daimler Truck Holding AG must audit both the Demerger Agreement and the contribution agreement and submit a written report on it (cf. (§ 125 sent. 1 in conjunction with § 67 UmwG in conjunction with) §§ 52 para. 3, 32 paras. 2 and 3 AktG).
- 496 In addition, an audit must be carried out by a court-appointed auditor who examines the entire post-formation process. Also, in this respect, it will be examined whether the value of the respective contribution in kind reaches the issue price of the shares granted for it (cf. (§ 125 sent. 1 in conjunction with § 67 UmwG in conjunction with) §§ 52 para. 4 sent. 2, 33 paras. 3 to 5, 34 et seq. AktG).
- 497 At the request of the Board of Management of Daimler Truck Holding AG, the Local Court of Stuttgart appointed KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, as the uniform auditor on post-formation and contribution in kind by order dated 16 April 2021 (cf. for the audit on post-formation (§ 125 sent. 1 in conjunction with § 67 UmwG in conjunction with) §§ 52 para. 4 sent. 2, 33 paras. 3 to 5, 34 et seq. AktG and for the audit on contribution in kind (§ 125 sent. 1 in conjunction with §§ 142 para. 1, 69 para. 1 sent. 1 UmwG in conjunction with) §§ 183 para. 3, 33 paras. 3 to 5, 34 et seq. AktG).
- 498 The auditor on post-formation and contributions in kind will submit a report on the audit of the post-formations and on the value of the respective contribution in kind. The reports on the audits on post-formation and contributions in kind as well as the post-formation reports of the Supervisory Board will be filed and deposited with the commercial register of Daimler Truck Holding AG at the Local Court of Stuttgart.
- 499 The General Meeting of Daimler Truck Holding AG must approve the Demerger Agreement and the contribution agreement as an agreement on post-formation. These approval resolutions will be adopted together with the resolution on the approval by the General Meeting of Daimler Truck Holding AG for the Demerger Agreement and the resolutions on the Capital Increases Against Contributions in Kind I to III. After approval, the conclusion of the Demerger Agreement and the conclusion of the contribution agreement each must be filed as an agreement on post-formation for registration in the commercial register of Daimler Truck Holding AG at the Local Court of Stuttgart (cf. (§ 125 sent. 1 in conjunction with § 67 UmwG in conjunction with) § 52 paras. 6 to 9 AktG).
- 500 The registration of Capital Increases Against Contribution in Kind I to III and the registration of the spin-off and hive-down as well as the contribution of the Daimler Truck

shares by Daimler Grund may only take place after the approval of the respective agreement on post-formation has been entered in the commercial register of Daimler Truck Holding AG.

X. Filings and registrations of the measures provided for in the Demerger Agreement in the commercial register

- 501 The Board of Management of Daimler AG and the Board of Management of Daimler Truck Holding AG must file the spin-off and hive-down for registration in the commercial registers of Daimler AG as the transferring legal entity and Daimler Truck Holding AG as the acquiring legal entity (§§ 129, 125 sent. 1 in conjunction with § 16 para. 1 UmwG). In addition, the Board of Management and the Chairman of the Supervisory Board of Daimler Truck Holding AG must file the Capital Increases Against Contribution in Kind I and II (as well as the Capital Increase Against Contribution in Kind III) for registration in the commercial register of Daimler Truck Holding AG (cf. already Section E.IX regarding the capital increases). The registration of the spin-off and hive-down in the commercial register can only take place after the implementation of the Capital Increase Against Contribution in Kind I and the Capital Increase Against Contribution in Kind II, respectively, has been entered in the commercial register of Daimler Truck Holding AG (§ 125 sent. 1 in conjunction with § 66 UmwG).
- 502 The filing of all of the measures described above will be made after the relevant approval resolutions of the General Meeting of Daimler Truck Holding AG have been adopted, subject to the following proviso:
- The filings for registration in the commercial register of Daimler Truck Holding AG are to be made with the proviso to register the implementation of the Capital Increase Against Contribution in Kind III only when the spin-off and the hive-down have previously taken effect by registration in the commercial register of Daimler AG, with the registration of the implementation of the Capital Increase Against Contribution in Kind III then to be made immediately thereafter (on the same day).
 - The spin-off and the hive-down are to be registered with the commercial register of Daimler AG with the proviso that the spin-off is to be registered prior to the hive-down and that both measures are to be registered only if it is ensured that the registration of the Capital Increase Against Contribution in Kind III in the commercial register of Daimler Truck Holding AG takes place on the same day.
- 503 This is to ensure that there is as short a period as possible between the consummation dates of the spin-off and the hive-down and the Capital Increase Against Contribution in Kind III.
- 504 The filing with the commercial register of Daimler AG as the transferring entity must be accompanied by a balance sheet of Daimler AG as the closing balance sheet (§ 125 sent. 1 in conjunction with § 17 para. 2 UmwG). The closing balance sheet for the spin-off and the hive-down will be the annual balance sheet of Daimler AG as per

31 December 2020, 12:00 p.m. It was audited by KPMG AG Wirtschaftsprüfungsgesellschaft, who was appointed – in accordance with the statutory requirements – as auditor by resolution of the General Meeting of Daimler AG of 8 July 2020, as part of the annual financial statements of Daimler AG for the 2020 financial year and issued with an unqualified audit opinion. Generally, pursuant to § 125 sent. 1 in conjunction with § 17 para. 2 sent. 4 UmwG, the registration court of Daimler AG as the transferring legal entity may only register the spin-off and hive-down if the closing balance sheet has been prepared as of a record date which is no more than eight months prior to the registration. Due to the COVID-19 Pandemic, the legislator extended this period to twelve months pursuant to Art. 2 § 4 of the Act on Mitigating the Consequences of the COVID-19 Pandemic in Civil, Insolvency and Criminal Procedure Law of 27 March 2020, in conjunction with the Ordinance on the Extension of Measures in Corporate, Cooperative, Association and Foundation Law to Mitigate the Effects of the COVID-19 Pandemic, in each case as amended by the Act on the Further Shortening of the Residual Debt Relief Procedure and on the Adjustment of Pandemic-Related Provisions in Corporate, Cooperative, Association and Foundation Law as well as in Tenancy and Lease Law of 22 December 2020. By setting the Spin-Off and Hive-Down Effective Dates to 1 January 2021, Daimler AG and Daimler Truck Holding AG have made use of this special provision. Thus, the filing for registration has to occur no later than on 31 December 2021.

- 505 The spin-off and hive-down will each become effective upon registration in the commercial register of Daimler AG at the Local Court of Stuttgart. Prior to this, the spin-off and hive-down each must have been entered in the commercial register of Daimler Truck Holding AG at the Local Court of Stuttgart (cf. § 130 UmwG). Pursuant to the provisions of the UmwG, the spin-off and the hive-down may only be registered after the implementation of the Capital Increases Against Contribution in Kind I and II, respectively, for the purpose of implementing the spin-off and the hive-down, has been entered in the commercial register of Daimler Truck Holding AG (§ 125 sent. 1 in conjunction with § 66 UmwG). Upon subsequent entry of the spin-off and the hive-down in the commercial register of Daimler AG at the Local Court of Stuttgart, the respective spin-off assets and hive-down assets are transferred as a whole to Daimler Truck Holding AG by way of partial universal succession to the extent specified in the Demerger Agreement. Pursuant to § 10 HGB, the registry court will publish the entries it has made in the commercial register regarding the spin-off and hive-down in the electronic information and communication system determined by the respective Federal State justice administration.
- 506 If an action is filed in due time against the effectiveness of the approval resolution of the General Meeting of Daimler AG in respect of the Demerger Agreement, it generally prevents the entry of the spin-off and hive-down in the commercial register and thus the effectiveness of the spin-off and hive-down, irrespective of its prospects of success. The reason for this is that the Boards of Management of Daimler AG and Daimler Truck Holding AG must declare in the filing pursuant to § 125 sent. 1 in conjunction with § 16 para. 2 sent. 1 UmwG that no action against the validity of an approval resolution has been brought or has been brought in a timely manner or that such action has been dismissed in a final and binding manner or has been withdrawn (so-called negative declaration), which they would not be able to do in the case of an action brought in a timely

manner. With regard to the approval resolution in respect of the Demerger Agreement by the General Meeting of Daimler Truck Holding AG, Daimler AG, as the sole shareholder, will already waive its right to bring an action at the General Meeting. However, with regard to the approval resolution of the General Meeting of Daimler AG in respect of the Demerger Agreement, it cannot be ruled out that one or more shareholders may bring an action for avoidance.

- 507 In spite of actions for avoidance of the approval resolution of the General Meeting of Daimler AG being brought in due time and the resulting absence of a negative declaration, the spin-off and hive-down may nevertheless be registered if the Higher Regional Court of Stuttgart, which is competent pursuant to § 125 sent. 1 in conjunction with § 16 para. 3 sent. 7 UmwG, determines by means of an order pursuant to § 125 sent. 1 in conjunction with § 16 para. 3 sent. 1 UmwG that the action being brought does not preclude the registration (so-called clearance decision). Pursuant to § 125 sent. 1 in conjunction with § 16 para. 3 sent. 9 UmwG, such order is not subject to appeal. Pursuant to § 125 sent. 1 in conjunction with § 16 para. 3 sent. 3 UmwG, the court will render such order if (i) the action is inadmissible or obviously unfounded, or (ii) the claimant fails to furnish document-based proof, within one week of serving the motion, that he/she has held a pro-rated amount of no less than EUR 1,000 of Daimler AG's share capital since the notice convening the General Meeting was published, or (iii) the immediate taking effect of the spin-off and hive-down appears to take precedence, because in the discretion of the court the material disadvantages for the legal entities involved in the spin-off and hive-down and the holders of their shares as presented by Daimler AG outweigh the disadvantages for the plaintiff shareholder, unless the violation of the law is particularly severe.
- 508 Should the approval resolution of the General Meeting of Daimler AG be challenged, the Board of Management of Daimler AG will initiate clearance proceedings. The Boards of Management of Daimler AG and Daimler Truck Holding AG are of the opinion that a delay in the effectiveness of the spin-off and hive-down would be materially detrimental to Daimler AG and Daimler Truck Holding AG and would be contrary to the interests of Daimler's shareholders.
- 509 The Board of Management of Daimler AG aims for the spin-off and hive-down to take effect in December 2021. Shortly thereafter, the shares of Daimler Truck Holding AG are to be admitted for trading on the Regulated Market of the Frankfurt Stock Exchange and additionally on the sub-segment of the Regulated Market of the Frankfurt Stock Exchange with additional post-admission obligations (Prime Standard).

XI. Effects of the registrations in the commercial register

- 510 Upon the entries of the spin-off and the hive-down in the commercial register of Daimler AG, the spin-off and the hive-down will each become effective. As a result, the assets to be spun off, i.e. the relevant Daimler Truck shares as well as the control and profit and loss transfer agreement, and the assets to be hived down, i.e. the relevant additional Daimler Truck shares, will each be transferred to Daimler Truck Holding AG by way of partial universal succession (cf. § 131 para. 1 no. 1 UmwG). Upon registration

of the spin-off, the shareholders of Daimler AG will become shareholders of Daimler Truck Holding AG in accordance with the allocation ratio set forth in § 4.1 of the Demerger Agreement. This means that they will be granted one share in Daimler Truck Holding AG for two Daimler shares. Upon registration of the hive-down, Daimler AG will then hold 233,936,002 shares in Daimler Truck Holding AG pursuant to § 10.1 of the Demerger Agreement. Any deficiencies in the notarisation of the Demerger Agreement will be remedied by entry in the commercial register (cf. § 131 para. 1 no. 4, para. 2 UmwG).

XII. Allocation of shares and settlement of partial rights; stock exchange listing and trading

1. Allocation of the shares in Daimler Truck Holding AG issued in the course of the spin-off to Daimler AG shareholders

511 The spin-off is effected against the granting of 534,918,723 new no-par value registered shares of Daimler Truck Holding AG at the time the spin-off takes effect. Upon the spin-off taking effect, the shareholders of Daimler AG will receive one share in Daimler Truck Holding AG free of charge for each two Daimler shares (in proportion to their previously existing shareholdings) in accordance with the allocation ratio of two to one set out in § 4.1 of the Demerger Agreement. The shares to be granted are created by way of the Capital Increase Against Contributions in Kind I described in Section E.IX.

512 The determination of who is a Daimler shareholder for the purposes of the share allocation will be made by the depositary banks in the evening on the day on which the spin-off takes effect by means of the entry in the commercial register of Daimler AG (hereinafter the "**Allocation Date**"), on the basis of the respective holdings of Daimler shares in the depositary banks, taking into account open stock exchange transactions.

513 A total of 534,918,723 shares of Daimler Truck Holding AG will be issued to the shareholders of Daimler AG. Daimler AG will ensure that it does not hold any own shares at the time of the registration of the spin-off.

2. Profit entitlement

514 All shares granted as consideration for the transfer of the spin-off assets and hive-down assets will be entitled to a share in profits for the financial years beginning on or after 1 January 2022. Even if the Spin-Off Effective Date were to be postponed from 1 January 2021, to 1 January 2022, the shares to be granted by Daimler Truck Holding AG will be issued with a profit entitlement as of 1 January 2022. Only if the Spin-Off Effective Date is further postponed, the commencement of the profit entitlement of the shares to be granted will be postponed accordingly.

3. Processing

515 Daimler AG appoints Deutsche Bank AG, Frankfurt am Main, as trustee pursuant to § 125 sent. 1 in conjunction with § 71 para. 1 UmwG to receive the shares of Daimler

Truck Holding AG to be granted and to deliver these to the entitled shareholders of Daimler AG. Prior to the spin-off taking effect, the trustee will take possession of the Daimler Truck Holding Shares to be issued to the shareholders of Daimler AG and will deliver these to such shareholders in a timely manner after the spin-off taking effect in accordance with the share allocation ratio of two to one as stipulated in § 4.1 of the Demerger Agreement.

- 516 The shares of Daimler Truck Holding AG will be allocated to the entitled shareholders of Daimler AG whose shares are held in collective deposit via Clearstream Banking AG, Frankfurt am Main (hereinafter referred to as "**Clearstream**") in relation to the individual securities accounts in the ratio of two to one by means of a securities account credit by the respective depository bank. In this case, the Daimler shareholders do not need to take any action with regard to the allocation of the shares of Daimler Truck Holding AG – apart from a possible settlement of fractional amounts (partial share rights; cf. immediately below in this respect).
- 517 The allocation of shares is free of commissions and expenses for Daimler shareholders entitled to allocation who hold their Daimler shares in securities accounts in Germany. Shareholders holding their Daimler shares in securities accounts abroad may be subject to commissions and expenses based on existing agreements with the depository bank.
- 518 The respective depository bank will, as a general rule, credit the shares of Daimler Truck Holding AG to the securities account of the respective Daimler shareholder prior to the commencement of trading on the stock exchange trading day following the Allocation Date, except where these shares are based on partial share rights for the account of the shareholders (cf. below). In accordance with the Articles of Incorporation of Daimler Truck Holding AG, the shareholders of Daimler Truck Holding AG are not entitled to have their shares securitised. The no-par value shares of Daimler Truck Holding AG are evidenced by global share certificates together with the corresponding global bearer dividend coupons and deposited with Clearstream. The shareholders of Daimler Truck Holding AG will hold co-ownership interests in the global certificates and the global bearer dividend coupons in proportion to their respective shareholdings.
- 519 Special circumstances apply with regard to shareholders of Daimler AG with physical shares, as well as certain U.S. shareholders of Daimler AG who hold shares not via a securities account connected to Clearstream, but via Depository Trust Company (DTC) or American Stock Transfer (AST). In order to participate in the allocation of shares of Daimler Truck Holding AG via Clearstream as described above, these shareholders must transfer their Daimler shares to a securities account linked to Clearstream in due time prior to the allocation date. In addition, it is intended to offer affected U.S. shareholders an alternative settlement option in the form of a newly established sponsored ADR programme for shares of Daimler Truck Holding AG.
- 520 Details regarding the processing of the allocation, also with regard to the processing of the shares to which US shareholders are entitled, will be provided separately to the shareholders of Daimler AG immediately after the registration of the spin-off in the commercial registers of Daimler Truck Holding AG and Daimler AG (hereinafter the "**Share**

Allocation Notification"). In Germany, the Share Allocation Notification will be published by Daimler AG in the Federal Gazette (*Bundesanzeiger*). Furthermore, it will be communicated in accordance with the more detailed provisions of §§ 67a et seqq. AktG in conjunction with the Implementing Regulation (EU) 2018/1212 of 3 September 2018.

4. Partial share rights

521 Due to the aforementioned allocation ratio of two to one, fractional shares (partial rights) arise in each case where deposit holdings in Daimler shares are not evenly divisible by two. The affected shareholders of Daimler AG will then receive partial rights to one share in Daimler Truck Holding AG. Since, in principle, no shareholder rights can be asserted from partial share rights (cf. § 213 para. 2 AktG), the central settlement agent will endeavor, together with the custodian banks, to mediate a settlement between the holders of the partial share rights so that these holders have the opportunity to sell partial rights or to acquire corresponding partial rights in order to increase them to full rights. A rounding off to full share rights (so-called settlement of fractional amounts) requires a corresponding buy or sell order. It is to be expected that in individual cases banks, especially abroad, will not participate in a settlement of fractional amounts or will not accept related orders.

522 To the extent that orders for rounding off of the partial rights into full rights are not placed or a rounding off into full rights is not possible due to the orders placed, the trustee will, at a point in time yet to be determined, consolidate the partial rights to shares in Daimler Truck Holding AG that have been allocated to Daimler shares and have not yet been consolidated into full rights into full rights (shares) in Daimler Truck Holding AG and sell them on the stock exchange. The proceeds of such sale will then be credited to the concerned holders of the partial share rights in proportion to the partial rights attributable to them. The settlement of partial share rights is free of commissions and expenses for entitled shareholders who hold their Daimler shares in securities accounts in Germany. Shareholders holding their Daimler shares in securities accounts abroad may be subject to commissions and expenses based on existing agreements with the depository bank.

5. Stock exchange admission and stock market trading

523 On the Allocation Date, all shares of Daimler Truck Holding AG are to be admitted on the Regulated Market of the Frankfurt Stock Exchange and additionally on the sub-segment of the Regulated Market of the Frankfurt Stock Exchange with additional post-admission obligations (Prime Standard). On the Allocation Date, trading in shares of Daimler Truck Holding AG will not yet be possible and the Daimler share will still be traded "cum Daimler Truck". The first trading in the shares of Daimler Truck Holding AG is to commence in the morning of the following stock exchange trading day. The first share price of Daimler Truck Holding AG will be determined in an opening auction in Xetra. During the so-called call phase, which has a minimum duration of ten minutes, trading participants can enter, change or delete orders, and price indications are continuously calculated and published via the Xetra trading system. Subsequently, the trading system determines the first price of the share according to the principle of the

highest, executable volume. First price and volume will then be displayed and published in Xetra. The listing of the shares of Daimler AG "ex spin-off" is intended on the same day.

6. Note on the so-called unsponsored ADR programmes in the USA

524 In the United States, Daimler shares are also traded over the counter in the form of American Depositary Receipts (ADRs). Following the discontinuation of the so-called sponsored Level I ADR programme of Daimler AG as of 5 January 2017, these are so-called unsponsored ADR programmes. These programmes are managed independently by the respective ADR custodian banks. Holder of ADRs under the unsponsored ADR programmes are requested to contact their respective ADR custodian bank with regard to their rights under such programmes on the occasion of the spin-off.

XIII. Share ownership in the transferring and acquiring legal entities after Consummation of the Demerger Agreement

525 Upon Consummation of the Demerger Agreement, Daimler AG will directly hold 28.43 % of the share capital of Daimler Truck Holding AG. Daimler Grund will hold 6.57 % of the share capital of Daimler Truck Holding AG.

526 All other shares of Daimler Truck Holding AG, i.e. a total of 65.00 % of the share capital, will be held by the Daimler shareholders upon the spin-off taking effect. The arithmetical share of each shareholder in the share capital of Daimler Truck Holding AG created for the implementation of the spin-off (Capital Increase Against Contribution in Kind I) will correspond to such shareholder's arithmetical share in the share capital of Daimler AG (so-called spin-off preserving the proportion of company interests held).

527 Daimler Truck Holding AG will in turn hold 100 % of the share capital of Daimler Truck AG. For further explanations of the legal structure of the Future Daimler Truck Group after the spin-off and hive-down, cf. Section I.III.

528 The shareholder structure of Daimler AG as the transferring legal entity will not change as a result of the spin-off and hive-down.

XIV. Group Separation Agreement

529 In view of the separation of the Future Daimler Truck Group from the Daimler Group resulting from the Consummation of the Demerger Agreement, Daimler AG and Daimler Truck Holding AG have concluded a group separation agreement. The Group Separation Agreement is enclosed with the Demerger Agreement as Annex 29. It contains provisions on the legal relationships between Daimler AG and Daimler Truck Holding AG as well as their respective group companies to be allocated to them at the time of the spin-off taking effect or, in part, after the spin-off has taken effect, for the period after the spin-off has taken effect, in particular with regard to their joint affiliation with the Daimler Group in the past.

- 530 The provisions of the Group Separation Agreement are explained in more detail in Section L.II.

XV. Deconsolidation Agreement

- 531 When the spin-off takes effect, the shareholders of Daimler AG will – in addition to their unchanged shareholding in Daimler AG – hold 65.00 % of the share capital of Daimler Truck Holding AG. Daimler AG will retain a minority shareholding in the share capital of Daimler Truck Holding AG totaling 35.00 %, held directly by Daimler AG in the amount of 28.43 % (as a consequence of the spin-off) and indirectly via Daimler Grund in the amount of 6.57 % (as a consequence of the Capital Increase Against Contribution in Kind III). The control and profit and loss transfer agreement between Daimler AG and Daimler Truck AG is intended to be transferred to Daimler Truck Holding AG by means of a spin-off, so that Daimler Truck Holding AG will replace Daimler AG as the controlling company when the spin-off takes effect. Daimler AG intends to transfer a shareholding in Daimler Truck Holding AG in the amount of 5 % to Daimler Pension Trust e.V., which will hold the shares in trust for Daimler AG or Mercedes-Benz AG, if necessary via a special fund, as security assets after the Consummation of the Spin-Off Agreement.
- 532 It is to be expected that Daimler AG will have an attendance majority at the General Meeting of Daimler Truck Holding AG. Notwithstanding this, Daimler Truck Holding AG is to manage the commercial vehicles business bundled under it autonomously and independently of Daimler AG after the spin-off takes effect. In order to completely exclude any control of Daimler AG over Daimler Truck Holding AG and the resulting obligation to fully consolidate the shares directly and indirectly held by Daimler AG in Daimler Truck Holding AG in the consolidated financial statements of Daimler AG, Daimler AG and Daimler Grund, on the one hand, and Daimler Truck Holding AG, on the other hand, have concluded the deconsolidation agreement enclosed with the Demerger Agreement as Annex 28.
- 533 However, the deconsolidation agreement does not affect the qualification of Daimler AG and Daimler Grund as related parties of Daimler Truck Holding AG within the meaning of § 111a para. 1 sent. 2 AktG.
- 534 The main provisions of the deconsolidation agreement are described in Section L.III.

F. Explanations and Reasons for the Share Allocation Ratio for the Spin-Off

- 535 The spin-off of the assets to be spun off will be effected against the granting of shares in Daimler Truck Holding AG to the Daimler shareholders. The allocation ratio for the granting of the shares must be stated in the Demerger Agreement (§ 126 para. 1 no. 3 UmwG). In this respect, § 4.1 of the Demerger Agreement provides for a ratio of two to one, i.e. each Daimler shareholder will receive one share in Daimler Truck Holding AG for each two Daimler shares held. Additional cash payments will not be made.
- 536 The allocation ratio was mainly determined by the future share capital of Daimler Truck Holding AG, the future number of existing shares in Daimler Truck Holding AG and, finally, by the fact that the spin-off relates to a total shareholding of 65.00 % of the Daimler Truck shares (based on the increased share capital of Daimler Truck AG after the implementation of the capital increase against contributions in kind for the purpose of the interests in the Gamma partnerships). In the opinion of the Boards of Management of Daimler AG and Daimler Truck Holding AG, the amount of the future share capital of Daimler Truck Holding AG is commensurate with the equity and the expected market capitalisation of Daimler Truck Holding AG and also adequately reflects the relative sizes of the transferring and the absorbing legal entity. In determining the share capital and the number of shares, it was taken into account that the future share price of Daimler Truck Holding AG should be within a range which is, from today's perspective, attractive to both retail and institutional investors.
- 537 In stipulating the proportionate amount of shares in the share capital of Daimler Truck Holding AG of EUR 1.00 per share, the lowest possible proportion was chosen in accordance with the German Stock Corporation Act (cf. § 8 para. 3 sent. 3 AktG) in order to create the highest possible number of shares with the chosen share capital of EUR 822,951,882.00. With the stipulated allocation ratio, the number of partial share rights will be kept as low as possible so that as many Daimler shareholders as possible will in future also become shareholders of Daimler Truck Holding AG in proportion to their current shareholding in Daimler AG. This is because an allocation ratio of two to one makes it possible to allocate one share or a large number of shares in Daimler Truck Holding AG to a large proportion of Daimler shareholders without accruing partial share rights. If a shareholder holds less than two Daimler shares or a number of Daimler shares not evenly divisible by two, the envisaged regulation for partial share rights allows the acquisition of partial rights at presumably small cash amounts in order to ensure the allocation of one share of Daimler Truck Holding AG (the details of the regulation for partial share rights are described in Section E.XII.4).
- 538 The only alternative to the exclusion of partial share rights would have been an exchange ratio of one to one. A lower allocation ratio, however, would have required a higher share capital at Daimler Truck Holding AG, since with an increased share capital – and the proportionately increased number of shares thus required for a lower allocation ratio – the enterprise value would have been distributed over more and more shares. The above-mentioned objective of an attractive stock exchange price for the shares of Daimler Truck Holding AG could not have been achieved in this way.

- 539 In order to facilitate the stipulated allocation ratio of two to one, Daimler AG will ensure that the number of shares eligible for allocation pursuant to § 131 para. 1 no. 3 sent. 1 UmwG will be 1,069,837,447 when the spin-off takes effect.
- 540 The determination of the share allocation ratio did not require a comparative business valuation under company and transformation law. The assets to be split off and the assets of the acquiring legal entity after all measures have taken effect which are to take effect together with the spin-off and hive-down in accordance with the Demerger Agreement therefore did not have to be valued for the purpose of determining the allocation ratio, and the values did not need to be set in relation to each other.
- 541 The assets to be spun off consist, for one thing, of the shareholding of Daimler AG in Daimler Truck AG in the amount of 65.00 %, based on the increased share capital of Daimler Truck AG after the implementation of the capital increase against contribution in kind for the purpose of the contribution of the interests in the Gamma partnerships (cf. the explanation in Section D.IV.2 above). These are set against the assets of Daimler Truck Holding AG at the time at which all measures provided for in the Demerger Agreement are to take effect in a uniform manner (cf. § 15.2 of the Demerger Agreement), namely the shareholdings in Daimler Truck AG which Daimler Truck Holding AG will acquire from Daimler AG in the course of the hive-down and from Daimler Grund in the course of Capital Increase Against Contribution in Kind III (cf. the explanation in Section E.V above). These shareholdings account for 35.00 % of the increased share capital of Daimler Truck AG. At this point in time, Daimler Truck Holding AG will not have any other significant assets and will not report any liabilities, which means that, from an economic point of view, the valuation objects will be identical.
- 542 The fact that – legally – the control and profit and loss transfer agreement existing between Daimler AG and Daimler Truck AG also forms part of the assets to be spun off (cf. § 3.1 of the Demerger Agreement) does not change this view. Due to the linking clause provided for in the Demerger Agreement (cf. therein § 15.2), it is ensured initially, that the spin-off and the hive-down will only take effect together. In this scenario, the control and profit and loss transfer agreement transferred to Daimler Truck Holding AG in the course of the spin-off does not have any value of its own from an economic point of view. This is because the linking of the spin-off and the hive-down ensures that the shares in Daimler Truck AG transferred in the course of the spin-off are only transferred to Daimler Truck Holding AG together with the control and profit and loss transfer agreement, meaning that Daimler Truck Holding AG, as the acquiring legal entity, has equal access to the earnings potential of the shares transferred in the course of the hive-down and the shares transferred in the course of the spin-off. The same applies with respect to the new shares in Daimler Truck AG which will be transferred to Daimler Truck Holding AG in the course of Capital Increase Against Contribution in Kind III. This is because this capital measure, too, is – due to the linking clause – only to become effective if the spin-off and hive-down have previously become effective by registration in the commercial register of Daimler AG. In this respect, the control and profit and loss transfer agreement, which is formally only allocated to the assets to be spun off, does not lead to a shift of assets which are transferred to Daimler Truck Holding AG as a result of the individual transaction steps in the course of the overall transaction.

- 543 As just explained, the ratio of the shareholding in Daimler Truck AG to be spun off to the shareholding in Daimler Truck AG to be hived down plus the shareholding held by Daimler Grund after the implementation of the capital increase against contribution in kind at Daimler Truck AG is 65 to 35. The shareholdings in Daimler Truck Holding AG of the Daimler shareholders, on the one hand, and of Daimler AG and Daimler Grund, on the other hand, are to be determined accordingly when the measures provided for in the Demerger Agreement take effect. The 534,918,723 new shares of Daimler Truck Holding AG to be issued for the implementation of the spin-off will represent 65.00 % and the 233,936,002 new shares of Daimler Truck Holding AG to be issued for the implementation of the hive-down plus the 54,047,157 new shares of Daimler Truck Holding AG to be issued to Daimler Grund for the implementation of Capital Increase Against Contribution in Kind III will represent 35.00 % of the share capital of Daimler Truck Holding AG existing at the time the measures provided for in the Demerger Agreement take effect. As a result, the number of shares to be issued for the implementation of the spin-off ensures that the value ratio between the assets to be spun off and the acquiring legal entity is reflected in the shareholder structure.
- 544 A comparative company valuation was also expendable because the group of shareholders of Daimler Truck Holding AG as the acquiring legal entity after the spin-off is economically identical to that of Daimler AG as the transferring legal entity and the spin-off is effected in a manner preserving the proportion of company interests held, i.e. in accordance with the proportion of their shareholding in Daimler AG. The Daimler shareholders who are currently indirectly invested in Daimler Truck AG via the Daimler share will continue to hold their shareholding in Daimler AG after the completion of the entire transaction. They will hold 65.00 % of the Future Daimler Truck Group directly and 35.00 % indirectly through their shareholding in Daimler AG (i.e. through the latter's (indirect) shareholding in Daimler Truck Holding AG). No third parties will acquire an interest in Daimler AG or Daimler Truck Holding AG in the course of the overall transaction. To the extent that, upon the measures provided for in the Demerger Agreement taking effect, the arithmetical shareholdings of the Daimler shareholders in Daimler Truck Holding AG do not correspond to the shareholdings in Daimler AG due to the (direct and indirect) shareholding of Daimler AG in the total amount of 35.00 %, only the voting rights quota in Daimler Truck Holding AG will be reduced. From an economic point of view, however, Daimler shareholders will continue to own 100 % of Daimler Truck Holding AG in the future, preserving the proportion of company interests held. Therefore, there is no deprivation of assets to the detriment of the Daimler shareholders; rather, in an overall assessment the asset position of the Daimler shareholder remains unaffected.
- 545 The Demerger Agreement must be audited by a spin-off auditor pursuant to § 125 sent. 1 in conjunction with § 9 UmwG. The court-appointed expert spin-off auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, will report separately in writing about the findings of the audit pursuant to § 125 sent. 1 in conjunction with § 12 paras. 1, 2 UmwG. The spin-off auditor will also declare in such report whether the proposed share allocation ratio is appropriate.

G. Accounting, Tax and Other Effects of the Demerger and Related Measures

546 This section explains the accounting, tax and other effects of the spin-off and the hive-down (the spin-off and the hive-down together also referred to as the "**Demerger**") and of related measures.

I. Accounting effects of the Demerger and related measures

1. General statements

a) Introduction

547 The explanation of the accounting effects relates, on the one hand, to Daimler AG as the transferring legal entity and, on the other hand, to Daimler Truck Holding AG as the acquiring legal entity. With regard to Daimler AG, the accounting effects of the Demerger and related measures (i) on the balance sheet of Daimler AG prepared in accordance with the HGB and (ii) on the consolidated balance sheet of Daimler AG under IFRS, each as at 31 December 2020, are explained.

548 Daimler Truck Holding AG was not founded until 25 March 2021, so that neither a balance sheet of Daimler Truck Holding AG in accordance with the HGB nor a consolidated balance sheet of Daimler Truck Holding AG under IFRS is available as a starting point for the presentation of the accounting effects as at 31 December 2020. Accordingly, the presentation of the effects on the balance sheet of Daimler Truck Holding AG in accordance with the HGB begins immediately with the effects of the Demerger. For the presentation of the effects on the balance sheet of the Daimler Truck Group under IFRS, the combined balance sheet for the Future Daimler Truck Group as at 31 December 2020 ("**Combined Daimler Truck Balance Sheet**"), is used, which is part of the combined financial statements for the Future Daimler Truck Group for the financial years ending 31 December 2020, 2019 and 2018 under IFRS ("**Combined Daimler Truck Financial Statements**") which was drawn up in preparation for the stock exchange listing of Daimler Truck Holding AG on 9 August 2021.

549 The subject matter of the presentation is firstly the Demerger, i.e. (i) the spin-off of 65.00 % of the shares in Daimler Truck AG and of the control and profit and loss transfer agreement existing between Daimler AG and Daimler Truck AG and (ii) the hive-down of 28.43 % of the shares in Daimler Truck AG to Daimler Truck Holding AG (cf. Sections E.III and E.IV), including the increase of the share capital of Daimler Truck Holding AG in order to grant the consideration for the Demerger (cf. Section E.IX). The above information on the shares of Daimler Truck AG to be spun off and hived down relates in each case to the increased share capital of Daimler Truck AG after the implementation of the capital increase against contribution in kind at Daimler Truck AG referred to below, which will take place at the beginning of December 2021 before the Demerger takes effect (hereinafter the "**Increased Share Capital of Daimler Truck AG**").

550 In addition, this section presents the accounting effects of further measures related to the Demerger (hereinafter "**Further Transaction Effects**"). This relates, in particular,

to the contribution by Daimler Grund of additional Daimler Truck Shares (representing 6.57 % of the Increased Share Capital of Daimler Truck AG) to Daimler Truck Holding AG, which Daimler Grund will receive in the course of a capital increase against contribution in kind at Daimler Truck AG at the beginning of December 2021 as consideration for the contribution of the interests in various real estate management partnerships (cf. Section E.V), as well as the strengthening of the equity of Daimler Truck AG promised by Daimler AG (cf. Section D.VIII).

551 Based on the aforementioned principles, pro forma balance sheets and pro forma consolidated balance sheets of Daimler AG as well as pro forma balance sheets of Daimler Truck Holding AG and a pro forma balance sheet of the Future Daimler Truck Group, each as at 1 January 2021, 0:00 a.m., have been prepared in order to explain the effects of the Demerger and the Further Transaction Effects.

552 The balance sheets as at 31 December 2020, in each case reflect the situation prior to the Demerger taking effect. The pro forma balance sheets as at 1 January 2021, 0:00 a.m., present – put in a simplified manner – the situation that would have existed if Daimler Truck Holding AG had already existed at that time and if the Demerger had already become effective at that time. In this respect, the effectiveness of the spin-off and the hive-down, as well as the occurrence of the Further Transaction Effects, were assumed as pro forma assumptions. The pro forma assumptions are described in detail below under 1 b), 2 a) and 3 a).

b) Overview of the relevant balance sheets and pro forma balance sheets

553 The presentation and explanation of the accounting effects of the Demerger and related measures are based on the following balance sheets and pro forma balance sheets:

- HGB Balance sheet of Daimler AG as at 31 December 2020 (derived from the audited annual financial statements of Daimler AG as at 31 December 2020, and at the same time used as the closing balance sheet of Daimler AG pursuant to § 125 sent. 1 in conjunction with § 17 para. 2 UmwG) (hereinafter also the "**Individual Balance Sheet**");
- Pro forma HGB balance sheet of Daimler AG as at 1 January 2021;
- HGB opening balance sheet of Daimler Truck Holding AG as at 25 March 2021;
- Pro forma HGB balance sheet of Daimler Truck Holding AG as at 1 January 2021;
- Consolidated IFRS balance sheet of Daimler AG as at 31 December 2020;
- Pro forma consolidated IFRS balance sheet of Daimler AG as at 1 January 2021;
- Combined Daimler Truck Balance Sheet in accordance with IFRS as at 31 December 2020, in which the relevant scope of combination of the Future Daimler Truck Group consists of Daimler Truck AG and its direct and indirect subsidiaries

at the time of the preparation of this Demerger Report and, in addition, generally of the companies and business divisions which will have been transferred to Daimler Truck AG or its subsidiaries by the time of the registration of the spin-off (cf. Sections D.IV and D.VI);

- Pro forma IFRS balance sheet of the Future Daimler Truck Group as at 1 January 2021, with the same scope of combination as in the Combined Daimler Truck Balance Sheet (with the exception of Daimler Truck Holding AG itself, which is not included in the scope of combination of the Combined Daimler Truck Financial Statements).

554 With the exception of the opening balance sheet of Daimler Truck Holding AG, the balance sheets were prepared as at 31 December 2020, and the pro forma balance sheets were prepared as at the relevant spin-off date, 1 January 2021. The relevant spin-off date is the point in time from which the acts of Daimler AG relating to the spin-off assets or the hive-down assets will be deemed to have been undertaken for the account of Daimler Truck Holding AG (§ 126 para. 1 no. 6 UmwG). This means that the Demerger and thus the transfer of the assets to be spun off and hived down will be economically related back to 1 January 2021, 0:00 a.m. By preparing the pro forma balance sheets as at 1 January 2021, 0:00 a.m., the material immediate balance sheet effects of the Demerger are presented based on the balance sheet values as at 31 December 2020, 12:00 p.m. In addition, the Further Transaction Effects are also referred back to 1 January 2021, 0:00 a.m. The pro forma balance sheets are unaudited pro forma presentations prepared solely for purposes of this joint Demerger Report. The actual balance sheets at the time the Demerger becomes effective can and will differ significantly from these pro forma balance sheets.

555 The Individual Balance Sheet of Daimler AG as at 31 December 2020, and the opening balance sheet of Daimler Truck Holding AG as at 25 March 2021, have been prepared in accordance with the accounting principles of the HGB and the AktG, while the consolidated balance sheet of Daimler AG and the Combined Daimler Truck Balance Sheet as at 31 December 2020, have been prepared on the basis of IFRS and the interpretations of the IFRS Interpretations Committee (IFRIC) as adopted by the European Union.

556 Generally, in preparing the Combined Daimler Truck Balance Sheet, the same accounting policies and valuation methods have been applied as for the preparation of the financial information for the consolidated financial statements of Daimler AG. However, these accounting principles and valuations were deviated from to the extent necessary to present the Future Daimler Truck Group as a group of companies independent of the Future Daimler Group (for the preparation of the Combined Daimler Truck Financial Statements, cf. also the explanations in Section I.II).

557 The pro forma balance sheets are based on the corresponding accounting principles in accordance with the HGB for the pro forma balance sheets and in accordance with IFRS for the pro forma consolidated balance sheets, with the proviso that – where available – the balance sheets as at 31 December 2020, were used as a basis and the carrying

amounts reported therein were carried forward. Any deviations and special circumstances, particularly in the case of pro forma balance sheets, are indicated in the text.

- 558 For the purposes of presenting the accounting effects of the Demerger and the Further Transaction Effects on the financial position of Daimler AG and the Daimler Group as at 31 December 2020, the pro forma balance sheets as at 1 January 2021, are based on the same accounting principles as the corresponding balance sheets as at 31 December 2020, which are included in the audited annual financial statements or consolidated financial statements of Daimler AG as at 31 December 2020. Changes in accounting standards to be applied from 1 January 2021, have not been taken into account.
- 559 The Individual Balance Sheet of Daimler AG as part of the annual financial statements and the consolidated balance sheet of Daimler AG as part of the consolidated financial statements, both as at 31 December 2020, were audited by its auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, and each was issued with an unqualified audit opinion. By approval of the Supervisory Board of Daimler AG on 17 February 2021, the annual financial statements as at 31 December 2020, were adopted. At the same time, the consolidated financial statements as at 31 December 2020, were approved. The Individual Balance Sheet from the audited annual financial statements of Daimler AG as at 31 December 2020, will be used as the closing balance sheet pursuant to § 125 sent. 1 in conjunction with § 17 para. 2 UmwG (cf. § 2.3 und § 8.3 of the Demerger Agreement).
- 560 The Combined Daimler Truck Balance Sheet, as part of the Combined Daimler Truck Financial Statements, was audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, and issued with an independent auditor's certificate on 9 August 2021.
- 561 The HGB opening balance sheet of Daimler Truck Holding AG (in formation) as at 25 March 2021, with the asset item "Called up share capital – unpaid" in the amount of EUR 50,000.00 and the liability item "Share capital to carry out the incorporation" in the same amount is unaudited. The share capital was fully paid up at the beginning of April 2021 and the company was entered in the commercial register at the Stuttgart Local Court under HRB 778600 on 12 April 2021.
- 562 In deviation from the audited financial statements of Daimler AG as at 31 December 2020, for the purpose of presenting the Individual Balance Sheet of Daimler AG in accordance with the HGB as at 31 December 2020, the balance sheet items have been combined or further subdivided in this report. In deviation from the audited consolidated financial statements of Daimler AG as at 31 December 2020, and the audited Combined Daimler Truck Financial Statements, for the purpose of presenting the consolidated balance sheet of Daimler AG in accordance with the IFRS as at 31 December 2020, and the pro forma balance sheet of the Future Daimler Truck Group in accordance with IFRS as at 1 January 2021, the balance sheet items have been further combined in this report.
- 563 Due to rounding, it is possible that individual figures in the balance sheets and pro forma balance sheets do not add up to the exact totals specified.

c) Items not included in the pro forma balance sheets

564 The assumptions underlying the pro forma presentation in accordance with HGB and IFRS are presented separately below under items 2 a) and 3 a), respectively, as there are differences between the accounting standards in this respect. Facts and circumstances that are not taken into account in the pro forma balance sheets are explained here in summary form.

Principle

565 The pro forma balance sheets as at 1 January 2021, generally do not take into account any changes in assets and liabilities due to business transactions after 31 December 2020, in particular from the ongoing business activities of the companies of the Future Daimler Truck Group and the Future Daimler Group from 1 January 2021, until the Demerger takes effect. This also applies to transactions between the two company groups.

566 Excluded from this are the so-called Further Transaction Effects, which are significant business transactions after 1 January 2021, that are related to preparatory and accompanying reorganisation and capital measures (cf. in detail the explanation of the pro forma assumptions under items 2 a) and 3 a), respectively).

Transaction effects not taken into account

567 However, the pro forma balance sheets do not take into account transaction costs in connection with the Demerger and the preparatory measures, to the extent these are attributable to the period from 1 January 2021. In contrast, transaction costs incurred in the period up to 31 December 2020, have already been taken into account in the relevant balance sheets as at 31 December 2020 (for information on the transaction costs incurred in connection with the preparation and implementation of the Demerger, cf. also Section C.I.2).

568 In connection with the legal separation of the commercial vehicles business, transitional services agreements, service agreements and other agreements will be concluded and implemented between the companies of the Future Daimler Group and the companies of the Future Daimler Truck Group (cf. Section J). To the extent that these agreements have accounting effects – also material ones – until the Demerger takes effect, these effects are also not reflected in the pro forma balance sheets as at 1 January 2021.

569 Finally, the pro forma balance sheets do not reflect business transactions after 1 January 2021, that are closely related to the Demerger, but are not significant. This concerns, in particular, but not exclusively, the following matters:

- The pro forma HGB balance sheet of Daimler AG does not include the change of provisions and liabilities that will result from the transfer of employees from Daimler AG to Daimler Truck AG after 31 December 2020.

- The consolidated IFRS balance sheet of Daimler AG includes in the item "Other financial assets" various investments to be measured at fair value (in particular, fund investments) which will be transferred to companies of the Future Daimler Truck Group until the spin-off takes effect, but only after this report has been issued. In accordance with generally accepted accounting principles for the preparation of combined financial statements, these investments are not already reflected retrospectively in the Combined Daimler Truck Financial Statements. In the pro forma balance sheets of the Future Daimler Truck Group and the Future Daimler Group, the transfers are therefore also not included as pro forma adjustments.
- The Combined Daimler Truck Balance Sheet includes in the item "Equity-method investments" the 15 % interest of Daimler Truck AG in KAMAZ PAO, which will be held by Daimler AG upon the spin-off taking effect due to a prior acquisition (cf. Section J.I). The acquisition is not included in the pro forma balance sheets according to IFRS and not in the pro forma balance sheet of Daimler AG according to HGB.

Current business transactions

- 570 Business transactions after 1 January 2021, that – while having a material impact on the assets, financial and income position of the two company groups – are not related to the Demerger, are not included in the pro forma balance sheets. This applies, in particular, to the establishment of the cellcentric GmbH & Co. KG fuel cell joint venture by Daimler Truck AG and the Volvo Group in March 2021. The accounting effects of this measure are not reflected in the pro forma balance sheets under IFRS. However, the effects of the establishment of the joint venture on the income position of the Future Daimler Truck Group in the first half of the 2021 financial year are addressed in the context of the explanations in Section I.II.3 b).

Business transactions after the spin-off has taken effect

- 571 The transfer of companies, business activities or equity interests of the Future Daimler Group to the Future Daimler Truck Group, which is to occur only after the spin-off has taken effect in 2022, in particular the transfer of the financial services business in Phase 2 (cf. in this respect Section D.VI.7 b) as well as for the other planned transactions Section D.IV.1 b)), is not reflected in the pro forma balance sheets.
- 572 As described in Section D.IV.2, the increase in Daimler Grund Services' interests in the Gamma Partnerships and EvoBus OHG and the transfer of the Gamma Partnerships may lead to compensation payments in both directions after the preliminary valuations have been reviewed. The accounting effects of these compensation payments are not anticipated in the pro forma balance sheets under HGB and IFRS; rather, the preliminary valuations were used as a basis.

Taxes

- 573 Accounting effects on deferred and actual taxes resulting from the preparatory and accompanying reorganisation and capital measures after 31 December 2020, and from the Demerger are generally not anticipated in the pro forma balance sheets – with the exception of the adjustment of the impairment for the deferred tax assets of the domestic companies. For information on the special features of the presentation of deferred and actual taxes in the Combined Daimler Truck Financial Statements, cf. Section I.II.

Other issues

- 574 The transfer of the existing control and profit and loss transfer agreement to Daimler Truck Holding AG (cf. Sections B.IV.6 and E.III) is only taken into account in the pro forma balance sheets to the extent that Daimler AG loses control within the meaning of IFRS 10 – *Consolidated Financial Statements* over the companies of the Future Daimler Truck Group as a result of the spin-off and the companies of the Future Daimler Truck Group no longer qualify as affiliated companies within the meaning of §§ 266, 290 HGB, § 15 AktG from the perspective of Daimler AG.
- 575 The spin-off taking effect, in conjunction with the deconsolidation agreement which will become effective at that time, will result in the termination of the control of Daimler AG over the companies of the Future Daimler Truck Group which existed until that time. This change of control may give rise to termination rights or other rights of contracting parties under existing contracts that trigger payment obligations or other accounting consequences for the Group company concerned (cf. in this respect Section III.7). Any accounting effects are not reflected in the pro forma balance sheets as at 1 January 2021.
- 576 The actual balance sheets at the time the Demerger becomes effective can and will differ significantly from the pro forma balance sheets, in particular due to the effects not taken into account described above as well as further simplifications in the course of the preparation of the pro forma balance sheets.
- 577 Selected simplifications for purposes of preparing the pro forma consolidated balance sheet of Daimler AG in accordance with IFRS as at 1 January 2021, are discussed in point 2 b).

2. Balance sheets and pro forma balance sheets according to HGB**a) Assumptions on which the pro forma presentation in accordance with HGB is based**

- 578 Pro forma assumptions with regard to the effects from the Demerger include:
- The formation of Daimler Truck Holding AG as the acquiring legal entity by Daimler Grund on 25 March 2021, the additional payment into the capital reserve pursuant to § 272 para. 2 no. 4 HGB of Daimler Truck Holding AG in the amount

of EUR 150,000.00 by Daimler Grund in June 2021 and the sale of all shares in Daimler Truck Holding AG by Daimler Grund to Daimler AG in July 2021 for a purchase price of EUR 200,000.00;

- the spin-off taking effect, i.e. the transfer of (i) 574,954,240 shares in Daimler Truck AG (corresponding to 65.00 % of the Increased Share Capital of Daimler Truck AG) and (ii) the control and profit and loss transfer agreement existing between Daimler AG and Daimler Truck AG to Daimler Truck Holding AG (cf. § 3.1 of the Demerger Agreement) in exchange for the granting of 534,918,723 new shares in Daimler Truck Holding AG to the shareholders of Daimler AG (corresponding to 65.00 % of the Increased Share Capital of Daimler Truck Holding AG after Consummation of the Demerger Agreement);
- the immediately subsequent hive-down taking effect, i.e. the transfer of 251,498,474 shares in Daimler Truck AG (corresponding to 28.43 % of the Increased Share Capital of Daimler Truck AG) to Daimler Truck Holding AG (cf. § 9.1 of the Demerger Agreement) in exchange for the granting of 233,936,002 new shares in Daimler Truck Holding AG to Daimler AG (corresponding to 28.43 % of the Increased Share Capital of Daimler Truck Holding AG after Consummation of the Demerger Agreement).

579 In this context, (i) "Consummation of the Demerger Agreement" (cf. § 15.2 of the Demerger Agreement) means that the spin-off (including the related Capital Increase Against Contribution in Kind I), the hive-down (including the related Capital Increase Against Contribution in Kind II) and the Capital Increase Against Contribution in Kind III in connection with the contribution of the New Daimler Truck Shares and the existing 1,000 Daimler Truck shares to Daimler Truck Holding AG by Daimler Grund take effect and (ii) "Increased Share Capital of Daimler Truck Holding AG" means the share capital of Daimler Truck Holding AG after implementation of the aforementioned capital increases against contribution in kind (cf. also § 4, § 10 and § 14 of the Demerger Agreement as well as the summary overview in Section E.I).

580 The accounting effects of the aforementioned pro forma adjustments are in each case shown in column B of the tables in lit. b) and c) below.

581 Pro forma assumptions with regard to Further Transaction Effects include:

- The taking effect of the contribution (capital increase against contribution in kind) of 89.9 % of each of the Gamma Partnerships to Daimler Truck AG by Daimler Grund against the granting of 58,091,270 New Daimler Truck Shares (corresponding to 6.57 % of the Increased Share Capital of Daimler Truck AG) to Daimler Grund prior to the Demerger taking effect;
- the taking effect of the contribution (capital increase against contribution in kind) of the 58,091,270 New Daimler Truck Shares thus created as well as a further 1,000 already existing Daimler Truck shares to Daimler Truck Holding AG by Daimler Grund against the granting of 54,047,157 new shares in Daimler Truck

Holding AG (corresponding to a share of 6.57 % in the Increased Share Capital of Daimler Truck Holding AG) to Daimler Grund (Capital Increase Against Contribution in Kind III);

- the prior contribution of the aforementioned already existing 1,000 Daimler Truck shares by Daimler AG to the capital reserve pursuant to § 272 para. 2 no. 4 HGB of Daimler Grund after conclusion of the Demerger Agreement (cf. § 14.1 b) of the Demerger Agreement);
- the strengthening of the equity of Daimler Truck AG by Daimler AG in the form of additional payments into the capital reserve pursuant to § 272 para. 2 no. 4 HGB in a total amount of EUR 5,380 million in accordance with § 17.4 of the Demerger Agreement;
- the funding of Daimler Grund Services by Daimler AG for the purpose of Daimler Grund Services' participation in the Gamma Partnerships and in EvoBus OHG (cf. the description in Section D.IV.2);
- the intra-group transfer of subsidiaries of Daimler AG (Shares in subsidiaries) to Daimler Truck AG in the financial year 2021 until the spin-off takes effect (cf. the description in Section D.IV.1 a));
- the establishment of the financial services business at the Future Daimler Truck Group by means of intra-group transfers of companies or business activities to Daimler Truck AG (or its subsidiaries) in Phase 1 (cf. in this respect the description in Section D.VI.7 a)), to the extent the transfers relate to direct shareholdings of Daimler AG;
- the settlement of receivables and payables between the companies of the Future Daimler Group and the companies of the Future Daimler Truck Group arising from intercompany clearing transactions as part of the central financial and liquidity management until the spin-off takes effect (cf. the description in Sections D.I.7, G.III.4 and J.III.5).

582 To the extent that the consideration to be paid by the company of the Future Daimler Truck Group in each of the aforementioned intra-group transfers has not yet been finally determined, the accounting effect of such consideration will be anticipated in the pro forma balance sheets based on the preliminary valuation as at the date of the preparation of this joint Demerger Report.

583 The accounting effects of the aforementioned pro forma adjustments are in each case shown in column D of the tables in lit. b) and c) below.

b) Balance sheet and pro forma balance sheet of Daimler AG according to HGB

584 Column A ("12/31/2020 prior to Demerger (Act)") of the following table presents the Individual Balance Sheet of Daimler AG as at 31 December 2020, 12:00 p.m. The latter

is derived from the audited annual financial statements of Daimler AG as at 31 December 2020, and will be used, at the same time, as the closing balance sheet of Daimler AG pursuant to § 125 sent. 1 in conjunction with § 17 para. 2 UmwG. In this respect, it reflects the situation prior to the Demerger taking effect.

- 585 Column B ("Effects from the Demerger") contains the accounting effects of the pro forma adjustments related to the spin-off and leads to column C ("01/01/2021 after Demerger (pro forma)"), which contains the pro forma balance sheet of Daimler AG as at 1 January 2021, 0:00 a.m., before taking into account the Further Transaction Effects.
- 586 Column D ("Further Transaction Effects") contains the accounting effects of the pro forma adjustments for the Further Transaction Effects described above and leads to column E ("01/01/2021 after Demerger and Further Transaction Effects (pro forma)"), which contains the pro forma balance sheet of Daimler AG as at 1 January 2021, 0:00 a.m., after taking into account the effects from the Demerger and the Further Transaction Effects. The pro forma balance sheet of Daimler AG shown in column E is not identical to the balance sheet of Daimler AG as it will appear upon Consummation of the Demerger Agreement.

Daimler AG (HGB)	A	B	C	D	E
EUR mn.	12/31/2020 prior to De- merger (Act)	Effects from the Demerger	01/01/2021 after Demerger (Pro-forma)	Further Transaction Effects	01/01/2021 after Demerger and Further Transaction Effects (Pro-forma)
Intangible assets and prop- erty, plant & equipment	209	-	209	-	209
Financial assets					
Shares in subsidiaries	52,885	-14,852	38,033	-435	37,598
Loans to subsidiaries	1,559	-230	1,329	-	1,329
Shares in associated com- panies	1,387	4,519	5,906	1,530	7,436
Other financial assets	121	230	351	-230	121
Receivables from subsidiar- ies	22,166	-1,898	20,268	0	20,268
Receivables from associated companies	23	1,898	1,921	-1,864	57
Securities	4,904	-	4,904	-	4,904
Cash	7,658	-	7,658	-4,809	2,849
Other assets	1,719	-	1,719	-	1,719
Assets	92,631	-10,333	82,298	-5,808	76,490
Equity	39,224	-10,333	28,891	-3,468	25,423
Provisions	1,743	-	1,743	-	1,743
Liabilities to subsidiaries	26,511	-2,341	24,170	-	24,170
Notes/bonds and commercial paper	24,554	-	24,554	-	24,554
Liabilities due to associated companies	1	2,341	2,342	-2,340	2
Other liabilities	598	-	598	-	598
Equity and liabilities	92,631	-10,333	82,298	-5,808	76,490

Explanation of the effects from the Demerger (column B)

- 587 The Individual Balance Sheet of Daimler AG as at 31 December 2020 (column A), contains the 100 % interest held in Daimler Truck AG as "Shares in subsidiaries" with a carrying amount of EUR 14,852 million in the item "Financial assets". Due to the capital increase against contribution in kind in connection with the contribution of the interests in the Gamma Partnerships (cf. above lit. a)), the proportionate interest of Daimler AG in Daimler Truck AG is reduced from 100 % to 93.43 %, without, however, reducing the carrying amount of the interest.
- 588 As a result of the subsequent spin-off of 65.00 % of the Daimler Truck shares (based on the Increased Share Capital of Daimler Truck AG), the carrying amount of this equity interest in the item "Financial assets" is reduced by EUR 10,333 million (column B) to EUR 4,519 million (column C) and the share in Daimler Truck AG is reduced to 28.43 % (based on the Increased Share Capital of Daimler Truck AG).
- 589 As a result of the immediately subsequent hive-down, there will be a reclassification within the item "Financial assets" in the pro forma balance sheet as at 1 January 2021, of Daimler AG (column C), in which the remaining carrying amount of the interest in Daimler Truck AG will be reduced in full by EUR 4,519 million or the share of 28.43 % in Daimler Truck AG (based on the Increased Share Capital of Daimler Truck AG) and the interest in Daimler Truck Holding AG is recognised with a share of 28.43 % in Daimler Truck Holding AG (based on the Increased Share Capital of Daimler Truck Holding AG) or an initial amount of EUR 4,519 million. In the pro forma balance sheet as of 1 January 2021 (column C), Daimler AG's interest in Daimler Truck AG is no longer included; it is replaced by the interest in Daimler Truck Holding AG at an initial amount of EUR 4,519 million (before taking into account the Further Transaction Effects). In this regard, it is assumed that Daimler AG will recognise the carrying amount of the shares in Daimler Truck AG that were hived down as the acquisition cost for the shares in Daimler Truck Holding AG.
- 590 In accordance with the reduction of the item "Financial assets" by EUR 10,333 million (balance from the retirement of the interest in Daimler Truck AG at a carrying amount of EUR 14,852 million and the addition of the interest in Daimler Truck Holding AG with an initial amount of EUR 4,519 million), the item "Equity" is reduced by EUR 10,333 million. As a consequence of the Demerger, the total assets of the pro forma balance sheet as at 1 January 2021 (column C) are reduced accordingly by this amount compared to the Individual Balance Sheet as at 31 December 2020 (column A).
- 591 The interest of Daimler AG in Daimler Truck Holding AG resulting from the hive-down can no longer be classified as "Shares in subsidiaries" under HGB accounting rules, but as "Shares in associated companies" within the item "Financial assets".
- 592 As a result of the spin-off of the majority interest in Daimler Truck AG, the companies of the Future Daimler Truck Group can no longer be classified as subsidiaries of Daimler AG. Accordingly, compared to the balance sheet as at 31 December 2020, in the pro forma balance sheet as at 1 January 2021 (column C), the items "Receivables from

subsidiaries" decrease by EUR 1,898 million and "Liabilities to subsidiaries" decrease by EUR 2,341 million and, accordingly, the items "Receivables from associated companies" increase by EUR 1,898 million and "Liabilities due to associated companies" increase by EUR 2,341 million. Furthermore, there is a reclassification of "Loans to subsidiaries" with an amount of EUR 230 million to the item "Other financial assets"; these are long-term loans to companies of the Future Daimler Truck Group as they existed on 31 December 2020. Receivables from and liabilities due to associated companies primarily relate to receivables and payables arising from intercompany clearing transactions as part of the central finance and liquidity management and from trade transactions with companies of the Future Daimler Truck Group until 31 December 2020.

Explanation of Further Transaction Effects (column D)

- 593 The Individual Balance Sheet of Daimler AG as at 31 December 2020, (column A) contains an amount totaling EUR 7,658 million in the item "Cash". As a result of the funding to be provided by Daimler AG to Daimler Grund Services for the purpose of establishing a 10.1 % interest of Daimler Grund Services in each of the Gamma Partnerships and EvoBus OHG, the item "Cash" is reduced by EUR 202 million and the "Shares in subsidiaries" in the item "Financial assets" are increased by this amount (increase in the carrying amount of the interest in Daimler Grund Services) (column D) in the pro forma balance sheet of Daimler AG as at 1 January 2021 (column E).
- 594 As described above, the Individual Balance Sheet of Daimler AG as at 31 December 2020 (column A), contains the 100 % interest in Daimler Truck AG with a carrying amount of EUR 14,852 million in the item "Financial assets". In preparation for the Demerger, Daimler Grund will contribute to Daimler Truck AG all interests held by it in the Gamma Partnerships (corresponding – after the creation of the interests of Daimler Grund Services in the Gamma Partnerships – to 89.9 % each in relation to the fixed capital of the Gamma Partnerships). The contribution will be made in return for the granting of New Daimler Truck shares (representing a total of 6.57 % of the Increased Share Capital of Daimler Truck AG) to Daimler Grund. As a result of this measure, the shareholding of Daimler AG in Daimler Truck AG will be reduced to 93.43 % based on the Increased Share Capital of Daimler Truck AG. The carrying amount of the interest in Daimler Truck AG will not change in the pro forma balance sheet of Daimler AG as at 1 January 2021 as a result of this measure.
- 595 Immediately after the Demerger has taken effect, Daimler Grund will contribute these New Daimler Truck Shares and a further 1,000 Daimler Truck shares already existing to Daimler Truck Holding AG within the framework of the Capital Increase Against Contributions in Kind III in exchange for the granting of 54,047,157 shares in Daimler Truck Holding AG (corresponding to a share of 6.57 % in the Increased Share Capital of Daimler Truck Holding AG) to Daimler Grund. This contribution has no direct effect on the presentation in the HGB pro forma balance sheet of Daimler AG. However, the 1,000 Daimler Truck shares already in existence arose from the intra-group transaction described below after 31 December 2020, which has an impact on the pro forma balance sheet of Daimler AG as at 1 January 2021.

- 596 The Individual Balance Sheet of Daimler AG as at 31 December 2020 (column A), contains the 100 % equity interest held in Mercedes-Benz Trucks Portugal S.A. as "Shares in subsidiaries" with a carrying amount of EUR 5 million in the item "Financial assets". The interest was contributed by Daimler AG to Daimler Truck AG in January 2021 in exchange for an increase of the share capital by EUR 1,000.00 and otherwise to be credited to the capital reserve pursuant to § 272 para. 2 no. 1 HGB at Daimler Truck AG. This measure first results in a reclassification within the item "Financial assets" in the pro forma balance sheet of Daimler AG as at 1 January 2021 (column E), in which the carrying amount of the interest in Daimler Truck AG is increased by EUR 5 million and the carrying amount of the interest in Mercedes-Benz Trucks Portugal S.A. is de-recognised. The 1,000 Daimler Truck shares thus created will be contributed by Daimler AG to the capital reserve pursuant to § 272 para. 2 no. 4 HGB of Daimler Grund following the conclusion of the Demerger Agreement and there will thus be a further reclassification within the item "Financial assets" by which the carrying amount of the interest in Daimler Grund will increase by EUR 5 million and the carrying amount of the interest in Daimler Truck AG, which had in the meantime increased by EUR 5 million, will decrease again by EUR 5 million.
- 597 As a result of the strengthening of the equity of Daimler Truck AG in the amount of EUR 5,380 million as an additional payment into the capital reserve pursuant to § 272 para. 2 no. 4 HGB, which Daimler AG agreed to in the Demerger Agreement, the item "Cash" is reduced by this amount of EUR 5,380 million (column D) in the pro forma balance sheet as at 1 January 2021 (column E). The additional payment into the capital reserve pursuant to § 272 para. 2 no. 4 HGB at Daimler Truck AG leads to subsequent acquisition costs of the equity interest of Daimler AG in Daimler Truck Holding AG resulting from the hive-down of EUR 1,530 million and to subsequent acquisition costs of the shares of Daimler AG in Daimler Grund of EUR 353 million, with the consequence that the "Shareholdings in associated companies" in the item "Financial assets" in column D are increased by EUR 1,530 million and the "Shares in subsidiaries" in the item "Financial assets" in column D are increased by EUR 353 million. Accordingly, the interest of Daimler AG in Daimler Truck Holding AG is included in the pro forma balance sheet after the Demerger and Further Transaction Effects (column E) with an amount of EUR 6,049 million and the interest of Daimler AG in Daimler Grund with an amount of EUR 8,444 million. The committed strengthening of the equity of Daimler Truck AG thus results in a reduction of equity in the pro forma balance sheet of Daimler AG as at 1 January 2021, by EUR 3,497 million.
- 598 The companies of the Future Daimler Truck Group are currently still financed directly or indirectly through Daimler AG. It is planned to replace intra-group financing with external financing (in this regard, cf. Sections D.I.7, G.III.4 and J.III.5). Against the background of such independence, it is also planned to settle the receivables and payables between the companies of the Future Daimler Group and the companies of the Future Daimler Truck Group arising from the intercompany clearing transactions within the framework of the central finance and liquidity management prior to the Consummation of the Demerger Agreement. In the pro forma balance sheet as at 1 January 2021, of Daimler AG under HGB before Further Transaction Effects (column C), these receivables and payables are still initially included. In more detail, of the loans, receivables and

payables reclassified in column B, loans amounting to EUR 93 million, receivables amounting to EUR 1,864 million and payables amounting to EUR 2,340 million are attributable to central finance and liquidity management. As a result of the planned settlement of payments, which is anticipated in the pro forma presentation, the item "Other financial assets", the "Receivables from associated companies" and the "Liabilities due to associated companies" in column D are reduced by these amounts, and the item "Cash" is reduced accordingly by the net amount of EUR 383 million. The amount is not identical to the amount at the time of the planned repayment, in particular because the changes from current operations are not taken into account (cf. Section G.I.1 b)). In addition, the purchase prices for the transfers described below are also to be settled via intercompany clearing and, accordingly, have a direct effect on the "Cash" item for the purposes of pro forma presentation.

- 599 The Individual Balance Sheet of Daimler AG as at 31 December 2020 (column A), contains in the item "Financial assets" the 100 % interest held in Daimler India Commercial Vehicles Private Limited as "Shares in subsidiaries" with a carrying amount of EUR 312 million as well as "Loans to subsidiaries" in this regard with a carrying amount of EUR 137 million. The interest was sold by Daimler AG to Daimler Truck AG in March 2021. This sale results in a decrease of EUR 449 million in the item "Financial assets", an increase of EUR 451 million in the item "Cash" and an increase of EUR 2 million in the item "Equity" (column D). In the pro forma balance sheet of Daimler AG as at 1 January 2021 (column E), the interest in Daimler India Commercial Vehicles Private Limited is derecognised.
- 600 The Individual Balance Sheet of Daimler AG as at 31 December 2020 (column A), contains the 100 % interest held in Daimler Trucks Finance Canada Inc. (formerly Daimler Canada Investments Company) as "Shares in subsidiaries" with a carrying amount of EUR 678 million in the item "Financial assets". The interest is to be sold by Daimler AG to Daimler Truck AG in August 2021. This sale results in a decrease of EUR 678 million in the "Shares in subsidiaries" in the item "Financial assets", an increase of EUR 705 million in the item "Cash" and an increase of EUR 27 million in the item "Equity" (column D). In the pro forma balance sheet of Daimler AG as at 1 January 2021 (column E), the interest in Daimler Trucks Finance Canada Inc. is derecognised.

c) Pro forma HGB balance sheet of Daimler Truck Holding AG

- 601 Since Daimler Truck Holding AG was only established on 25 March 2021, there is no balance sheet as at 31 December 2020, 12:00 p.m. (column A). However, the Demerger will be economically related back to 1 January 2021, 0:00 a.m. (cf. the explanation in point 1 a)); therefore, Column B ("Effects from the Demerger") contains the accounting effects of the pro forma adjustments related to the spin-off and leads to column C ("01/01/2021 after Demerger (pro forma)"), which contains the pro forma balance sheet of Daimler Truck Holding AG as at 1 January 2021, 0:00 a.m., before taking into account the Further Transaction Effects.
- 602 Column D ("Further Transaction Effects") contains the accounting effects of the pro forma adjustments for the Further Transaction Effects and leads to column E

("01/01/2021 after Demerger and Further Transaction Effects (pro forma)"), which contains the pro forma balance sheet of Daimler Truck Holding AG as at 1 January 2021, 0:00 a.m., after taking into account the effects from the Demerger and the Further Transaction Effects. The pro forma balance sheet of Daimler Truck Holding AG shown in column E is not identical to the balance sheet of Daimler Truck Holding AG as it will appear upon Consummation of the Demerger Agreement.

Daimler Truck Holding AG (HGB)	A	B	C	D	E
EUR mn.	12/31/2020 prior to De- merger (Act)	Effects from the Demerger	01/01/2021 after De- merger (Pro-forma)	Further Transaction Effects	01/01/2021 after De- merger and Further Transaction Effects (Pro-forma)
Financial assets					
Shares in subsidiaries	-	14,852	14,852	433	15,285
Assets	-	14,852	14,852	433	15,285
Share capital	-	769	769	54	823
Capital reserves	-	14,083	14,083	379	14,462
Equity	-	14,852	14,852	433	15,285
Liabilities	-	14,852	14,852	433	15,285

Explanation of the effects from the Demerger (column B)

- 603 Upon the spin-off and the hive-down taking effect, i.e. in particular the transfer of 65.00 % and 28.43 % of the Daimler Truck shares (in relation to the Increased Share Capital of Daimler Truck AG) from Daimler AG to Daimler Truck Holding AG, the "Shares in subsidiaries" in the item "Financial assets" increase by an amount of EUR 14,852 million (column B). In this respect, it is assumed that Daimler Truck Holding AG will make use of the option pursuant to § 24 UmwG for the initial valuation of the shares and will recognise the spun-off and hived-down shares as acquisition costs within the meaning of § 253 para. 1 HGB at Daimler Truck Holding AG at the values recognised in the closing balance sheet of Daimler AG.
- 604 Correspondingly, by issuing 534,918,723 new shares in Daimler Truck Holding AG to the shareholders of Daimler AG and 233,936,002 new shares in Daimler Truck Holding AG to Daimler AG the implementation of the capital increases for the spin-off and the hive-down (Capital Increases Against Contribution in Kind I and II) results in an increase in the share capital by a total of EUR 769 million to EUR 769 million as well as an increase in the capital reserve pursuant to § 272 para. 2 no. 1 HGB by the balance of EUR 14,083 million to the carrying amount of the interest in Daimler Truck AG of EUR 14,852 million.

605 The values of the opening balance sheet of Daimler Truck Holding AG and of the payment into the capital reserve pursuant to § 272 para. 2 no. 4 HGB are included as a pro forma adjustment in column B and, accordingly, in the pro forma balance sheets as at 1 January 2021 (columns C and E), but do not affect the presentation due to the small amount of the balance sheet items.

606 Due to the transfer of the majority of the shares in Daimler Truck AG upon the spin-off taking effect, the shareholding of Daimler Truck Holding AG in Daimler Truck AG qualifies in the balance sheet of Daimler Truck Holding AG as "Shares in subsidiaries" in the item "Financial assets".

Explanation of Further Transaction Effects (column D)

607 As described in point 2 a), Daimler Grund will contribute all of the interests held by it in the Gamma Partnerships to Daimler Truck AG before the Demerger takes effect. The contribution will be made in return for the granting of New Daimler Truck shares (representing a total of 6.57 % of the Increased Share Capital of Daimler Truck AG) to Daimler Grund.

608 Daimler Grund will contribute these New Daimler Truck Shares and a further 1,000 Daimler Truck shares already existing to Daimler Truck Holding AG immediately after the Demerger has taken effect, resulting in Daimler Truck Holding AG holding a further 6.57 %, and thus a total of 100.00 %, of the shares in Daimler Truck AG (Capital Increase Against Contributions in Kind III). In this respect, the "Shares in subsidiaries" in the item "Financial assets" will increase by an amount of EUR 433 million and the item "Equity" will increase by the same amount (column D), with the "share capital" increasing by an amount of EUR 54 million and an amount of EUR 379 million being transferred to the capital reserves pursuant to § 272 para. 2 no. 1 HGB within the item "Equity". In this regard, it is assumed that Daimler Truck Holding AG will recognise as acquisition costs for these shares in Daimler Truck AG the same carrying amount that Daimler Grund had previously recognised for its shares in Daimler Truck AG in connection with the contribution of the interests in the Gamma Partnerships and the contribution of the existing 1,000 Daimler Truck shares by Daimler AG. In this respect, in turn, it is assumed that Daimler Grund applied to the New Daimler Truck Shares the carrying amounts of the interests held until then in the fixed capital of the Gamma Partnerships.

609 The committed equity strengthening of a total of EUR 5,380 million from Daimler AG to the equity of Daimler Truck AG has a direct effect only on Daimler Truck AG. The pro forma balance sheet of Daimler Truck Holding AG is not affected by this.

3. Consolidated balance sheets and pro forma consolidated balance sheets according to IFRS

a) Assumptions on which the pro forma presentation in accordance with IFRS is based

- 610 With regard to the presentation of the accounting effects of the Demerger in accordance with the German Commercial Code, the transfer of economic ownership of the assets to be spun off and hived down (in this case – disregarding the control and profit and loss transfer agreement also transferred in the course of the spin-off – the shareholding of Daimler AG in Daimler Truck AG), which the acquiring legal entity (Daimler Truck Holding AG) receives from the transferring legal entity (Daimler AG), is taken as the basis for the asset allocation in accordance with the general principles of commercial law. In this respect, the "pro forma assumptions with regard to the effects of the Demerger" in point 2 a) were based exclusively on the spin-off and the hive-down.
- 611 According to the accounting rules for the consolidated financial statements, the registration of the spin-off – accompanied by the deconsolidation agreement – leads to the loss of control over the companies of the Future Daimler Truck Group within the meaning of IFRS 10. At Daimler AG, this results in the deconsolidation of Daimler Truck Holding AG as well as Daimler Truck AG and all previously fully consolidated (direct and indirect) subsidiaries of Daimler Truck AG and the retirement of the corresponding net book assets at that time. These net book assets include all assets and liabilities that will have been transferred by the time of the spin-off as part of the measures to separate the commercial vehicles business and establish the financial services business.
- 612 For this reason, the assumptions made in the pro forma presentation under IFRS differ in part from the above pro forma presentation under HGB.
- 613 Pro forma assumptions with regard to the effects in connection with the Demerger include:
- The formation of Daimler Truck Holding AG as the acquiring legal entity by Daimler Grund on 25 March 2021, the additional payment into the capital reserve pursuant to § 272 para. 2 no. 4 HGB of Daimler Truck Holding AG in the amount of EUR 150,000.00 by Daimler Grund in June 2021 and the sale of all shares in Daimler Truck Holding AG by Daimler Grund to Daimler AG in July 2021 for a purchase price of EUR 200,000.00;
 - the spin-off taking effect (as described above in point 2 a)) and the deconsolidation agreement entering into force;
 - the hive-down taking effect (as described above in point 2 a));
 - the taking effect of the contribution (i) of 89.9 % of each of the Gamma Partnerships to Daimler Truck AG and (ii) of the 58,091,270 New Daimler Truck Shares granted in return therefor as well as of a further 1,000 already existing

Daimler Truck shares to Daimler Truck Holding AG (as described above in point 2 a));

- the intra-group transfer of direct and indirect subsidiaries of Daimler AG to Daimler Truck AG as well as to direct and indirect subsidiaries of Daimler Truck AG in the financial year 2021 until the spin-off takes effect (cf. the description in Section D.IV.1 a));
- the establishment of the financial services business at the Future Daimler Truck Group by means of intra-group transfers of companies or business activities to Daimler Truck AG (or its subsidiaries) in Phase 1 (cf. in this respect the description in Section D.VI.7 a)).

614 The accounting effects of the aforementioned pro forma adjustments are shown in column B of the table in lit. b) below.

615 Pro forma assumptions with regard to Further Transaction Effects include:

- The strengthening of the equity of Daimler Truck AG by Daimler AG in the form of additional payments into the capital reserve pursuant to § 272 para. 2 no. 4 HGB in a total amount of EUR 5,380 million in accordance with § 17.4 of the Demerger Agreement;
- the funding of Daimler Grund Services by Daimler AG for the purpose of Daimler Grund Services' participation in the Gamma Partnerships and in EvoBus OHG (cf. the description in Section D.IV.2);
- consideration or purchase price payments to be recognised as receivables or liabilities, respectively, in connection with the measures to separate the commercial vehicles business and to establish the financial services business, to the extent that they are not already recognised in the Daimler consolidated balance sheet as at 31 December 2020, based on the preliminary valuation as at the date of the preparation of this joint Demerger Report;
- the settlement of receivables and payables between the companies of the Future Daimler Group and the companies of the Future Daimler Truck Group arising from intercompany clearing transactions as part of the central financial and liquidity management until the spin-off takes effect (cf. the description in Sections D.I.7, G.III.4 and J.III.5).

616 The accounting effects of the aforementioned pro forma adjustments are in each case shown in column D of the tables in lit. b) and c) below.

b) Consolidated balance sheet and pro forma consolidated balance sheet of Daimler AG in accordance with IFRS

- 617 The following table contains in column A ("12/31/2020 prior to Demerger (Act))" the consolidated balance sheet of Daimler Group as at 31 December 2020, 12:00 p.m., derived from the audited IFRS consolidated financial statements of Daimler AG. In this respect, it reflects the situation prior to the Demerger taking effect.
- 618 Column B ("Effects in connection with the Demerger") contains the accounting effects of the pro forma adjustments related to the spin-off under IFRS and leads to column C ("01/01/2021 after Demerger (Pro forma)"), which contains the pro forma consolidated balance sheet of Daimler AG as at 1 January 2021, 0:00 a.m., before taking into account the Further Transaction Effects.
- 619 Column D ("Further Transaction Effects") contains the accounting effects of the pro forma adjustments for the Further Transaction Effects and leads to column E ("01/01/2021 after Demerger and Further Transaction Effects (Pro forma)"), which contains the pro forma consolidated balance sheet of Daimler AG as at 1 January 2021, 0:00 a.m., after taking into account the effects from the Demerger and the Further Transaction Effects. The pro forma consolidated balance sheet of Daimler AG shown in column E is not identical to the balance sheet of the Future Daimler Group as it will appear upon Consummation of the Demerger Agreement.

Future Daimler Group (IFRS)	A	B	C	D	E
EUR mn.	12/31/2020 prior to De-merger (Act)	Effects in connection with the Demerger	01/01/2021 after De-merger (Pro forma)	Further Transaction Effects	01/01/2021 after De-merger and Further Transaction Effects (Pro forma)
Intangible assets	16,399	-1,682	14,717	-	14,717
Property, plant and equipment	35,246	-7,752	27,494	-	27,494
Equipment on operating leases	47,552	-2,407	45,145	-	45,145
Equity-method investments	5,189	2,514	7,703	1,883	9,586
Receivables from financial services	96,185	-13,293	82,892	-	82,892
Marketable debt securities and similar investments	6,397	-117	6,280	-	6,280
Inventories	26,444	-6,159	20,285	-	20,285
Trade receivables	10,649	-2,866	7,783	-	7,783
Cash and cash equivalents	23,048	-1,662	21,386	-5,435	15,951
Other financial assets	6,924	2,683	9,607	6,345	15,952
Other assets	11,704	-3,103	8,601	-	8,601
Total assets	285,737	-33,844	251,893	2,793	254,686
Equity	62,248	-6,399	55,849	-529	55,320
Provisions	32,520	-7,661	24,859	-	24,859
Financing liabilities	145,842	-10,749	135,093	3,322	138,415
Trade payables	12,378	-2,427	9,951	-	9,951
Contract and refund liabilities	12,956	-2,934	10,022	-	10,022
Other financial liabilities	8,598	-2,322	6,276	-	6,276
Other liabilities	11,195	-1,352	9,843	-	9,843
Total equity and liabilities	285,737	-33,844	251,893	2,793	254,686

Explanation of the effects in connection with the Demerger (column B)

- 620 In column B, the table above shows the changes in balance sheet items resulting from the deconsolidation of the business activities of the Future Daimler Truck Group in connection with the spin-off. For the purpose of comparability with the HGB presentation, it is assumed in the IFRS presentation that the spin-off had become legally effective at 0:00 a.m. on 1 January 2021.
- 621 Upon the spin-off and the deconsolidation agreement taking effect, Daimler AG will lose control over the business activities of the Future Daimler Truck Group in accordance with IFRS 10. The spin-off will result in the transfer of the majority of Daimler Truck shares and Daimler AG taking into account the deconsolidation agreement concluded in connection with the spin-off will no longer control Daimler Truck AG and its direct and indirect subsidiaries and will no longer fully consolidate them in its consolidated financial statements.
- 622 Accordingly, the carrying amounts of the assets and liabilities of the business activities of the Future Daimler Truck Group included in column A have been deducted in column B. In the pro forma consolidated balance sheet as at 1 January 2021 (column C), the business activities of the Future Daimler Truck Group are derecognised in the amount of the carrying amounts as included in column A. This also includes such companies or business activities which will only be transferred to Daimler Truck AG or its direct and indirect subsidiaries after 1 January 2021 (cf. the pro forma assumptions made under lit. a) with regard to the contribution of the Gamma Partnerships, the transfer of direct and indirect subsidiaries of Daimler AG and the establishment of the financial services business). In the pro forma presentation in accordance with HGB in Section G.I.2. b), the related balance sheet effects are shown as Further Transaction Effects in column D.
- 623 At the same time, transactions between companies of the Future Daimler Group and companies of the Future Daimler Truck Group, which previously constituted intercompany transactions and were therefore not reflected in the consolidated financial statements as at 31 December 2020, due to the consolidation and elimination, will be revived and reflected in the pro forma consolidated balance sheet. In particular, previously intercompany receivables and liabilities of the Future Daimler Group with companies of the Future Daimler Truck Group will be recognised, using the carrying amounts as at 31 December 2020. In the pro forma consolidated balance sheet of Daimler Group as at 1 January 2021 (column C), receivables and payables of the Future Daimler Group vis-à-vis the Future Daimler Truck Group are therefore included in the relevant balance sheet items. In addition, other effects are taken into account and added in column B that result from the revival of previously intercompany relationships, such as the recognition of intercompany profits on inventories purchased from companies of the Future Daimler Truck Group.
- 624 However, the pro forma consolidated balance sheet of Daimler AG as at 1 January 2021, does not anticipate all effects that may arise in the first consolidated financial statements of Daimler AG after the spin-off from the fact that transactions between companies of the Future Daimler Group and companies of the Future Daimler Truck Group will have

to be accounted for in the future as if they were between unrelated third parties, even if they could be material. These effects include, without limitation, the following:

- In accordance with the provisions of IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations* ("IFRS 5"), the assets and liabilities of those companies and business segments which will only be transferred to Daimler Truck AG or its subsidiaries after the Demerger in Phase 2 are classified as "Non-current assets and disposal groups held for sale" and presented separately in the consolidated balance sheet. In this case, the assets or disposal groups are no longer depreciated or amortised but measured at the lower of carrying amount and fair value less costs to sell. This separate disclosure and the corresponding measurement are not anticipated in the pro forma consolidated balance sheets of Daimler AG in accordance with IFRS as at 1 January 2021.
- Since a final contractual analysis with regard to the so-called manufacturer leases has not yet been carried out, the potential effects from the contractual relationships between the companies of the Future Daimler Group and the companies of the Future Daimler Truck Group can generally not be taken into account. For the purpose of the pro forma presentation, the item "Equipment on operating leases" includes – in a highly simplified form – the vehicles which the companies of the Future Daimler Group receive for use in a leasing transaction from the companies of the Future Daimler Truck Group and which they in turn sublease to external customers and which were previously allocated to the companies of the Future Daimler Truck Group for the purpose of preparing the consolidated financial statements of Daimler AG.
- The effects of other intercompany leases between the companies and business segments of the Future Daimler Group and the companies and business segments of the Future Daimler Truck Group in which the companies of the Future Daimler Group are lessees or lessors, respectively, were previously eliminated in the preparation of the consolidated financial statements of Daimler AG. In the future, the companies of the Future Daimler Group will have to recognise an asset for the right-of-use and a lease liability for the outstanding lease payments in accordance with IFRS 16 – *Leases* ("IFRS 16"), unless possible relief can be claimed. A contractual analysis in this respect was not carried out for the purposes of the pro forma consolidated balance sheet of Daimler AG under IFRS as at 1 January 2021, and, accordingly, a recognition of assets for rights of use and lease liabilities that may be required was not anticipated.
- Receivables from financial services, trade receivables and other financial assets are to be measured in accordance with the provisions of IFRS 9 "*Financial Instruments*" ("IFRS 9"). To the extent that these exist against companies of the Future Daimler Truck Group, for purposes of the pro forma consolidated balance sheet of Daimler AG under IFRS as at 1 January 2021, the carrying amounts as at 31 December 2020, before intercompany eliminations were used. Valuation in accordance with IFRS 9 could result in impairments that would have to be recognised in profit or loss and reduce equity.

- In the future, Daimler Grund Services will hold a 10.1 % interest in real estate management partnerships (the Gamma Partnerships and EvoBus OHG). Investments to be presented in the consolidated financial statements of Daimler AG in the item "Other financial assets" are to be recognised at fair value upon initial recognition and in each subsequent consolidated financial statements. For the purpose of the pro forma consolidated balance sheet of Daimler AG, the provisional amounts of the cash contributions of Daimler Grund Services in connection with the planned cash capital increases at the real estate management partnerships were used for simplification purposes, since the fair value cannot yet be sufficiently determined at the time of the preparation of this Joint Demerger Report (cf. the comments under Further Transaction Effects).
- 625 The Future Daimler Group will retain a 35.00 % shareholding in Daimler Truck Holding AG (a 28.43 % direct shareholding of Daimler AG due to the hive-down and a 6.57 % indirect shareholding via Daimler AG's 100 % shareholding in Daimler Grund). For the purposes of the pro forma consolidated balance sheet as at 1 January 2021, a share of 35.00 % of the net carrying amount was used for simplification purposes as the difference between the assets and liabilities of the Future Daimler Truck Group. The basis for this is the "Equity" item with an amount of EUR 8,708 million, which will be reported in the Combined Daimler Truck Financial Statements as at 31 December 2020. This results in an amount of EUR 3,048 million for the remaining interest in Daimler Truck Holding AG. This leads to an increase of EUR 2,514 million in the item "Equity-method investments" in column B, taking into account an amount of EUR 534 million for "Equity-method investments" of the Future Daimler Truck Group which is also shown as a deduction in column B, and before taking into account the Further Transaction Effects.
- 626 As a result of the derecognition of all assets and liabilities of the Future Daimler Truck Group and the simultaneous revival of the receivables and liabilities existing between the Future Daimler Group and the Future Daimler Truck Group (including the further effects taken into account) as well as the simplified recognition of the remaining investment in Daimler Truck Holding AG, the total assets in the pro forma consolidated balance sheet of Daimler AG as at 1 January 2021, are reduced by EUR 33,884 million and equity is reduced by EUR 6,399 million.
- 627 In deviation from this simplified procedure, the IFRS require the initial measurement of the remaining investment and the measurement of the net assets to be disposed of at fair value; equity would have to be adjusted accordingly (through profit or loss). This effect is explained below but not anticipated in the pro forma consolidated balance sheet of Daimler AG as at 1 January 2021, as the fair value is to be determined at the time the spin-off takes effect and is therefore not yet known:
- With regard to the spin-off, Daimler AG will, with the approval by the General Meeting of the Demerger Agreement, recognise a spin-off liability in accordance with IFRIC 17 "Distributions of Non-cash Assets to Owners" in the consolidated balance sheet of Daimler AG at the fair value of 65.00 % of the value of the Future Daimler Truck Group (directly at the expense of equity).

- Upon the Demerger and the deconsolidation agreement taking effect, the retirement of the spin-off liability and the carrying amounts existing at that time of the assets and liabilities of the Future Daimler Truck Group (spin-off) as well as the addition of the 35.00 % shareholding in Daimler Truck Holding AG (hive-down and Capital Increase Against Contributions in Kind III), will be recognised in the consolidated balance sheet of Daimler AG.
- Any difference (balance of (i) carrying amounts of the assets and liabilities of the Future Daimler Truck Group and (ii) spin-off liability, plus (iii) acquisition value of the 35.00 % shareholding) is to be recognised in profit or loss; the corresponding effect on equity is not reflected in the pro forma consolidated balance sheet of Daimler AG as at 1 January 2021.
- In the event there is a delay in the spin-off taking effect, the demerger liability would have to be remeasured at fair value at subsequent reporting dates until the spin-off takes effect; equity would have to be adjusted accordingly. The (remaining) investment in Daimler Truck Holding AG will be accounted for as of the hive-down taking effect at the earliest.

628 In the consolidated financial statements following the spin-off, the investment in Daimler Truck Holding AG will be accounted for using the equity method (IAS 28 "Investments in Associates and Joint Ventures"), including scheduled amortisation of disclosed hidden reserves or impairment losses, which will be shown in the result from investments accounted for using the equity method in addition to the attributable share in the result of the Future Daimler Truck Group.

Explanation of Further Transaction Effects (column D)

629 The consolidated balance sheet of Daimler AG as at 31 December 2020, (column A) contains a total amount of EUR 23,048 million in the item "Cash and cash equivalents". As a result of the strengthening of the equity of Daimler Truck AG in the total amount of EUR 5,380 million as additional payments into the capital reserve pursuant to § 272 para. 2 no. 4 HGB, which Daimler AG agreed to in the Demerger Agreement, the item "Cash and cash equivalents" is reduced by EUR 5,380 million (column D) in the pro forma consolidated balance sheet of Daimler AG as at 1 January 2021 (column E), the item "Equity-method investments" is increased, in accordance with the share of 35.00 %, by a further EUR 1,883 million (column D) and "Equity" is reduced by EUR 3,497 million.

630 As a result of the funding to be provided by Daimler AG to Daimler Grund Services for the purpose of establishing a 10.1 % interest of Daimler Grund Services in each of the Gamma Partnerships and EvoBus OHG, the item "Cash and cash equivalents" is reduced by a further EUR 202 million (column D) and the item "Other financial assets" is increased by this amount (column E) in the pro forma consolidated balance sheet of Daimler AG as at 1 January 2021. For the 10.1 % interests of the Future Daimler Group in the Gamma Partnerships and EvoBus OHG, which are to be recognised under the item "Other financial assets", the IFRS generally require a measurement at fair value; equity

would have to be adjusted accordingly. This effect is not anticipated in the pro forma consolidated balance sheet of Daimler AG as at 1 January 2021.

- 631 As explained in point 2 b), the receivables and payables between the companies of the Future Daimler Group and the companies of the Future Daimler Truck Group arising from the intercompany clearing transactions within the framework of the central finance and liquidity management are to be settled prior to the Consummation of the Demerger Agreement. Of the receivables from and payables to the companies of the Future Daimler Truck Group shown in column B, EUR 3,239 million relate to receivables and EUR 6,060 million to payables from central financial and liquidity management. As a result of the planned settlement of payments, which is anticipated in the pro forma presentation, the items "Other financial assets" and "Financial liabilities" in column D are reduced by these amounts, and the item "Cash and cash equivalents" is reduced accordingly by the net amount of EUR 2,821 million. These amounts are not identical to the corresponding amounts at the time of the planned repayment, in particular because the changes from current operations are not taken into account (cf. Section G.I.1 b)). In addition, it is planned to settle the purchase prices for the sales of companies in the commercial vehicles business described below via intercompany clearing (cf. Section G.I.3 a)), which will have a direct impact on the item "Cash and cash equivalents" for the purposes of this pro forma presentation.
- 632 As described in point 2 b), Daimler AG's investment in Daimler India Commercial Vehicles Private Limited was sold to Daimler Truck AG in March 2021 and Daimler AG's investment in Daimler Trucks Finance Canada Inc. (formerly Daimler Canada Investments Company) is to be sold to Daimler Truck AG in August 2021. In accordance with the pro forma assumptions made in point 3 a), the retirement of the carrying amounts of the assets and liabilities of these companies has already been taken into account with a reduction in equity in column B and equity is reduced accordingly in the pro forma balance sheet before Further Transaction Effects (column C) (deconsolidation of the carrying amounts contained in column A under the pro forma assumption that the spin-off had taken effect already at 0:00 a.m. on 1 January 2021) and that control as defined in IFRS 10 ends on that date. The actual subsequent sale of the companies after 1 January 2021, 0:00 a.m., and the settlement via the central financial and liquidity management will result – based on a preliminary valuation – in an increase in the item "Cash and cash equivalents" of EUR 1,156 million, which is accounted for in column D, and a corresponding increase of EUR 1,156 million in the item "Equity" in the pro forma balance sheet as at 1 January 2021, after the Demerger and Further Transaction Effects (column E).
- 633 Until the Demerger takes effect, further companies or business segments which are not direct subsidiaries of Daimler AG are to be sold and transferred to Daimler Truck AG or its direct or indirect subsidiaries (including newly established companies) or were already transferred in the 2021 financial year.
- 634 In the commercial vehicles business, the transfers relate to Mercedes-Benz Research and Development India Private Limited, Mercedes-Benz Trucks France S.A.S.U., Daimler Trucks and Buses Southern Africa (Pty) Ltd, Mercedes-Benz PRAHA s.r.o. and Mercedes-

Benz Parts Logistics Eastern Europe s.r.o. (cf. Section D.IV.1 a)). Based on the preliminary valuations, the item "Cash and cash equivalents" has been increased by a total amount of EUR 328 million in column D as well as a corresponding increase of EUR 328 million in the item "Equity" in the pro forma balance sheet as at 1 January 2021, after the Demerger and Further Transaction Effects (column E). As already described above, the retirement of the carrying amounts of assets and liabilities for these companies has already been taken into account in column B to reduce equity, and equity is reduced accordingly in the pro forma balance sheet before Further Transaction Effects (column C). For this reason, the subsequent purchase price payment now results in a corresponding increase in equity.

- 635 In the financial services business, companies and business activities in Canada, Brazil, Mexico, USA, Australia, South Africa and Japan will be transferred in Phase 1 (cf. Section D.VI.7 a)). The purchase prices for the companies and business activities to be transferred will be based on an external valuation in line with market practice as per the respective transfer date and will therefore only be determined at a later date. Therefore, for the purposes of the pro forma presentation, it was initially assumed that the purchase price in each case will correspond to the value of the portfolio as the difference between the assets to be transferred and the liabilities to be transferred. As explained in more detail in Section I.II, certain financing liabilities of the financial services business have been allocated to the Future Daimler Truck Group in the Combined Daimler Truck Financial Statements on the basis of a country-specific target equity ratio, but will not be legally transferred to the Future Daimler Truck Group. Instead, the Future Daimler Truck Group will independently secure the corresponding financing, and certain financing liabilities will remain with the Future Daimler Group. The purchase price thus also includes the value of the allocated financing liabilities in each case and is therefore composed of an equity component ("equity share") and a debt component.
- 636 For the pro forma presentation, it is further assumed that the Future Daimler Truck Group will use short-term financing, including to partially cover the purchase prices, from the Future Daimler Group for a transitional period until it is replaced by external financing with third parties (cf. Section D.I.7 a)). For purposes of the pro forma balance sheet of Daimler AG under IFRS as at 1 January 2021, the bridge loan will be recognised as a receivable of the Future Daimler Group in the amount of the debt component of EUR 9,382 million (based on the carrying amounts in the Combined Daimler Truck Financial Statements as at 31 December 2020) in the item "Other financial assets" in columns D and E. This results in an increase in the item "Cash and cash equivalents" in the amount of the equity share, which is taken into account as a pro forma adjustment in column D. The equity share was taken into account at EUR 1,484 million on the basis of country-specific target equity ratios.
- 637 From the perspective of the Future Daimler Truck Group, the liability in the amount of the debt component of EUR 9,382 million to the Future Daimler Truck Group or third parties (external financing) is already included in the Combined Daimler Truck Financial Statements.

638 The actual purchase prices based on the valuations at the time of the transfer of the portfolios can and are expected to deviate from the aforementioned values, in particular due to the variable debt component depending on the respective future portfolio development and possible exchange rate developments.

c) Combined balance sheet of the Future Daimler Truck Group and pro forma consolidated balance sheet of Daimler Truck Holding AG according to IFRS

639 The following table sets forth the pro forma balance sheet of the Future Daimler Truck Group as at 1 January 2021, 0:00 a.m., which is based on the Combined Daimler Truck Balance Sheet as at 31 December 2020.

640 As a consolidated balance sheet of Daimler Truck Holding AG does not exist as at 31 December 2020, the starting point for the presentation of the accounting effects of the Demerger is the Combined Daimler Truck Financial Statements drawn up in preparation for the stock exchange listing of Daimler Truck Holding AG. The following table therefore contains in column C ("01/01/2021 after Demerger (combined)") the values of the Combined Daimler Truck Balance Sheet as at 31 December 2020. However, similar to the preceding presentations, column C thus simultaneously represents a pro forma balance sheet of the Future Daimler Truck Group as at 1 January 2021, 0:00 a.m., before taking into account the Further Transaction Effects.

641 Column D ("Further Transaction Effects") contains the accounting effects of the pro forma adjustments for the Further Transaction Effects and leads to column E ("01/01/2021 after Demerger and Further Transaction Effects (Pro forma)"), which contains the pro forma balance sheet of the Future Daimler Truck Group as at 1 January 2021, 0:00 a.m., after taking into account the effects from the Demerger and the Further Transaction Effects. The pro forma balance sheet of Daimler Truck Group shown in column E is not identical to the balance sheet of the Future Daimler Truck Group as it will appear upon Consummation of the Demerger Agreement.

Future Daimler Truck Group (IFRS)	C	D	E
EUR mn	01/01/2021 after Demerger (combined)	Further Transaction Effects	01/01/2021 after Demerger and Further Transaction Effects (Pro forma)
Intangible assets	1,682	-	1,682
Property, plant and equipment	7,879	-	7,879
Equipment on operating leases	3,746	-	3,746
Equity-method investments	534	-	534
Receivables from financial services	15,269	-	15,269
Marketable debt securities and similar investments	5,841	-5,734	107
Inventories	6,278	-	6,278
Trade receivables	3,487	-	3,487
Cash and cash equivalents	1,663	5,435	7,098
Other financial assets	1,252	-326	926
Other assets	2,358	-	2,358
Total assets	49,989	-625	49,364
Equity	8,708	2,412	11,120
Provisions	7,817	-	7,817
Financing liabilities	20,549	-3,239	17,310
Trade payables	3,043	-	3,043
Contract and refund liabilities	2,934	-	2,934
Other financial liabilities	4,304	202	4,506
Other liabilities	2,634	-	2,634
Total equity and liabilities	49,989	-625	49,364

Explanation of the Combined Daimler Truck Balance Sheet (column C)

- 642 In the pro forma balance sheet of the Future Daimler Truck Group, the assets and liabilities allocated to the newly formed Daimler Truck Group will be recognised upon the Demerger taking effect. Since, with the exception of the Further Transaction Effects presented in column D, no material accounting effects of the Demerger and the preparatory transactions on the financial position of the Future Daimler Truck Group have been identified, in this respect the pro forma balance sheet corresponds, in principle, to the combined balance sheet of the Future Daimler Truck Group as at 31 December 2020 (rounded to full EUR mn amounts).
- 643 From the perspective of the Future Daimler Truck Group, there will be no direct effects of the Demerger on the financial position, since in principle all companies and business divisions of the Future Daimler Truck Group which are to be deconsolidated upon loss of control pursuant to IFRS 10 are already included in the Combined Daimler Truck Financial Statements to the extent that they will have been transferred by the time the spin-off is registered. One exception is Daimler Truck Holding AG itself, which was not founded until after the reporting date. However, the values of the opening balance sheet of Daimler Truck Holding AG do not affect the presentation due to the low level of balance sheet items.
- 644 Asset and business relationships between companies of the Future Daimler Truck Group and of the Future Daimler Group are accounted for and measured as if they were between unrelated third parties. For this reason, in particular, the amounts in column C are not identical to the amounts deducted under lit. b) as pro forma adjustments for reconciliation to the Future Daimler Group (column B in the table presented there). Further explanations on the preparation of the Combined Daimler Truck Financial Statements can be found in Section I.II.
- 645 Upon the spin-off taking effect, the Future Daimler Truck Group will form an independent group with Daimler Truck Holding AG as its ultimate parent company. The scope of consolidation will generally include all companies that were already included in the Combined Daimler Truck Financial Statements, as well as Daimler Truck Holding AG itself.
- 646 With the establishment of the group structure in accordance with IFRS, Daimler Truck Holding AG will be required to present separately in its consolidated financial statements the share capital of the parent company, capital reserves and other reserves, and other components of equity.

Explanation of Further Transaction Effects (column D)

- 647 As a result of the strengthening of the equity of Daimler Truck AG in the total amount of EUR 5,380 million as additional payments into the capital reserve pursuant to § 272 para. 2 no. 4 HGB, which Daimler AG agreed to in the Demerger Agreement, the item "Cash and cash equivalents" is increased by EUR 5,380 million and equity increases by this amount (column D) in the pro forma balance sheet of the Future Daimler Truck Group as at 1 January 2021 (column E).

- 648 As a result of establishing a 10.1 % interest of Daimler Grund Services in each of the Gamma Partnerships and EvoBus OHG, the item "Cash and cash equivalents" is increased – based on the preliminary valuation – by a further EUR 202 million (column D) and the item "Other financial liabilities" is increased by this amount (column E) in the pro forma balance sheet of the Future Daimler Truck Group as at 1 January 2021. For the Future Daimler Group's 10.1 % interest in the Gamma Partnerships and EvoBus OHG (non-controlling interests in a partnership), which is to be recognised under the item "Other financial liabilities" in accordance with IAS 32, "Financial Instruments – Presentation," IFRS generally requires measurement at fair value; equity would have to be adjusted accordingly upon initial recognition and in each subsequent consolidated financial statement of the Future Daimler Truck Group after the Demerger. This effect is not anticipated in the pro forma balance sheet of the Future Daimler Truck Group as at 1 January 2021.
- 649 Of the assets and liabilities reported in column C, EUR 5,734 million relate to "Marketable debt securities and similar investments", EUR 326 million to "Other financial assets" and EUR 3,239 million to liabilities with the companies of the Future Daimler Group from central financial and liquidity management. As explained in point 2 b), these receivables and liabilities are to be settled before the spin-off takes effect. As a result of the planned settlement of payments, which is anticipated in the pro forma presentation, the items "Marketable debt securities and similar investments", "Other financial assets" and "Financing liabilities" in column D are reduced by these amounts, and the item "Cash and cash equivalents" is increased accordingly by the net amount of EUR 2,821 million. These amounts are not identical to the corresponding amounts at the time of the planned repayment, in particular because the changes from current operations are not taken into account (cf. Section G.I.1 b)). In addition, it is planned to settle the purchase prices for the sales of companies in the commercial vehicles business described below via intercompany clearing (cf. Section G.I.3 a)), which will have a direct impact on the item "Cash and cash equivalents" for the purposes of the pro forma presentation.
- 650 As described above in lit. b) under the Further Transaction Effects with regard to the pro forma consolidated balance sheet of Daimler AG in accordance with IFRS as at 1 January 2021, after 31 December 2020, and until the spin-off takes effect, the companies or business segments referred to therein have been or will be transferred to Daimler Truck AG or subsidiaries of Daimler Truck AG. To the extent that the corresponding purchase prices for the transfers in the commercial vehicles business are presented in the pro forma consolidated balance sheet of Daimler AG under IFRS as at 1 January 2021, as an addition to the item "Cash and cash equivalents" (EUR 1,156 million and EUR 328 million, respectively), a disposal in the item "Cash and cash equivalents" is presented reversely in the pro forma balance sheet of the Future Daimler Truck Group as a pro forma adjustment in column D. In accordance with the pro forma assumptions made, the carrying amounts of the assets and liabilities of these companies and business segments have already been accounted for and credited to the "Equity" item in the pro forma balance sheet before Further Transaction Effects (column C). The actual subsequent transfer after 1 January 2021, 0:00 a.m., will therefore result in the aforementioned disposal in the item "Cash and cash equivalents" and a corresponding reduction of EUR 1,156 million and EUR 328 million (column D) in the item "Equity" in the pro

forma balance sheet as at 1 January 2021, after the Demerger and Further Transaction Effects (column E).

651 To the extent that the "equity share" for the transfers in the financial services business is presented in the pro forma consolidated balance sheet of Daimler AG under IFRS as at 1 January 2021, as an addition to the item "Cash and cash equivalents" (EUR 1,484 million), a disposal in the item "Cash and cash equivalents" is presented reversely in the pro forma balance sheet of the Future Daimler Truck Group as a pro forma adjustment of EUR 1,484 million in column D. Accordingly, there is a reduction of EUR 1,484 million (column D) in the item "Equity" in the pro forma balance sheet as at 1 January 2021, after the Demerger and Further Transaction Effects (column E).

II. Tax effects of the Demerger and related measures

652 The following explanations describe the main tax effects

- of the spin-off and hive-down for Daimler AG, Daimler Truck Holding AG, Daimler Truck AG, Daimler Brand & IP Management GmbH & Co. KG and the Daimler shareholders, as well as
- of the two-step contribution of the interests in the Gamma Partnerships (Grundstücksverwaltungsgesellschaft Daimler AG & Co. Gamma 1 OHG, Grundstücksverwaltungsgesellschaft Daimler AG & Co. Gamma 2 OHG, Grundstücksverwaltungsgesellschaft Daimler AG & Co. Gamma 3 OHG and Grundstücksverwaltungsgesellschaft Daimler AG & Co. Gamma 4 OHG) (in this respect cf. Sections D.IV.2 and E.V) for Daimler AG, Daimler Grund, Grundstücksverwaltungsgesellschaft EvoBus GmbH & Co. OHG, Daimler Truck Holding AG and Daimler Truck AG.

653 A comprehensive or final presentation of all possible fiscal aspects for each individual Daimler AG shareholder is not possible, since such aspects vary depending on their individual tax situation. The following presentation does not replace tax consultation of each individual shareholder, either. Thus, shareholders should consult their tax advisor regarding the individual fiscal effects of the spin-off.

654 The following presentation relies on currently applicable German tax law and its interpretation by courts and administrative orders. Tax law provisions are subject to change – under certain circumstances even retroactively. In addition, it cannot be precluded that financial administration or any courts arrive at a different assessment than the one presented in this section.

655 Fiscal effects according to foreign jurisdictions as well as possibly applicable double taxation conventions, particularly effects for transactions taxable abroad, will not be examined below.

1. Description of the tax concept

- 656 The objectives pursued by the group separation can, in the view of the Board of Management of Daimler AG, be achieved by means of the chosen transaction structure with acceptable tax burdens and acceptable tax risks.
- 657 In order to safeguard the intended measures, binding rulings were applied for from the competent tax office and granted as applied for. This way it was possible to obtain legal and planning security regarding ambiguous tax issues concerning essential parts of the measures planned, provided they are implemented accordingly.
- 658 By issuing new shares to Daimler AG as the contributing entity (and subject to further conditions), the hive-down of a minority interest in Daimler Truck AG is, in principle, possible in a tax-neutral manner. The same applies to the contribution of the interests in the Gamma Partnerships to Daimler Truck AG by Daimler Grund and the subsequent contribution of the granted shares in Daimler Truck AG to Daimler Truck Holding AG.
- 659 The New Daimler Truck Shares granted to Daimler Grund as consideration for the contributed interests in the Gamma Partnerships and further contributed to Daimler Truck Holding AG as well as the shares in Daimler Truck Holding AG granted to Daimler Grund as consideration for this are subject to a blocking period for tax purposes pursuant to § 22 para. 1 UmwStG (*Umwandlungssteuergesetz* – German Transformation Tax Act). A disposal of these shares within seven years would result in taxation of the hidden reserves to be allocated at the time of the hive-down. However, the so-called taxable contribution profit I (*Einbringungsgewinn I*) arising in such a case decreases on a straight-line basis by one seventh each year.
- 660 The spin-off of the majority interest in Daimler Truck AG leads to a retroactive, pro rata taxation of a contribution profit I at the level of Daimler AG as per 31 December 2018, which is generally offset by an increase in the tax carrying amounts at Daimler Truck AG in the same amount.

2. Tax effects for Daimler AG and Daimler Brand & IP Management GmbH & Co. KG

a) Spin-off of the majority interest in Daimler Truck AG

- 661 The tax law consequences of the spin-off for Daimler AG and Daimler Brand & IP Management GmbH & Co. KG result from §§ 15 and 19 UmwStG.
- 662 The tax transfer effective date within the meaning of § 2 para. 1 UmwStG for the spin-off is the date for which the transferring legal entity (in this case Daimler AG) has to prepare the closing balance sheet under commercial law. This date is 31 December 2020, 12:00 p.m., or – if there is a postponement of the relevant spin-off date – the date specified in § 2.5 of the Demerger Agreement. Therefore, subject to a postponement, income and assets at Daimler AG and at Daimler Truck Holding AG are to be

determined in such manner as if the transferred assets of Daimler AG had been transferred to Daimler Truck Holding AG upon the expiry of 31 December 2020.

- 663 In the closing balance sheet of Daimler AG for tax purposes, the transferred assets are to be recognised at their fair market value (§ 15 para. 1 sent. 1 in conjunction with § 11 para. 1 sent. 1 UmwStG). Any hidden reserves in the transferred assets are thereby disclosed and are subject, in principle, to corporate income tax plus solidarity tax and trade tax (transfer profit). Since the assets to be spun off consist exclusively of Daimler Truck shares – apart from the control and profit and loss transfer agreement which is also transferred in the course of the spin-off – only five percent of the transfer profit is effectively subject to taxation with corporation tax (plus solidarity tax) and trade tax, while any transfer loss is not deductible for tax purposes. Corporation tax (plus solidarity tax) is assessed at the level of Daimler AG. The trade tax attributable to the taxable transfer profit is assessed at the level of Daimler Brand & IP Management GmbH & Co. KG, since the Daimler Truck Shares are to be allocated to the necessary special business assets II of Daimler AG at Daimler Brand & IP Management GmbH & Co. KG.
- 664 In deviation from this, § 15 para. 1 sent. 2 in conjunction with § 11 para. 2 UmwStG opens up the possibility, under certain conditions and upon application, to avoid the disclosure of hidden reserves by continuing the carrying amounts. However, a continuation of carrying amounts is excluded if the transferred assets and the remaining assets do not each constitute a partial establishment for tax purposes (*steuerlicher Teilbetrieb*). Since a share in the equity interest in a corporation that does not comprise the latter's entire nominal capital does not constitute a partial establishment for tax purposes, Daimler AG will not apply for a continuation of the carrying amounts.
- 665 At Daimler AG, any offsetable losses, remaining losses carried forward, any negative income that has not been compensated, any shortfalls that can be carried forward pursuant to § 10a GewStG (*Gewerbesteuer*gesetz – German Trade Tax Act), interest carried forward under § 4h para. 1 sent. 5 EStG (*Einkommensteuergesetz* – German Income Tax Act) and any EBITDA carried forward under § 4h para. 1 sent. 3 EStG are decreased at 31 December, 2020, in such proportion by which the assets of Daimler AG are transferred to Daimler Truck Holding AG based on the common value (§ 15 para. 3 and § 19 para. 2 UmwStG). The fiscal contribution account of Daimler AG will be divided between Daimler AG and Daimler Truck Holding AG (§ 29 para. 3 KStG (*Körperschaftsteuergesetz* – German Corporation Tax Act)). The division is made in proportion to the ratio of the transferred assets to the assets existing at Daimler AG prior to the transfer.
- 666 Due to the tax-neutral hive-down of the "Trucks & Buses" partial establishment from Daimler AG to Daimler Truck AG as per 31 December 2018, the Daimler Truck shares created at that time are partially subject to a blocking period (§ 22 para. 1 UmwStG). The blocking period has the effect, among other things, that any disposals of these blocked shares, which also includes the spin-off, within seven years from the tax transfer effective date will result in a so-called contribution profit I (pro-rata taxation in the case of only partial disposals). In simplified terms, this leads to a subsequent, retroactive pro-rata taxation of the hidden reserves of the assets to be hived down (to the extent these do not consist of interests in corporations) existing on 31 December 2018,

according to general rules. The taxable amount, however, is decreased after every full year by one seventh. However, since only a very small portion of the Daimler Truck shares transferred in the course of the spin-off is subject to a lock-up period, only a relatively low contribution profit I will ultimately be realised as a result of the separation of the group.

667 As a result of the transfer of the existing control and profit and loss transfer agreement with Daimler Truck AG as at the tax transfer effective date, the company group for income tax purposes existing between Daimler AG and Daimler Truck AG will be terminated.

668 Daimler AG assumes that the spin-off will be tax-neutral for VAT purposes. The spin-off triggers German real estate transfer tax with respect to a small number of buildings of Daimler Truck AG on third-party land, on the one hand due to a unification of shares in the hands of Daimler Truck Holding AG and, on the other hand, retroactively due to non-compliance with a five-year grace period (§ 6a sent. 4 GrEStG (*Grunderwerbsteuergesetz* – German Real Estate Transfer Tax Act)), which started to run with a hive-down that took place under civil law on 31 October 2019, and compliance with which is a prerequisite for a real estate transfer tax exemption in 2019. Daimler Truck AG does not hold any other real property. With regard to the real property of the Gamma Partnerships, which is leased by Daimler Truck AG or EvoBus GmbH, respectively, no real estate transfer tax will arise as a result of the spin-off itself, because Daimler AG will retain an indirect 10.1 % interest in these real estate management partnerships. However, real estate transfer tax arises retroactively with regard to the real property of EvoBus GmbH & Co. OHG, 100 % of whose interests were indirectly transferred to Daimler Truck AG as part of the hive-down that took place on 31 October 2019; here, too, the grace period (§ 6a sent. 4 GrEStG), which began to run with the hive-down on 31 October 2019, and compliance with which is a prerequisite for tax exemption, is not met due to the spin-off.

b) Hive-down of the minority interest in Daimler Truck AG

669 For Daimler AG the essential effects of the hive-down of Daimler Truck shares in terms of income tax derive from § 21 UmwStG.

670 Generally, a hive-down is to be effected for income tax purposes at the common value (similar to the fair value) (§ 21 para. 1 sent. 1 UmwStG); this way, a taxable profit or loss may arise at the transferring entity (here Daimler AG) on the tax transfer effective date. Upon application, the hive-down may be carried out at the level of Daimler AG at carrying amounts (§ 21 para. 1 sent. 2 UmwStG) if the acquiring company (in this case Daimler Truck Holding AG) directly holds the majority of the voting rights in the transferred shareholding after the hive-down. It has to be taken into account in this respect that the hive-down will be completed only after the spin-off has taken effect, with the consequence that Daimler Truck Holding AG already holds the majority of the shares in Daimler Truck AG before the hive-down takes effect.

- 671 Besides, the tax carrying amount may not exceed the common value of the contributed shares. In addition, it is a prerequisite for a tax-neutral contribution at carrying amounts that at least one new share in the acquiring entity is granted as consideration.
- 672 If, in addition to new shares, other consideration is also granted, pursuant to § 21 para. 1 sent. 2 no. 2 UmwStG the hived down shareholding in Daimler Truck AG can only be recognised at the tax carrying amount, if the common value of the other consideration does not exceed 25 % of the tax carrying amount of the respective assets to be hived down or a maximum of EUR 500,000. The contributed shareholding must then be recognised at least at the common value of the other consideration (§ 21 para. 1 sent. 4 UmwStG).
- 673 Since the above requirements should all be fulfilled, it is intended that Daimler Truck Holding AG will file an application for the continuation of the tax carrying amounts pursuant to § 21 para. 1 sent. 2 UmwStG. This also prevents the hive-down of the minority shareholding in Daimler Truck AG from resulting in a blocking period violation (cf. in this regard point 2 a)) (§ 22 para. 1 sent. 6 no. 2 UmwStG).
- 674 Daimler AG assumes that the hive-down will be tax-neutral for VAT purposes. Daimler AG further expects that the hive-down will not result in a liability for domestic real estate transfer tax.

3. Tax effects for Daimler Truck Holding AG

- 675 Daimler Truck Holding AG will take over the transferred assets in each case at the value included in the tax balance sheet of Daimler AG or Daimler Grund, respectively (value linkage).
- 676 In this respect, Daimler Truck Holding AG assumes the legal position for tax purposes of Daimler AG or Daimler Grund, respectively, with regard to the transferred assets. However, offsetable losses, remaining losses carried forward, any negative income that has not been compensated, any shortfalls that can be carried forward pursuant to § 10a GewStG, interest carried forward under § 4h para. 1 sent. 5 EStG and any EBITDA carried forward under § 4h para. 1 sent. 3 EStG of Daimler AG or of Daimler Grund, respectively, will not be transferred to Daimler Truck Holding AG. With regard to the allocation of the contribution account for tax purposes of Daimler AG to Daimler AG and Daimler Truck Holding AG in the course of the spin-off, the principles described above in point 2 a) apply.
- 677 The tax-neutral contribution of the New Daimler Truck Shares by Daimler Grund means that the shares in Daimler Truck Holding AG newly granted to Daimler Grund will also be subject to the above-mentioned blocking period (§ 22 para. 1 sent. 6 no. 5 UmwStG). In this respect, the legal consequences set out in point 2 a) apply accordingly, with the contribution profit I to be assessed at the level of Daimler Grund in the event of a blocking period violation.

678 As a result of the transfer of the existing control and profit and loss transfer agreement with Daimler Truck AG as of the tax transfer effective date, the company group for income tax purposes between Daimler Truck Holding AG as the controlling company and Daimler Truck AG as the controlled company will be continued as of the expiry of the tax transfer effective date.

4. Tax effects for Daimler Truck AG

679 As a result of the blocking period violation described in point 2 a), Daimler Truck AG may, upon application, make a corresponding increase in the tax carrying amounts of the assets to be hived down causing the blocking period liability, up to the amount of the taxable contribution profit I. This, in turn, may result in tax relief at the level of Daimler Truck AG. The prerequisite for this is that Daimler AG has paid the tax due on the contribution profit I and this is evidenced by the submission of a certificate from the competent tax office. A further prerequisite is that the transferred business assets have not been transferred in the meantime at a value below the fair market value. A further prerequisite is that the contributed operating assets have not been transferred in the meantime at a value below the fair market value.

680 As a result of the transfer of the existing control and profit and loss transfer agreement with Daimler Truck AG as of the tax transfer effective date, the company group for income tax purposes between Daimler Truck Holding AG as the controlling company and Daimler Truck AG as the controlled company will be continued as of the expiry of the tax transfer effective date.

681 To the extent that domestic subsidiaries of Daimler Truck AG have corporate income tax loss carryforwards and/or trade tax shortfalls, these may be extinguished as a result of the spin-off and its implementation pursuant to § 8c KStG, unless the requirements of the so-called group clause (§ 8c para. 1 sent. 4 KStG) or the so-called hidden reserves clause (§ 8c para. 1 sent. 5 KStG) are met.

682 The spin-off and the associated indirect transfers of shares in foreign group companies may result in direct tax payments, the loss of tax loss carryforwards or of other tax benefits (including benefits from local tax consolidations). As is the case with the blocking period issue in Germany, tax blocking periods from tax-neutral separations within the scope of Project Future or earlier projects may also be violated abroad, thereby triggering tax burdens.

683 Specifically with respect to the U.S., the spin-off should not affect the tax-neutral separation of the U.S. truck division that was conducted in 2018.

684 In the course of the separation or realignment of the financial services business and the associated restructuring (cf. Section D.VI), tax payments will be triggered in some countries, which, however, will be reduced accordingly in part by later tax reductions on the part of the Daimler Truck Group.

5. Tax effects for Daimler Grund

a) Contribution of the interests in the Gamma Partnerships to Daimler Truck AG

685 For Daimler Grund, the essential effects of the contribution of 89.9 % of the shares in each of the Gamma Partnerships in terms of income tax derive from § 20 UmwStG.

686 Generally, a contribution is to be effected for income tax purposes at the common value (similar to the fair value) (§ 20 paras. 1 and 2 sent. 1 UmwStG); this way, a taxable profit or loss may arise at the transferring entity (here Daimler Grund) on the tax transfer effective date. Upon application, the contribution may be implemented at the level of Daimler Grund at carrying amounts (§ 20 para. 2 sent. 2 UmwStG). For the transfer at carrying amounts, it is also necessary that functionally essential special business assets are also contributed.

687 Furthermore, it has to be noted that a contribution at tax carrying amounts also requires that the tax carrying amounts of the respective co-ownership interest to be contributed have a positive value on the tax transfer effective date (as the balance of the respective assets and liabilities allocated to them). In addition, the respective tax carrying amounts of the respective co-ownership interest to be contributed may not exceed the common value of the respective assets to be contributed, with provisions for pensions only to be taken into account in the valuation at their tax value pursuant to § 6a EStG. In addition, it is a prerequisite for a tax-neutral contribution at carrying amounts that at least one new share in the acquiring entity is granted as consideration for each contribution item.

688 If, in addition to new shares, other consideration is also granted, pursuant to § 20 para. 2 sent. 2 no. 4 UmwStG the business assets assumed in each case can only be recognised at the tax carrying amount, if the common value of the other consideration does not exceed 25 % of the tax carrying amount of the respective assets to be hived down in each case or a maximum of EUR 500,000. The business assets assumed in each case must then be recognised at least at the common value of the other consideration (§ 20 para. 2 sent. 4 UmwStG).

689 Since the above requirements should all be fulfilled and there should also be no other consideration exceeding the limits of § 20 para. 2 sent. 2 no. 4 UmwStG, it is intended that Daimler Truck AG will file an application for the continuation of the tax carrying amounts pursuant to § 20 para. 2 sent. 2 UmwStG.

690 In case of a contribution at tax carrying amounts, the shares granted for the transfer of the respective hive-down assets will be subject to a blocking period (§ 22 para. 1 UmwStG). Similarly, the shares in Daimler Truck AG already existing that are held by Daimler AG could be subject to a blocking period due to the contribution to the extent that there is a so-called 'involvement' of equity interests pursuant to § 22 para. 7 UmwStG. The blocking period will have the effect, among other things, that any disposals of these blocked shares within seven years from the Tax Transfer Date will result in a so-called contribution profit I (*pro rata* taxation in the case of only partial disposals). In simplified terms, this leads to a subsequent, retroactive taxation of the hidden reserves of the

assets to be contributed – to the extent these do not consist of interests in corporations – existing on the Tax Transfer Effective Date, according to general rules. The taxable amount, however, is decreased after every full year by one seventh.

691 In addition to the disposal of shares which are subject to a blocking period, there are also a number of other measures which may be harmful (so-called substitute realisation measures as defined in § 22 para. 1 sent. 6 UmwStG); this may include, among other things, transformations of Daimler Grund or Daimler Truck AG. Furthermore, certain obligations to provide proof have to be complied with. If such regulations are violated, this may also trigger a contribution profit I with the consequences described above.

692 Finally, such a contribution profit I can also be triggered by distributions from the so-called contribution account for tax purposes of Daimler Truck AG, which are proportionately attributable to the blocked shares (§ 22 para. 1 sent. 6 no. 3 UmwStG). In the current opinion of the tax administration, taxation will only occur to the extent that the distributions from the contribution account for tax purposes exceed the tax carrying amount of the blocked shares. At present, it is not to be expected that such distributions will be made from the tax contribution account within the relevant seven-year period.

b) Contribution of the New Daimler Truck Shares to Daimler Truck Holding AG

693 In principle, the contribution of the Daimler Truck shares newly granted to Daimler Grund to Daimler Truck Holding AG is to be carried out at the common value (comparable to the market value) for income tax purposes (§ 21 para. 1 sent. 1 UmwStG); this would result in the above-mentioned taxable contribution profit I for the transferring company (in this case Daimler Grund).

694 However, upon application, the contribution against granting of new shares in Daimler Truck Holding AG may be made in a tax-neutral manner pursuant to § 21 para. 1 sent. 2 UmwStG, provided that Daimler Truck Holding AG directly holds the majority of the voting rights in Daimler Truck AG after the contribution. It has to be taken into account in this respect that the contribution will be completed only after the spin-off has taken effect, with the consequence that Daimler Truck Holding AG already holds the majority of the voting rights in Daimler Truck AG before the contribution takes effect. Besides, the tax carrying amount may not exceed the common value of the contributed shares. In addition, it is a prerequisite for a tax-neutral contribution at carrying amounts that at least one new share in the acquiring entity is granted as consideration.

695 If, in addition to new shares, other consideration is also granted, pursuant to § 21 para. 1 sent. 2 and 4 UmwStG the business assets assumed in each case can only be recognised at the tax carrying amount, if the common value of the other consideration does not exceed 25 % of the tax carrying amount of the contributed shares or a maximum of EUR 500,000.00. The business assets assumed must then be recognised at least at the common value of the other consideration (§ 21 para. 1 sent. 4 UmwStG).

696 Since the above requirements should all be fulfilled and also no other consideration exceeding the limits of § 21 para. 1 sent. 2 and 4 UmwStG is to be granted, it is intended

that Daimler Truck Holding AG will file an application for the continuation of the tax carrying amounts pursuant to § 21 para. 1 sent. 2 UmwStG.

- 697 The tax-neutral contribution means that the shares in Daimler Truck Holding AG newly granted to Daimler Grund will also be subject to the above-mentioned blocking period (§ 22 para. 1 sent. 6 no. 5 UmwStG). In this respect, the legal consequences set out in point 2 a) apply accordingly.

c) Value added tax and real estate transfer tax

- 698 Daimler Grund assumes that the contributions will be tax-neutral for VAT purposes. Daimler Grund further expects that the contributions will not result in a liability for domestic real estate transfer tax.

6. Tax effects for Daimler AG shareholders with unlimited tax liability in Germany

- 699 The tax effects of the spin-off for Daimler shareholders subject to unlimited tax liability in Germany derive primarily from the provisions of § 15 para. 1 in conjunction with § 13 UmwStG as well as § 20 para. 4a) EStG.

a) Shares which are part of business assets

aa) In principle deemed taxable disposal

- 700 In the case of Daimler Shares held as business assets, the tax consequences for the shareholders derive from § 15 para. 1 in conjunction with § 13 UmwStG. According to these provisions, the shares in the transferring entity (here: Daimler AG) are deemed to have been disposed of pro rata at their common value, and the shares in the acquiring entity (here: Daimler Truck Holding AG) replacing them are deemed to have been acquired at this (pro rata) value (§ 13 para. 1 UmwStG). The resulting profit or loss equals the difference between the pro rata carrying amount and the pro rata common value of the Daimler AG shares at the time of entry of the spin-off in the commercial register of Daimler AG. It has not been conclusively clarified to what extent hidden reserves or hidden charges will be realised in the shares; in this respect, the same principles are likely to apply as for the allocation of the acquisition costs in the case of a tax-neutral continuation of carrying amounts (in this respect, cf. point 2 a)).

- 701 The afore-mentioned statutory regulations presume a disposal transaction of the shareholder, which is subject to general fiscal regulations of profit (or loss) taxation in case of the disposal of shares. In the event of a capital gain, taxation depends on whether the shareholder is a corporation, an individual entrepreneur or a commercial partnership.

- 702 The shares in Daimler Truck Holding AG to be granted to the Daimler shareholders in consideration of the spin-off are fiscally deemed to have been newly acquired. Thus, in this case the fiscal characteristics of the Daimler shares held by each individual

shareholder (e.g. holding times, potential impairment reversal obligations) are not transferred to the newly granted shares in Daimler Truck Holding AG (no application of the so-called "footstep theory").

bb) In principle, no tax-neutral continuation of carrying amounts

703 In deviation from the principle described above and subject to the requirements of § 15 para. 1 sent. 2 in conjunction with § 13 para. 2 UmwStG, the continuation of carrying amounts is possible if an application to this effect is submitted by the individual shareholder, with the consequence of no (taxable) capital gain arising upon the spin-off taking effect.

704 It is a requirement for a continuation of carrying amounts under § 13 para. 2 UmwStG, among other things, that both the assets to be spun off and the assets remaining with Daimler AG each constitute a partial establishment for tax purposes within the meaning of § 15 para. 1 sent. 2 UmwStG (so-called double partial establishment requirement). The Boards of Management of Daimler AG and Daimler Truck Holding AG are of the opinion that the planned spin-off of 65.00 % of the Daimler Truck shares does not meet the double partial establishment requirement. Against this background, it cannot be assumed that the shareholders concerned will have the option, in deviation from the principle described above, to have the shares in Daimler Truck Holding AG recognised upon application at the pro rata carrying amount of the Daimler shares. In this respect, the tax consequences set out in lit. aa) will apply.

cc) Capital gains tax

705 The respective custodian financial or credit institution will usually not withhold any capital gains tax for the disposal transaction that is deemed to exist for tax purposes due to the spin-off, if necessary subject to a declaration of exemption from the deduction of capital gains tax (cf. BMF (German Federal Ministry of Finance) letter dated 18 January 2016, BStBl. (Federal Tax Gazette) I 2016, 85) (§ 43 para. 2 sent. 3 EStG). If, nevertheless, capital gains tax were to be withheld and paid, offsetting or reimbursement of any capital gains tax paid in the course of the tax assessment of the relevant shareholder is in principle possible for shareholders who are subject to taxation in Germany. It cannot be ruled out, either, that tax authorities may demand capital gains tax from the relevant shareholder at a later date. Against this background, already prior to the spin-off taking effect Daimler shareholders should review the requirements for any possible avoidance of the capital gains tax deduction and arrange for relevant notifications to be sent to the custodian financial or credit institution (e.g. by issuing declarations to the custodian bank).

b) Shares which are part of private assets

aa) Shareholders within the meaning of § 17 EStG

706 The provision of § 13 UmwStG and, accordingly, the explanations under lit. a) also apply to shares held as private assets within the meaning of § 17 EStG. For these purposes,

such 'shares' exist, if any shareholder or, in case of legal succession without consideration, any of such shareholder's predecessors in title directly or indirectly held an interest in the capital of Daimler AG of at least 1 % at any time during the last five years before the spin-off (shareholder within the meaning of § 17 EStG).

707 In this case, too, a pro rata disposal of the Daimler shares is generally deemed to have taken place, which is taxed in accordance with the general rules.

708 Shareholders within the meaning of § 17 EStG generally do not have the option of avoiding the deduction of any capital gains tax pursuant to § 43 para. 2 sent. 3 EStG, as described in lit. a). It cannot be ruled out that the custodian financial or credit institution will withhold capital gains tax. For these shareholders, however, an offset or reimbursement of any capital gains tax paid may be possible in the course of the tax assessment procedure (cf. BMF letter of 16 December 2014, BStBl. I 2015, 24).

bb) Shareholders within the meaning of § 20 EStG

709 Where the Daimler shares are part of the private assets and the shareholder does not meet the requirements of § 17 EStG, the spin-off is tax-neutral, i.e. there is no realisation of taxable capital gains, provided, in particular, that the right of the Federal Republic of Germany to tax the gain from the disposal of the shares in Daimler Truck Holding AG is neither excluded nor limited (§ 20 para. 4a) sent. 7 EStG). Consequently, no capital gains tax is to be withheld and paid.

710 There is no requirement for the submission of any application for the continuation of acquisition costs. In the view of the tax administration (cf. no. 101 of the BMF letter of 18 January 2016, BStBl. I 2016, 85), the allocation of the acquisition costs to Daimler shares and the shares in Daimler Truck Holding AG is generally to be based on the allocation ratio set forth in the Demerger Agreement. In the present case, the Daimler shareholders will receive one share in Daimler Truck Holding AG for each two Daimler shares, with this allocation ratio not necessarily having to reflect the actual value ratio. Based on this, the previous acquisition costs of the Daimler shares would have to be divided between the Daimler shares and the shares of Daimler Truck Holding AG in the ratio of two to one. If this allocation does not accurately reflect the value of the shares, this may have adverse tax consequences for shareholders, for example, in the event of subsequent disposals. Since the paying agents, i.e. usually the custodian banks, are required to comply with the requirements of the tax administration with regard to the deduction of capital gains tax, shareholders who insist on a different allocation are likely to be referred to achieving this in the individual assessment procedure. In this respect, an indication of the value ratios may be derived from the stock exchange prices of Daimler Truck Holding AG and Daimler AG after the spin-off. For legal reasons, it was not possible for either Daimler AG or Daimler Truck Holding AG to clarify in advance with the tax authorities responsible for the respective shareholders the question of the correct standard under tax law for the allocation of the acquisition costs or carrying amounts of the respective shareholder.

- 711 To the extent that the Daimler shares were acquired prior to 1 January 2009, and thus could be disposed of tax-free in the meantime due to the expiry of the previously applicable so-called "speculative period", this characteristic should, based on a BMF letter of 18 January 2016 (no. 100), be transferred to the shares of Daimler Truck Holding AG granted in the course of the spin-off. In the assessment of the Boards of Management of Daimler AG and Daimler Truck Holding AG, this letter also applies to the relevant provision of § 20 para. 4a sent. 7 EStG, which extends the scope of application of § 20 para. 4a sent. 1 EStG to spin-offs (cf. also no. 115 of the BMF letter of 18 January 2016, BStBl. I 2016, 85).

c) Further cases

- 712 To the extent that Daimler shareholders are not German residents for tax purposes (non-resident tax payers) and the shares are taxable in Germany (for example in case they belong to a German establishment of the non-resident tax payer), the principles described above under lit. a) and b) apply accordingly.
- 713 Where shareholders of Daimler AG are allocated so-called partial rights to shares in Daimler Truck Holding AG on the occasion of the spin-off (cf. Section E.XII.4) and dispose of these partial rights, this transaction should be treated for tax purposes as a taxable disposal of shares or, respectively, as an acquisition of shares in Daimler Truck Holding AG.
- 714 Where Daimler shareholders are classified for tax purposes as special investment funds within the meaning of the German Investment Tax Act (*Investmentsteuergesetz* – InvStG), the principles described above in lit. b) for shareholders within the meaning of § 20 EStG apply accordingly. Special investment funds have no business assets and are only taxable on certain income. An application of § 17 EStG within the scope of other income pursuant to § 29 para. 1 InvStG in conjunction with § 6 para. 5 sent. 1 no. 1 InvStG in conjunction with § 49 para. 1 EStG is explicitly excluded for special investment funds. For special investment funds, § 20(4a) EStG applies by virtue of the reference in § 37 para. 1 sent. 1 InvStG to § 2 para. 2 sent. 1 no. 2 EStG, with the consequence that the transaction is tax-neutral for the shareholders. Where Daimler shareholders qualify as investment funds for tax purposes, there is also no tax liability for the shareholders, as the investment fund is only liable to tax on certain income (domestic investment income, domestic real estate income and other domestic income) (cf. § 6 para. 2 sent. 2 InvStG). As in the case of special investment funds, application of § 17 EStG is excluded within the scope of other income pursuant to § 6 para. 5 sent. 1 no. 1 InvStG in conjunction with § 49 para. 1 EStG. Any capital gain arising in accordance with § 20 EStG does not result in taxable income at the level of the investment fund (cf. § 6 para. 2 sent. 1 InvStG).

7. Contractual provisions regarding taxation

- 715 Pursuant to the provisions of the Demerger Agreement and the contribution agreements with regard to the interests in the Gamma Partnerships and the New Daimler Truck Shares (cf. point 5 above), Daimler AG or Daimler Grund, respectively, bears the

transfer taxes arising on the level of Daimler Truck Holding AG or Daimler Truck AG, respectively, as a result of the conclusion of the Demerger Agreement and the contribution agreements and their implementation. The parties assume that no liability for value added tax will arise as a result of the conclusion of the Demerger Agreement and the contribution agreements and their implementation; should, contrary to the assumption of the parties, value added tax arise, Daimler Truck Holding AG will be obliged to pay an additional amount to Daimler AG only to the extent that it is entitled to a corresponding input tax deduction. To the extent that value added tax were to be assessed against Daimler Truck Holding AG and Daimler Truck Holding AG was not entitled to input tax deduction, Daimler AG will indemnify Daimler Truck Holding AG against the value added tax and any interest thereon.

- 716 Other than that, in principle, each legal entity at which a tax has arisen or will arise bears the tax itself. In particular, the Demerger Agreement (including the Group Separation Agreement) and the contribution agreements do not provide for any general indemnification claims or compensation mechanisms for taxes which are attributable to an assessment period up to and including the respective tax transfer effective date and which were caused by the business division of the other party. Therefore, in principle, historical tax risks remain in the companies in which they arose.
- 717 Only for certain special cases explicitly stipulated in the Group Separation Agreement are indemnification and compensation regulations provided for and, if applicable, lead to payment obligations. This applies, for example, with regard to taxes in connection with the subsequent triggering of a contribution profit I.
- 718 Furthermore, Daimler AG and Daimler Truck Holding AG have agreed to cooperate extensively with respect to tax proceedings.

III. Other effects of the Demerger

1. Protection of creditors and holders of special rights

- 719 The Transformation Act contains various provisions for the protection of the creditors of the legal entities involved in a Demerger and of the holders of special rights. The taking effect of the spin-off and hive-down will have the following effects on the liability of Daimler AG and Daimler Truck Holding AG:
- 720 Pursuant to § 133 paras. 1 and 3 UmwG, Daimler AG is jointly and severally liable with Daimler Truck Holding AG for the fulfillment of the liabilities transferred to Daimler Truck Holding AG, if they fall due within five years from the publication of the entry of the spin-off or the hive-down in the commercial register of Daimler AG and claims against Daimler AG are established from such liabilities by a court or in another manner described in § 133 UmwG, or if a judicial or official enforcement action is taken or applied for.
- 721 Pursuant to § 133 paras. 1 and 3 UmwG, Daimler Truck Holding AG is reversely jointly and severally liable with Daimler AG for the fulfillment of liabilities remaining with

Daimler AG which arise prior to the spin-off or hive-down taking effect, if they fall due within five years from the publication of the entry of the spin-off or hive-down in the commercial register of Daimler AG and claims against Daimler Truck Holding AG are established from such liabilities by a court or in another manner described in § 133 UmwG, or if a judicial or official enforcement action is taken or applied for.

- 722 For pension obligations under the German Company Pensions Act (*Betriebsrentengesetz*), in deviation from the two preceding paragraphs, an extended liability of ten years from the date of the publication of the entry of the spin-off or hive-down in the commercial register of Daimler AG applies.
- 723 Pursuant to §§ 22, 125 sent. 1, 133 para. 1 sent. 2 UmwG, creditors of Daimler AG and Daimler Truck Holding AG may, within a time limit of six months from the publication of the entry of the spin-off or hive-down in the commercial register of Daimler AG or Daimler Truck Holding AG, respectively, demand security for their claims from the company against which their respective claims are asserted. It is a prerequisite that the creditors are unable to obtain satisfaction at the respective point in time and register their claims in writing in terms of reason and amount and that they can credibly demonstrate that the fulfillment of their claims will be jeopardised by the spin-off or the hive-down. The Boards of Management of Daimler AG and Daimler Truck Holding AG assume that by the taking effect of neither the spin-off nor the hive-down the claims of the creditors of Daimler AG or Daimler Truck Holding AG, respectively, will be jeopardised and that, thus, no obligation for the provision of any security by Daimler AG or Daimler Truck Holding AG under §§ 22, 125 sent. 1, 133 para. 1 sent. 2 UmwG will exist.
- 724 Furthermore, Daimler AG and Daimler Truck Holding AG are jointly and severally liable pursuant to § 133 para. 2 UmwG for the fulfilment of the obligation to grant equivalent rights pursuant to § 125 sent. 1 in conjunction with § 23 UmwG. At present, however, no such rights exist vis-à-vis Daimler AG as the transferring legal entity (cf. § 18.1 of the Demerger Agreement). With regard to the adjustment of the PPSPs implemented in the Daimler Group, reference is made to the comments in point 5.
- 725 In the context of the present transaction, the following special circumstances must be taken into account within the liability regime pursuant to § 133 UmwG: By virtue of the hive-down and transfer agreement between Daimler AG, Mercedes-Benz AG and Daimler Truck AG dated 25 March 2019, the assets and liabilities of the Cars & Vans division have been transferred to Mercedes-Benz AG and the assets and liabilities of the Trucks & Buses division have been transferred to Daimler Truck AG. Pursuant to § 133 paras. 1 and 3 UmwG, Daimler AG is jointly and severally liable with Mercedes-Benz AG and Daimler Truck AG, respectively, for the transferred liabilities of Daimler AG incurred prior to the effective date of the hive-down for a period of five years from the effective date of the hive-down. However, the hive-down and transfer agreement provides in the internal relationship between Daimler AG and Mercedes-Benz AG or Daimler Truck AG, respectively, that Mercedes-Benz AG or Daimler Truck AG, respectively, have to indemnify Daimler AG against any obligations that were transferred to Mercedes-Benz AG or Daimler Truck AG, respectively, pursuant to the hive-down and transfer agreement if

and to the extent that claims are asserted against Daimler AG by creditors for such obligations on the basis of § 133 UmwG or other provisions.

- 726 Pursuant to § 133 paras. 1 and 3 UmwG, Daimler Truck Holding AG will be 'co-liaible' as joint and several debtor vis-à-vis third parties for all liabilities of Daimler AG which were incurred prior to the spin-off or hive-down taking effect for a period of five years from the spin-off or hive-down taking effect. On this basis, it is then also liable for such liabilities of Daimler AG which result from the fact that Daimler AG, for its part, is 'co-liaible' under § 133 UmwG for the liabilities transferred to Mercedes-Benz AG or Daimler Truck AG, respectively, in the hive-down and transfer agreement. In the internal relationship, however, Daimler Truck Holding AG has a right of recourse or indemnification against Daimler AG.
- 727 Mercedes-Benz AG or Daimler Truck AG would in turn have to indemnify Daimler AG against any indemnification claim of Daimler Truck Holding AG against Daimler AG pursuant to the aforementioned provision of the hive-down and transfer agreement of 2019. As a result, Mercedes-Benz AG and Daimler Truck AG (as a future subsidiary of Daimler Truck Holding AG) will thus continue to bear the economic consequences of the respective liabilities transferred under the hive-down and transfer agreement.
- 728 In the internal relationship between Daimler AG and Daimler Truck Holding AG, the provisions on the allocation of liability provided for in the Demerger Agreement will apply, i.e. the parties will indemnify each other accordingly in the event of claims being asserted against them by third parties (cf. §§ 16.2 and 16.3 of the Demerger Agreement as well as the further provisions on the liability allocation in Clause 7 of the Group Separation Agreement). In view of the capital and funding of both enterprises, according to the opinions of the Boards of Management of Daimler AG and Daimler Truck Holding AG the claims for indemnification are of value.

2. Effects of the Demerger on the shares of Daimler AG and Daimler Truck Holding AG

- 729 The spin-off and hive-down will not have any effects on the stock market listing of the shares of Daimler AG. After the spin-off and hive-down have become effective, the Daimler shares will continue to be admitted to trading on the Regulated Market of the Frankfurt Stock Exchange and the Stuttgart Stock Exchange and additionally on the section of the Regulated Market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange and the Stuttgart Stock Exchange. The shares of Daimler AG will be traded 'ex spin-off' on the first trading day of the shares of Daimler Truck Holding AG.
- 730 The Board of Management of Daimler AG assumes that the Daimler share will continue to meet the requirements of the DAX30 and will thus remain in the DAX30. The same applies to the EURO STOXX 50 and MSCI World indices.
- 731 It is further assumed that the shares of Daimler Truck Holding AG will be included in the DAX, which is expected to be enlarged to 40 members as of September 2021, at the

next possible date in the first quarter of 2022 after the spin-off and hive-down have taken effect. Furthermore, it is not precluded that the shares may be included in other indices in the future.

3. Effects of the Demerger on the shareholders of Daimler AG

732 Upon the spin-off and hive-down taking effect, all shareholders of Daimler AG will continue to hold an interest in Daimler AG, and thus in the remaining economic activities of the Future Daimler Group, to the same extent as before. The number of shares issued by Daimler AG will not be modified by the spin-off and hive-down. The rights of the shareholders of Daimler AG will not be modified by the spin-off and hive-down, either. Further, the shareholder structure of Daimler AG will not be directly modified by the spin-off and hive-down.

733 All shareholders of Daimler AG will receive shares in Daimler Truck Holding AG as consideration for the transfer of the assets to be spun off in accordance with the allocation ratio and in proportion to their previously existing shareholdings. One share in Daimler Truck Holding AG will be granted for two Daimler shares. As a result, the Daimler shareholders will hold a direct interest in the share capital of Daimler Truck Holding AG. In relation to the share capital of Daimler Truck Holding AG, the proportionate holding of each Daimler shareholder in Daimler Truck Holding AG is less by 35.00 % compared to such shareholder's holding in Daimler AG due to the (direct and indirect) interest held by Daimler AG in Daimler Truck Holding AG. This may result in certain shareholder rights, which could be exercised at Daimler AG based on the interest held, no longer being available for exercise at Daimler Truck Holding AG due to the lower shareholding.

734 The spin-off of the majority interest in Daimler Truck AG has the effect of increasing the influence of Daimler shareholders on the commercial vehicles business in this respect, since the business activities of Daimler Truck Holding AG – unlike those of Daimler AG – are limited to the administration of the interest in Daimler Truck AG. Conversely, the hive-down of the minority shareholding in Daimler Truck AG, which is necessary in order to provide Daimler Truck Holding AG with all shares in Daimler Truck AG, leads to a further mediatisation of the rights of the Daimler shareholders in this respect.

4. Effects on the external financing of Daimler AG and Daimler Truck Holding AG

735 The separation of the commercial vehicles business under the umbrella of Daimler Truck Holding AG means that an independent one-credit approach must be established for the commercial vehicles business. Based on a uniform group rating for the Daimler Truck Group, a uniform presence on the money and capital markets is being prepared and the necessary banking relationships are established. The aim is to achieve a diversified financing structure across products, countries and currencies.

736 In order to secure the financial flexibility and stabilisation of the desired capital market rating as well as to cover the general financing needs of the Future Daimler Truck Group, in August, 2021, Daimler Truck Holding AG, Daimler Truck AG and various Daimler Truck financing companies concluded a syndicated loan agreement in the amount of EUR 18

billion with an international banking consortium already in preparation for the spin-off taking effect (cf. Section D.I.7 a)). This syndicated loan agreement and the general financing concept for the Future Daimler Truck Group (cf. also Section D.I.7 a)) reflect the separation of the Future Daimler Truck Group from the Daimler Group associated with the separation of the commercial vehicles business.

- 737 The transfer of the bilateral loan agreements of the companies of the Future Daimler Truck Group is also being prepared. To this end, it is intended to enter into appropriate agreements with the local banks (e.g. agreements not to exercise termination rights in connection with the change of control resulting from the separation of the Future Daimler Truck Group from the Daimler Group).
- 738 From the perspective of Daimler AG, the spin-off is not expected to give rise to any risks for external financing. From a rating perspective, the spin-off will not have any negative consequences for Daimler AG. A lower financing volume should rather tend to increase the financing scope for the Future Daimler Group and could thus lead to more favorable conditions.

5. Effects of the Demerger on share-based remuneration programmes

- 739 Share-based remuneration is an important element of management remuneration at Daimler AG, enabling executives to participate directly in the company's development. It is based on virtual shares (so-called phantom shares). Each year, the Board of Management decides whether a new PPSP should be established for the following year.
- 740 At the beginning of a PPSP, phantom shares are allocated to the plan beneficiaries on a provisional basis. During a three-year performance period, performance is based on an equal weighting of the actual performance development of the Daimler share relative to the development of a performance index of a competitor group, including Daimler AG, as well as the actual average return on sales (ROS) achieved compared to this competitor group. ROS is measured as the ratio of consolidated net profit to consolidated revenue. The result of the performance measurement determines the number of phantom shares finally allocated to the plan participants.
- 741 At the end of the one-year restriction period following the performance period, the actual amount of the payout per virtual Daimler share is determined by the Daimler share price applicable at that time (final share price). For the PPSP, the final share price is limited to 2.5 times the initial share price. The equivalent value of the phantom shares is paid out in monetary terms at the end of the plan. During the entire term of the plan, an annual dividend equivalent in the amount of the dividend on genuine Daimler shares is paid out, provided that a dividend is paid on a Daimler share in the year in question.
- 742 The terms and conditions of the current PPSP 2018, PPSP 2019, PPSP 2020 and PPSP 2021 contain specific provisions in the event that a plan participant is no longer employed by Daimler AG or by a German or foreign company which is an affiliate as defined in §§ 15 et seqq. AktG in which Daimler AG holds an interest of more than 50 %. One application of these provisions is when the plan participant's employing company leaves

the Daimler Group. In principle, payment on the Phantom Share Plans on a pro rata temporis basis is provided for in this case.

743 The effects of the spin-off of a significant part of the Group, which is entailed in the spin-off of a majority interest in Daimler Truck AG, are not specifically provided for in the plan terms and conditions. Against this background, adjustments are necessary in the form of a supplementary interpretation of the plan terms and conditions of the plan participants who will continue to belong to the Daimler Group in the future. With regard to the plan participants belonging to the Future Daimler Truck Group, adjustments in the form of plan assumptions by Daimler Truck Holding AG or Daimler Truck AG, respectively, at the time the spin-off takes effect and plan amendments are required. The details of the adjustments are set out in Annexes 18.2(a) and 18.2(b) to the Demerger Agreement.

744 The adjustments follow the guiding principles set out below:

- Compensation for the fact that holders of phantom shares, unlike shareholders of Daimler AG, will not be granted shares in Daimler Truck Holding AG (economic equality with shareholders at the time the spin-off takes effect);
- Continuation of the existing PPSPs as group-specific plans from the time the spin-off takes effect to ensure a group-related incentive effect for the remaining term of the plans.

745 With regard to the effects of the spin-off, the following distinctions have to be made on this basis with respect to the individual PPSPs:

a) PPSP 2018

Plan participants who will continue to belong to the Daimler Group in the future

746 For the PPSP 2018, the number of phantom shares finally allotted has already been determined, meaning that only the determination of the final share price remains to be conducted in order to determine the payout amount. The restriction period ends on 31 December 2021, and payment will be made in February/March 2022. In order to ensure that the plan participants do not suffer any detriments as a result of the spin-off and that they are placed on an equal economic footing with the shareholders of Daimler AG who will receive shares in Daimler Truck Holding AG in addition to their Daimler shares when the spin-off takes effect, the following approach is provided for: The final share price is calculated on the basis of the average opening prices (in each case Xetra trading or a functionally comparable successor system of the Frankfurt Stock Exchange) of the Daimler share (share price of Daimler AG) and the Daimler Truck Holding AG share (share price of Daimler Truck Holding AG) in the period between 1 January 2022, and the day before the first ordinary meeting of the Presidential Committee of the Supervisory Board of Daimler AG in 2022, but no later than the day before the meeting of the Supervisory Board of Daimler AG to adopt the annual financial statements for 2021, and the allocation ratio defined for the shareholders, according to which each

shareholder receives one share of Daimler Truck Holding AG for every two Daimler shares held. The final share price is thus determined on the basis of the following formula: $\text{Share price Daimler AG} + (\text{share price Daimler Truck Holding AG} \times 0.5)$.

- 747 If the spin-off only takes effect after the period relevant for the determination of the final share price, the final share price in the said period will be calculated exclusively on the basis of the Daimler share without any further adjustments.
- 748 If the date of the spin-off taking effect falls within the period relevant for the determination of the final share price, the procedures described above are applied in combination as follows: From 1 January 2022, until the day before the first trading day of the Daimler Truck Holding AG share, the calculation will be based on the Daimler share, and from the first trading day of the Daimler Truck Holding AG share on the combined calculation of both share prices. The average is calculated from the daily share prices.
- 749 To determine the payout amount, the final share price determined is multiplied by the number of phantom shares finally allotted.

Plan participants belonging to the Future Daimler Truck Group

- 750 The PPSP 2018 is to be transferred to the Daimler Truck Group for plan participants belonging to the Future Daimler Truck Group with the consent of the plan participants at the time the spin-off takes effect. For the members of the Board of Management of Daimler Truck Holding AG, the PPSP will be continued by Daimler Truck Holding AG; for the employees of the Future Daimler Truck Group, it will be continued by Daimler Truck AG. In this case, too, the calculation of the final share price required to determine the amount to be paid out must be adjusted. For the plan participants of the Future Daimler Truck Group, this adjustment will also be made as described above for the plan participants of the Future Daimler Group.
- 751 If the spin-off only takes effect after payment of the PPSP 2018, there will be no plan assumption on the part of the Future Daimler Truck Group.

b) PPSP 2019 to 2021 (if the spin-off takes effect after 28 February 2022, also PPSP 2022)

- 752 In contrast to the PPSP 2018, the PPSPs 2019, 2020 and 2021 (and, if applicable, the PPSP 2022) require further adjustments in order to continue the respective Phantom Share Plans on a group-specific basis after the spin-off has taken effect. Here, too, a distinction must be made as to whether plan participants will belong to the Future Daimler Group after the spin-off takes effect or to the Future Daimler Truck Group and thus leave the Daimler Group. The necessary adjustments relate, in particular, to the number of phantom shares provisionally allotted, the share price relevant for determining the final share price, the determination of the relevant dividend equivalents and the performance figures relevant for determining the final number of performance shares.

Plan participants who will continue to belong to the Daimler Group in the future

- 753 Plan participants who will continue to be part of the Daimler Group in the future are expected to suffer a loss of value as a result of the spin-off, since a significant part of the assets will leave the Daimler Group. In contrast to real shares, there is no immediate effect on phantom shares as a result of the spin-off (no granting of virtual shares of Daimler Truck Holding AG in a defined allocation ratio). In order to compensate for this loss in value expected to result from the spin-off and to place the plan participants on an equal economic footing with Daimler shareholders, the number of provisional phantom shares granted under the PPSPs 2019, 2020 and 2021 (and PPSP 2022, if applicable) will be adjusted using a conversion factor. The PPSPs will then be continued on a group-specific basis.
- 754 The conversion factor increases the number of (provisionally) allotted Daimler phantom shares by exchanging the notional allocation of shares of Daimler Truck Holding AG for additional Daimler phantom shares on the basis of the allocation ratio defined for the shareholders in the Demerger Agreement. The exchange is made on the basis of the average of the closing prices of the Daimler share and the Daimler Truck Holding AG share weighted with the daily trading volume (closing prices in Xetra trading on the Frankfurt Stock Exchange) in the period from the first trading day of the Daimler Truck Holding AG share until 31 December 2021. If the spin-off only takes effect after 31 December 2021, the first twenty trading days of the Daimler Truck Holding AG share will be the relevant period. The payout amount will then be determined from the spin-off onwards on the basis of the specific performance factors of the Future Daimler Group and on the basis of the Daimler share, meaning that the incentive effect intended with the phantom shares can also be achieved for the plan participants.

Plan participants belonging to the Future Daimler Truck Group

- 755 As explained, the applicable plan terms and conditions provide for a pro rata temporis payment in the event that the plan participant's employing company withdraws from the Daimler Group. To this end, the payout is based on the proportion of time earned in the respective plan up to the date of withdrawal in months and on the share price applicable on the date of withdrawal. For plans in the third or fourth plan year, performance is also taken into account in the pro rata payout. In deviation from this, the performance of the members of the Board of Management is taken into account for the calculation of the pro rata payment, irrespective of the date of withdrawal, and the share price is used that would be relevant for the calculation of the gross remuneration after expiry of the plan. While the PPSP 2018 would be fully vested (48/48 of the plan term) if the spin-off took effect in December 2021, this would be 36/48 months for the 2019 PPSP, 24/48 months for the PPSP 2020 and 12/48 months for the PPSP 2021. If the spin-off takes effect at a later date, these time portions are shifted accordingly by the number of months by which the spin-off is postponed. If applicable, the PPSP 2022 will be added with new time shares.
- 756 Consequently, plan participants who belong to the Future Daimler Truck Group would probably suffer a loss in value, in some cases substantial, as a result of the spin-off and

the entailed pro rata payout. For this reason, it is intended not to pay out the relevant PPSPs of those plan participants who will belong to the Future Daimler Truck Group, contrary to the plan terms, but to continue them in an adjusted form as of the spin-off taking effect as group-specific PPSPs of Daimler Truck Holding AG or Daimler Truck AG. For the members of the Board of Management of Daimler Truck Holding AG, the PPSPs will be continued by Daimler Truck Holding AG; for the employees of the Daimler Truck Group, it will be continued by Daimler Truck AG. Since this is advantageous for the plan participants compared to a pro rata temporis payment, the Board of Management of Daimler AG and the Board of Management of Daimler Truck Holding AG as well as of Daimler Truck AG assume that the vast majority of the plan participants concerned will agree to the necessary amendment to the contract (tripartite contract as an overall package for all current plans 2018 to 2021; and, if applicable, 2022). Here, too, the core of the amendment is that the number of provisional phantom shares granted under the PPSPs 2019, 2020 and 2021 (and, if applicable, 2022) will be adjusted using a conversion factor. At the same time, the Daimler phantom shares will be converted to phantom shares of Daimler Truck Holding AG. This is done using a conversion factor that converts the number of phantom shares based on the Daimler share into a number of preliminary phantom shares based on the Daimler Truck Holding AG share, adding the additional shares of Daimler Truck Holding AG granted. The conversion factor thus represents, on the one hand, a notional allocation of shares in Daimler Truck Holding AG on the basis of the allocation ratio defined in the Demerger Agreement for the shareholders and, on the other hand, the exchange of the provisional number of phantom shares on the basis of the Daimler share for a provisional number of phantom shares on the basis of the Daimler Truck Holding AG share. The exchange is made on the basis of the average of the closing prices of the Daimler share and the Daimler Truck Holding AG share weighted with the daily trading volume (closing prices in Xetra trading on the Frankfurt Stock Exchange) in the period from the first trading day of the Daimler Truck Holding AG share until 31 December 2021. If the spin-off only takes effect after 31 December 2021, the first twenty trading days of the Daimler Truck Holding AG share will be the relevant period. Overall, this increases the number of phantom shares provisionally allotted. The payout amount will then be determined from the spin-off taking effect onwards on the basis of the specific performance factors of the Future Daimler Truck Group and on the basis of the share of Daimler Truck Holding AG, meaning that in this respect, too, a group-specific incentive effect can be ensured for the plan participants.

General adjustments required for plan participants of both future company groups

- 757 From the spin-off taking effect, the respective increased number of provisional phantom shares will apply in the performance period of the PPSPs 2020, 2021 and, if applicable, 2022 as the basis for the payment of any dividend equivalents of the respective company. In addition, it will be used to calculate the final number of phantom shares, to pay any dividend equivalents of the PPSPs 2019 through 2021 (and 2022, if applicable) during the restriction period, and to calculate the payment of gross proceeds of the plans concerned. Dividend equivalents are only paid out if a dividend payment is made to the respective shareholders by the relevant company group and in the relevant year. If the spin-off takes effect between the date of the Annual General Meeting of Daimler AG in 2022 and the due date of the dividend equivalent in 2022, the payment of the

dividend equivalent will be calculated on the basis of the original number of provisional phantom shares (or the resulting final number for the PPSP 2019) and the dividend of Daimler AG.

- 758 In addition to the conversion of the provisional phantom shares into group-specific phantom shares in each case, there will also be effects on the performance figures from the time the spin-off takes effect. The performance period of the PPSP 2019 runs until 31 December 2021. Therefore, for the measurement of the "ROS" performance factor, the financial year 2021 of Daimler AG will be used in accordance with the previous plan terms of the PPSP 2019. For the measurement of the performance factor "relative share performance" in December 2021, the average of the daily Xetra closing prices/values of the Daimler share and the Daimler Truck Holding AG share in the period from the first trading day of the Daimler Truck Holding AG share until 31 December 2021, will be used. If the spin-off does not take effect until after 31 December 2021, no adjustments will be required in the measurement of the performance factors as a whole.
- 759 For the PPSP 2020 and PPSP 2021 (and, if applicable, 2022), the actual performance development of the Daimler share or the share of Daimler Truck Holding AG over the three-year performance period relative to the development of a performance index of a competitor group including Daimler AG or Daimler Truck Holding AG, as well as the average ROS (Return on Sales) actually achieved of the Daimler Group or Daimler Truck Group compared to this competitor group, will be used to measure performance on an equally weighted basis.
- 760 In view of the fact that a calculation of ROS on the basis of interim reports of competitors involves considerable effort and is only possible to a limited extent, as quarterly figures are not available for all competitors, the ROS of the Daimler Group and the Daimler competitor group will also be used for the financial year 2022 for both Daimler AG and Daimler Truck Holding AG if the spin-off takes effect in the second half of 2022.
- 761 The relative share performance factor for the PPSP 2020 or PPSP 2021 (and 2022, if applicable) measures the performance development compared to the development of a performance index based on the respective competitor group. This will be done on the basis of the Daimler share and the Daimler competitor group including the Daimler share for the period until the spin-off takes effect and on the basis of the Daimler share and the Daimler competitor group including Daimler AG or the Daimler Truck Holding AG share and the Daimler Truck competitor group including the Daimler Truck Holding AG share from the time the spin-off takes effect. In the period from the first trading day of the Daimler Truck Holding AG share until 31 December 2021, a combined performance will be determined on the basis of the Daimler share and the Daimler Truck Holding AG share as well as the Daimler competitor group including the Daimler share and the Daimler Truck Holding AG share. If the spin-off only takes effect after 31 December 2021, the first twenty trading days of the Daimler Truck Holding AG share will be the relevant period.
- 762 For the respective final share price of the payment of the PPSP, which is determined by the respective share price of the company concerned, a cap applies of 2.5 times the

value resulting from the quotient of the originally allotted amount in euros (before conversion into the provisionally allotted number of phantom shares) and the adjusted number of provisional Daimler phantom shares or Daimler Truck Holding phantom shares, respectively.

c) Stock Ownership Guidelines

763 PPSP participants who hold genuine Daimler shares in a blocked SOG custody account because of their management level and the related internal stock ownership guidelines ("**SOG**") will have shares of Daimler Truck Holding AG posted to their blocked custody accounts as a result of the spin-off. Since the SOGs only apply to the respective own company group, only the shares of the company of which the respective executives are employees have to be held, i.e. for the employees of the Future Daimler Group the shares of Daimler Truck Holding AG will be released, for the employees of the Future Daimler Truck Group the Daimler shares will be released. The same applies to the respective members of the Board of Management.

6. Applicability of the provisions on transactions between related parties

764 The future legal relationship between Daimler AG and Daimler Truck Holding AG will initially be governed by those rules of company law which generally apply to transactions between a stock corporation and its shareholders (and their affiliated enterprises). § 57 para. 3 AktG, which only permits the distribution of the balance sheet profit to the shareholders prior to the dissolution of a stock corporation, is interpreted beyond its wording to stipulate that hidden profit distributions to shareholders are also impermissible. Business relationships between the shareholder (here: Daimler AG) and the stock corporation (here: Daimler Truck Holding AG) at arm's length conditions are permissible; in contrast, deliberate asset shifts through transactions that are advantageous to the shareholder and disadvantageous to the stock corporation, for example, are impermissible.

765 Due to the spin-off of the majority shareholding in Daimler Truck AG to Daimler Truck Holding AG and the transfer of the control and profit and loss transfer agreement between Daimler AG and Daimler Truck AG to Daimler Truck Holding AG in this context (cf. In this respect Section I.III.6), the previously existing contractual group between Daimler AG and Daimler Truck AG, to which §§ 291 et seqq. AktG apply, will be terminated upon the spin-off taking effect.

766 However, Daimler AG and Daimler Truck Holding AG will be related parties within the meaning of the international accounting standards and the provisions on related party transactions will apply. According to IAS 24.9 and 28.3, such a related party relationship exists, in particular, between an entity and an associated company, over which the entity has significant influence. If an entity directly or indirectly holds at least 20 % of the voting rights in another entity, it is presumed to have significant influence unless it can be clearly demonstrated that this is not the case (IAS 28.5). In view of the level of 35.00 % of the direct and indirect shareholding of Daimler AG in Daimler Truck Holding AG (including the shares in Daimler Truck Holding AG to be transferred to Daimler

Pension Trust e.V.), the Boards of Management of Daimler AG and Daimler Truck Holding AG assume, despite the deconsolidation agreement concluded, that such significant influence of Daimler AG cannot be disproved. Significant influence establishes related party status in both directions. In addition to Daimler AG, the subsidiaries and joint ventures of the Future Daimler Group as well as Daimler Pension Trust e.V. are deemed to be related parties of Daimler Truck Holding AG. From the perspective of the Future Daimler Group, the term 'associated entity' includes – for the purpose of determining a related party relationship – Daimler Truck Holding AG itself and its subsidiaries (IAS 24.12).

- 767 In addition to special disclosure requirements in the individual and consolidated financial statements of Daimler AG and Daimler Truck Holding AG (§ 285 no. 21 HGB and IAS 24.18), §§ 111a to 111c AktG apply to both Daimler AG and Daimler Truck Holding AG. According to these provisions, transactions with related parties that exceed the materiality thresholds defined in § 111b AktG and do not meet any exceptions must be submitted to the Supervisory Board for approval pursuant to § 111b para. 1 AktG and published without delay pursuant to § 111c AktG.

7. Other effects of the Demerger

- 768 With the withdrawal of Daimler Truck Holding AG and the Future Daimler Truck Group from the group of companies with Daimler AG at the time the spin-off takes effect, the privileges under the law on groups of companies between the Future Daimler Truck Group and the Future Daimler Group will also end. In particular, this affects group privileges under the German Banking Act and other regulatory provisions as well as group privileges under antitrust law.
- 769 The loss of control by Daimler AG over the companies of the Future Daimler Truck Group, which occurs as a result of the spin-off and the conclusion of the deconsolidation agreement, may trigger termination, purchase or other rights of the respective contractual partners under so-called change-of-control clauses in the case of joint venture agreements and other continuing obligations. For this purpose, it is intended to conclude corresponding agreements with the relevant contractual partners (e.g. waivers of termination rights in connection with the loss of control of Daimler AG). However, following a corresponding review, Daimler AG and Daimler Truck Holding AG assume that the aforementioned rights, if exercised, will only affect such agreements that are not of material importance for the Future Daimler Truck Group as a whole.

H. The Future Daimler Group

770 This section describes the Future Daimler Group after the spin-off and the hive-down (collectively also the Demerger) and related measures have taken effect.

I. Business activities of the Future Daimler Group

771 In the future, Daimler Group's operating activities will be conducted through Mercedes-Benz AG and Daimler Mobility AG, while Daimler AG itself, as the holding company, will continue to perform management and governance functions and provide services for the Group companies.

1. Cars & Vans operations

772 Mercedes-Benz AG, headquartered in Stuttgart, is responsible for the global business of Mercedes-Benz Cars and Mercedes-Benz Vans with more than 170,000 employees worldwide. The global production networks of the two business areas together comprise around 35 production sites on four continents. At Mercedes-Benz Cars, this also includes a global battery production network spanning three continents. With various research, development and design locations in international high-tech hotspots, Mercedes-Benz AG actively utilises global cooperation between a wide range of disciplines. Purchasing is also represented at strategically important industrial locations around the globe and promotes regional and local procurement.

a) Overview of the organisational units of Mercedes-Benz AG

773 The individual organisational units of Daimler AG are briefly described below:

- Research and development: With a staff of approx. 16,000 Mercedes-Benz AG's development departments cover the entire product development process for passenger cars and vans. Product development includes, among other things, fundamental research, vehicle conception, vehicle and component design (including engine development, chassis, interior and body), parts design, calculations (of load capacity and wind resistance, etc.), development of electrics/electronics and software, prototype construction as well as tests and trials.
- Purchasing and supplier quality: Mercedes-Benz AG's purchasing department has around 2,300 employees at seven locations worldwide. The department is responsible for the purchase of production material as well as supplier quality. The global supplier network comprises around 2,000 direct suppliers. Decisive factors for the cooperation with suppliers are: innovation, top quality, partnership and sustainability. Mercedes-Benz AG invests around EUR 40 billion annually in the purchase of production materials, meaning that procurement is one of the main cost factors.
- Production: The global production networks of the two business areas together comprise around 35 production sites on four continents with approx. 97,000

employees. For one thing, the networks consist of the vehicle plants for passenger cars and for vans. Vehicles with a wide variety of drive systems are produced there. The range of drives extends from combustion engines to mild hybrids and plug-in hybrids to pure electric drives. The car and van plants are supplied by aggregate production sites (for engines, transmissions, axles and electrified components), plus the battery factories. The production organisation also includes quality management and production-related activities such as production planning, maintenance of production machinery, the technology factory and supply chain management.

- **Distribution:** The sales department of Mercedes-Benz AG manages the sales, service and spare parts business for new and used vehicles of the Mercedes-Benz, Mercedes-AMG, Mercedes-Maybach, G-Class, EQ and smart brands with approx. 32,000 employees. Sales to end customers are made partly via external authorised dealers and partly via own sales locations or direct sales. Workshop service and parts distribution are also offered. In addition, Mercedes-Benz AG controls its sales activities abroad and conducts foreign direct business for the products both through its own sales companies and through business partners. Global passenger car sales which are generated together with dealer partners via online channels are of increasing importance. The further digitisation of sales also includes the workshop and after-sales business.
- **Service and parts business:** The Mercedes-Benz Global Service & Parts (GSP) department operates the worldwide service and parts business for passenger cars and for vans in cooperation with dealers, branches and local companies, in particular for the Mercedes-Benz brand and its sub-brands. The logistics service is provided as a mandated service to other companies of Daimler Group. The Retail Operations department supplies workshops with specific tools, diagnostic equipment and workshop information and supports them with Mercedes-Benz after-sales systems and processes. The Remanufacturing department, with its engineering and planning, operations, marketing and sales functions, comprises the aftermarket exchange products business.

b) Strategy of the Mercedes-Benz Cars & Mercedes-Benz Vans divisions

Strategy of Mercedes-Benz Cars

- 774 The strategy of Mercedes-Benz Cars is based on the purpose "First move the World". Mercedes-Benz invented the automobile. In its reinvention, the company wants to be at the forefront again. The successful transformation towards electromobility and comprehensive digitisation are crucial for the future competitive position.
- 775 The claim is to build the most desirable cars in the world. Aligned with this claim, the strategy of Mercedes-Benz Cars is composed of six pillars:
- Thinking and acting as a luxury brand,

- Focus on profitable growth,
- Expanding the customer base through the expansion of sub-brands,
- Intensifying customer loyalty and increasing recurring revenue,
- Leading in electromobility and vehicle software,
- Reducing the cost base and improving the industrial footprint.

776 In essence, structural profitability is to be increased and the transformation towards electromobility and comprehensive digitisation is to be implemented in a leading position among the competition. Furthermore, sustainability, integrity and diversity are the foundation and an integral part of the successful implementation of the Mercedes-Benz Cars strategy.

777 The origins and strength of the Mercedes-Benz brand lie in the luxury segment, which is where it is located and where it excels. This is where the brand will continue to focus in the future, and this is also where the greatest growth opportunities are expected. Thinking and acting as a luxury brand describes the objective of aligning the product portfolio of Mercedes-Benz Cars, brand communication as well as the sales network and all customer interaction points, including the digital technologies used, even more strongly with luxury – holistically and sustainably.

778 Mercedes-Benz Cars seeks to grow profitably. By focusing on an optimal balance between sales volume, price and distribution channel mix, improved contribution margins of the current and future product portfolio are to be ensured. At the same time, development resources and expenditures are to be increasingly channeled into the most profitable market segments in order to achieve higher structural profitability.

779 A substantial contribution to the growth and earnings of Mercedes-Benz Cars is made by the sub-brands Mercedes-AMG, Mercedes-Maybach and Mercedes-EQ as well as the G-Class. These brands are to be further strengthened and the potential in the currently still underrepresented customer groups is to be exploited by means of a targeted, focused customer approach. Added to this is the successive electrification of the entire sub-brand portfolio.

780 Mercedes-Benz Cars aims to expand and strengthen long-term customer relationships. Stronger customer loyalty also enables recurring revenue to be generated – for example, through services and spare parts, as well as increasing over-the-air updates (OTA) and subscriptions to digital services. As the Mercedes-Benz passenger car fleet is expected to comprise a total of 20 million networked vehicles by 2025, this is expected to generate significant revenue potential.

781 Mercedes-Benz Cars aims to be a leader in electromobility and endeavors to become fully electric by the end of the decade, wherever markets permit. Based on the "EV only" vehicle architecture strategy, from 2022 there will be a battery-electric option in all

Mercedes-Benz Cars segments. In 2021, four new electric vehicles will be launched on the market based on the Electric Vehicle Architecture (EVA). The EQS luxury sedan was already launched in August, to be followed by the EQE, the EQS SUV and the EQE SUV. Based on the second newly designed vehicle platform, the Mercedes-Benz Modular Architecture (MMA) for vehicles in the compact and mid-size segment, further models will complete the electric vehicle portfolio from 2025. In the compact car class, two all-electric compact SUVs are already offered today in the form of the EQA and the EQB. In addition, the future range of electrified vehicles will be supplemented by numerous plug-in hybrid models. After 2025, all new Mercedes-Benz Cars vehicle architectures will be pure electric ("EV only").

- 782 Mercedes-Benz Cars will reallocate even more resources to product development and building expertise in battery technology and electric drives, and will invest in new technologies and concepts to increase range and efficiency. The next generation of e-motors is being developed under the company's own responsibility and incorporates advanced inverter and high-voltage technologies. At the same time, the company will acquire additional technology know-how, especially for the AMG high-performance segment. Regarding the optimisation and further technical development of battery technology, the company relies on both in-house research and development and strategic collaborations with partners. The aim is to have the entire battery technology chain in our own hands and to rely on partnerships where it is sensible.
- 783 Mercedes-Benz is also striving for a leading position in the field of vehicle software and is relying on a proprietary operating system for this purpose. This is being developed under the company's own responsibility and is scheduled for market launch in 2024. This is an important prerequisite for increasing the benefits for the customer over the entire life cycle of the vehicle and for developing new digital business models. The software is developed for all scalable platforms to realise efficiencies in development costs.
- 784 Mercedes-Benz Cars aims to further improve profitability and cash flow while securing investments for the future and an accelerated transition to electric drive at the same time. This is to be achieved by lowering the break-even point, further reducing the cost base, accelerating digitisation in all business areas and further improving the industrial footprint in the period up to 2025. By 2025, fixed costs are expected to decrease by more than 20 % overall compared to 2019 actuals due to capacity adjustments and lower personnel costs. Capital expenditure on property, plant and equipment and research and development is also expected to be reduced by more than 20 % by 2025 compared to 2019. Variable costs are projected to reduce by 1 % per year until 2025 compared to 2019. Overall, the strategy of Mercedes-Benz Cars is aimed at improving profitability: through a more advantageous product mix and better pricing, through an improved product portfolio, and through the growth of recurring revenue. By 2025, Mercedes-Benz AG aims to achieve a return on sales in the mid to high single-digit percentage range. However, the company's goal is to achieve a double-digit return in a strong market environment.

Strategy of Mercedes-Benz Vans

- 785 "Moving transportation to the next level" reflects the core and the basic attitude of Mercedes-Benz Vans. In this context, "moving" expresses the motivation to be a leader in the competitive environment. "Transportation" represents the core of the business – freight and passenger transportation – and the words "to the next level" express the pursuit of continuous improvement and development to increase customer value.
- 786 It is Mercedes-Benz Vans' claim to exceed customer expectations with the most desirable vans and services. The vans from Mercedes-Benz Vans are premium vehicles and therefore much more than a mere investment good for the customer. The company wants to secure this position and focus its activities on delighting customers and making their business more efficient in the long term. The Mercedes-Benz Vans strategy consists of five pillars:
- Leading the way in electromobility and digital solutions,
 - Aligning with premium segments,
 - Focus on profitable growth,
 - Intensifying customer loyalty and increasing recurring revenue,
 - Reducing operating costs.
- 787 To ensure competitiveness, expenses are consistently put to the test in order to significantly reduce fixed costs in the long term. Sustainability as a guiding principle is firmly anchored in the strategy of Mercedes-Benz Vans and is an integral part of it. Also at Mercedes-Benz Vans, the basis for a successful implementation of the strategy is a highly qualified and motivated team.
- 788 New standards are to be set in sustainable electromobility and digital solutions. Already today, the Mercedes-Benz Vans portfolio is almost completely electrified with the eVito, eSprinter and EQV. The new eCitan and EQT will complete the electrification of all van series from 2022. In the future-oriented and sustainable alignment of the portfolio, the focus is on the consistent further development of high-performance electrified variants. In the area of customer-oriented and digital services, the position is to be strengthened even further. The range of Mercedes me Connect services is being further expanded for individual private use, while the Mercedes PRO service platform with extensive connectivity and vehicle services is available for commercial customers. In addition, work is continued systematically on the full networking of vehicles.
- 789 Mercedes-Benz Vans has played a major role in shaping the global van market from the very beginning and stands for top quality, reliability and sustainability. As part of the Mercedes-Benz brand family, its position as a premium provider of future-oriented transport solutions for commercial and private customers is to be further sharpened and expanded. In the field of vans for private use, the V-Class and the EQV are already

successfully established. In the future, Mercedes-Benz Vans plans to offer private customers the T-Class as well as its electrified version for families and leisure activities. Premium vans in all van segments are available to commercial customers in the form of the Sprinter, the Vito and the Citan.

- 790 The increased focus on high-sales and high-margin markets is another core element of the strategy. Parallel to the expansion of activities in Europe, the commitment in China as well as in the USA and Canada is to be further expanded and the portfolio is to be aligned even more specifically to the respective market requirements. Emerging industries with high future potential, such as motorhomes, were identified as an important new target group, among other things. At the same time, the focus is on reducing complexity, which includes the continuous review of the product portfolio.
- 791 Mercedes-Benz Vans will further intensify its cooperation with customers in order to strengthen and expand long-term customer relationships. In order to sustainably increase customer satisfaction and loyalty, the aim is to tailor products and services perfectly to customer needs. One focus in this regard is on co-creation, the joint development of segment- and user-specific solutions in order to retain customers in the long term and generate revenue potential throughout the entire customer lifecycle.
- 792 Mercedes-Benz Vans also aims to further improve profitability and cash flow while securing investments for the future and an accelerated transition to electric drive at the same time. Processes are to be further improved, flexibility increased and the cost base reduced. Digitisation potential will be further exploited to improve efficiency and customer orientation. Digitisation also includes the further connection of digital services with Mercedes-Benz Cars, the strengthening of digital sales, and the bundling of all digital customer contacts into one digital customer experience.

2. Financial services business

- 793 The manufacturer-specific financial services business remains an essential factor for a successful automotive business. Daimler Mobility AG will continue to support vehicle sales for passenger cars and vans of the Mercedes-Benz brand by offering customised financing, leasing, fleet, insurance and mobility products, promote loyalty to the Group brands through the associated long-term customer contact, and contribute to the financial success of Daimler AG. By clearly focusing on the Cars & Vans business, this mission can be fulfilled in an even more focused manner in the future, for example in connection with consistent integration into the online direct sales of the Mercedes-Benz brand or targeted support of the change toward electromobility.
- 794 The global personnel capacity requirements of the future Cars & Vans financial services business amount to approx. 8,900 employees (FTEs). In future, the Cars & Vans financial services business is intended to be operated in the following countries: Australia, Austria, Belgium, Canada, China, Czech Republic, Denmark, France, Germany, Great Britain, Hong Kong, Hungary, Italy, India, Japan, Luxembourg, Malaysia, Netherlands, New Zealand, Poland, Portugal, Romania, Russia, Singapore, Slovakia, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey and USA. In Mexico, efforts are

being made to set up a new financial services company for Cars & Vans (cf. Section D.VI for more details).

795 In order to achieve a synchronisation in the external relationship with the renaming of Daimler AG to "Mercedes-Benz Group AG", it is planned to rename Daimler Mobility AG to "Mercedes-Benz Mobility AG". The change of the company name of Daimler Mobility AG is also to take effect as of 1 February 2022, provided that the spin-off has taken effect until then.

3. Function of Daimler AG (or the future Mercedes-Benz Group AG) as holding company

796 Daimler AG, which in the future will operate under the company name Mercedes-Benz Group AG (cf. point III.2 below), will in the future function in close cooperation with Mercedes-Benz AG as operating business unit which will decide on the strategy of the Future Daimler or Mercedes-Benz Group, decide on matters of strategic importance in its operating business and ensure group-wide regulatory, legal and compliance functions.

797 Further, the role of Daimler AG or the future Mercedes-Benz Group AG will still be characterised, in particular, by the following functions:

- *Governance:* The governance function is concerned with supporting compliance with relevant legal and regulatory requirements. This includes the implementation of uniform standards and positions of the Group, among other things in the form of Group-wide guidelines and policies, as well as the effective management and supervision of the Group companies. In addition, the governance function includes measures to protect the Group's trademarks, patents, Group companies and other assets.
- *Pulse generator:* As a 'pulse generator', Daimler AG or the future Mercedes-Benz Group AG defines targets for increasing shareholder value and keeps track of the achievement of these targets. Innovations for the Group and its functions are promoted through central initiatives and programmes, ensuring the continuous exchange of best practices throughout the Group, and further developing Group values.
- *External relationships of the Group:* Daimler AG or the future Mercedes-Benz Group AG, respectively, will represent the Group in public and to institutions and support the business activities of the companies by providing central expertise and access to external innovation and consulting services.

798 In addition to the functions related to Daimler AG and the future Mercedes-Benz Group AG as a stock corporation and parent company (in particular Controlling, Taxes, and Accounting), the following central functions will continue to be bundled at this level in the future:

- *Group Strategy:* This department deals with the analysis and evaluation of relevant future issues and the translation into and definition of the Group strategy as well as its implementation.
- *Finance & Controlling:* The Finance department comprises central Group accounting and controlling (internal and external Group reporting), accounting services, the central tax department, Mergers & Acquisitions, Treasury and Investor Relations. In addition, the Finance department is responsible for the risk management system and risk controlling and ensures an appropriate internal control and audit system. Further, the Corporate Real Estate department is allocated to the Finance department, which develops and implements solutions for the Group's real estate needs.
- *Integrity and Legal:* The Integrity and Legal department comprises the legal department, the compliance organisation, Corporate Audit, the Legal Product & Technical Compliance Office and Integrity Management throughout the Group. The legal department advises the Group in all legal matters and identifies and deals with the legal risks of the company. Compliance activities focus on compliance with all applicable anti-corruption regulations, the maintenance and promotion of fair competition, compliance with legal and regulatory requirements in product development and with regard to digital risks, as well as compliance with data protection laws, compliance with sanctions and the prevention of money-laundering. IL is also responsible for the respecting and upholding of human rights and for anchoring a permanent corporate culture of integrity. The central task is to advise and support employees in such a way that they can always perform their tasks in accordance with applicable laws, regulations and the Group's core values. Corporate Audit is an independent and objective safeguarding and advisory function of the Future Daimler Group. The department supports the optimisation of the company's risk exposure and is responsible for the implementation and evaluation of internal controls and processes worldwide.
- *HR:* The HR function comprises the areas of personnel and labor policy, health management & occupational safety, HR development (including employee development and training/further education), HR services (including payroll accounting and time recording), Group organisation & personnel planning (structural organisation and Group-wide personnel planning & consolidation), as well as operational personnel support for employees of Daimler AG or the future Mercedes-Benz Group AG, respectively.
- *IT:* The IT function includes, among other things, the provision of services for information and data processing on the basis of dedicated technical infrastructure as well as the design and implementation of specific IT solutions. IT is also responsible for the hardware and software used and supports all departments with the administration and use of systems.
- *IPS:* IPS is responsible for the worldwide procurement of non-production materials, services and capital goods. These include, for example, IT services,

machinery and equipment, construction services, tools as well as transport, marketing and consulting services. In this context, IPS has the lead responsibility for contract negotiations with suppliers, supplier selection and finally the drafting of contractual agreements.

- *Other central functions:* Other central functions include External Affairs, Corporate Security, Corporate Business Service Management, Art Department and the staff units Chief of Staff and Corporate Office. Corporate Audit is an independent and objective audit and advisory function which supports the company in achieving its goals by evaluating risk exposure, internal controls and processes. External Affairs is responsible for the Group-wide coordinated dialogue with governments, political representatives and interest groups, incorporates the implementation of changes in the regulatory, political and economic environment into the planning processes and also provides political support for global operating activities. Corporate security includes the task of Group security. The Art Department manages the art holdings of Daimler AG.

799 The management of the Future Daimler or Mercedes-Benz Group under company law is characterised by the following management instruments:

- *Control and profit and loss transfer agreement:* A control and profit and loss transfer agreement will continue to exist between Daimler AG and Mercedes-Benz AG, which will enable the Board of Management of Daimler AG to perform the functions described above without being subject to the restrictions that a de facto group relationship would entail; in particular, the auditing and documentation effort will be significantly reduced in this way. In addition, on the basis of the control and profit and loss transfer agreement, the Board of Management of Daimler AG can enforce the common Group interest by issuing instructions to the Board of Management of Mercedes-Benz AG.
- *Approval requirements:* Furthermore, at the level of Daimler AG, certain measures require the approval of the entire Board of Management and the Supervisory Board. At the level of the Board of Management of Daimler AG, for example, strategic and operational planning and measures and transactions of fundamental or material importance require an approval resolution of the Board of Management. Obtaining the approval of the Supervisory Board of Daimler AG is required, among other things, for measures and transactions relating to the strategic direction of the company, the corporate planning to be submitted on an annual basis, the allocation of responsibilities within the Board of Management, and certain business activities described in more detail. Approval requirements in favor of Daimler AG's executive bodies also apply to certain measures taken by Group companies.
- *Dual board memberships:* With regard to the corporate bodies of Daimler AG and Mercedes-Benz AG, the aim is to have identical members on the Board of Management and the Supervisory Board in future in order to be able to make decisions even more efficiently.

800 The Board of Management of Daimler AG will continuously review to what extent the Group structures described above can be further optimised.

II. Asset, financial and income position of Daimler AG and the Future Daimler Group

801 Upon the spin-off taking effect, Daimler Truck Holding AG, Daimler Truck AG and the activities bundled under Daimler Truck AG will cease to be part of the former Daimler Group and will be continued independently by the Future Daimler Truck Group. Immediately thereafter, Daimler AG will hold a direct interest of 28.43 % in Daimler Truck Holding AG when the hive-down takes effect and an indirect interest of 6.57 % via Daimler Grund when the Capital Increase Against Contributions in Kind III takes effect.

1. Explanation of the asset, financial and income position of Daimler AG (HGB)

802 Upon the Demerger taking effect, the shareholding in Daimler Truck AG held by Daimler AG will be fully transferred to Daimler Truck Holding AG. The control and profit and loss transfer agreement existing between Daimler AG and Daimler Truck AG will also be transferred to Daimler Truck Holding AG in the course of the spin-off. Upon the spin-off taking effect, Daimler AG will therefore no longer receive any profit transfers or have to offset any losses from Daimler Truck AG with retroactive effect from 1 January 2021. Due to its shareholding in Daimler Truck Holding AG (after Consummation of the Demerger Agreement 28.43 %), Daimler AG will, however, in the future receive the dividend distributions to which it is entitled on the basis of its respective shareholding and recognise them in profit or loss as long as it directly holds shares in Daimler Truck Holding AG. Reductions in the value of the investment in Daimler Truck Holding AG affect the earnings of Daimler AG.

803 Furthermore, after the spin-off has taken effect, the results of changes to or termination of the business relationships between Daimler AG and the companies of the Future Daimler Truck Group will have an impact on the income position of Daimler AG. This includes, in particular, the income from service contracts for central functions as well as income from guarantee, surety and commitment fees as well as expenses and income from Group financing and from intra-Group clearing transactions as part of the central finance and liquidity management. Details of these business relationships are described in Section J. The previously existing intercompany business relationships will be maintained, to the extent legally permissible, for a transitional period via transitional services agreements at arm's length conditions and will be terminated upon expiry of these agreements, unless already existing service contracts are continued. Sureties, guarantees, letters of comfort and other declarations of liability will continue to exist in principle unless they have not been discharged by the time the spin-off takes effect.

804 The accounting effects of the Demerger and related measures on Daimler AG are presented in Section G.I.2.

805 Beyond that, the Demerger will not have any further material effects on the future asset, financial and income position of Daimler AG.

2. Explanation of the asset and financial position of the Future Daimler Group (IFRS)

- 806 The accounting effects of the Demerger and related measures on the Future Daimler Group are presented in Section G.I.3.
- 807 Other than that, the Board of Management of Daimler AG does not expect any material effects of the Demerger and related measures on the asset and financial position of the Future Daimler Group.
- 808 Daimler AG currently has investment-grade credit ratings from well-known rating agencies. The Board of Management of Daimler AG currently assumes that the Demerger should not have a negative impact on the existing credit rating of Daimler AG.
- 809 Based on the pro forma balance sheet as at 1 January 2021 (cf. Section G.I.3 b)), the key balance sheet figures of the Daimler Group and the Future Daimler Group are as follows:

Future Daimler Group (IFRS)	A	B	C	D	E
EUR mn.	12/31/2020 prior to De-merger (Act)	Effects in connection with the Demerger	01/01/2021 after De-merger (Pro forma)	Further Transaction Effects	01/01/2021 after De-merger and Further Transaction Effects (Pro forma)
Intangible assets	16,399	-1,682	14,717	-	14,717
Property, plant and equipment	35,246	-7,752	27,494	-	27,494
Equipment on operating leases	47,552	-2,407	45,145	-	45,145
Equity-method investments	5,189	2,514	7,703	1,883	9,586
Receivables from financial services	96,185	-13,293	82,892	-	82,892
Marketable debt securities and similar investments	6,397	-117	6,280	-	6,280
Inventories	26,444	-6,159	20,285	-	20,285
Trade receivables	10,649	-2,866	7,783	-	7,783
Cash and cash equivalents	23,048	-1,662	21,386	-5,435	15,951
Other financial assets	6,924	2,683	9,607	6,345	15,952
Other assets	11,704	-3,103	8,601	-	8,601
Total assets	285,737	-33,844	251,893	2,793	254,686
Equity	62,248	-6,399	55,849	-529	55,320
Provisions	32,520	-7,661	24,859	-	24,859
Financing liabilities	145,842	-10,749	135,093	3,322	138,415
Trade payables	12,378	-2,427	9,951	-	9,951
Contract and refund liabilities	12,956	-2,934	10,022	-	10,022
Other financial liabilities	8,598	-2,322	6,276	-	6,276
Other liabilities	11,195	-1,352	9,843	-	9,843
Total equity and liabilities	285,737	-33,844	251,893	2,793	254,686

Asset structure

- 810 The pro forma asset structure of the Future Daimler Group after the Demerger and Further Transaction Effects (column E) is as described below.
- 811 Intangible assets include, in particular, capitalised development costs. In addition, franchises, industrial property and similar rights as well as goodwill and advance payments made are included to a much lesser extent.
- 812 Property, plant and equipment consist of the items land, leasehold improvements and buildings including buildings on land owned by others, technical equipment and machinery, other equipment, factory and office equipment, advance payments made to plant and equipment and assets under construction as well as rights of use as a result of lessee accounting according to IFRS 16.
- 813 Equipment on operating leases mainly comprises passenger cars which the Group manufactures itself and leases to third parties (operating lease), vehicles which the Group sells and for which it entered into a repurchase obligation as well as vehicles which Daimler Mobility acquires from non-Group dealers or other third parties and leases to end customers.
- 814 Equity-method investments mainly comprise the carrying amounts of the investments in Beijing Benz Automotive Co., Ltd., There Holding B.V. and BAIC Motor Corporation Ltd. as well as YOUR NOW Holding GmbH. In addition, upon Consummation of the Demerger Agreement, the Future Daimler Group will hold a 35.00 % shareholding in the Future Daimler Truck Group. For the sake of simplicity, this holding is taken into account at a value of EUR 4,931 million (cf. Section G.I.3 b)).
- 815 Receivables from financial services primarily result from the sales of the Group's passenger cars produced by the Group due to the financing and leasing activities of Daimler Mobility. Within the scope of sales financing, they obtain receivables from credit financing due from non-Group third parties (end customers or external dealers) as well as receivables from leasing agreements in which all substantial risks and rewards incidental to the leasing business were transferred to the lessee.
- 816 The portfolio of marketable debt securities and similar investments comprises debt instruments allocated to liquidity, most of which are traded in active markets. The debt instruments generally have an external rating of A or better.
- 817 Inventories comprise raw materials and manufacturing supplies, work in progress, finished goods, spare parts and products held for resale as well as advance payments.
- 818 Trade receivables mainly result from the worldwide sales activities of passenger cars as well as spare parts.
- 819 Cash and cash equivalents mainly comprise cash on hand, checks, demand deposits at banks as well as bonds and certificates of deposit with a remaining term of up to three

months at the time of acquisition, which are only subject to insignificant risks of fluctuation in value. As explained in Section G.I.3 b), cash and cash equivalents will decrease, among other things, as a result of the additional payments to the capital reserve of Daimler Truck AG.

- 820 Other financial assets consist primarily of equity and debt investments measured at fair value, derivative financial instruments and other receivables and financial assets. As explained in Section G.I.3 b), other receivables from the Future Daimler Truck Group increase, in particular due to the interim financing taken into account in the pro forma presentation.
- 821 Other assets include deferred tax assets, refund claims from income tax and other taxes, other non-financial receivables and prepaid expenses.
- 822 The total assets of the Future Daimler Group amount to EUR 254,686 million. As a result of the effects in connection with the Demerger and the Further Transaction Effects, the total assets will be reduced by EUR 31,051 million or approx. 11 % compared to the total assets in the consolidated financial statements of Daimler AG as at 31 December 2020.

Capital structure and level of indebtedness

- 823 The pro forma capital structure of the Future Daimler Group after the Demerger and the Further Transaction Effects is as described below.
- 824 Equity is composed of the items share capital, capital reserves, retained earnings and other reserves. Other reserves include the accumulated unrealised gains/losses on derivative financial instruments and the accumulated unrealised gains/losses from the currency translation of the financial statements of consolidated foreign subsidiaries.
- 825 As explained in Section G.I.3 b), equity is reduced to EUR 55,320 million as a result of the Demerger and the Further Transaction Effects.
- 826 Provisions comprise the items provisions for pensions and similar obligations and provisions for other risks. The provisions for pensions and similar obligations comprise the provisions for pension benefits and other post-employment benefits as well as subsidy obligations for healthcare benefits. Provisions for other risks mainly include provisions for product warranties and obligations regarding personnel and social costs, for litigation risks and regulatory proceedings, as well as provisions for other risks. Provisions amount to EUR 24,859 million, or approx. 10 % of the balance sheet total.
- 827 Financing liabilities mainly comprise notes/bonds and liabilities to financial institutions, liabilities from ABS transactions, deposits in the direct banking business as well as commercial papers, loans and lease liabilities. Financing liabilities are mainly attributable to the refinancing of Daimler Mobility's leasing and sales financing business. At EUR 138,415 million, financing liabilities account for approx. 54 % of total assets.

- 828 Trade payables are generally current liabilities to pay for goods or services received or supplied and that have been invoiced to the Daimler Group or formally agreed with suppliers.
- 829 Contract and reimbursement liabilities include, in particular, unrealised revenue from service and maintenance contracts and extended warranties as well as obligations from sales transactions that are within the scope of IFRS 15 – *"Revenue from Contracts with Customers"*.
- 830 Other financial liabilities mainly comprise liabilities from residual value guarantees, liabilities from wages and salaries, accrued interest on financing liabilities, deposits received and liabilities from derivative financial instruments.
- 831 Other liabilities include deferred tax liabilities, tax liabilities and deferred income.

3. Explanation of the income position of the Future Daimler Group (IFRS)

- 832 The following table illustrates the income position of the Future Daimler Group resulting from the Demerger on the basis of pro forma revenue and pro forma EBIT for the 2020 financial year.
- 833 The table contains in column A ("Financial Year 2020 (Act)") revenue and earnings before interest and taxes (EBIT) of the Daimler Group for the financial year ending 31 December 2020, derived from the audited IFRS consolidated financial statements of Daimler AG. In this respect, it reflects the situation prior to the pro forma adjustments.
- 834 Column B ("Pro forma adjustments") contains the effects of the pro forma adjustments on revenue and EBIT according to IFRS and leads to column C ("2020 financial year without the Future Daimler Truck Group (pro forma)"), in which revenue and EBIT are presented as if the Future Daimler Truck Group (with the scope of consolidation also used as a basis in the Combined Daimler Truck Financial Statements) had already been excluded from the scope of consolidation of the Daimler Group for the entire financial year 2020.

Future Daimler Group (IFRS)	A	B	C
EUR mn.	2020 Financial Year (Act)	Pro forma adjustments	2020 financial year without the Future Daimler Truck Group (Pro-forma)
Revenue	154,309	-33,068	121,241
EBIT	6,603	-479	6,124

Explanation of pro forma adjustments

- 835 The spin-off, in combination with the conclusion of the deconsolidation agreement, means that Daimler AG no longer controls Daimler Truck AG and its direct and indirect subsidiaries and no longer fully consolidates them in its consolidated financial statements. For the past periods from 1 January 2020, until the spin-off takes effect, the (individual) items of the income statement relating to the Future Daimler Group and the (combined) result relating to the Future Daimler Truck Group will be presented separately from each other in the consolidated financial statements of the Daimler Group as at 31 December 2021, in accordance with the accounting provisions of IFRS 5 to the extent regulated therein.
- 836 Similarly, the revenue and EBIT of the business operations of the Future Daimler Truck Group have been deducted in column B and the revenue and EBIT of the Future Daimler Truck Group have been derecognised in column C with the amounts included in column A. At the same time, transactions between companies of the Future Daimler Group and companies of the Future Daimler Truck Group, which previously constituted inter-company transactions and were therefore not reflected in the consolidated financial statements as at 31 December 2020, due to the consolidation, will be revived. To the extent that this affects revenue of companies of the Future Daimler Group generated with companies of the Future Daimler Truck Group and has an effect on EBIT, the amounts are added in the pro forma adjustments (column B).
- 837 However, the revenue and EBIT in columns B and C are not identical to the respective amounts that will be reported in the forthcoming consolidated financial statements of Daimler AG as at 31 December 2021, with respect to the 2020 financial year (prior-year comparative period) for the Future Daimler Group and the Future Daimler Truck Group. This has the following reasons, in particular:
- In accordance with the accounting provisions in IFRS 5, revenue and EBIT relating to the Future Daimler Group are generally presented separately from the (combined) earnings relating to the Future Daimler Truck Group. However, in contrast to the simplified presentation in the table above, the provisions of IFRS 5 further require the intercompany elimination of certain income and expenses between the companies of the Future Daimler Group and the companies of the Future Daimler Truck Group.
 - In column B of the above table, the revenue and EBIT attributable to the Future Daimler Truck Group are deducted. In accordance with the provisions of IFRS 5, they will not be included in the (summarised) "income (loss) from discontinued operations, net of tax" in the consolidated financial statements of Daimler AG as at 31 December 2021, to the extent that they relate to the financial services business of the Future Daimler Truck Group.
 - The consolidated financial statements of Daimler AG as at 31 December 2021, will not include any income from financial information accounted for using the equity method for the 2020 financial year (prior-year comparative period), as it

was added to EBIT for purposes of this pro forma presentation and as explained below.

838 Upon the hive-down and the contribution of the New Daimler Truck Shares taking effect, the Future Daimler Group will hold a 35.00 % shareholding in Daimler Truck Holding AG (a 28.43 % direct interest of Daimler AG and a 6.57 % indirect interest via Daimler Grund). Accordingly, in the future, the net income or loss of the Future Daimler Truck Group will be included proportionately in the net income or loss of the Future Daimler Group in accordance with IFRS via the item "Equity-method investments" in the context of the valuation of the investment at the respective balance sheet dates. Thus, for the purposes of the pro forma presentation for the 2020 financial year, an amount of EUR -46 million, which was determined in a highly simplified manner, was added to EBIT in column B. This is a 35.00 % share of the result after tax of EUR -131 million reported in the Combined Daimler Truck Financial Statements for the 2020 financial year. The actual "Equity-method investments" for the 2021 financial year in the consolidated financial statements of Daimler AG as at 31 December 2021, will not be identical to this simplified figure.

839 Possible investment income that Daimler Grund Services will receive in the future from its 10.1 % interest in the various real estate management partnerships is not anticipated in this pro forma presentation.

Revenue of the 2020 financial year excluding the Future Daimler Truck Group

840 Revenue primarily include revenue from contracts with customers as well as from rental and leasing transactions, interest from the financial services business at Daimler Mobility, and effects from currency hedging.

841 Only the Mercedes-Benz Cars & Vans and Daimler Mobility segments will contribute to the Future Daimler Group's pro forma revenue. Revenue of these two segments with the Daimler Truck Group, which were eliminated as intercompany revenue prior to the spin-off, will be part of the Future Daimler Group's external revenue. The revenue of the Future Daimler Group will no longer include the revenue of the Daimler Truck Group, as the latter is included in the consolidated financial statements of Daimler AG only as an investment accounted for using the equity method. Revenue therefore decreases by EUR 33,068 million to EUR 121,241 million.

EBIT of the 2020 financial year excluding the Future Daimler Truck Group

842 As with revenue, the Mercedes-Benz Cars & Vans and Daimler Mobility segments will also make a significant contribution to EBIT. As described above, 35.00 % of the Daimler Truck Group's earnings after taxes will be included in EBIT in the future as "income from investments accounted for using the equity method". EBIT therefore decreases by EUR 479 million to EUR 6,124 million.

III. Legal structure of Daimler AG and the Future Daimler Group

1. Shareholder structure

843 The shareholder structure of Daimler AG will not change directly as a result of the spin-off and hive-down of Daimler Truck AG to Daimler Truck Holding AG.

2. Renaming of Daimler AG

844 Spin-off and hive-down do not as such require any amendment of the Articles of Incorporation of Daimler AG. In particular, the share capital of Daimler AG remains unchanged. A reduction of the share capital is not necessary for the implementation of the spin-off pursuant to § 145 UmwG in conjunction with §§ 229 et seqq. AktG (cf. on the accounting effects of the spin-off and hive-down the explanations in Section G.I). Nor is it necessary to adjust the corporate purpose of Daimler AG.

845 However, in view of the stronger focus of Daimler AG on the core business of Mercedes-Benz AG intended by the restructuring, it is planned to make this focus visible externally by renaming Daimler AG. For this reason, the Board of Management and the Supervisory Board of Daimler AG propose to the extraordinary General Meeting on 1 October 2021, that Daimler AG be renamed "Mercedes-Benz Group AG" by way of a corresponding amendment to the Articles of Incorporation (cf. the proposed resolution for agenda item 2). This amendment of the Articles of Incorporation is to take effect as of 1 February 2022, provided that the spin-off has taken effect until then. The one-off costs for changing the company name of Daimler AG amount to approx. EUR 20 million, according to current estimates.

3. Composition of the Board of Management of Daimler AG

846 After the spin-off taking effect, the Board of Management of Daimler AG is intended to consist of the following members:

- Ola Källenius, Chairman of the Board of Management, Head of Mercedes-Benz Cars & Vans (appointed until the end of May 2024),
- Renata Jungo Brüngger, Integrity and Law (appointed until the end of December 2023),
- Sabine Kohleisen, Human Resources and Labor Director (appointed from the beginning of December 2021 until the end of November 2024),
- Markus Schäfer, Group Research and Mercedes-Benz Cars Chief Operating Officer (appointed until the end of May 2024),
- Britta Seeger, Mercedes-Benz Cars Sales (appointed until the end of December 2024),

- Hubertus Troska, Greater China (appointed until the end of December 2025),
- Harald Wilhelm, Finance and Controlling, Daimler Mobility (appointed until the end of March 2027).

847 Curricula vitae and further information on the members of the Board of Management of Daimler AG can be found at <https://www.daimler.com/konzern/corporate-governance/vorstand/>.

848 Martin Daum, who is currently appointed as a member of the Board of Management of Daimler AG until February 2025, will resign from his position in agreement with the Supervisory Board in connection with the spin-off taking effect, without this resulting in compensation claims against Daimler AG from the service agreement as a member of the Board of Management, which is also to be terminated, for the period until the regular expiry of the appointment at the end of February 2025. The Supervisory Board of Daimler AG will also ensure by contractual agreements that the cap for the maximum remuneration will be observed to the extent that assessment-relevant parameters for this are only determined after the withdrawal of Martin Daum from the Board of Management of Daimler AG.

849 Wilfried Porth, who is currently appointed as a member of the Board of Management of Daimler AG until April 2022, will resign early from his position on the Board of Management of Daimler AG in agreement with the Supervisory Board of Daimler AG with effect as of 30 November 2021, in order to achieve an identical management of the HR department at the level of both, Daimler AG and Mercedes-Benz AG, by Sabine Kohleisen. The remuneration to which he is entitled under his service agreement until the regular expiry of his appointment at the end of April 2022 will be paid in accordance with the agreement.

850 As described in Section C, the separation of the commercial vehicles business from the Daimler Group is intended lead to an even stronger focus at Daimler AG on the core business of Mercedes-Benz AG. To this end, the Boards of Management of Daimler AG and Mercedes-Benz AG are also intended to be composed of identical members in the future, in order to thus contribute to an acceleration of decision-making processes.

4. Composition of the Supervisory Board of Daimler AG

851 The Supervisory Board of Daimler AG will continue to be subject to the provisions of the MitbestG also after the spin-off and hive-down. The spin-off and hive-down have no consequences for the existence and the size of the Supervisory Board of Daimler AG or on the term of office of its members. Daimler AG will continue to have a Supervisory Board subject to the principle of parity co-determination consisting of twenty members (ten Supervisory Board members each as representatives of the shareholders and of the employees, respectively). With regard to the current composition of the Supervisory Board of Daimler AG, reference is made to Section B.II.5.

- 852 In order to become members of the Supervisory Board of Daimler Truck Holding AG after its enlargement, Supervisory Board members Joe Kaeser and Marie Wieck resigned from their offices with effect as of the end of the extraordinary General Meeting of Daimler AG on 1 October 2021. Therefore, a by-election to fill the vacant positions is also be held at this extraordinary General Meeting in order to ensure a complete composition of the Supervisory Board of Daimler AG. The Supervisory Board of Daimler AG has proposed that Helene Svahn and Olaf Koch be elected to the Supervisory Board with effect from the end of the extraordinary General Meeting (cf. the proposed resolution under agenda item 3).
- 853 The employee representatives on the Supervisory Board of Daimler AG will be elected by the domestic employees of all companies of the Future Daimler Group. After the spin-off has taken effect, Daimler Truck Holding AG and the other companies of the Future Daimler Truck Group will no longer be group companies of the Daimler Group with Daimler AG as the group parent company. After the spin-off taking effect, the employees of Daimler Truck Holding AG and the other domestic companies of the Future Daimler Truck Group who are not employed in a joint establishment with companies of the Future Daimler Group will no longer be entitled to the active and passive right to vote in respect of the Supervisory Board of Daimler AG, but in respect of the Supervisory Boards of Daimler Truck Holding AG and Daimler Truck AG. Currently, one employee of the Future Daimler Truck Group is a member of the Supervisory Board of Daimler AG who will lose her eligibility and withdraw from the Supervisory Board of Daimler AG upon the spin-off taking effect. The vacant position will be filled with an employee of the Future Daimler Group in accordance with the applicable legal provisions. It is intended to have a successor appointed by the court after the vacancy occurs until a successor is elected.
- 854 In addition, a court appointment of another employee representative is necessary, as Raymond Curry has declared his intention to resign from the Supervisory Board of Daimler AG with effect as at the end of 31 August 2021.
- 855 Otherwise, the composition of the Supervisory Board of Daimler AG will remain unchanged. With the goal of efficient work of the board, it is intended that the Supervisory Board of Daimler AG and the Supervisory Board of Mercedes-Benz AG are to be composed of the same persons. To this end, the Supervisory Board members of Daimler AG Bader M. Al Saad, Sari Baldauf and Clemens Börsig have resigned from the Supervisory Board of Daimler Truck AG or will resign from the Supervisory Board of Daimler Truck AG before the spin-off takes effect in order to join the Supervisory Board of Mercedes-Benz AG.

5. Share-based remuneration programmes

- 856 Daimler AG will continue the PPSPs 2018 through 2021 as described in Section G.III.5. In addition, the PPSP 2022 will be launched in 2022.
- 857 In connection with the payment of the PPSPs 2018 to 2021, there will be subsequent settlement processes between companies of the Daimler Group and the Daimler Truck Group in the years 2022 to 2025 if plan participants have earned time shares in

companies of the respective other group prior to the spin-off. To the extent possible, provisions will be transferred to the new companies in the context of transfers and the establishment of new Truck companies within a country at the time of the spin-off and in the context of transfers of establishments, in order to minimise settlement processes as far as possible.

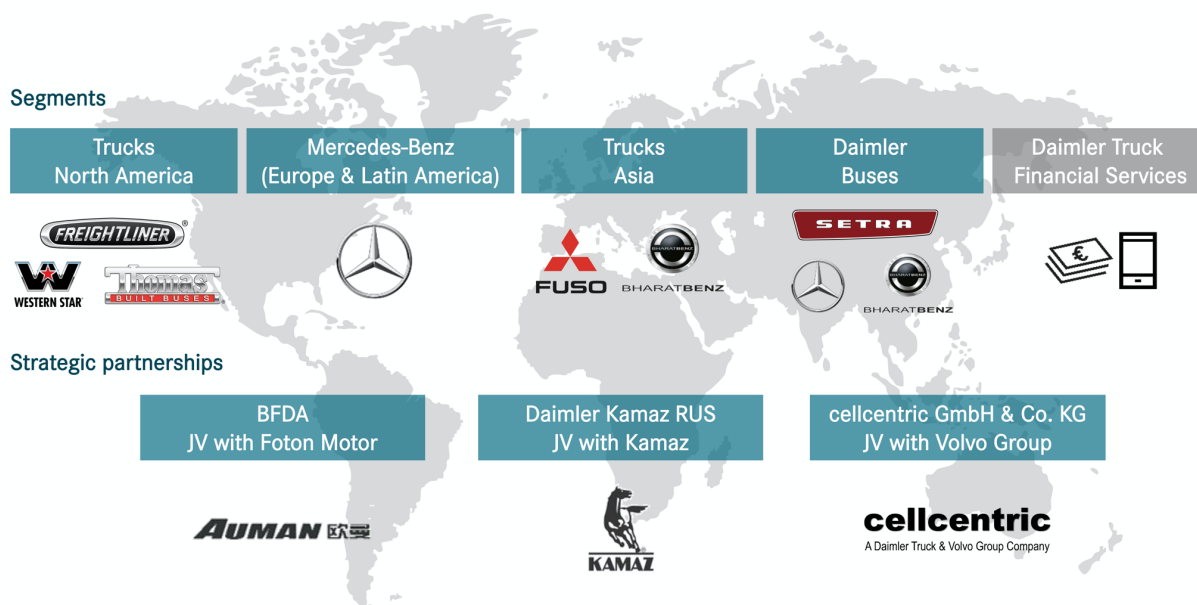
- 858 Daimler AG and Daimler Truck Holding AG and the respective subsidiaries of Daimler AG and Daimler Truck Holding AG will bear the costs for the time shares earned in their companies and for taxation and will jointly ensure that the necessary contractual basis for settlement processes is created to the extent these do not yet exist. The onward settlement takes place in this respect either on the basis of the known regulations or according to additional agreements.
- 859 The internal targets for the holding of shares of PPSP participants of Daimler AG who are subject to the SOGs remain unchanged and relate exclusively to Daimler shares. The number of Daimler shares in the SOG custody accounts will not be affected by the spin-off.

I. The Future Daimler Truck Group

860 This section describes the Future Daimler Truck Group after the spin-off and the hive-down (collectively also the Demerger) have taken effect as well as related measures.

I. Business activities of the Future Daimler Truck Group

861 The business activities of the Future Daimler Truck Group will essentially consist of the operating commercial vehicles business and the financial services business. The following overview shows the segments and major strategic partnerships of the Future Daimler Truck Group.



862 Please refer to Sections D.I and D.II as well as J.III and J.IV for information on the development and building up of the central functions at Daimler Truck AG and the separation of mandated functions and production.

1. Operating commercial vehicles business

863 Daimler Trucks & Buses is one of the world's largest commercial vehicle manufacturers, with more than 35 main locations around the globe and approx. 100,000 employees.

a) Strategy of the operational commercial vehicles business

864 The objective of the Daimler Truck Group is to create real added value for customers, enable them to use trucks and buses of Daimler Trucks & Buses more efficiently, and reduce their overall transportation costs. In order to achieve this objective, it is essential for the Group to understand the needs of its customers precisely and to develop products that fit accordingly.

865 A global presence is necessary to exploit economies of scale and make developments in a cost-efficient manner. In order to keep the high development costs for new

technologies – such as in the areas of electric drive, autonomous driving and digitisation – as low as possible per vehicle, innovations are developed on the basis of overarching platforms and used in as many markets and vehicles as possible.

- 866 The Daimler Truck Group strives to distinguish itself through technologies that offer its customers and society real added value. Here, the Group is focusing on battery and hydrogen-based fuel cell technologies. The Group has more than 25 years of experience with fuel cells and has set itself the goal of offering a truck for flexible and demanding applications that can compete with diesel trucks in terms of tractive power, range and performance. In the second half of the 2020s, the portfolio of series-produced vehicles will be supplemented by adding fuel cell-powered electric trucks.
- 867 Another central concern of the Daimler Truck Group is road safety with the vision of accident-free driving. The focus here is on safety assistance systems that can support the driver in his work and thus protect all road users.
- 868 On the road to autonomous driving, the Group is developing completely new business models and is working with two strong partners as part of a dual strategy to offer customers the best possible integrated fully automated SAE Level 4 solutions. For example, Torc Robotics became part of Daimler Trucks' Autonomous Technology Group in September 2019. Together with Torc Robotics, the Group is focusing on the development of its own SAE Level 4 solution for use between two logistics centers ("hub-to-hub"). As part of its partnership with Waymo, the Daimler Truck Group is developing a variant of the Freightliner Cascadia truck model specifically for Level 4 use of Waymo technology, which will first be put on the road in the US.
- 869 As part of the transformation process, the Group is deliberately opening itself up to strategically sensible partnerships, particularly in new technologies. The strategic partnership with the American company Proterra Inc. is intended to further expand the electrification of commercial vehicles. The aim of the cooperation with the Volvo Group on fuel cells is to drive forward the development, production and marketing of fuel cell systems ready for series production. To this end, in the meantime Daimler Truck AG has contributed all of its fuel cell activities, which used to be bundled in Daimler Truck Fuel Cell GmbH & Co. KG, to the joint venture. In the area of fully automated driving (SAE Level 4), the Group has strengthened its position – in addition to acquiring a majority stake in Torc Robotics – through a partnership with Waymo in the USA. Another milestone is the cooperation with Luminar Technologies, Inc., a leading provider of lidar hardware and software technology. In order to strengthen its market position in China, Daimler Trucks and its Chinese partner Beiqi Foton Motor Co., Ltd. plan to produce heavy-duty semitrailer tractors in China for China in the future within the framework of the joint venture Beijing Foton Daimler Automotive and to tailor them to the requirements of Chinese customers. Daimler Buses is working with IVU Traffic Technologies AG, among others, to provide digital services in the field of electromobility.
- 870 In addition to pioneering technologies and tailor-made products for a wide range of applications worldwide, Daimler Trucks also offers suitable service packages. In order to strengthen its profitability in the long term, the Daimler Truck Group will make even

more targeted use of the potential in its service business in the future. To this end, existing after-sales services will be expanded and new services created by means of software and digitisation. The new Connectivity Services Group is working on further promising services for trucks and buses along the customer value chain.

b) Segments of the operating commercial vehicles business

871 In the future, the Daimler Truck Group will manage its commercial vehicles business in four segments: Mercedes-Benz, Trucks North America, Trucks Asia and Daimler Buses.

872 In order to take advantage of economies of scale and to be able to make developments in a cost-efficient manner, the segments will be served, where it makes economic and strategic sense, by global functions provided by Daimler Truck AG (cf. Section B.IV.7 above). The remaining functions will be provided on a tailor-made basis by the individual segments.

Mercedes-Benz

873 The Mercedes-Benz segment will combine the entire product portfolio of Mercedes-Benz trucks: On the one hand, the regions of Europe and Latin America are Mercedes-Benz's strongest sales markets; on the other hand, the most important production sites are located in these two regions.

874 The Mercedes-Benz product portfolio includes vehicles in the light-, medium- and heavy-duty truck segment (e.g. Actros, Arocs, Atego) for long-distance, construction site and distribution transport. The portfolio is supplemented by the so-called special commercial vehicles which are used in agriculture (e.g. Unimog), in the municipal industry (e.g. Econic) or by the fire brigade. Fuel efficiency has always been the most important purchasing criterion for truck customers. Accordingly, the diesel engines used are efficient and economical. Mercedes-Benz Powertrain manufactures the drive components with uniform quality standards worldwide. Engines, transmissions and axles are offered as individual units or complete powertrain solutions not only internally, but also via third-party sales.

875 As part of Daimler Trucks & Buses, Mercedes-Benz is committed to the goals of the Paris Climate Protection Agreement and thus to the decarbonisation of the industry. Mercedes-Benz Trucks has a clear plan for the future: Production of the purely battery-electric eActros for sustainable heavy-duty distribution transport will be launched this year. The first practical deployments of the Mercedes-Benz eEconic low-floor truck are also planned for this year. The eActros LongHaul is scheduled to go into series production in 2024. Its range on one battery charge will be around 500 kilometers. The first prototypes of the Mercedes-Benz GenH2 Truck with fuel cell drive are scheduled to hit the road this year; customer trials are planned for 2023 and the first production vehicles of the GenH2 Truck are expected from 2027.

- 876 The Mercedes-Benz segment has an international production network with its main locations in Wörth (Germany), Molsheim (France), Aksaray (Turkey) and the production association in Sao Bernardo do Campo & Juiz de Fora (Brazil).
- 877 The largest Mercedes-Benz truck assembly plant is located in Wörth am Rhein and produces the Arocs, Atego and Actros series. The Mercedes-Benz special trucks such as Econic, Unimog and Zetros are also built in Wörth. In addition, from Wörth the CKD (Completely Knocked Down) vehicle kits are supplied to partner assembly companies abroad. The location on the Rhine is the competence center for Mercedes-Benz in the worldwide production network. In addition, Mercedes-Benz manufactures heavy-duty commercial vehicles, tractor units and construction vehicles for the local market and for export in Aksaray, Turkey. In Molsheim, Alsace, France, Mercedes-Benz Custom Tailored Trucks continues the Mercedes-Benz product strategy with tailor-made solutions. In addition to the locations in Europe, the Brazilian plant in Sao Bernardo do Campo is of central importance in the Daimler Trucks & Buses network. Mercedes-Benz trucks (Accelo, Atego, Axor and Actros), aggregates (engines, axles, transmissions) and bus chassis are manufactured there. In recent years, the plant has undergone the largest modernisation in its history and manufactures vehicles and aggregates under Industry 4.0 aspects.
- 878 In Russia, Daimler Trucks and the largest local truck manufacturer KAMAZ have established a joint venture for the local production of Mercedes-Benz Completely Knocked Down Trucks as well as a cab production facility for Mercedes-Benz Actros, Arocs and KAMAZ Trucks. The DAIMLER KAMAZ RUS OOO joint venture also manufactures Fuso trucks and Mercedes-Benz passenger cars for the local market. In addition, DAIMLER KAMAZ RUS OOO also sells Setra buses and offers a wide range of after-sales and other Daimler Trucks services on the Russian market. Daimler Trucks and joint venture partner Foton plan to start local production of Mercedes-Benz in China in two years.
- 879 One of Mercedes-Benz's largest single markets is its home market in Germany. In total, the markets in Europe and Latin America are the brand's core markets. Sales in EMEA manages sales, service and the spare parts business for new and used vehicles. Customers can rely on a strongly developed sales network with its own sales locations as well as sales partners.
- 880 Mercedes-Benz customers are offered the complete package at the time of purchase – vehicle, services and financing packages. A professionally developed after-sales department with numerous process specifications such as MB Uptime, service contracts, Fleetboard, is a major reason for purchase from the customer's point of view. Minimising workshop visits and associated downtime is essential – today and in the future.
- 881 With the sales strategy at Mercedes-Benz Trucks EMEA, the focus is clearly on customer satisfaction, a strong sales network with a dedicated focus on the truck business, and 100 % connectivity not only of trucks but also of customers. The declared goal is to secure and expand market leadership in the Mercedes-Benz markets.

Trucks North America

- 882 With the brands Freightliner Trucks, Western Star Trucks, Thomas Built Buses, Freightliner Custom Chassis Corporation and Detroit Diesel, the Trucks North America segment comprises a broad portfolio of commercial vehicles brands for the North American market.
- 883 Freightliner Trucks is the market leader in the medium- and heavy-duty Class 6 to 8 truck segment. The Freightliner Cascadia is Freightliner's flagship truck in the Class 8 heavy-duty segment, where fuel efficiency, reliability, safety, driver experience and uptime are key drivers of operating costs. The Freightliner Cascadia is characterised by its low total cost of ownership and high resale value. Investments in new technologies and regular cycles of innovation in powertrain efficiency, safety systems, connectivity services and uptime have helped make the Freightliner Cascadia one of the most advanced Class 8 vehicle platforms and used as the foundation for zero-emission and autonomous driving technologies for the future.
- 884 The Freightliner Medium Duty product line is based on a common vehicle platform and includes four base models sold in a variety of Class 6 to 8 applications. These models include the M2 106, M2 112, 108 SD and 114 SD. The Freightliner M2 is the best-selling Class 6/7 truck on the market with a wide range of applications. The Freightliner M2 106 is the market leader in on-highway rental/leasing and vocational applications such as utilities and construction.
- 885 Western Star Trucks is a commercial vehicles manufacturer of Class 8 off-highway vehicles with its origins in the mining and logging industries. Western Star has three main models in its portfolio and recently launched the first model of its new platform. The new 49X is considered the core of the new product line. Specifically designed for durability, body and driver comfort, the model features top-of-the-line safety systems and proven Detroit integrated powertrains.
- 886 Thomas Built Buses offers a wide range of light- and medium-duty buses for schools, child care facilities, activity centers, transit applications and specialty markets. Each bus is custom built and sold through independent dealers throughout North America.
- 887 The Freightliner Custom Chassis brand consists of a variety of premium chassis for the following industries: recreational vehicles, walk-in vans, delivery vans and commercial shuttle buses in Classes 4 through 8. Finally, the Detroit brand is a proprietary technology and component brand that offers powertrain, active safety and connectivity technologies.
- 888 Freightliner Trucks are manufactured at two locations in North Carolina, Cleveland and Mt. Holly, and at two locations in Mexico, Saltillo and Santiago Tianguistenco. Western Star trucks are also produced at two locations: in Cleveland, North Carolina, and Portland, Oregon. Thomas Built Buses are manufactured in High Point, North Carolina, while Freightliner Custom Chassis vehicles are manufactured in Gaffney, South Carolina. Detroit powertrain components are manufactured in the city of the same name, Detroit,

Michigan. In total, the Trucks North America business segment employs more than 16,000 people at these production facilities.

- 889 All brands in the Trucks North America segment are sold and serviced through the company's own network of vehicle dealerships with more than 1,100 locations for all brands.

Trucks Asia

- 890 The Trucks Asia segment produces commercial vehicles (trucks, buses) for over 170 markets around the world as well as industrial engines. The diverse and global product portfolio is based on the Asian brands Mitsubishi Fuso and BharatBenz (in India, Nepal and Bhutan), but also includes the production of Mercedes-Benz and Freightliner products. Together, these brands serve the world's commercial vehicles markets with specific products that meet the requirements for all truck and bus segments. The clear strategic direction is to gradually electrify the portfolio in line with global demand.
- 891 The product portfolio includes vehicles in the light-, medium- and heavy-duty truck segment (e.g. Canter, Fighter, Super Great) for long-distance, construction site and distribution transport. The Canter is available with a traditional ICE drive, an eco-hybrid drive and also as a BEV. First introduced in 2017, the FUSO eCanter is already in its second generation and is already available on four continents and has logged more than three million kilometers with customers around the world, making FUSO one of the most experienced electric truck manufacturers not only in Japan, but also in the world.
- 892 While most products are sold under the Mitsubishi Fuso brand, the Trucks Asia development concept allows for a cross-brand approach depending on market needs.
- 893 The production of Mitsubishi Fuso brand trucks and buses is mainly organised in Mitsubishi Fuso Truck & Bus Corporation, headquartered in Kawasaki, Japan. Kawasaki is also home to the largest Mitsubishi Fuso plant, which produces trucks in the light-, medium- and heavy-duty truck segments with diesel and electric engines. The Mitsubishi Fuso plant in Nakatsu produces Fuso transmissions and drives.
- 894 Other production facilities include the Mitsubishi Fuso Bus Manufacturing Toyama plant with 600 employees, which produces buses in the light- and heavy-duty bus segment, and PABCO, based in Sagami/Kinki, Japan, a fully consolidated body manufacturer with over 600 employees. Mitsubishi Fuso Trucks Europe, a wholly owned subsidiary of Mitsubishi Fuso Truck & Bus Corporation based in Tramagal, Portugal, produces light-duty commercial vehicles (LDT and eLDT) with around 400 employees.
- 895 In addition, sales for the segment's core and associated markets are managed from Kawasaki, Japan. From a regional perspective, Southeast Asia and the Middle East and North Africa are the largest markets.
- 896 In addition, there is an "Own Retail" organisation in Japan with more than 190 own branches and the headquarters of Mitsubishi Fuso Truck & Bus Corporation at the main plant in Kawasaki. At the sites in Kawasaki and Kitsuregawa, the fully comprehensive

and independent development is located. In total, more than 10,000 people are employed in Japan, the majority of whom (approx. 6,200) work in Own Retail. Customers can rely on a strongly developed sales network with its own sales locations as well as sales partners. Customer satisfaction is the focus for all employees at Trucks Asia.

- 897 The Trucks Asia segment also includes Daimler India Commercial Vehicles, a wholly-owned subsidiary of Daimler Truck AG. The company is a full-fledged commercial vehicles provider in India with the regionally focused BharatBenz brand. Daimler India Commercial Vehicles produces and sells trucks from 9 to 55 tons and, under its bus division, BharatBenz and Mercedes-Benz buses. The company's head office, manufacturing plant and in-house research and development facility are located at Oragadam near Chennai.
- 898 With global quality standards, Daimler India Commercial Vehicles also manufactures for Daimler Trucks' FUSO, Mercedes-Benz and Freightliner brands and exports products to more than 60 markets in the Middle East, Africa, Asia and Latin America. Daimler India Commercial Vehicles employs a staff of more than 3,500 and has a sales and service network across India with over 250 customer touch points.
- 899 Another component of the Trucks Asia segment is the local China business of Daimler Trucks & Buses. As part of the restructuring in 2019, the Daimler Truck activities and shareholdings in China were transferred to the then newly established Daimler Truck China Ltd. (cf. in this regard already Section D.V). Daimler Truck China Ltd. has a total of more than 200 employees as of 31 March 2021.
- 900 Daimler Truck China Ltd. itself holds 100 % of the shares in Daimler Trucks and Buses China Ltd. and 50 % of the shares in Beijing Foton Daimler Automotive Co. Ltd., a joint venture with Chinese Beiqi Foton Motor Co., Ltd.
- 901 Daimler Trucks and Buses (China) Ltd. is the import company for Mercedes-Benz trucks for the Chinese market and also provides after-sales support. While the results of the three Chinese companies Beijing Foton Daimler Automotive Co. Ltd., Daimler Trucks and Buses (China) Ltd. and Daimler Truck China Ltd. are included in the Trucks Asia segment, the results from the direct business with Mercedes-Benz trucks and the income from license fees or development costs are shown in the Mercedes-Benz segment.
- 902 Beijing Foton Daimler Automotive Co. Ltd. produces heavy- and medium-duty commercial vehicles under the Auman brand. The local production of the Mercedes-Benz Actros truck series at Beijing Foton Daimler Automotive Co. Ltd. is currently in the project phase. Production is planned to be launched at the end of 2022.

Daimler Buses

- 903 As a leading bus manufacturer, Daimler Buses has a global footprint with numerous production sites and service centers and a total of more than 17,300 employees all over the world. With its full-line offering of the Mercedes-Benz and Setra brands, the segment covers all needs in the bus segment and is the market leader in the over-eight-ton

segment in the traditional core markets of the EU30, Brazil, Turkey, Argentina and Mexico. Maximum safety, efficiency and environmental compatibility are the top priorities for the products. The segment's product range comprises city and inter-city buses, touring coaches and bus chassis. With its OMNIplus and BusStore brands, Daimler Buses also has a worldwide service network and a comprehensive range of services, including trading in used buses.

- 904 Daimler Buses is characterised by an international production network with locations in Europe (Germany: Mannheim and Neu-Ulm; France: Ligny; Spain: Sámano; Czech Republic: Holysov; Turkey: Hosdere, Istanbul), Brazil (Sao Bernardo do Campo), Argentina (Buenos Aires), Mexico (Monterrey) and India (Chennai).
- 905 Daimler Buses' most important markets are Europe (complete buses), Brazil, Mexico, and Argentina (chassis). Sales, service and the spare parts business for new and used vehicles are managed centrally; here customers can rely on a strongly developed sales network with its own sales locations and sales partners. A professionally developed Customer Services & Parts unit with numerous process specifications such as service offers, service contracts and spare parts logistics is a major reason for purchase from the customer's point of view. Digital services complement the range and increase the efficiency as well as the operating time and safety of fleets.
- 906 With the sales strategy at Daimler Buses, the focus is clearly on customer satisfaction, a strong sales network with a dedicated focus on the buses business, and 100 % connectivity not only of buses but also of customers. Globally, a worldwide and regionally expanded sales network with local companies and Regional Centers ensures maximum customer proximity.
- 907 The development of Daimler Buses is managed centrally from Germany, with local teams working on the respective research and development priorities. The development work is characterised by good networking between the global research and development departments of Daimler Buses as well as the use of synergies and cooperation with the development team of Daimler Trucks.
- 908 As an innovation and technology leader in the bus industry, Daimler Buses aims to offer pioneering mobility solutions for all aspects of buses and thus significantly advance and shape the transformation of the industry. Daimler Buses is focusing on four strategic fields of action: global leadership, driving forward CO₂-neutral mobility, offering digital services, and – whenever it makes sense – entering into partnerships:
- Global leadership: One focus of Daimler Buses is to maintain and further expand its market positions in the most important sales regions around the world. Through its Regional Centers, Daimler Buses is also further expanding its global market presence in important growth markets such as Asia.
 - Driving forward CO₂-neutral mobility: Daimler Buses is already making an important contribution to driving the mobility revolution in the field of bus mobility. The clear objective is to ensure sustainable, CO₂-neutral public passenger

transport. The first step in this direction was already taken in 2018 with the Mercedes-Benz eCitaro. As announced, Daimler Buses will continue to expand its technology path in the future, and different e-bus variants, battery technologies and charging options are on the market for many different customer application scenarios. However, e-mobility is much more than a switch from diesel to electricity. For this reason, Daimler Buses provides customers with comprehensive advice and support – whether in setting up the infrastructure, choosing the charging technology, or the operating strategy. Furthermore, intensive work is also being done on the reuse of used batteries.

- Offering digital services: Daimler Buses aims to increase the operational reliability of its fleet and thus also its cost-effectiveness by expanding its digital service offering. For example, Daimler Buses' "Omniplus On" portal integrates all digital services and bundles them clearly.
- Entering into partnerships: With the right partners, Daimler Buses can be even more successful. Speed and synergy effects are just two examples.

909 Daimler Buses wants to shape the transformation of the bus industry towards CO₂-neutral mobility for all. The company's position in existing and new markets is to be further strengthened so that Daimler Buses will continue to stand on a robust, healthy economic foundation in the future.

2. Financial services business

910 The manufacturer-specific financial services business remains an essential factor for a successful commercial vehicles business. The new Daimler Truck Financial Services segment of the Future Daimler Truck Group will support the sales of trucks and buses of Daimler Truck AG, promote loyalty to the brands of Daimler Truck AG through long-term customer contact, and contribute to the financial success of the Group. By clearly focusing on the commercial vehicles business, this mission can be fulfilled with even greater focus in the future.

911 As of 1 December 2021, the financial services business in the following countries is to be operated independently by companies of the Future Daimler Truck Group: Australia, Brazil, Japan, Canada, Mexico, South Africa and the USA. The combined portfolio in these countries will amount to almost EUR 17 billion.

912 In addition, the acquisition of the Trucks & Buses financial services business from the current Daimler Mobility AG in the following countries is targeted for 2022: Argentina, Belgium, Great Britain, Italy, Netherlands, Spain and Turkey. In Germany and France, the establishment of new financial services companies is planned. The global personnel capacity requirements of the future financial services business after completion of all envisaged transactions amount to approx. 1,900 employees (FTEs) (with regard to all of these aspects, cf. in detail Section D.VI).

II. Asset, financial and income position of Daimler Truck Holding AG and the Future Daimler Truck Group

- 913 The asset, financial and income position of Daimler Truck Holding AG and of the Future Daimler Truck Group after the spin-off and related measures have taken effect are presented below. Before the spin-off takes effect, the Future Daimler Truck Group does not yet exist as a company group within the meaning of IFRS 10. Nevertheless, in this section, the Future Daimler Truck Group is treated as if it had already existed before the spin-off took effect.
- 914 No. 1 addresses the asset, financial and income position of Daimler Truck Holding AG. In this context, the effects of the Demerger and related measures on the asset, financial and income position of Daimler Truck Holding AG are also discussed. No. 2 explains the asset and financial position of the Future Daimler Truck Group as at 31 December 2020. No. 3 explains the development of the income position of the Future Daimler Truck Group in the 2019 and 2020 financial years and in the first six months of the 2021 financial year. The effects of the Demerger and related measures on the asset, financial and income position of the Future Daimler Truck Group are presented in no. 4.
- 915 The following information on the income position of the Future Daimler Truck Group for the six months ended 30 June 2021, is based on voluntarily prepared combined financial information. For the 2020 and 2019 financial years, they are based on information from the Combined Daimler Truck Financial Statements for the financial years 2018, 2019 and 2020 (cf. Sections G.I.1 and G.I.3 for the preparation and audit of the Combined Daimler Truck Financial Statements).
- 916 Since the following disclosures are based on historical financial information, the actual asset, financial and income position of Daimler Truck Holding AG and the Future Daimler Truck Group will differ from the following presentation. In particular, it could be significantly affected by a change in the state of the overall economy and the industries in which the Future Daimler Truck Group operates. In addition, the following presentation does not take into account the development of the Daimler Truck business after the end of the periods presented.
- 917 The Combined Daimler Truck Financial Statements include companies and business activities that are to be directly or indirectly controlled or held by Daimler Truck Holding AG upon the Demerger taking effect. With regard to the preparatory reorganisation measures that have been completed or are to be completed after 31 December 2020, until the Demerger takes effect, it was assumed, as in the pro forma balance sheets, that these have already taken effect.
- 918 For the preparation of the Combined Daimler Truck Financial Statements – as is common in practice – the accounting treatment in accordance with the carrying amount continuation method ("predecessor accounting") permitted for transactions under common control was applied. For this purpose, the Combined Financial Statements are considered to be an extract from the consolidated financial statements of the parent company, Daimler AG ("extraction method"), and the consolidated companies and divisions are

presented – based on the planned scope of consolidation of the Future Daimler Truck Group upon Consummation of the Demerger Agreement – in the manner they were previously presented in the consolidated financial statements of Daimler AG, including the goodwill and purchase price allocation effects attributable to them. Accordingly, the same accounting policies and valuation methods were applied in general as for the preparation of the financial information for the consolidated financial statements of Daimler AG. The levels of the company at which goodwill was tested for impairment correspond to the levels used for this purpose also in the consolidated financial statements of Daimler AG. However, these accounting principles and valuations were deviated from to the extent necessary to present the Future Daimler Truck Group as a group of companies independent of the Future Daimler Group. In particular, transactions with Daimler AG and subsidiaries of Daimler AG that were previously not shown in the consolidated financial statements of Daimler AG due to consolidation and elimination (including eliminated profits between the companies of the Future Daimler Group and the companies of the Future Daimler Truck Group) were not eliminated in the Combined Daimler Truck Financial Statements, but were classified as related party transactions and reported accordingly as if they were with third parties. Further adjustments have been made to reflect the requirements of IFRS from the perspective of a stand-alone Future Daimler Truck Group and accepted principles for the preparation of combined financial statements. These include, but are not limited to, the following:

- The companies of the Future Daimler Group provided various central services to companies and divisions of the Future Daimler Truck Group in 2019 and 2020 financial years. The corresponding costs for such services, which have already been passed on to the companies of the Future Daimler Truck Group in the past, are recorded in the Combined Daimler Truck Financial Statements at the amounts historically passed on. The costs of those services that were not passed on in the past were additionally recognised for purposes of the Combined Daimler Truck Financial Statements using appropriate allocation keys (e.g. number of employees). This allocation is based on actual costs incurred in the past.
- To the extent that not all employees of a company are expected to be transferred to the Future Daimler Truck Group as part of the preparatory reorganisation measures, the actuarial parameters were adjusted in determining the pension obligations for purposes of the combined financial statements to reflect the changed composition of the workforce with respect to the biometric assumptions.
- The refinancing liabilities for the financial services business, such as bank financing, are generally not transferred to the companies of the Future Daimler Truck Group upon the transfer of those business areas of the financial services business that are not separate legal entities. Therefore, for purposes of the Combined Daimler Truck Financial Statements, the refinancing liabilities have been broken down on the basis of target equity ratios to these business areas and allocated in the Combined Daimler Truck Balance Sheet. The target equity ratio was derived taking into account the specific risks of the financed portfolio as well as the regulatory, tax and internal minimum equity requirements for the respective company and the planned external financing after the reorganisation. The target

equity ratio has also been the basis to date for refinancing the financial services business within the Daimler Group. These target equity ratios will also form the basis for future external refinancing.

- Income taxes (current and deferred taxes) were determined on the assumption that the consolidated companies and divisions of the Future Daimler Truck Group are separate taxable entities ("separate tax return approach"), if necessary taking into account possible fiscal unity for income tax purposes. Current taxes are recognised in the balance sheet in cases where there is a civil law right or obligation to a tax authority. In the other cases, the settlement of current tax liabilities and assets was presented as a contribution to or withdrawal from equity. With regard to the recognition and measurement of deferred tax assets on loss carryforwards, the anticipated effects of the preparatory reorganisation measures were taken into account, i.e. tax loss carryforwards and tax credits that are expected to expire or be lost as a result of these measures are not included in the tax items. Other than this, however, the accounting effects and effects on earnings from deferred and actual taxes resulting from the preparatory and accompanying reorganisation and capital measures after 31 December 2020, and from the Demerger as such are not anticipated in the Combined Daimler Truck Financial Statements.

1. Explanation of the asset, financial and income position of Daimler Truck Holding AG (HGB)

- 919 Following the Consummation of the Demerger Agreement, Daimler Truck Holding AG will hold all shares in Daimler Truck AG. The operating business of the Future Daimler Truck Group will be bundled in Daimler Truck AG.
- 920 Daimler Truck Holding AG did not and does not carry on any active business operations until the Demerger takes effect. It has therefore not generated any operating income to date and will not generate any operating income until the Demerger takes effect, apart from income from the passing on of expenses to Daimler AG. Costs which it has incurred and will incur in connection with the preparation, conclusion and implementation of the Demerger Agreement until the Demerger takes effect will be borne by Daimler AG.
- 921 In the future, Daimler Truck Holding AG will incur expenses for the compensation of its Board of Management and Supervisory Board members (cf. Sections I.III.3 b) and I.III.4 c)), for tax payments and for its own organisation as a holding company. Due to its position as the listed parent company of the Future Daimler Truck Group, Daimler Truck Holding AG will also perform a variety of tasks, in particular in the external presentation of the Future Daimler Truck Group, and will generally bear the corresponding costs, to the extent that such tasks are not performed by its subsidiaries or the corresponding costs are not borne by its subsidiaries by way of a group allocation. These costs include, in particular, costs in connection with the stock exchange listing, associated costs of financial reporting, fulfilment of statutory disclosure obligations, investor relations, but also, in principle, costs for other Group-wide central functions. However,

the tasks related to the central functions are to be performed primarily by Daimler Truck AG (cf. Sections D.I and J.III).

- 922 From the Consummation of the Demerger Agreement, the financing of the Future Daimler Truck Group will be ensured centrally by Daimler Truck AG – as the case may be, with Guarantees from Daimler Truck Holding AG (in this respect, cf. Sections D.I.7, G.III.4 and J.III.5).
- 923 Due to the control and profit and loss transfer agreement transferred in the course of the spin-off, Daimler Truck Holding AG will in the future have to recognise the profit transfers to which it is entitled on this basis in profit or loss or to offset losses incurred by Daimler Truck AG.
- 924 In addition, changes in the valuation of the investment in Daimler Truck AG may affect the asset and income position of Daimler Truck Holding AG.
- 925 The accounting effects of the Demerger and related measures on Daimler Truck Holding AG are presented in Section G.I.2.

2. Explanation of the asset and financial position of the Future Daimler Truck Group (IFRS)

- 926 The impact of the Demerger and related measures on the balance sheet assets and liabilities of the Future Daimler Truck Group is presented in Section G.I.3 on the basis of the pro forma balance sheet as at 1 January 2021 (cf. column E in the table below). This pro forma balance sheet is derived from the Combined Daimler Truck Financial Statements for the Future Daimler Truck Group as at 31 December 2020 (column C), taking into account the Further Transaction Effects (column D). Based on this presentation, the asset and capital structure of the Future Daimler Truck Group is explained below.

Future Daimler Truck Group (IFRS)	C	D	E
EUR mn.	01/01/2021 after Demerger (combined)	Further Transaction Effects	01/01/2021 after Demerger and Further Transaction Effects (Pro forma)
Intangible assets	1,682	-	1,682
Property, plant and equipment	7,879	-	7,879
Equipment on operating leases	3,746	-	3,746
Equity-method investments	534	-	534
Receivables from financial services	15,269	-	15,269
Marketable debt securities and similar investments	5,841	-5,734	107
Inventories	6,278	-	6,278
Trade receivables	3,487	-	3,487
Cash and cash equivalents	1,663	5,435	7,098
Other financial assets	1,252	-326	926
Other assets	2,358	-	2,358
Total assets	49,989	-625	49,364
Equity	8,708	2,412	11,120
Provisions	7,817	-	7,817
Financing liabilities	20,549	-3,239	17,310
Trade payables	3,043	-	3,043
Contract and refund liabilities	2,934	-	2,934
Other financial liabilities	4,304	202	4,506
Other liabilities	2,634	-	2,634
Total equity and liabilities	49,989	-625	49,364

Asset structure

- 927 In the combined balance sheet (column C), the total assets of the Future Daimler Truck Group as at 1 January 2021, amount to EUR 49,989 million. Receivables from financial services of EUR 15,269 million, property, plant and equipment of EUR 7,879 million and inventories of EUR 6,278 million account for almost 60 % of total assets. In the pro forma balance sheet, non-current assets account for around 50 % of total assets. These relate primarily to receivables from financial services, property, plant and equipment and leased products. Accordingly, current assets also account for around 50 % of total assets. In this respect, receivables from financial services and inventories accounted for the largest share of current assets.
- 928 As explained in Section G.I.3 c), cash and cash equivalents increased, among other things, as a result of the additional payment to the capital reserve of Daimler Truck AG.

Capital structure

- 929 The equity of the Future Daimler Truck Group amounts to EUR 8,708 million in the combined balance sheet (column C). Measured against the balance sheet total, this corresponds to an equity ratio of approx. 17 %. Financing liabilities, which mainly serve to finance the financial services business, account for EUR 20,549 million or approx. 41 % of total assets. Total liabilities and provisions amount to approx. 83 % of total assets. Thereof, total non-current liabilities and provisions account for approx. 40 % of the balance sheet total.
- 930 As explained in Section G.I.3 b), equity is increased to EUR 11,120 million as a result of the Further Transaction Effects, and financing liabilities are reduced to EUR 17,310 million.

Financing

- 931 After the Consummation of the Demerger Agreement, the financing options and financing costs of the Future Daimler Truck Group will be based exclusively on its own creditworthiness. In this respect, on the basis of a planned positive business development, a solid capital structure and liquidity position, an investment-grade rating is targeted so that the Future Daimler Truck Group can operate successfully in the market from the beginning. With the aforementioned capital resources, the Future Daimler Truck Group will have sufficient capital and liquidity within the framework of the business planning after the Consummation of the Demerger Agreement.
- 932 With regard to the independence of the financing of the Future Daimler Truck Group, further reference is made to Sections D.I.7, G.III.4 and J.III.5.

3. Explanation of the income position of the Future Daimler Truck Group in the 2020 and 2019 financial years and in the first six months of the 2021 financial year

a) Income position of the Future Daimler Truck Group in the 2020 and 2019 financial years

933 The following is a discussion of the income position of the Future Daimler Truck Group resulting from the Demerger in the 2019 and 2020 financial years based on the combined IFRS income statements included in the Combined Daimler Truck Financial Statements. In deviation from the Combined Daimler Truck Financial Statements, individual items have been further aggregated in the table below.

Future Daimler Truck Group (IFRS)	2020 Financial year	2019 Financial Year
EUR mn.	(combined)	(combined)
Revenue	36,013	46,244
Cost of sales	-30,531	-37,596
Gross profit	5,482	8,648
Selling expenses	-2,625	-3,001
General administration costs	-1,472	-1,686
Research and non-capitalised development costs	-1,423	-1,662
Other operating income/expense	526	583
Other financial income/expense	3	-90
EBIT	491	2,792
Interest income/expense	-157	-161
Profit before income taxes	334	2,631
Income taxes	-465	-881
Net profit	-131	1,750

934 Due to the different underlying assumptions, the revenue and EBIT for the 2020 financial year are not identical to the values for revenue and EBIT deducted in Section H.II.3 as pro forma adjustments for reconciliation to the Future Daimler Group (column B in the table presented there), as the pro forma adjustments take into account the elimination items from the perspective of the Future Daimler Group in addition to the values of the combined IFRS income statements (cf. Section H.II.3).

Explanation of the 2020 and 2019 financial years of the Future Daimler Truck Group

- 935 Revenue of the Future Daimler Truck Group for the 2020 financial year decreases significantly by 22 % to EUR 36,013 million compared to EUR 46,244 million in 2019 due to the COVID-19 pandemic. Revenue mainly includes revenue from customers for products and services. In addition, this item includes revenue from the rental and leasing business as well as interest from the financial services business of the Financial Services division.
- 936 Cost of sales decrease by EUR 7,065 million to EUR 30,531 million in the 2020 financial year. This effect results from the production and cost adjustment related to the COVID-19 pandemic. Gross profit in relation to revenue decreases from 18.7 % in the 2019 financial year to 15.2 % in the 2020 financial year. Cost of sales primarily includes cost of goods sold.
- 937 Other significant costs include selling expenses, general and administrative expenses, and research and non-capitalised development costs. Selling expenses comprise the direct selling expenses and selling overheads incurred and are made up of personnel expenses, material expenses and other selling expenses. General and administrative expenses include expenses that are not attributable to production, distribution and research and development and include personnel expenses, amortisation of intangible assets and depreciation of property, plant and equipment as well as other administrative expenses. Research and non-capitalised development costs mainly include personnel and material costs.
- 938 Other operating income/expenses includes other operating income and expenses. Other operating income results, in particular, from costs passed on, rental income not related to sales financing, income from the disposal of property, plant and equipment, grants and subsidies and miscellaneous other income. Other operating expenses mainly result from losses on the disposal of property, plant and equipment and miscellaneous other expenses.
- 939 The other financial income/expenses mainly includes the result from investments accounted for using the equity method and therein primarily the result from the investment in Beijing Foton Daimler Automotive Co. Ltd.
- 940 Earnings before interest and income taxes decrease for the Future Daimler Truck Group from 6.0 % in the 2019 financial year to 1.4 % in the 2020 financial year, both in relation to revenue.

b) Income position of the Future Daimler Truck Group in the first six months of the 2021 financial year

- 941 The following table illustrates the income position of the Future Daimler Truck Group resulting from the Demerger for the first six months of the 2021 financial year using revenue and EBIT based on voluntarily prepared, unaudited combined financial information.

Future Daimler Truck Group (IFRS)	First six months of 2021
EUR mn.	(combined)
Revenue	19,258
EBIT	2,566

Revenue

- 942 Revenue amounted to EUR 19,258 million in the first six months of the 2021 financial year. Revenue mainly includes revenue from customers for products and services.

EBIT

- 943 EBIT amounted to EUR 2,566 million in the first six months of 2021. This was mainly influenced by income of EUR 1,215 million in connection with the establishment of the fuel cell joint venture cellcentric GmbH & Co. KG.
- 944 The ratio of earnings before interest and income taxes to revenue in the first half of 2021 for the Future Daimler Truck Group was 13.3 %.

4. Effects of the Demerger and related measures on the asset, financial and income position of the Future Daimler Truck Group

- 945 The impact of the Demerger and related measures on the balance sheet assets and liabilities of the Future Daimler Truck Group is presented in Sections G.I.3 c) and I.II.2. With regard to the tax effects of the Demerger, cf. Section G.II.
- 946 Upon the Demerger taking effect, Daimler Truck Holding AG and its subsidiaries will form an independent company group. Pursuant to § 315e HGB, Daimler Truck Holding AG is required to prepare consolidated financial statements for this group in accordance with IFRS as of the date of its listing on the stock exchange.
- 947 Since the business activities of the Future Daimler Truck Group will generally not change significantly as a result of the Demerger, no material impact on the financial and income position is expected, with the exception of the effects discussed below.

Costs of the Demerger

- 948 For the costs of the Demerger, cf. Section C.I.2.

Group relationships to date

- 949 After the Demerger has taken effect, the results of business relationships between the Future Daimler Truck Group and the Future Daimler Group will have an impact on the income position of the Future Daimler Truck Group. The existing intercompany business

relationships between the business activities of the Future Daimler Truck Group and the other companies of the Daimler Group will be maintained for a transitional period, to the extent legally permissible, by means of transitional services agreements at arm's length conditions, unless service agreements already existing are continued or services are procured from external service providers. Sureties, guarantees, letters of comfort and other declarations of liability will continue to exist in principle to the extent they have not been discharged by the time the spin-off takes effect. The further details, possible cooperations and licensing agreements between the Future Daimler Truck Group and the Future Daimler Group are described in Sections J.III to J.VI.

Personnel costs

- 950 With the separation of the Future Daimler Group and the Future Daimler Truck Group, it will be necessary to establish or expand various departments and units of the Future Daimler Truck Group. In addition to the planned transfer of employees, this will probably also require new hires. In addition to the central functions (cf. Section D.I), this primarily affects Sales & After Sales (cf. Section D.II.1).

Insurance

- 951 Until now, the business activities of the Future Daimler Truck Group were included in the global corporate insurance coverage of the Daimler Group. As part of the Demerger, the insurance coverage of both groups will be separated and the Future Daimler Truck Group will receive independent insurance coverage. Due to the fact that insurance coverage will be purchased separately in the future, additional costs may arise for the Future Daimler Truck Group, because it may no longer be possible to take advantage of economies of scale from the joint coverage (of insurance sums).

Financing

- 952 After the Demerger taking effect, the companies of the Future Daimler Truck Group will no longer participate in intercompany clearing transactions as part of the central financial and liquidity management of the Daimler Group. This also applies to the participation of the companies of the Future Daimler Truck Group in the market price risk management of the Daimler Group (cf. also Section D.I.7 c)). As a result, the financing options and costs of the Future Daimler Truck Group will be based exclusively on the creditworthiness of Daimler Truck Holding AG and the companies of the Future Daimler Truck Group, and the costs of market price hedging transactions will depend on the Group's own activities. Depending on the situation in the respective markets, this may result in different costs than were incurred in the past when the company was part of the Daimler Group. For the Future Daimler Truck Group, a credit rating from two well-known rating agencies in the investment grade range is sought. Depending on the rating, the refinancing conditions for the entire Future Daimler Truck Group may change and refinancing costs may be higher than before. This also applies to the future granting of Guarantees. For the effects in connection with a lower rating of the Future Daimler Truck Group, cf. also Section C.I.2.

Financial services business

- 953 Until now, the financial services business has been operated under the umbrella of Daimler Mobility AG and the use of shared resources and structures. The splitting up of the financial services business into two separate company groups and the further development of the then independent financial services business of the Future Daimler Truck Group will result in additional initial and ongoing costs (cf. also Section C.I.2).

Information Technology

- 954 Additional costs will also arise for the Future Daimler Truck Group after the Demerger in the area of information technology (cf. Section C.I.2). The spin-off makes it necessary to separate services previously available within the Daimler Group and to provide them independently for the Future Daimler Truck Group. The costs incurred for this will largely take the form of current expenses for services and user charges and, to a small extent, of depreciation on investments.

Mercedes-Benz trademark

- 955 In the financial years 2018 to 2020, companies and business segments of the Future Daimler Truck Group used the Mercedes-Benz trademark free of charge under a license agreement. It is expected that in September 2021, Daimler Truck AG will enter into a new license agreement with Daimler AG for the right to use the Mercedes-Benz trademark for its designated purpose for an indefinite period of time and without consideration (cf. in this respect Section D.III). The transaction will be accounted for as a fair value contribution at the effective date of the agreement in 2021 and the right to use the trademark will be required to be tested for impairment in each subsequent consolidated financial statement. The contribution will lead to a corresponding increase in equity. The impairment test may result in impairment charges to the consolidated profit/loss.

Taxes

- 956 The value of deferred tax assets will depend on the legal structure and tax strategy of the Future Daimler Truck Group.

III. Legal structure of Daimler Truck Holding AG and the Future Daimler Truck Group**1. Shareholder structure**

- 957 Immediately after the Consummation of the Demerger Agreement, Daimler AG will be the largest single shareholder of Daimler Truck Holding AG with a shareholding of 35.00 % (directly and indirectly as well as including shares of Daimler Truck Holding AG held by Daimler Pension Trust e.V.). The additional shares of Daimler Truck Holding AG will be held by the shareholders of Daimler AG in proportion to their shareholdings in Daimler AG from the spin-off taking effect.

- 958 In relation to the entire share capital of Daimler Truck Holding AG, the proportionate holding of each Daimler shareholder in Daimler Truck Holding AG is less by 35.00 % compared to such shareholder's holding in Daimler AG due to the (direct and indirect) interest held by Daimler AG. A shareholder holding, for example, 5 % of the Daimler shares will hold 3.25 % of the shares in Daimler Truck Holding AG after the Consummation of the Demerger Agreement; a shareholder holding, for example, 1.5 % of the Daimler shares will hold 0.975 % of the shares in Daimler Truck Holding AG after the Consummation of the Demerger Agreement. This can result in certain shareholders' rights which can be exercised at Daimler AG based on the shareholding quota may no longer be exercised at Daimler Truck Holding AG (e.g., demand to convene a General Meeting or supplementing of the agenda, § 122 para. 1 sent. 1 or para. 2 sent. 1 AktG, motion to appoint a special auditor, § 142 para. 2 sent. 1 AktG).
- 959 Taking into account the allocation ratio of two to one, on the basis of the current voting rights notifications under the WpHG made to Daimler AG, it is expected that upon the spin-off taking effect – subject to any changes in the actual shareholdings which may have occurred in the meantime and which do not have to be reported pursuant to the WpHG – Tenacious3 Prospect Investment, Ltd. is expected to reach the voting rights threshold of 5 %, and the Kuwait Investment Authority (KIA), the BAIC Group and BlackRock, Inc. are expected to reach the voting rights threshold of 3 % at Daimler Truck Holding AG (for the current shareholder structure of Daimler AG as at 30 June 2021, cf. also the illustration above in Section B.II.3).
- 960 As was already stated in Section C.II above, Daimler AG does not intend to completely divest itself of the commercial vehicles business in connection with the separation of the commercial vehicles business, but to support Daimler Truck Holding AG in the upcoming transformation as an anchor shareholder during a longer transitional period and thus to participate in future value enhancement potential at the same time. Since, against this background, Daimler AG considers its future investment in Daimler Truck Holding AG to be a significant investment, it has undertaken vis-à-vis Daimler Truck Holding AG in the Group Separation Agreement not to dispose of any of the shares in Daimler Truck Holding AG held directly or indirectly by Daimler AG at the time of consummation without the prior consent of Daimler Truck Holding AG until the end of the day that is 36 months after the first day on which the shares in Daimler Truck Holding AG are traded on the Frankfurt Stock Exchange ("**Lock-Up Period**"). Excluded from this obligation are disposals to affiliated companies within the meaning of § 15 AktG or to Daimler Pension Trust e.V. as well as any measures that are not caused by any conduct (action, tolerating or omission) on the part of Daimler AG. Daimler AG is not prevented by this agreement from disposing of the shares of Daimler Truck Holding AG subject to the lock-up after the end of the day that is twelve months after the first day on which the shares of Daimler Truck Holding AG are traded on the Frankfurt Stock Exchange, without the prior consent of Daimler Truck Holding AG, if, in the opinion of the Board of Management of Daimler AG, such a disposal is necessary for the purposes of prudent and management faithfully complying with its duties (§ 93 para. 1 AktG), taking into account the economic and strategic considerations applying at the relevant time. Exceptions to this are disposals to a direct competitor of Daimler Truck Holding AG, which are not permitted within the Lock-Up Period.

961 Furthermore, with regard to the envisaged manner of a disposal, Daimler AG has declared that in the event of a disposal within the first six years after the first stock exchange trading day of the shares of Daimler Truck Holding AG, it will dispose of the relevant shares in Daimler Truck Holding AG primarily in such a way that the disposal leads to an increase in the free float at Daimler Truck Holding AG, unless this form of disposal would not be compatible with the duties of care of the Board of Management of Daimler AG (§ 93 para. 1 AktG).

2. Articles of Incorporation of Daimler Truck Holding AG

962 The Articles of Incorporation of Daimler Truck Holding AG applicable after the spin-off has taken effect are enclosed with the Demerger Agreement as Annex 20.1. They essentially contain the following provisions:

963 The first part of the future Articles of Incorporation of Daimler Truck Holding AG comprises general provisions in §§ 1 to 3. § 1 stipulates the name and registered office of the company. § 2 defines the corporate purpose of the company. The purpose of the company is to engage, directly or indirectly, in the business of developing, producing and selling products and providing services, especially in the following lines of business: (i) vehicles, in particular commercial vehicles and buses, engines and technical drives of all kinds, including their parts, assemblies and accessories, (ii) other traffic engineering products, (iii) electronic equipment, devices and systems, (iv) communication and information technology, (v) mobility and transport services and concepts, (vi) banking and insurance activities, financial and payment services and insurance brokerage, and (vii) management and development of real property. The company may take all actions and measures which are incidental to the accomplishment of the company's purpose. It may also limit its business activities to a part of the lines of business referred to above. The company may set up domestic and foreign branches and acquire interests in other undertakings. The company may acquire and dispose of business undertakings, may place them under joint management and conclude intercompany agreements with them, may provide services for these undertakings or may limit itself to the management of its interests in such undertakings. The company may place all or part of its business operations into undertakings in which it holds an interest. The company may not directly carry out banking or insurance transactions, financial or payment services or real estate transactions that are subject to permits. Pursuant to § 3 para. 1, announcements by the company are made by publication in the *Bundesanzeiger* (Federal Gazette). § 3 para. 2 stipulates that information to the holders of admitted securities may also be transmitted by means of remote data transmission.

964 The second part of the future Articles of Incorporation of Daimler Truck Holding AG contains provisions on the share capital and share certificates in §§ 4 and 5. After the Consummation of the Demerger Agreement, the share capital of Daimler Truck Holding AG stipulated in § 4 amounts to EUR 822,951,882.00 and is divided into 822,951,882 no-par value registered shares. In addition, § 4 of the future Articles of Incorporation contains provisions on an approved capital, which is described in point 7. Pursuant to § 5, the Board of Management, with the consent of the Supervisory Board, determines the form and content of share certificates, dividend coupons and renewal coupons as

well as of bonds and interest coupons. Besides, § 5 contains the common provision according to which a claim of the shareholders to securitisation of their shares and dividend coupons is excluded and the company is entitled to issue share certificates representing individual shares or multiple shares.

- 965 The third part of the future Articles of Incorporation of Daimler Truck Holding AG contains provisions concerning the Board of Management. Pursuant to § 6, the Board of Management of Daimler Truck Holding AG is constituted of not fewer than two members. The Supervisory Board may appoint a Chairman as well as a Deputy Chairman of the Board of Management. Pursuant to § 7, the company is represented by two members of the Board of Management or by one member of the Board of Management jointly with one holder of a general commercial power of attorney (*Prokurist*). In this context, the Supervisory Board may grant the members of the Board of Management exemption from the prohibition of multiple representation pursuant to § 181 of the German Civil Code (BGB) to the extent permitted by law. The company may also be represented, subject to the applicable legal restrictions, by two holders of a general commercial power of attorney.
- 966 Part four contains provisions in §§ 8 to 10 concerning the Supervisory Board that are customary for German listed companies. § 8 of the future Articles of Incorporation of Daimler Truck Holding AG contains regulations, in particular, on the composition of the Supervisory Board and the resignation from office. The Supervisory Board of Daimler Truck Holding AG is constituted of 20 members. It is also stipulated that the Supervisory Board elects a Chairman and a Deputy Chairman from among its members. The provision also contains rules for the resignation from office. § 9 contains regulations concerning, among other things, the tasks and powers of the Supervisory Board, the quorum, participation in meetings, voting and the passing of resolutions. In addition, § 9 stipulates that the Supervisory Board is authorised to make amendments to the Articles of Incorporation which only concern their wording. § 10 regulates the remuneration of the Supervisory Board, which is purely fixed and is increased appropriately for the performance of prominent functions on the Supervisory Board or its committees. In addition, the members of the Supervisory Board receive an attendance fee, reimbursement of all their expenses and reimbursement of any value-added tax that may be payable on the Supervisory Board remuneration. To the extent a pecuniary damage liability insurance policy exists for members of corporate bodies and certain senior executives, the members of the Supervisory Board are included in this policy. The insurance premiums are paid by the company. With regard to the remuneration of the Supervisory Board, please also refer to the comments under point 4 c).
- 967 The fifth part of the future Articles of Incorporation of Daimler Truck Holding AG contains provisions in §§ 11 to 15 regarding the shareholders' meeting that are customary for German listed companies. In this respect, § 11 stipulates, in particular, that shareholders' meetings are to be held at the registered office of the company, at a venue within a radius of 100 kilometers from the registered office of the company, at a German city that has a stock exchange or at another city in Germany with more than 100,000 inhabitants. § 12 authorises the Board of Management to permit the full or partial video and audio transmission of the shareholders' meeting. It also provides that, in certain

cases, the members of the Supervisory Board may, in agreement with the chairman of the meeting, participate in the shareholders' meeting by means of video and audio transmission. § 13 regulates the requirements for attending the shareholders' meeting and the exercise of voting rights, in particular the requirement to register. It also contains provisions on proxy voting and authorises the Board of Management to permit voting by written or electronic vote as well as online participation. § 14 regulates the chairing, presiding over and conduct of the shareholders' meeting, including the common authorisation of the chairman of the meeting to impose appropriate time limits on the right of shareholders to ask questions and speak. § 15 contains provisions, in particular, on voting rights and majority requirements for the passing of resolutions by the shareholders' meeting.

968 Part six of the future Articles of Incorporation of Daimler Truck Holding AG comprises, in §§ 16 to 19, regulations on the financial year, the annual financial statements, interim distributions on unappropriated profit and the distribution of profit. Pursuant to § 16, the financial year is the calendar year. § 17 contains regulations on the preparation of the annual financial statements and the management report, the consolidated financial statements and the Group management report, as well as on the submission of these documents and the proposal for the allocation of unappropriated profits to the Supervisory Board. Pursuant to § 18, following the end of each financial year, the Board of Management – with the consent of the Supervisory Board – may make an interim payment in a limited amount to the shareholders with respect to the expected unappropriated profit if the preliminary financial statements for the previous financial year show a profit for the year. § 19 contains provisions on the distribution of profits.

969 § 20 in part seven of the future Articles of Incorporation of Daimler Truck Holding AG contains a provision on the place of jurisdiction for all disputes with the company or its corporate bodies arising from the company relationship, as well as for disputes between shareholders and the company seeking compensation for damage caused on the basis of false, misleading or omitted public capital market information. Finally, § 21 contains a provision on the bearing of the costs incurred by the formation of Daimler Truck Holding AG.

3. Board of Management of Daimler Truck Holding AG

970 Daimler Truck Holding AG currently has a Board of Management with two members, namely Mr. Martin Daum and Mr. Jochen Götz.

a) Future appointments and allocation of responsibilities

971 For reasons of board efficiency, the corporate bodies of Daimler Truck Holding AG and Daimler Truck AG are to be composed of the same persons. For this reason, the members of the Board of Management of Daimler Truck Holding AG and Daimler Truck AG are intended in future to be identical persons. Therefore, in addition to Martin Daum and Jochen Götz, the other current members of the Board of Management of Daimler Truck AG are also to be appointed as members of the Board of Management of Daimler Truck Holding AG.

972 The Board of Management of Daimler Truck Holding AG is therefore to be comprised of the following members in the future:

- Martin Daum (appointment planned until the end of February 2025),
- Jochen Götz (appointment planned until the end of June 2026),
- John O'Leary, (appointment planned until the end of March 2024),
- Karin Rådström (appointment planned until the end of January 2024),
- Hartmut Schick (appointment planned until the end of November 2024),
- Dr. Andreas Gorbach (appointment planned until the end of June 2024),
- Jürgen Hartwig (appointment planned until the end of November 2026),
- Stephan Unger (appointment planned until the end of June 2024).

973 It is intended in this regard to appoint the members of the Board of Management prior to the spin-off taking effect and thus prior to the increase of the number of members of the Supervisory Board of Daimler Truck Holding AG by the three-member founding Supervisory Board of Daimler Truck Holding AG.

974 The following provides a brief overview of the proposed areas of responsibility:

Name	Proposed area of responsibility
Martin Daum	Chairman of the Board of Management
Karin Rådström	Europe and Latin America Regions and the Mercedes-Benz Trucks brand
Dr. Andreas Gorbach	Trucks Technology
Jochen Götz	Finance and Controlling
Jürgen Hartwig	HR and Labor Director
John O'Leary	North America Region and the Freightliner, Western Star and Thomas Built Buses brands
Hartmut Schick	Asia Region and the FUSO and BharatBenz brands
Stephan Unger	Daimler Truck Financial Services

b) Remuneration

975 The Supervisory Board of Daimler Truck Holding AG will decide on the remuneration of the Board of Management of Daimler Truck AG in due course.

976 The aforementioned persons – with the exception of Martin Daum – currently have service agreements with Daimler Truck AG and receive compensation on this basis. Martin Daum receives his remuneration on the basis of the service agreement with Daimler AG. For the period from the first day of the month in which the spin-off takes effect, it is planned that all members of the Board of Management will receive remuneration from Daimler Truck Holding AG for their work on the Board of Management. It is intended that from this date the activity as a member of the Board of Management of Daimler Truck AG will be compensated for with this Board of Management remuneration; consequently, the members of the Board of Management will not receive any additional remuneration for their activities as members of the Board of Management of Daimler Truck AG as of this date.

Current considerations regarding the remuneration system for the Board of Management

977 The Boards of Management of Daimler AG and Daimler Truck Holding AG expect that the content of the remuneration system for the members of the Board of Management stipulated by Daimler Truck Holding AG will comply with the recommendations of the German Corporate Governance Code in its current version of 16 December 2019, published in the Federal Gazette on 20 March 2020 (hereinafter "**GCGC**").

978 Subject to the corresponding resolution by the Supervisory Board of Daimler Truck Holding AG, the remuneration system is to include a fixed and also variable performance-related components, namely:

- a fixed basic remuneration,
- short- and medium-term oriented variable remuneration in the form of an annual bonus,
- a long-term oriented variable compensation through participation in a PPSP to be created, in connection with Stock Ownership Guidelines to be adopted by the Supervisory Board of Daimler Truck Holding AG for the Board of Management, according to which the members of the Board of Management of Daimler Truck Holding AG will be required to hold a portion of their private assets in shares of Daimler Truck Holding AG.

979 The following considerations currently exist with regard to the structure of the individual components, based on the remuneration system currently in place for the members of the Board of Management of Daimler AG.

980 The fixed, non-performance-related remuneration is to comprise a fixed basic remuneration, which is to be paid in twelve monthly instalments, as well as customary fringe

benefits (mainly expenses assumed by the company for security services and the provision of company cars). In addition, there are a contribution to the pension plan in the model of the Daimler Pension Plan established at Daimler as well as the opportunity to convert a remuneration component (bonus) within the framework of a pension scheme (future capital).

- 981 The variable, performance-related remuneration of the members of the Board of Management is intended to reward performance and, with its short-, medium- and long-term components, to support the sustainable and value-creating development of the company.
- 982 The short- and medium-term variable remuneration in the form of the annual bonus, 50 % of which is paid in the first year following the financial year and 50 % in the second year following the financial year (so-called deferral), is intended to reward the contribution made during a financial year to the operational implementation of the business strategy. This amount is to be measured in three components:
- Financial performance indicators: Target/actual comparison based on EBIT and target/actual comparison based on free cash flow of the industrial business, with both performance indicators weighted equally;
 - Non-financial performance indicators: Increase/decrease of up to 10 % on the degree of target achievement for the financial performance indicators;
 - Transformation targets: Surcharge of up to 25 % on the degree of target achievement for the financial performance indicators.
- 983 The degree of target achievement of the annual bonus can vary between 0 % and a maximum of 200 %. The degree of overall target achievement corresponds to the sum of the degrees of target achievement of the three individual components. The target annual bonus corresponds to 100 % of the annual basic remuneration to be granted in cash.
- 984 Long-term variable remuneration through participation in the PPSP, each with a four-year term (three-year performance period and one-year restriction period), is designed to set incentives for the sustainable development of the company by measuring the achievement of financial targets.
- If such a programme were established, the Supervisory Board of Daimler Truck Holding AG would determine an allocation value in the form of an absolute euro amount and the performance targets for the respective upcoming financial year.
 - The performance criteria of the PPSP could – as is currently the case at Daimler AG – be linked 50 % to return on sales and 50 % to relative share performance.
 - The amount to be paid out would then be determined at the end of the four-year plan term and released for payment after informing the Presidential Committee

and the Supervisory Board. As is currently the case at Daimler AG, the cap could amount to 250 % of the allocation value of the respective PPSP, including the dividend equivalents paid out under the respective plan.

- 985 In order to ensure a long-term and sustainable orientation of the remuneration, in line with the recommendations of the GCGC the share of long-term variable remuneration is intended to significantly exceed the share of short-term variable remuneration. The fixed basic remuneration and the annual bonus are each intended to contribute approx. 30 % of the target remuneration (excluding pension commitments and fringe benefits), while the variable remuneration component with a long-term incentive effect (PPSP) is intended to correspond to approx. 40 % of the target remuneration. Each component of the remuneration is to be limited in its inflow.
- 986 Also in accordance with the recommendations of the GCGC, it is planned to conclude agreements with the future members of the Board of Management of Daimler Truck Holding AG, according to which, for example, an identified compliance violation can lead to a partial or complete reduction or reclaiming of the annual bonus and the remuneration under the PPSP (so-called clawback).
- 987 The remuneration of the members of the Board of Management will – in addition to the limits on its variable remuneration components – have both an upper limit on the amount of the cash inflow and a maximum remuneration in accordance with § 87a para. 1 sent. 2 no. 1 AktG. The Supervisory Board of Daimler Truck Holding AG will decide on the relevant maximum amounts.
- 988 The final decision on the remuneration system for the members of the Board of Management of Daimler Truck Holding AG will be made by the Supervisory Board of Daimler Truck Holding AG on its own responsibility in accordance with the requirements of stock corporation law and submitted to the General Meeting for approval as part of the resolution on the remuneration system.

Current considerations regarding the amount of the remuneration of the Board of Management

- 989 With regard to the amount of the remuneration of the Board of Management, the following considerations currently exist.
- 990 The annual fixed basic remuneration is to be EUR 1,300,000 for Martin Daum and EUR 650,000 for Jochen Götz and each of the other designated members of the Board of Management. For Martin Daum, the annual target total remuneration is to be EUR 4,500,000, consisting of the basic remuneration (EUR 1,300,000), the short- and medium-term oriented variable remuneration (target bonus = 100 % of the basic remuneration, equivalent to EUR 1,300,000) and the allocation value of the long-term oriented variable remuneration from 2022 onwards (PPSP = EUR 1,900,000). The annual target total remuneration for Jochen Götz is to be EUR 2,200,000, consisting of the basic remuneration (EUR 650,000), the short- and medium-term oriented variable remuneration (target bonus = 100 % of the basic remuneration, equivalent to

EUR 650,000) and the allocation value of the long-term oriented variable remuneration from 2022 onwards (PPSP = EUR 900,000). The annual target total remuneration for the other designated members of the Board of Management is to be EUR 2,100,000, consisting of the basic remuneration (EUR 650,000), the short- and medium-term oriented variable remuneration (target bonus = 100 % of the basic remuneration, equivalent to EUR 650,000) and the allocation value of the long-term oriented variable remuneration from 2022 onwards (PPSP = EUR 800,000). The maximum annual remuneration for the Chairman of the Board of Management is to be EUR 10,000,000 and for the other members of the Board of Management EUR 6,000,000.

Effects of the spin-off on the remuneration of the Board of Management in the financial year 2021

- 991 As a component of their variable remuneration for the 2021 financial year, the future members of the Board of Management of Daimler Truck Holding AG (except for Martin Daum) will receive an annual bonus for the months of January to November 2021 on the basis of their current service agreements with Daimler Truck AG, provided that the spin-off takes effect in December 2021, which depends on the achievement of non-financial targets and transformation targets as well as financial targets (in accordance with the conditions for (senior) executives (Daimler Company Bonus)). The financial targets consist of a divisional component for Daimler Trucks & Buses (70 %) and a Group component (30 %), determined at 50 % each on the basis of target achievement for EBIT and for free cash flow of the industrial business. In general, the entitlement to receive an annual bonus remains unaffected by the spin-off. If the spin-off becomes effective in December 2021, it is intended that the financial target achievement for the month of December 2021 will be determined on the basis of the consolidated financial statements of Daimler Truck Holding AG and the target achievement of the non-financial targets and the transformation targets for the month of December 2021 will be determined at divisional level (Daimler Truck AG). If the spin-off does not take effect until the financial year 2022, the annual bonus for the financial year 2021 will be determined in accordance with the provisions of the service agreements with Daimler Truck AG applicable to date. The determination of the annual bonus for Martin Daum is carried out as described in § 19.2 of the Demerger Agreement.

4. Supervisory Board of Daimler Truck Holding AG

- 992 Since Daimler Truck Holding AG has up to now not directly employed any employees itself and there is no relevant attribution of employees employed at its subsidiaries, it currently does not have a supervisory board subject to statutory employee co-determination. Currently, Daimler Truck Holding AG has a Supervisory Board comprising three members who were appointed by Daimler Grund as founder and sole shareholder in the course of its formation. These are Mr. Tim Zech and Mr. Robert Köthner as well as Dr. Annette Matzat. The current members will resign from the Supervisory Board in temporal connection with the spin-off taking effect.

a) Future composition and appointment of members

- 993 It is intended to enlarge the Supervisory Board of Daimler Truck Holding AG to 20 members immediately after the spin-off takes effect. The 20 members all are to be elected prior to the spin-off by the General Meeting of Daimler Truck Holding AG and thus formally as shareholder representatives. Ten of these members are to be elected in coordination with the employees' side.
- 994 With the goal of efficient work of the board, it is intended that the Supervisory Board of Daimler Truck Holding AG and the Supervisory Board of Daimler Truck AG are to be composed of the same persons.
- 995 It is therefore intended that the following persons will be elected to the Supervisory Board of Daimler Truck Holding AG as shareholder representatives:
- Michael Brosnan, former Chief Financial Officer of Fresenius Medical Care Management AG;
 - Jacques Esculier, former Chairman and Chief Executive Officer of WABCO Holdings Inc.;
 - Akihiro Eto, former Member of the Board, President and Global Chief Operating Officer of Bridgestone Corporation;
 - Laura Ipsen, President and Chief Executive Officer of Ellucian Company L.P.;
 - Renata Jungo Brüngger, Member of the Board of Management of Daimler AG, Integrity and Law;
 - Joe Kaeser, Chairman of the Supervisory Board of Siemens Energy AG;
 - John Krafcik, former Chief Executive Officer, now advisor of Waymo LLC;
 - Martin Richenhagen, former Chairman, President and Chief Executive Officer of AGCO Corporation;
 - Marie Wieck, former General Manager of IBM Blockchain;
 - Harald Wilhelm, Member of the Board of Management of Daimler AG, Finance & Controlling and Daimler Mobility.
- 996 Renata Jungo Brüngger and Harald Wilhelm are representatives of Daimler AG. The other shareholder representatives on the Supervisory Board of Daimler Truck Holding AG are independent of Daimler AG. To the extent that some of the aforementioned persons are not currently members of the Supervisory Board of Daimler Truck AG, they are also to be elected to the Supervisory Board of Daimler Truck AG prior to the spin-off taking effect.

- 997 It is intended that the following eight persons will be elected to the Supervisory Board of Daimler Truck Holding AG upon proposal from the employees' side:
- Michael Brecht, Deputy Chairman of the Supervisory Board of Daimler AG; Chairman of the Group Works Council of Daimler AG; Chairman of the General Works Council of Daimler AG; Chairman of the Works Council of the Mercedes-Benz plant in Gaggenau;
 - Bruno Buschbacher, Chairman of the Works Council of the Mercedes-Benz plant in Mannheim;
 - Harald Dorn, Chairman of the Spokespersons' Committee Wörth/Germersheim and member of the Group Spokespersons' Committee;
 - Florence Göckeritz, TP/GSG-2 employee, Works Council member at Daimler headquarters;
 - Jörg Lorz, Chairman of the Works Council of the Mercedes-Benz plant in Kassel;
 - Claudia Peter, First Authorised Representative of IG Metall Gaggenau;
 - Roman Zitzelsberger, District Manager of IG Metall Baden-Württemberg;
 - Thomas Zwick, Chairman of the Works Council of the Mercedes-Benz plant in Wörth.
- 998 The proposal of the employees' side for two further persons to be elected to the Supervisory Board of Daimler Truck Holding AG is currently still pending.
- 999 After the spin-off taking effect, Daimler Truck Holding AG will employ more than 2,000 employees in Germany on the basis of the attribution rule pursuant to § 5 para. 1 MitbestG. Thus, the MitbestG will apply and the Supervisory Board will then not be composed in accordance with the relevant provisions of the MitbestG. Upon the spin-off taking effect, the Board of Management of Daimler Truck Holding AG will therefore conduct so-called status proceedings pursuant to §§ 97 et seqq. AktG. Since from the spin-off taking effect, pursuant to the provisions of the MitbestG, more than 20,000 employees will be deemed employees of Daimler Truck Holding AG, the Supervisory Board of Daimler Truck Holding AG has to be comprised from that date pursuant to § 7 para. 1 sent. 1 no. 3 MitbestG of ten Supervisory Board members each representing the shareholders and the employees.
- 1000 After completion of the status proceedings, the terms of office of the 20 members elected to the Supervisory Board prior to the spin-off by the General Meeting of Daimler Truck Holding AG with effect immediately after the spin-off taking effect will end at the close of the first General Meeting after expiry of the period for bringing a motion pursuant to § 97 para. 2 AktG or a final and binding decision pursuant to § 98 AktG, but no later than six months after expiry of the motion period or the final and binding decision.

- 1001 The ten shareholder representatives on the Supervisory Board of Daimler Truck Holding AG are therefore to be newly elected by the Annual General Meeting of Daimler Truck Holding AG in 2022. In the deconsolidation agreement concluded as an annex to the Demerger Agreement (cf. also the comments in Section L.III), Daimler AG and Daimler Grund have undertaken not to exercise their voting rights for two of the ten shareholder representatives in elections to the Supervisory Board. At the same time, however, the deconsolidation agreement provides that Daimler AG and Daimler Grund will submit nominations for eight out of ten shareholder representatives to the Supervisory Board of Daimler Truck Holding AG prior to upcoming Supervisory Board elections.
- 1002 The employee representatives on the Supervisory Board of Daimler Truck Holding AG are to be appointed by court order upon request pursuant to § 104 AktG for the period from the end of the Annual General Meeting 2022 until the completion of the election of the employee representatives.

b) Chairmanship of the Supervisory Board and formation of committees

- 1003 Subject to a corresponding resolution of the Supervisory Board of Daimler Truck Holding AG, Joe Kaeser is intended to assume the office of Chairman of the Supervisory Board. The position of Deputy Chairman is to be filled by Michael Brecht.
- 1004 The formation of committees beyond the statutory minimum requirements is at the discretion of the future Supervisory Board. The Boards of Management of Daimler AG and Daimler Truck Holding AG expect that the future Supervisory Board of Daimler Truck Holding AG will take into account not only the legal requirements but also the recommendations of the GCGC. It is currently intended to form the following committees:
- The Supervisory Board will form a Presidential Committee from among its members, which will, among other things, deal with matters relating to the Board of Management and prepare the resolutions of the Supervisory Board of Daimler Truck Holding AG. The Presidential Committee is intended to comprise the Chairman of the Supervisory Board, his Deputy and two other members who are elected by a majority of the votes cast.
 - Furthermore, an Audit Committee will be formed. The tasks of this committee are expected to be predominantly matters of accounting and audit, monitoring of governance functions (internal control system, risk management, internal audit and compliance) as well as the preparation of respective resolutions of the Supervisory Board.
 - In addition, a Nomination Committee is to be established which will be responsible to suggest suitable candidates to the Supervisory Board for its election proposals for the General Meeting for election to the Supervisory Board.
- 1005 After completion of the status proceedings, the Supervisory Board of Daimler Truck Holding AG will form a Mediation Committee within the meaning of § 27 para. 3 MitbestG.

c) Remuneration

- 1006 The remuneration of the members of the Supervisory Board of Daimler Truck Holding AG is set forth in § 10 of the future Articles of Incorporation of Daimler Truck Holding AG (cf. Annex 20.1 to the Demerger Agreement).
- 1007 With regard to the remuneration of the members of the Supervisory Board of Daimler Truck Holding AG, it is intended that, in addition to reimbursement of their expenses – including any value added tax incurred –, they will receive a fixed remuneration which is intended to amount to EUR 120,000 per year for the individual member. An additional EUR 240,000 per year are to be paid for the chairmanship of the Supervisory Board and an additional EUR 120,000 for the deputy chairmanship of the Supervisory Board. The chairmanship of the Audit Committee is to be remunerated with an additional EUR 120,000, and each other membership on the Audit Committee with EUR 60,000. Membership of the Presidential Committee is to be remunerated with an additional EUR 50,000, membership of other committees with EUR 24,000. Furthermore, the members of the Supervisory Board and the committees are to receive an attendance fee of EUR 1,100 for each Supervisory Board and committee meeting they attend as members, with the attendance fee only being paid once for several meetings of the Supervisory Board and its committees on one calendar day.
- 1008 The members of the Supervisory Board of Daimler Truck Holding AG will be insured in this function through the D&O insurance policy of the Future Daimler Truck Group, which has yet to be taken out.

5. Independent auditor

- 1009 KPMG AG Wirtschaftsprüfungsgesellschaft was appointed as the auditor of Daimler Truck Holding AG for the 2021 financial year. Pursuant to § 318 para. 2 sent. 1 HGB, the appointment of KPMG AG Wirtschaftsprüfungsgesellschaft also extends to the audit of the consolidated financial statements.

6. Control and profit and loss transfer agreement between Daimler Truck Holding AG and Daimler Truck AG

- 1010 In the course of the spin-off, the control and profit and loss transfer agreement existing between Daimler AG and Daimler Truck AG will be transferred to Daimler Truck Holding AG (cf. Annex 3.1(b) to the Demerger Agreement as well as the explanations in this regard in Section B.IV.6 above), with the consequence that Daimler Truck Holding AG will replace Daimler AG as the controlling company when the spin-off takes effect.
- 1011 As a result, Daimler Truck AG will in future be under the management of Daimler Truck Holding AG. In this function, Daimler Truck Holding AG is entitled to issue instructions to the Board of Management of Daimler Truck AG regarding the management of the company.

1012 In addition, Daimler Truck AG is obliged to transfer its entire profit to Daimler Truck Holding AG. At the same time, Daimler Truck Holding AG assumes the obligation to compensate Daimler Truck AG for any net loss for the year. These obligations exist for the first time for the 2021 financial year, provided that the spin-off takes effect by 31 December 2021 by registration in the commercial register of Daimler AG.

1013 The following reasons are relevant for the transfer of the control and profit and loss transfer agreement:

a) Tax reasons

1014 On the basis of the control and profit and loss transfer agreement, the profits and losses arising at Daimler Truck AG are assumed by Daimler Truck Holding AG under commercial law. For tax purposes, the income of Daimler Truck AG is attributed to Daimler Truck Holding AG as part of a tax group for corporation and trade tax purposes. This gives Daimler Truck Holding AG the opportunity to include Daimler Truck AG in its tax equalisation of income. In addition, Daimler Truck AG will be included in the Daimler Truck Holding AG tax group for VAT purposes.

b) Legal reasons

1015 Without a control and profit and loss transfer agreement, there would only be a so-called *de facto* group relationship (*faktischer Konzern*) between Daimler Truck Holding AG and Daimler Truck AG. In the context of such a *de facto* group relationship, the Board of Management of the controlled company may, at the instigation of the controlling company, be entitled pursuant to § 311 para. 1 AktG to carry out legal transactions or measures which, considered in isolation, are detrimental to the controlled company. However, pursuant to § 311 para. 2 AktG, this only applies if the detriments associated with the relevant legal transaction or measure are either actually compensated by the controlling company within the financial year in which the detriments arose or the dependent company is granted a legal claim to corresponding compensation. Furthermore, the Board of Management of the controlled company must document in detail the relationships of the controlled company with the controlling company and, in particular, compliance with the provisions on the compensation of detriments in a dependency report to be examined by the Supervisory Board and the auditor of the controlled company (cf. §§ 312 to 314 AktG).

1016 It follows that the Board of Management of the controlled company must individually examine all measures or legal transactions undertaken at the instigation of the controlling company to determine whether they are detrimental to the controlled company and therefore subject to compensation. In the latter case, the detriments associated with the legal transaction or measure in question must be assessed individually in order to determine adequate compensation.

1017 This considerable examination and documentation effort can be avoided by entering into a control agreement, since the above provisions on individual compensation for detrimental transactions and measures initiated by the controlling company do not apply in

a contractual group. The same applies to the requirement to prepare a dependency report. These provisions are replaced by the statutory general loss compensation obligation of the controlling company pursuant to § 302 AktG. Management measures can then be aligned with the common interest of the Group without the need for costly control and documentation of the individual measures with regard to whether they are detrimental to the controlled company when viewed in isolation.

1018 Thus, the control and profit and loss transfer agreement – in conjunction with the proposed identity of the members of the Boards of Management of Daimler Truck Holding AG and Daimler Truck AG (cf. Section I.III.3 a)) – represents an essential element for controlling the Future Daimler Truck Group. Under the control and profit and loss transfer agreement, the joint interests of the Group can be asserted vis-à-vis the Board of Management of Daimler Truck AG by way of instructions from Daimler Truck Holding AG. The Board of Management of the controlled company must also follow instructions that are detrimental to the company, provided they serve the interests of the controlling company or the companies affiliated with the latter and the company. The Board of Management may only refuse to comply with a permissible instruction if it is evidently not in the interests of the controlling company or its affiliated companies. This corresponds to the legal concept of the contractual group pursuant to § 308 AktG.

1019 There are no interests of outside shareholders in the present case, since all shares in Daimler Truck AG will be held by Daimler Truck Holding AG following the Consummation of the Demerger Agreement.

7. Approved capital

1020 It is intended that under the future Articles of Incorporation of Daimler Truck Holding AG, the Board of Management will be authorised to increase the share capital of the company with the consent of the Supervisory Board in the period until 31 October 2026, by a total of up to EUR 329,180,752.00, in one lump sum or by separate partial amounts at different times, by issuing new no-par value registered shares in exchange for cash and/or non-cash contributions ("**Approved Capital 2021**").

1021 This Approved Capital 2021 is to be resolved at a shareholders' meeting of Daimler Truck Holding AG at the beginning of November 2021, with the resolution only to become effective for the period after the Consummation of the Demerger Agreement.

1022 The full wording of the Approved Capital 2021 is part of the future Articles of Incorporation of Daimler Truck Holding AG, which are enclosed with the Demerger Agreement as Annex 20.1.

1023 The future Approved Capital 2021 is described and explained in more detail below:

a) Overview

1024 The Approved Capital 2021 is an authorisation to be included in the Articles of Incorporation of Daimler Truck Holding AG for the Board of Management to increase the share

capital of the company, with the consent of the Supervisory Board, by a total of up to EUR 329,180,752.00, in one lump sum or by separate partial amounts at different times, by issuing new no-par value registered shares. The authorisation will have a term until 31 October 2026, i.e. for just under five years.

- 1025 New shares may be issued from the Approved Capital 2021 against contributions in cash or in kind. In the event of a full utilisation of the Approved Capital 2021, the share capital of Daimler Truck Holding AG existing at the time the Approved Capital 2021 becomes effective would be increased by 40 %.
- 1026 The Approved Capital 2021 is intended to ensure that Daimler Truck Holding AG is in a position to cover future financing requirements, if necessary at very short notice, and to take advantage of any market opportunities quickly and flexibly. Decisions on whether to meet a capital requirement or to exercise strategic options usually have to be made at short notice. It is therefore important that the company is not dependent on the rhythm of the annual general meetings or on the convening of an extraordinary general meeting in this respect, but is able to act without delay. With the instrument of "approved capital" (§ 202 AktG), the legislator has accounted for this requirement.

b) Subscription rights and exclusion of subscription rights

- 1027 In the event that the future Approved Capital 2021 is utilised, the shareholders of Daimler Truck Holding AG will, as a general rule, have a subscription right to the new shares. The new shares may also be assumed by credit institutions or by enterprises pursuant to § 186 para. 5 sent. 1 AktG, subject to the obligation to offer them to the shareholders for subscription (so-called indirect subscription right). However, the Board of Management is to be given the opportunity to exclude the shareholders' subscription right in the following cases – in each case, however, only with the consent of the Supervisory Board:

aa) Exclusion of subscription rights for fractional amounts

- 1028 The authorisation to exclude fractional amounts from the subscription right serves to ensure that a practically feasible subscription ratio can be determined with regard to the amount of the respective capital increase. Without the exclusion of the subscription right with regard to the fractional amount, the technical implementation of the capital increase would be considerably more difficult, in particular in the case of a capital increase by round amounts. The shares excluded from shareholders' subscription right as free fractions are realised either by sale via the stock exchange or otherwise in the best possible manner for the company.

bb) Exclusion of subscription rights in the case of capital increases against non-cash contributions

- 1029 Under the Approved Capital 2021, the Board of Management will also have the option to exclude the shareholders' subscription right in the case of capital increases in exchange for non-cash contributions if these are made for the purpose of the acquisition

(also indirectly) of companies, parts of companies, participating interests in companies or other assets or claims to the acquisition of assets, including receivables from the company or its group companies.

- 1030 As a (future) listed company, Daimler Truck Holding AG must be able to act quickly and flexibly at all times in the international and regional markets in the interests of its shareholders. This also includes the possibility of acquiring other companies, parts of companies, such as business divisions, participations in companies, but also individual legal positions, other assets or claims to the acquisition of assets in order to improve the competitive situation.
- 1031 Against the background of increasing consolidation, also in the markets in which Daimler Truck Holding AG will operate, and the dynamics of technological progress, it is particularly important for the Board of Management to be able to react flexibly and at short notice, which is why it is generally not possible to wait for a General Meeting in such cases. Owners of attractive acquisition targets often demand voting shares as consideration for a sale in order to be able to participate in or shape the added value associated with the acquisition. In addition, the granting of shares may be expedient or even necessary in order to preserve the company's liquidity.
- 1032 In the event that the authorisation is exercised, the Board of Management and the Supervisory Board of Daimler Truck Holding AG will carefully examine whether the value of the new shares and the value of the consideration are in an appropriate proportion at that time. The reduction in the relative participation quota and the relative voting right share of the shareholders caused by an exclusion of subscription rights in the case of capital increases against non-cash contributions is offset by the fact that the business expansion is financed by third parties by way of strengthening equity and the existing shareholders – albeit with a lower quota than before – participate in a corporate growth which they would have to finance from their own funds if subscription rights were granted. The stock exchange listing of Daimler Truck Holding AG also gives all shareholders the opportunity to increase their shareholdings by purchasing additional shares.

cc) Exclusion of subscription rights for outstanding convertible bonds and option bonds

- 1033 Furthermore, the Board of Management of Daimler Truck Holding AG will be authorised under the Approved Capital 2021 to exclude subscription rights to the extent necessary to grant holders, if any, of future bonds with conversion or option rights or conversion or option obligations a right to subscribe for new no-par value registered shares of Daimler Truck Holding AG in the amount to which they would be entitled as shareholders after exercising the conversion or option rights or after fulfillment of the conversion or option obligations.
- 1034 In order to facilitate the placement of bonds on the capital market, the relevant issue conditions generally provide for protection against dilution. One way of protecting against dilution is for the holders of bonds with conversion or option rights or conversion or option obligations to also be granted subscription rights to the new shares in the

event of a share issue in which the shareholders have subscription rights. Such holders are thus placed in the same position as if they had already exercised their conversion or option rights or if their conversion or option obligations had already been fulfilled. Since in this case the protection against dilution does not have to be ensured by reducing the option or conversion price, a higher issue price can be achieved for the no-par value registered shares to be issued upon conversion or exercise of the option. However, this procedure is only possible if the shareholders' subscription rights are excluded to this extent.

- 1035 Since the placement of bonds with conversion or option rights or conversion or option obligations is facilitated if corresponding protection against dilution is granted, the exclusion of subscription rights serves the shareholders' interest in an optimal financial structure of their company.

dd) Simplified exclusion of subscription rights for capital increases against cash contributions

- 1036 Finally, the Board of Management will be authorised under the future Approved Capital 2021 to exclude the subscription right in the case of capital increases against cash contributions if the issue price of the new shares is not significantly lower than the stock market price of the (then) already listed shares and the computational part of the new shares in the share capital does not exceed a total of 10 % of the share capital, neither at the time this authorisation becomes effective nor at the time it is exercised.
- 1037 This possibility of the so-called simplified exclusion of subscription rights is provided for in § 203 para. 1 in conjunction with § 186 para. 3 sent. 4 AktG. It is intended to enable the management to cover the company's equity capital requirements in a timely and flexible manner. By dispensing with the costly and time-consuming subscription rights procedure, the Board of Management is able to react to favorable market situations at short notice. Experience has shown that such capital increases lead to a higher inflow of funds than a comparable capital increase with subscription rights for shareholders because of the faster options for action and also make it possible to attract new groups of shareholders in Germany and abroad.
- 1038 When utilising this authorisation, the Board of Management will fix the discount as small as possible in light of the market conditions existing at the time of the placement. In no event will the deviation from the stock market price when utilising the Approved Capital 2021 be in excess of 5 % of the then prevailing market price.
- 1039 The scope of a capital increase against cash contributions with a simplified exclusion of subscription rights is also limited to 10 % of the share capital when the Approved Capital 2021 becomes effective or, if this amount is lower, when the authorisation to exclude subscription rights is exercised. In this regard, it is stipulated that this limit is to include such shares which are issued or sold during the term of this authorisation with the exclusion of the subscription rights in application, directly or *mutatis mutandis*, of § 186 para. 3 sent. 4 AktG. Furthermore, such shares are also included in this 10 % limit that are issued or may be or have to be issued to honor bonds with conversion or option

rights or conversion or option obligations if the bonds are issued with the exclusion of the shareholders' subscription right after the Approved Capital 2021 becomes effective in application, *mutatis mutandis*, of § 186 para. 3 sent. 4 AktG.

- 1040 In accordance with the provisions of § 203 para. 1 in conjunction with § 186 para. 3 sent. 4 AktG, this inclusion mechanism takes account of the shareholders' need for protection against dilution by maintaining their shareholding quota as far as possible even in the event of a combination of capital measures and the sale of own shares and/or the issue of bonds. Since the issue price for the new shares issued with the simplified exclusion of subscription rights is to be based on the stock market price and the scope of the authorisation is limited, the shareholders also have the opportunity to maintain their relative shareholding and their relative share of voting rights by purchasing additional shares on the stock market. This ensures that both the economic and voting rights of shareholders are adequately protected, in accordance with the statutory rationale of § 186 para. 3 sent. 4 AktG, when shares are issued from the Approved Capital 2021 with an exclusion of subscription rights, while granting the company flexibility for the benefit of all of its shareholders.

ee) Maximum limit for capital increases with an exclusion of subscription rights

- 1041 In addition, it is intended to subject all of the exclusions of subscription rights explained above to a common cap which limits the volume of shares issued without subscription rights from the Approved Capital 2021 to a total of 10 % of the share capital. For this purpose, the amount of the share capital at the time the Approved Capital 2021 takes effect is relevant. This limit is to include shares that are issued or sold during the term of the Approved Capital 2021 with the exclusion of subscription rights from other sources, as well as shares that are issued or may be or have to be issued to honor bonds with conversion or option rights or conversion or option obligations, if the bonds are issued with the exclusion of the shareholders' subscription right after the Approved Capital 2021 has taken effect.

8. Authorisation for the acquisition and use of own shares

- 1042 It is also planned to authorise the Board of Management of Daimler Truck Holding AG to acquire and use own shares in accordance with § 71 para. 1 no. 8 AktG before the spin-off takes effect. The authorisation will include that the Board of Management, with the consent of the Supervisory Board, may acquire own shares for any permissible purpose up to an amount of 10 % of the share capital until 31 October 2026. The relevant amount in this respect is to be the share capital existing at the time the authorisation becomes effective or – if this value is lower – at the time the authorisation is exercised.
- 1043 The planned authorisation is also to be submitted to the General Meeting of Daimler Truck Holding AG for resolution at the beginning of November 2021. The resolution is to take effect only for the period after the Consummation of the Demerger Agreement, meaning that the aforementioned 10 % limit is to be based on the share capital already increased at that time.

1044 The complete wording of the planned authorisation is enclosed with the Demerger Agreement as Annex 20.2.

1045 The authorisation is described and explained in more detail below:

a) Overview

1046 The planned authorisation to acquire own shares in an amount of up to 10 % of the share capital is intended to enable the company to acquire own shares for any permissible purpose and, in particular, to use them to finance mergers and acquisitions, to transfer them to third parties against payment in cash, to fulfill obligations under convertible or option bonds or to transfer them to employees, or to redeem the shares. The authorisation is intended to give the company the greatest possible flexibility and, in order to optimise the buyback, also to allow the company to acquire own shares by means of derivatives.

b) Acquisition and exclusion of the right to tender

1047 In addition to acquisition via the stock exchange, it is intended that it will also be possible for own shares to be acquired by means of a public purchase offer or a public invitation to submit offers, by the company itself or by companies affiliated with it within the meaning of §§ 15 et seqq. AktG or by third parties acting for its or their account. If the number of own shares tendered or offered for purchase exceeds the total volume envisaged by the company for purchase, the purchase may be made subject to exclusion of the shareholders' right to tender, on the basis of the ratio of shares tendered or offered per shareholder instead of the ratio of the shareholding quotas in order to simplify the allocation procedure. This simplification is also served by the possibility of giving preferential treatment to small numbers of up to 100 shares tendered per shareholder and rounding in accordance with commercial principles. The Board of Management considers the exclusion of any further tender rights of the shareholders to be objectively justified and reasonable vis-à-vis the shareholders.

c) Acquisition of own shares using derivatives

1048 In addition, Daimler Truck Holding AG is to be given the opportunity, with the consent of the Supervisory Board, to acquire own shares also through the use of derivatives. By means of these additional alternative courses of action, the company expands its possibilities for structuring the acquisition of own shares in an optimal manner. It is intended to use derivatives only as a supplement to conventional share buybacks. The use of put options, call options and forward purchases as well as a combination of these instruments (hereinafter collectively referred to as "**Derivatives**") may – also in combination with otherwise permissible transactions not covered by this authorisation – be advantageous for the company compared to the direct acquisition of the shares.

1049 The authorisation to use Derivatives does not lead to an extension of the maximum limit for the acquisition of own shares of up to a total of 10 % of the share capital, but merely

enables the acquisition of own shares using derivative financial instruments within this framework up to a maximum limit of 5 % of the share capital.

- 1050 The Derivative transactions are to be concluded with an independent credit institution or undertakings operating pursuant to § 53 para. 1 sent. 1 or § 53b para. 1 or para. 7 KWG or a syndicate of such credit institutions or undertakings. The term of the Derivatives must be selected in such a way that the acquisition of the shares in accordance with the Derivative terms does not occur after the end of the term of the acquisition authorisation, i.e. not after 31 October 2026. This will ensure that the company does not acquire any more own shares on the basis of the use of Derivatives after the expiry of the authorisation to acquire own shares, which is limited to approx. five years. In addition, the term of the individual Derivatives is limited to 18 months.
- 1051 When selling put options, the company grants to the acquirer of the put options the right to sell shares to the company at a price determined in the put option ("Exercise Price"). As a so-called writer (*Stillhalter*), the company is obliged to acquire the number of shares stipulated in the put option at the Exercise Price. As consideration, the company receives an option premium on the sale of the put option which, taking into account the Exercise Price, the term of the option and the volatility of the share, essentially corresponds to the value of the right to sell. If the put option is exercised, the option premium paid by the acquirer of the put option reduces the total consideration paid by the company for the acquisition of the share. Exercising the put option is economically sensible for the beneficiary if the market price of the share of Daimler Truck Holding AG is lower than the Exercise Price, as the beneficiary is then able to sell the shares to the company at the higher Exercise Price. From the perspective of the company, the share buyback using put options has the advantage that the Exercise Price is already stipulated on the date the option is concluded. In contrast, the liquidity is only paid out on the date of exercise. In addition, the purchase price of the shares for the company is lower than the share price at the time the option was concluded due to the option premium received. If the option is not exercised, because the share price on the date of exercise is higher than the Exercise Price, the company is unable to acquire own shares in this manner. However, it still retains the option premium received on the date on which the option was concluded.
- 1052 When acquiring a call option, the company receives the right against payment of an option premium, to purchase a previously determined number of shares at a previously determined price ("Exercise Price") from the seller of the option, the writer (*Stillhalter*). The company thus purchases the right to acquire its own shares. Exercising the call option is economically appropriate for the company if the market price of the shares is higher than the Exercise Price, as it is then able to purchase the shares from the writer at the lower Exercise Price.
- 1053 In the case of forward purchases, under the agreement with the forward seller the company acquires the own shares on a specific date in the future at the purchase price determined when the forward purchase is concluded. It may be appropriate for the company to enter into forward purchases if it wishes to secure a requirement for its own shares at a forward date at a particular price level.

- 1054 The terms and conditions of the Derivatives must ensure that the Derivatives are only satisfied with shares acquired in compliance with the principle of equal treatment, with an acquisition via the stock exchange meeting this requirement. This requirement ensures that shareholders are not economically disadvantaged by the use of Derivatives.
- 1055 Any claim of the shareholders to conclude such Derivative transactions with the company is excluded in application, *mutatis mutandis*, of § 186 para. 3 sent. 4 AktG. Shareholders also have no right to conclude Derivative transactions if, in the case of an intended acquisition of own shares using Derivatives, a preferential offer is provided for the conclusion of Derivative transactions relating to smaller numbers of shares. Shareholders have a right to tender their shares to the company only to the extent that the company is obligated to purchase the shares from them under the Derivative transactions. Otherwise, the use of Derivatives in the course of the buyback of own shares would not be possible and the benefits for the company associated therewith could not be achieved.
- 1056 The purchase price per share agreed in the respective Derivative which is payable upon exercise of put options or call options or in fulfillment of a forward purchase may not exceed by more than 10 % the future average auction closing price of a share of Daimler Truck Holding AG in Xetra trading (or a functionally comparable successor system to the Xetra system) at the Frankfurt Stock Exchange on the last three exchange trading days before the conclusion of the relevant Derivative transaction, or fall short of it by more than 20 % (in each case not including ancillary acquisition costs, but taking into account the option premium received or paid, respectively). The purchase price paid by the company for Derivatives may not be significantly higher, and the sale price received by the company for Derivatives may not be significantly lower, than the theoretical market value of the respective Derivatives determined in accordance with recognised financial mathematical methods, the determination of which must take into account, among other things, the agreed Exercise Price. The determination of the option premium and the exercise or purchase price as described above, as well as the obligation to be included in the terms and conditions of the Derivatives to satisfy options and forward purchases only with shares acquired in compliance with the principle of equal treatment, prevents shareholders from being economically disadvantaged by such an acquisition of own shares. Since the company receives or pays a fair market price, the shareholders not participating in the Derivative transactions do not suffer a material economic detriment. This is equivalent, in effect, to the position of the shareholders in the case of a buyback of shares through the stock exchange, where not all shareholders are actually able to sell shares to the company, either. Both the requirements for the structuring of the Derivatives and the requirements for the shares suitable for delivery ensure that in the case of this form of acquisition the principle of equal treatment of the shareholders is also taken into account comprehensively.

d) Use of own shares with an exclusion of subscription rights

- 1057 For the own shares acquired on the basis of the authorisation it shall be possible to be used in certain cases with an exclusion of shareholders' subscription rights:

aa) Exclusion of subscription rights in the case of use of own shares as contributions in kind

1058 The Board of Management shall have the option, subject to the consent of the Supervisory Board, to offer and transfer own shares as consideration in kind and thus to use them as consideration, in particular in connection with mergers or the (also indirect) acquisition of companies, establishments, parts of companies, participating interests in companies or other assets or claims to the acquisition of assets, including receivables from the company or its affiliated companies within the meaning of §§ 15 et seqq. AktG. The international competition and the globalisation of the economy increasingly require this form of consideration. The proposed authorisation is therefore intended to give the company the necessary flexibility to take advantage of acquisition opportunities that arise quickly, flexibly and in a manner that preserves liquidity. When determining the valuation ratio, the company will ensure that the interests of the shareholders are adequately protected, taking into account the stock exchange price but without any mathematical link to it.

bb) Simplified exclusion of subscription rights in the case of the sale of own shares against cash payment

1059 Furthermore, the Board of Management is to be enabled, subject to the consent of the Supervisory Board, to sell own shares to third parties in a manner other than on the stock exchange or by way of an offer to all shareholders against payment in cash, e.g. to institutional investors or to tap new groups of investors. The prerequisite for such a sale is that the price achieved is not significantly lower than the stock market price of shares in the company with the same features at the time of the sale (not including ancillary acquisition costs). The possibility of selling repurchased own shares for cash subject to an exclusion of the shareholders' subscription rights serves the company's interest in achieving the best possible price when selling the own shares. The exclusion of the subscription right facilitates a placement close to the stock exchange price, so that the usual discount for subscription right issues does not apply. The immediate inflow of funds avoids the uncertainty of future stock market developments. The computational part in the share capital attributable to shares sold in this way may not exceed a total of 10 % of the company's share capital at the time the authorisation becomes effective or – if this value is lower – at the time the authorisation to sell own shares with an exclusion of subscription rights is exercised.

1060 By basing the selling price on the stock exchange price, the interest in protecting against dilution is taken into account and the economic and voting right interests of the shareholders are adequately safeguarded. When determining the selling price, the management will endeavor to keep any discount from the stock exchange price as low as possible, taking into account market conditions. In principle, the shareholders have the option of maintaining their shareholding quota by purchasing additional shares on the stock exchange, while the company is given further room for maneuver in the interests of all shareholders in order to take advantage of favorable stock market situations at short notice.

1061 The inclusion clause provided for ensures that the number of own shares sold subject to a simplified exclusion of subscription rights in application, *mutatis mutandis*, of § 186 para. 3 sent. 4 AktG, together with other shares issued or sold in direct or analogous application of this provision subject to the exclusion of shareholders' subscription rights during the term of the acquisition authorisation until the authorisation to exclude subscription rights for the use of acquired own shares is exercised, does not exceed the limit of 10 % of the share capital. In addition, such shares are to be included which were issued or are yet to be issued to satisfy conversion/option rights or conversion/option obligations under convertible/option bonds, provided that the bonds concerned were issued during the term of the acquisition authorisation in application, *mutatis mutandis*, of § 186 para. 3 sent. 4 AktG.

cc) Exclusion of subscription rights in the case of outstanding convertible bonds and option bonds

1062 Furthermore, the company is to be enabled to use acquired own shares to satisfy or secure acquisition rights or acquisition obligations in respect of shares in the company, in particular arising from or in connection with convertible and/or option bonds issued by the company or an undertaking affiliated with the company within the meaning of §§ 15 et seqq. AktG. This ensures flexible handling and allows the dilution effect associated with the issue of new shares to be avoided. The Board of Management will give due consideration to the interests of the shareholders when deciding whether to issue new shares or own shares when satisfying such acquisition rights or acquisition obligations. The same applies to the question of the – possibly also exclusive – option of satisfying the aforementioned convertible and/or option bonds with own shares. In all such cases, the shareholders' subscription rights to the own shares must be excluded. This also applies to the granting of a form of protection against dilution that is customary in the market, insofar as the holders or creditors of conversion/option rights in respect of shares in the company or corresponding conversion/option obligations in the case of subscription right issues by the company are granted shares to the extent to which they would be entitled after having already exercised these rights or fulfilled these obligations.

dd) Exclusion of subscription rights in case of use as employee shares

1063 The possibility is also to be created to issue own shares directly or indirectly to employees of the company or of undertakings affiliated with it within the meaning of §§ 15 et seqq. AktG, to members of corporate bodies of undertakings affiliated with the company or to third parties who transfer the economic ownership and/or the economic proceeds from the shares to these persons. The issue of shares to this group of persons strengthens the identification of the beneficiaries with the company and the ownership culture within the company. This is in the interest of the company. The same applies to the exclusion of subscription rights required for this use. Also, in order to facilitate the handling of the issue of shares for this purpose, the company shall be enabled to procure the shares required for this purpose by way of acquiring own shares by means of securities loans/securities borrowings and, if necessary, to use own shares to satisfy the lenders'/borrowers' claims for repayment.

ee) Maximum limit for the sale of own shares with the exclusion of subscription rights

1064 The aggregate amount of own shares used subject to an exclusion of shareholders' subscription rights during the term of this authorisation may not account for more than a computational part of 10 % of the share capital at the time this authorisation becomes effective or – if this value is lower – at the time it is exercised. If, during the term of this authorisation and until it is exercised, other authorisations to issue shares of the company or to issue rights that enable or oblige the holder to subscribe to shares of the company are exercised and the subscription right is excluded in this context, this is to be included in the aforementioned 10 % limit.

e) Redemption of the acquired shares

1065 Finally, the possibility is to be created to redeem own shares also without a new resolution by the General Meeting. The redemption is to be made possible with or without a reduction of the share capital as decided by the competent corporate bodies, with the pro rata amount per share of the share capital increasing in the latter case. In this case, the Board of Management is authorised to adjust the number of shares stated in the Articles of Incorporation.

9. Share-based remuneration programmes

1066 For the employees of Daimler Truck Group, Daimler Truck AG will continue the PPSPs 2018 to 2021 from the spin-off taking effect in accordance with the conditions set out in Section G.III.5. The PPSPs 2018 to 2021 of the members of the Board of Management of Daimler Truck Holding AG will be continued from the spin-off taking effect by Daimler Truck Holding AG with the same modifications in terms of content. In addition, it is intended to continue to offer share-based remuneration from 2022 onwards.

1067 In connection with the payment of the PPSPs 2018 to 2021, there will be subsequent settlement processes between companies of the Daimler Group and the Daimler Truck Group in the years 2022 to 2025 if plan participants have earned time shares in companies of the respective other group prior to the spin-off. To the extent possible, provisions will be transferred to the new companies in the context of transfers and the establishment of new Truck companies within a country at the time of the spin-off and in the context of transfers of establishments, in order to minimise settlement processes as far as possible.

1068 Daimler AG and Daimler Truck Holding AG and the respective subsidiaries of Daimler AG and Daimler Truck Holding AG will bear the costs for the time shares earned in their companies and for taxation and will jointly ensure that the necessary contractual basis for settlement processes is created to the extent these do not yet exist. Charges will be passed on in this respect either on the basis of the known regulations or according to additional agreements.

1069 To the extent that the members of the Board of Management of Daimler Truck Holding AG and the senior executives assigned to the Future Daimler Truck Group are subject to the internal holding rules for shares (Stock Ownership Guidelines, SOG), the shares of Daimler Truck Holding AG will remain in the SOG custody account after the spin-off and the release of the Daimler shares. In accordance with the allocation ratio defined for the shareholders, according to which each shareholder receives one share of Daimler Truck Holding AG for every two Daimler shares held, the number of shares relevant for the achievement of the shareholding targets is thus halved, since the shareholding targets remain unchanged. Thus, the members of the Board of Management and all senior executives subject to holding rules for shares will be required to begin replenishing their SOG accounts again, starting with the payment of the 2018 PPSP in 2022. This requirement will no longer apply in 2022, provided that by the time the spin-off becomes effective the share purchase process under the 2018 PPSP payout has already been completed. In this case, the replenishment of the SOG depots will start in 2023.

J. Relationships between the Future Daimler Group and the Future Daimler Truck Group

1070 After the spin-off has taken effect, numerous relationships under company law and contractual relationships will exist between the Future Daimler Group and the Future Daimler Truck Group. These relationships are illustrated below.

I. Relationships under company law and deconsolidation agreement

1071 When the spin-off takes effect, the shareholders of Daimler AG will – in addition to their unchanged shareholding in Daimler AG – hold 65.00 % of the share capital of Daimler Truck Holding AG. Daimler AG will retain a minority shareholding in the share capital of Daimler Truck Holding AG totaling 35.00 %, held directly by Daimler AG in the amount of 28.43 % (as a consequence of the spin-off) and indirectly via Daimler Grund in the amount of 6.57 % (as a consequence of the Capital Increase Against Contribution in Kind III). The control and profit and loss transfer agreement between Daimler AG and Daimler Truck AG is intended to be transferred to Daimler Truck Holding AG by means of a spin-off, so that Daimler Truck Holding AG will replace Daimler AG as the controlling company when the spin-off takes effect. Daimler AG intends to transfer an interest in Daimler Truck Holding AG in the amount of 5 % to Daimler Pension Trust e.V., which will hold the shares in trust for Daimler AG or Mercedes-Benz AG, if necessary via a special fund, as security assets after the Consummation of the Spin-Off Agreement.

1072 It is expected that Daimler AG will have an attendance majority at the General Meeting of Daimler Truck Holding AG. Notwithstanding this, Daimler Truck Holding AG is to manage the commercial vehicles business bundled under it autonomously and independently of Daimler AG after the spin-off takes effect. In order to completely exclude any control of Daimler AG over Daimler Truck Holding AG and the resulting obligation to fully consolidate the shares directly and indirectly held by Daimler AG in Daimler Truck Holding AG in the consolidated financial statements of Daimler AG, Daimler AG and Daimler Grund, on the one hand, and Daimler Truck Holding AG, on the other hand, have concluded the deconsolidation agreement enclosed with the Demerger Agreement as Annex 28. The provisions of the deconsolidation agreement are explained in more detail in Section L.III.

1073 In addition, the following interrelationships under company law will exist between the Future Daimler Group and the Future Daimler Truck Group:

- Daimler Grund Services will in future hold 10.1 %, and Daimler Truck AG and EvoBus GmbH, respectively, will in future (indirectly) hold 89.9 % of the interests in various real estate management partnerships, the Gamma Partnerships and EvoBus OHG (cf. the comments above in Section D.IV.2 on the restructuring of the shareholdings in the real estate management partnerships).
- In future, both Daimler Truck AG and Mercedes-Benz AG will each hold a 50 % interest in LICULAR GmbH, a newly founded battery recycling company.

- Mercedes-Benz AG will hold an 80 % interest and Daimler KAMAZ RUS OOO will hold a 20 % interest in the Russian vehicle assembly company Mercedes-Benz Manufacturing Rus Ltd. Here, 50 % of Daimler KAMAZ RUS OOO will be indirectly owned by Daimler Truck AG and 50 % by KAMAZ PAO, in which – in addition to third parties – Daimler AG will initially again hold a 15 % interest upon the spin-off taking effect due to a prior buyback. It is planned to transfer the interest in KAMAZ PAO from Daimler AG to Daimler Truck AG as soon as the related negotiations with the other shareholders of KAMAZ PAO have been concluded and the regulatory approvals have been obtained.
- In addition to external shareholders, Mercedes-Benz Investment Company LLC will hold a 3.30 % interest and Daimler Trucks & Buses US Holding LLC will hold a 0.03 % interest in Chargepoint Holdings Inc.

II. Group Separation Agreement

- 1074 Daimler AG and Daimler Truck Holding AG have entered into a group separation agreement which is enclosed with the Demerger Agreement as Annex 29. It contains provisions on the legal relationships between Daimler AG and Daimler Truck Holding AG as well as their respective group companies to be allocated to them at the time of the spin-off taking effect or, in part, after the spin-off has taken effect, for the period after the spin-off has taken effect, in particular with regard to their joint affiliation with the Daimler Group in the past.
- 1075 The provisions of the Group Separation Agreement are explained in more detail in Section L.II.

III. Continuing service relationships for central functions

- 1076 Following on from the description in Section D.I above regarding the establishment and building up of the central functions at Daimler Truck AG, this section provides an overview of the service relationships which will (temporarily) continue to exist or which will be newly established between the central functions of the Future Daimler Group and the central functions of the Future Daimler Truck Group after the spin-off has taken effect.
- 1077 As already explained in Section D, the central functions will be established at the level of Daimler Truck AG in order to make Daimler Truck Holding AG as lean as possible. For this reason, it is currently intended that, after the spin-off has taken effect, only a few selected executives will be employed by Daimler Truck Holding AG by way of dual employment contracts and that the performance of the tasks of Daimler Truck Holding AG as the listed parent company will be ensured – to the extent possible – by concluding service level agreements.

1. External Affairs

- 1078 Daimler Truck AG has so far had access to the broad network of Daimler AG in politics, administration, associations and non-governmental organisations (cf. Section D.I.2).

Access to this network will be maintained, taking into account antitrust aspects, after the spin-off has taken effect by means of a transitional services agreement between Daimler AG and Daimler Truck AG with an expected term of one year at arm's length conditions.

2. Communications

- 1079 As of the spin-off taking effect, the function located at Daimler Truck AG with responsibility for communications will independently and autonomously perform all essential internal and external communications tasks for the entire Future Daimler Truck Group. The mandate function for the corporate image/corporate design for the Future Daimler Truck AG will also be assumed by the Communications department of Daimler Truck AG. However, it will procure services from external service providers for some communication tasks (cf. Section D.I.4).
- 1080 In addition, the function will procure selected services (e.g. interpreting and translation services) from Daimler AG and use selected technical platforms of Daimler AG beyond the effective date of the spin-off. This will be done on the basis of several transitional services agreements concluded between Daimler AG, on the one hand, and Daimler Truck AG, on the other hand, at arm's length conditions.
- 1081 For example, Daimler Truck AG will use the software platform of Daimler AG for the social intranet of Daimler Truck AG under a transitional services agreement with the IT department of Daimler AG, initially limited to the year 2022. Website hosting for the daimlertruck.com domain (website of the Future Daimler Truck Group) will also be handled by the IT function of Daimler AG for an expected transitional period of one year. The conclusion of a further transitional services agreement between Mercedes-Benz AG and Daimler Truck AG for the temporary joint use of a platform for the management of donation and sponsoring activities is currently still being clarified. The mandate function for the corporate image/corporate design for the Future Daimler Truck AG will be assumed by the Communications department of Daimler Truck AG.

3. Accounting & Financial Reporting

- 1082 As of the spin-off taking effect, the function at Daimler Truck AG responsible for Accounting & Financial Reporting for the Future Daimler Truck Group will, in principle, perform its tasks independently and autonomously (cf. Section D.I.5). However, the function will continue to use the so-called Captive Shared Service Organisation of Daimler AG for transactional commercial processes beyond the effective date of the spin-off. This will initially be done on the basis of transitional services agreements and is expected to be done on the basis of long term services agreements from 2023 onwards. The corresponding contracts are concluded between Daimler AG or its subsidiaries, on the one hand, and Daimler Truck AG or its subsidiaries, on the other hand, at arm's length conditions. In addition, the function will continue to access selected accounting systems of Daimler AG (cf. point 10 on future service relationships with respect to IT systems).

4. Tax & Customs

- 1083 Until the spin-off takes effect, the tax functions of the Daimler Group and the Future Daimler Truck Group in Germany and abroad will be fully separated (cf. Section D.I.6).
- 1084 Nevertheless, prior to the spin-off taking effect, Daimler AG or its subsidiaries and Daimler Truck AG or its subsidiaries will enter into transitional services agreements under which Daimler AG or its subsidiaries will provide tax and customs services to companies of the Future Daimler Truck Group on an arm's length basis, if required, for an expected transitional period of no more than twelve months after the spin-off takes effect, to the extent that this is permissible under local law and is absolutely necessary to ensure tax and customs compliance. With regard to the provision of software and IT systems, including IT support services, which the Future Daimler Truck Group requires for the handling of tax and customs processes, cf. the statements in point 10.
- 1085 Furthermore, Daimler AG and Daimler Truck Holding AG have agreed for the period after the spin-off has taken effect under the Group Separation Agreement that, to the extent permitted by law, they will provide each other upon request with all information and documents which are necessary or expedient for the fulfilment of tax or other official requirements or for the provision of evidence to tax authorities, and will mutually work towards appropriate support by their employees (cf. Section L.II regarding the Group Separation Agreement).

5. Treasury

- 1086 Until the spin-off takes effect, a large part of the currently still existing service relationships in the Treasury area between Daimler AG and the Future Daimler Truck Group will be terminated (cf. Section D.I.7). However, certain service and legal relationships relating to Treasury will continue to exist between the Future Daimler Group and the Future Daimler Truck Group. In more detail, this concerns the following areas:

a) Guarantees

- 1087 To the extent that (i) Guarantees issued by companies of the Future Daimler Group for companies of the Future Daimler Truck Group or (ii) Guarantees issued by companies of the Future Daimler Truck Group for companies of the Future Daimler Group are not redeemed by the time the spin-off takes effect, such Guarantees will generally continue to exist beyond this point in time (cf. Section D.I.7 d)). In this case, the contracts agreed between the contracting parties will remain unchanged and the corresponding fees will be paid in accordance with the contractual agreements, unless other, new agreements have been made with the companies of the Future Daimler Truck Group or the companies of the Future Daimler Group, respectively. Any counter-guarantees of the companies of the Future Daimler Truck Group in favor of the companies of the Future Daimler Group or companies of the Daimler Group in favor of the companies of the Future Daimler Truck Group will be agreed at arm's length. After the spin-off has taken effect, no risk-increasing changes, such as increases in amounts or extensions of maturities, will be made (cf. Section D.I.7 d)).

b) Management of pension assets

1088 After the spin-off takes effect and until the establishment of a separate investment platform, Daimler Truck AG, EvoBus GmbH and Daimler Truck Financial Services GmbH will continue to use the existing investment platform of Daimler AG. Until the establishment of its own investment platform, Daimler AG will, by way of support, prepare the investment strategy for Daimler Truck AG, EvoBus GmbH and Daimler Truck Financial Services GmbH and will be responsible for the selection of managers and the monitoring of managers on the Daimler AG investment platform on the basis of a transitional services agreement with a term until 31 December 2022, within the scope of a purely portfolio-related investment and strategy consulting service that does not relate to specific financial instruments within the meaning of § 1 para. 11 KWG and is not subject to a permit from the financial supervisory authorities. All operational activities, such as the commissioning of securities transactions for liquidity management purposes and the conclusion of currency hedging instruments, will be carried out by the Pension and Risk Management department of Daimler Truck AG as of the spin-off taking effect (cf. Section D.I.7 e)). With the establishment of its own investment platform, the department will be responsible for all investment processes.

c) Other services in the area of Treasury

1089 After the spin-off has become effective, the Future Daimler Truck Group will continue to use certain other services of Daimler AG which are necessary for the operation of the independent Daimler Truck Treasury in return for payment of an arm's length fee. This relates, in particular, to treasury software solutions which Daimler Truck Treasury will use on the basis of transitional services agreements concluded between Daimler Truck AG and Daimler AG until the spin-off takes effect. The service relationship with respect to certain treasury software solutions thus includes the provision of an IT system (hosting, technical operation) by the Future Daimler Group as well as corresponding support services for the Future Daimler Truck Group. The treasury software solutions will be used for operational activities by employees of the Future Daimler Truck Group. To this end, the data stocks of the two company groups will be separated from each other and the relevant data protection will be ensured by separating the access concepts. As soon as an appropriate proprietary software infrastructure of the Future Daimler Truck Group is available, these transitional services agreements will be terminated (for continuing service relationships in the area of IT, cf. point 10).

6. M&A

1090 Until the spin-off takes effect, Daimler Truck AG will establish an independent M&A function. The M&A function will use the investment management systems of Daimler AG beyond the spin-off taking effect (cf. already Section D.I.8). This will be done on the basis of transitional services agreements. These are concluded between Daimler AG and Daimler Truck AG in the area of IT for a transitional period of at least one year and up to three years at arm's length conditions (cf. also point 10 on transitional services agreements in the area of IT).

7. Real Estate

1091 Until the spin-off takes effect, transitional services agreements will be concluded between Daimler Real Estate GmbH and Daimler Truck AG or its subsidiaries for services in connection with real estate transactions. Legal services are excluded from the scope of services under the transitional services agreement. The transitional services agreements will be concluded at arm's length and for a maximum term of two years from the spin-off taking effect. After termination of the transitional services agreements, an independent Real Estate department with its own IT infrastructure will be established in the Future Daimler Truck Group to take over these tasks (cf. Section D.I.10). In addition, Daimler Grund Services will continue to manage the real estate of the Future Daimler Truck Group at arm's length conditions beyond the spin-off taking effect until probably the end of 2024.

8. Legal & Compliance

1092 The Integrity & Legal (IL) department of Daimler AG and the Legal & Compliance Daimler Trucks & Buses department as a central function of the Future Daimler Truck Group will act independently of each other as of the spin-off taking effect (cf. Section D.I.11). In principle, there no longer are to be any continuing service relationships between the companies. In exceptional cases, service relationships concerning the IL area will initially be reduced to a minimum and terminated completely as soon as possible. This relates, in particular, to the coordination of legal proceedings that affect both groups, as well as IT systems that are temporarily used jointly (e.g. for archiving files), but whose replacement and separation has already been initiated (cf. point 10 on transitional services agreements in the area of IT).

9. HR

1093 Presently, Daimler Truck AG already has an HR function, which will be built up further until the spin-off takes effect (cf. Section D.I.12). Nevertheless, Daimler AG and certain companies of the Future Daimler Group will continue to provide the following HR-related services to Daimler Truck AG and certain companies of the Future Daimler Truck Group for a transitional period of no more than one year after the spin-off takes effect: HR administration functions currently bundled in the shared service center, such as employee arrivals/leavings and transfers, employee leasing, job postings and applicant management, contract processing, preparation of work references, payroll, time management, administration of employees on international assignments (including contract drafting, coordination of tax and legal issues, visas, and ancillary services such as housing and schooling). This will be done on the basis of transitional services agreements concluded between Daimler AG and Daimler Truck AG at arm's length conditions.

1094 In addition, Daimler AG and certain companies of the Future Daimler Group will provide to Daimler Truck AG and certain companies of the Future Daimler Truck Group for a transitional period of at least one year approx. 100 of the previously jointly used HR-related IT systems to the extent legally permissible (in particular, data protection laws, competition law) (e.g. regarding personnel management, payroll and time

management, cf. for transitional services agreements in the area of IT point 10). The duration of the provision of these systems depends to a large extent on the period within which Daimler Truck AG can provide its own new HR IT systems.

10. IT

1095 For the Future Daimler Truck Group (including the financial services business it operates), the IT function already in place at Daimler Truck AG will be expanded in such a way that it can independently perform the IT-related tasks for the Future Daimler Truck Group. According to the current status, the process should be largely completed by the end of 2025 (cf. Section D.I.13).

1096 In the transitional period between the spin-off taking effect and the complete establishment of the IT function of the Future Daimler Truck Group, the Future Daimler Truck Group will continue to procure services from Daimler AG or its subsidiaries, and in some cases reversely, under transitional services agreements concluded at arm's length. To this end, some already existing service agreements concluded at arm's length between the above-mentioned companies will be continued in the form of transitional services agreements, and new agreements will be concluded as required. The parties to the transitional services agreements will be Daimler AG or its subsidiaries, on the one hand, and Daimler Truck AG or its subsidiaries, on the other. The transitional services agreements will cover, in particular, IT services for the maintenance and operation of IT systems and IT infrastructure.

1097 The transitional services agreements, or service contracts, will generally have terms of at least 13 months, depending on requirements.

11. IPS

1098 The IPS division of Daimler AG will continue to be responsible for the purchase of non-production materials, as described in Section D.I.14, for the Future Daimler Truck Group for a transitional period after the spin-off takes effect, which is expected to end in the course of 2022. The contractual basis will be transitional services agreements, which will be concluded at arm's length between Daimler AG and Daimler Truck AG. In the future, both groups will have an independent and autonomous purchasing department for non-production materials.

IV. Continuing service relationships for mandated functions and production

1099 Following on from the description in Section D.II above regarding the separation of mandated functions and production, this section provides an overview of the service relationships which will (temporarily) continue to exist or which will be newly established between the operating functions and production of the Future Daimler Group and the Future Daimler Truck Group after the spin-off takes effect.

1. Sales & After Sales

- 1100 As described in Section D.II.1, currently still existing service relationships between Daimler AG or its subsidiaries and Daimler Truck AG or its subsidiaries in the area of Sales & After Sales will be largely dissolved at the latest upon the spin-off taking effect, in particular with a view to compliance with antitrust requirements. However, some service relationships are to be continued beyond the spin-off taking effect.
- 1101 On the one hand, this applies to approx. 200 to 300 transitional services agreements worldwide, under which various services, such as the Customer Assistance Center in Maastricht, company car management or global logistics operations, are provided at arm's length conditions for varying transitional periods of probably up to 13 months. On the other hand, services such as building rentals or an agency agreement Retail Operations will subsequently be provided worldwide on the basis of approx. 100 to 200 long-term service agreements at arm's length conditions.
- 1102 With regard to transitional services agreements in the area of IT, reference is made to the explanations in Section J.III.10.

2. Production and Supply Chain

- 1103 As already described in Section D.II.2, existing service interdependencies will generally be separated as of 1 December 2021. Due to the geographical proximity at the Gaggenau location and there at the Rastatt plant section, some service relationships will continue to exist here, in particular infrastructure and services for Mercedes-Benz AG at the Rastatt plant. It is also planned that Daimler Truck AG will temporarily continue to procure individual services in the transportation, load carrier and IT clusters from Mercedes-Benz AG or its subsidiaries. All this will be done on the basis of transitional or, in some cases, long-term services agreements concluded between Mercedes-Benz AG and Daimler Truck AG at arm's length conditions. In addition, there will be agreements relating to product supplies, including spare parts, beyond the spin-off taking effect.

3. Production Planning

- 1104 With regard to the area of production planning (cf. Section D.II.3.), it is intended to continue all essential cooperation and service agreements between Daimler Truck AG, on the one hand, and Mercedes-Benz AG, Daimler AG and their subsidiaries, on the other hand, on the basis of transitional services agreements for several years beyond the spin-off taking effect, from today's perspective probably until the middle of the year 2024. Among other things, this relates to the activities currently not explicitly regulated by contract concerning the exchange of know-how with regard to the further development of standards and specifications as well as the use of newly developed production technologies. All transitional services agreements will be concluded at arm's length.

4. Energy and Environmental Management

- 1105 After the time of the group Demerger, no further relations between the Future Daimler Group and the Daimler Truck Group are planned that go beyond the general customary exchange of technical information that is permissible under competition law (such as in associations such as ACEA or VDA on environmental and energy law issues).

5. Quality Management

- 1106 Currently, Daimler Truck AG already operates an independent function for quality management (cf. Section D.II.5). The quality management systems and processes of Daimler Truck AG are therefore already largely independent of those of Daimler AG or Mercedes-Benz AG. Individual exceptions exist, for example, for the documentation of chemical product components (service from Mercedes-Benz AG to Daimler Truck AG) or for services in the powertrain area (service from Daimler Truck AG to Mercedes-Benz AG). These services will continue to a minor extent also beyond the spin-off taking effect. The services concerned will continue to be provided by Mercedes-Benz AG and Daimler Truck AG, respectively, on a contractual basis and at arm's length conditions. The transitional services agreements are expected to have a term of 13 months.

6. Purchase of production material

- 1107 Currently, Daimler Truck AG already maintains an organisation for the purchase of production materials for the Trucks & Buses division. As of the spin-off taking effect, the purchasing activities currently still in part bundled will be completely separated, the joint activities will be discontinued and the relevant service agreements will be terminated. The joint activities in connection with the Shared Service Center in Turkey (for all of this, cf. Section D.II.6 above) will also be formally separated until the spin-off takes effect. For selected purchasing volumes that are not critical under competition law and promise synergies for both groups, joint activities may occur in the future within the framework of a purchasing cooperation.

7. Research & Development

- 1108 Currently, Daimler Truck AG already operates an independent research and development organisation. It is in line with this that already today it makes only limited use of Mercedes-Benz AG's research and development resources (cf. Section D.II.7). It is intended to further reduce these minor cooperations in the area of research and development in view of the planned spin-off. At most, selective development orders from Daimler-Truck AG to Mercedes-Benz AG, e.g. for the use of test tracks, could still be considered then. This will initially be done on the basis of transitional services agreements, some of which are to be continued as long term services agreements from 2023. The contracts will in each case be concluded between Daimler Truck AG or its subsidiaries, on the one hand, and Daimler AG or Mercedes-Benz AG, on the other hand, at arm's length conditions.

8. Facility Management & Mobility Stuttgart

- 1109 The declared goal of Daimler Truck AG is to establish a completely separate Facility Management & Mobility function for the greater Stuttgart area within Daimler Truck AG by the time the spin-off takes effect (in this respect, cf. Section D.II.8). This function will assume responsibility, among other things, for the management of all buildings as well as the associated technical facilities and equipment which Daimler Truck AG alone uses in the greater Stuttgart area for its own purposes (solitary sites).
- 1110 If the establishment of a proprietary Facility Management & Mobility function at Daimler Truck AG is not fully completed by the time the spin-off takes effect, there is an option for Daimler Truck AG to continue to procure services from Mercedes-Benz AG or, if applicable, its subsidiaries to a limited extent. This would be done on the basis of several transitional services agreements concluded between these two companies at arm's length conditions for a maximum term ending on 31 December 2022.
- 1111 Irrespective of this, Mercedes-Benz AG and its subsidiaries will continue to provide services to Daimler Truck AG on the basis of service agreements (e.g. water supply and disposal, building maintenance) with regard to jointly used buildings and areas, primarily at the Untertürkheim location, after the spin-off takes effect. The corresponding service agreements will be concluded between Mercedes-Benz AG and Daimler Truck AG at arm's length conditions and for a currently unspecified period. However, it can be assumed that the number and size of the jointly used buildings and areas will continuously decrease in the coming years.

V. Financial Services

- 1112 General service relationships: Daimler Truck Financial Services GmbH and its local companies will, on a transitional basis, obtain the following services, among others, from companies of the Future Daimler Group, including Daimler Mobility AG, on the basis of transitional services agreements concluded in the respective service relationships: IT (including support and purchasing services, server and database functionalities), human resources, risk management and process support in the area of finance and accounting. It is intended that the majority of the agreements for Phase 1 countries will expire at the end of 2022.
- 1113 Insurance policies: In addition, Daimler Insurance Services GmbH will broker insurance solutions for the companies of the Future Daimler Truck Group. This will be done on the basis of agreements concluded between Daimler Insurance Services GmbH and Daimler Truck AG at arm's length conditions for a term until the end of the year 2024. For future insurance coverage, cf. already Section D.VII.
- 1114 Financial services brokerage programmes: The Future Daimler Group and the Future Daimler Truck Group will continue to finance and lease vehicles of the respective other Group in selected countries for a limited transitional period (financial services brokerage programme). For this purpose, corresponding agreements are to be concluded between

the relevant companies of the Future Daimler Group and the Future Daimler Truck Group. Cf. in this regard already Section D.VI.7 a) to c).

VI. License structure and license agreements for trademarks, domains and patents

1115 Daimler Brand IP Management GmbH & Co. KG will continue, also after the spin-off takes effect, to provide IP services to Daimler Truck AG for the defense and enforcement of the Multi-Use Rights used by Daimler Truck AG. With regard to the future licensing structure and the license agreements for trademarks, domains and patents, reference is made to the explanations in Section D.III.

K. Consequences of the Demerger for the Employees and Their Representative Bodies

- 1116 In the following, this section first describes the measures taken to prepare for the spin-off (point I) and then the consequences of the spin-off and hive-down for the employees and their representative bodies (points II to VI).
- 1117 Neither the spin-off nor the hive-down results in a transfer of establishment (*Betriebsübergang*) or a change of employer. A change of employer results from measures taken in preparation for the spin-off (point I.1).
- 1118 As a result of the spin-off, Daimler Truck AG and its direct and indirect subsidiaries will cease to be part of the Daimler Group with Daimler AG as the parent company. Daimler Truck Holding AG will be the controlling company of the Future Daimler Truck Group as an independent listed company. This results in the effects described in points II to VI for the employees and their representative bodies. The hive-down as such has no consequences for the employees of the Daimler Group and their representative bodies.

I. Measures in preparation for the spin-off

- 1119 For the purpose of preparing the spin-off, it is planned to transfer employees of the companies of the Future Daimler Group to companies of the Future Daimler Truck Group as described below. In addition, it is intended to dissolve joint establishments between Daimler Truck AG and companies of the Future Daimler Group and to dissolve uniform inter-company bodies.

1. Transfer of employees

- 1120 In connection with the preparation of the spin-off, employees whose functions are or will be allocated before then to the Trucks & Buses division of Daimler Group will be transferred to Daimler Truck AG or other companies of the Future Daimler Truck Group. Legally, this will be implemented by way of (partial) transfers of establishment pursuant to § 613a BGB or by way of individual contractual transfers of functions (so-called intra-group transfers).
- 1121 Employees of Daimler Group who hold a position within the first three management levels (E1 to E3) and whose functions are to be allocated to the Trucks & Buses division or will be so allocated before the spin-off will be transferred to Daimler Truck AG or other companies of the Future Daimler Truck Group in the run-up to the spin-off by way of transfer of functions under individual contracts (so-called intra-group transfer).
- 1122 Employees who hold a position of the fourth management level (E4) and employees covered by collective bargaining agreements of the Daimler Group whose functions are to be allocated to the Trucks & Buses division or who will be so allocated in the run-up to the spin-off are, in principle, to be transferred to Daimler Truck AG or other companies of the Future Daimler Truck Group by way of (partial) transfers of establishment pursuant to § 613a BGB with effect from 1 December 2021. In individual cases, functions will be transferred on the basis of individual contracts (so-called intra-group transfers).

2. Dissolution of Joint Establishments

- 1123 In connection with the preparation of the spin-off, Daimler Truck AG will withdraw from all joint establishments with companies of the Future Daimler Group formed in the context of the 2019 restructuring – probably with the exception of the Gaggenau joint establishment – with effect from 1 December 2021 (hereinafter, excluding the Gaggenau joint establishment, the "**Dissolution of Joint Establishments**").
- 1124 In order to dissolve the joint establishments, the uniform management with regard to personnel and social matters, the joint use of operating resources and the cross-company deployment of employees between Daimler Truck AG and the companies of the Future Daimler Group participating in the respective joint establishment will be terminated and the parts of the establishment will be organisationally separated from each other.
- 1125 It is planned that the collective bargaining agreement pursuant to § 3 para. 1 no. 3 BetrVG concluded between Daimler AG, Mercedes-Benz AG, Daimler Truck AG and Daimler Brand & IP Management GmbH & Co. KG, on the one hand, and labor union IG Metall, on the other hand, on 6 August 2019, on the formation of joint establishments will be terminated by mutual agreement with effect from 1 December 2021 and replaced immediately thereafter by corresponding collective bargaining agreements on the formation of joint establishments and operational and works council structures between IG Metall and the companies participating in future joint establishments. It is further planned that Daimler Truck AG will conclude a collective bargaining agreement with IG Metall on operational and works council structures. With effect from 1 December 2021, it is also planned to terminate by mutual agreement the management agreements concluded for the joint establishments affected by the Dissolution of the Joint Establishments and to subsequently replace them by management agreements between the companies of the Future Daimler Group that previously participated in the respective joint establishments.
- 1126 With regard to German Own Retail, it is planned that the collective bargaining agreement on works council structures in German Own Retail of Daimler Group concluded between Daimler AG, Mercedes-Benz AG and Daimler Truck AG, on the one hand, and IG Metall, on the other hand, on 24 June 2020, will be terminated with effect from 1 December 2021. It is planned to replace this collective bargaining agreement immediately thereafter with collective bargaining agreements on works council structures between IG Metall and Mercedes-Benz AG or IG Metall and Daimler Truck AG. In addition, among other things, the framework works agreement on the implementation of Customer Dedication as well as the reorganisation of the branches of Daimler AG and the safeguarding of the future of Daimler AG's Own Retail between Daimler AG and the General Works Council of Daimler AG of 5 December 2014, is to be amended with effect from 1 December 2021. It is planned to terminate the management agreements concluded for the joint establishments in the German Own Retail by mutual agreement and without replacement. In German Own Retail, there are to be no joint establishments after the spin-off, either in the Future Daimler Group or in the Future Daimler Truck Group.

- 1127 To the extent the Dissolution of the Joint Establishments constitutes a change of establishment within the meaning of § 111 sent. 3 no. 3 alt. 2 BetrVG, the respective parties in the establishment will conclude a corresponding agreement.
- 1128 Under works constitution law, the Dissolution of the Joint Establishments can lead to a loss of the original identity of the establishment and thus to a split-up of the establishment or to a mere establishment spin-off, i.e. to a change in the establishment structure while retaining the original identity of the establishment.
- 1129 In the event of a split-up, the local works council of the respective joint establishment will remain responsible for the split-up parts of the joint establishment on the basis of a transitional mandate pursuant to § 21 para. 1 sent. 1 and 3 BetrVG until the election results of the regular works council elections in spring 2022 are announced, but for no longer than six months. The local representative body for severely disabled employees also remains responsible for the split-up parts of the establishment on the basis of the transitional mandate pursuant to § 177 para. 8 SGB IX (Social Security Code Book IX), § 21a BetrVG, until the election results of the newly elected representative bodies for severely disabled employees are announced, but for no longer than six months. The local representative bodies for young employees and trainees and the local spokespersons' committees lose their office for both parts of the establishment as a result of the split-up of the establishment; a transitional mandate is not provided for by law. As a result, the composition of the joint speaker committees and the joint representative bodies for young employees and trainees of the participating companies may change. The works agreements in force at the time of the Dissolution of the Joint Establishments in the respective joint establishments continue to apply unchanged (normatively) under collective bargaining law in the split-up establishments after the split-up, as these are continued as independent establishments in each case.
- 1130 In the event of an establishment spin-off, the local bodies of the respective joint establishment remain in office (regular mandate). The part of the establishment that is spun off is incorporated into an establishment for which local bodies have already been elected. Thus, the employees of the spun-off part of the establishment are represented by the bodies elected there. Since there are local bodies in all receiving establishments, a transitional mandate (§ 21a BetrVG, § 177 para. 8 SGB IX) does not apply. As a result of the integration, the works agreements applicable in the receiving establishment also apply (normatively) to the spun-off part of the establishment under collective law.
- 1131 If the transfer of employees to other establishments does not result in a split-up or spin-off, the office of the local bodies and the collective (normative) application of local works agreements in the original establishment remain unchanged. After the Dissolution of the Joint Establishment, the newly assigned employees are subject to the responsibility of the local representative bodies of the establishment to which they are assigned. The works agreements in force in this establishment apply (normatively) to these employees under collective labor law.

3. Dissolution of uniform cross-company representative bodies

1132 In connection with the preparation of the spin-off, the collective bargaining agreement concluded pursuant to § 3 para. 1 no. 3 BetrVG between Daimler AG, Mercedes-Benz AG, Daimler Truck AG, Daimler Brand & IP Management GmbH & Co. KG and Daimler Gastronomie GmbH, on the one hand, and IG Metall, on the other hand, for the formation of a uniform cross-company General Works Council and other representative bodies of 6 August 2019, will be terminated by mutual agreement with effect from 1 December 2021, and replaced immediately thereafter by a corresponding collective bargaining agreement between IG Metall and the companies of the Future Daimler Group that were parties to the previous collective bargaining agreement. The competence of the uniform cross-company representative bodies formed on the basis of this collective agreement, i.e. the competence of the uniform cross-company General Works Council, the uniform cross-company general representative body for severely disabled employees and the uniform cross-company general representative body for young employees and trainees, will no longer extend to the employees of Daimler Truck AG with effect from 1 December 2021. As a result, the provisions on the number of members of the uniform cross-company representative bodies will also be adjusted. With effect as of 1 December 2021, any members of the uniform cross-company representative bodies who are in an employment relationship with Daimler Truck AG will lose their office, unless they are employed at a joint establishment with companies of the Future Daimler Group. After the end of the responsibility of the uniform cross-company representative bodies for the employees of Daimler Truck AG, a General Works Council, a general representative body for severely disabled employees and a general representative body for young employees and trainees will be established at Daimler Truck AG in accordance with applicable statutory provisions.

II. Individual legal effects for the employees

1133 The individual legal effects of the spin-off and the hive-down for the employees are described below.

1. Employment relationships

1134 Daimler Truck Holding AG has no operational activities and so far does not employ any employees.

1135 The employment relationships of the employees of Daimler AG and the Future Daimler Group will remain unaffected by the spin-off and hive-down themselves. The employees of the Future Daimler Group will remain employees of their respective contractual employer.

1136 The employment relationships of the employees of Daimler Truck AG and the Future Daimler Truck Group will also remain unaffected by the spin-off and hive-down themselves. The employees of the Future Daimler Truck Group will remain employees of their respective contractual employer. Any individual contractual consequences result, in

particular, from measures taken in preparation for the spin-off, which are described in point I.1.

- 1137 However, since Daimler Truck AG and its direct and indirect subsidiaries will cease to be part of the Daimler Group upon the spin-off taking effect, the following changes will result for the employees of the Future Daimler Truck Group as well as for the employees of the Future Daimler Group with regard to matters that have been regulated with group relevance, i.e. with reference to the Daimler Group:

a) PPSP

- 1138 Share-based remuneration is an important element of management remuneration at Daimler AG, enabling executives to participate directly in the company's development. It is based on virtual shares (so-called phantom shares). Each year, the Board of Management decides whether a new PPSP should be established for the following year.

- 1139 With regard to the individual legal consequences for the employees in this context, a distinction must be made between plan participants who will continue to belong to the Daimler Group in the future and plan participants who will belong to the Future Daimler Truck Group.

Plan participants who will continue to belong to the Daimler Group in the future

- 1140 The relevant provisions apply to active and former employees of Daimler AG and its subsidiaries who still have outstanding rights under PPSPs. The PPSPs 2018 to 2021 (and 2022, if applicable) will be continued as plans of Daimler AG (Daimler AG after the spin-off) and will be paid out at the respective end of plan. The implementation is carried out within the framework of a supplementary contract interpretation and will be accompanied accordingly by communication measures. The details are described in Section G.III.5.

Plan participants belonging to the Future Daimler Truck Group

- 1141 Active employees from companies that will become subsidiaries of Daimler Truck Holding AG at the time the spin-off takes effect or were previously allocated to the Trucks & Buses division and who still have outstanding rights under the PPSPs will be made an offer by Daimler Truck AG for a change in the contracting parties as of the spin-off taking effect and for a continuation of the plans as group-specific plans as an overall package for all plans. The plans will be continued as a Daimler Truck AG plan and will be paid out at the respective end of plan, provided that the plan participants agree to the transfer of the plans and the associated adjustments to their content. If active employees of the Future Daimler Truck Group do not consent to the transfer of the plans and the resulting adjustments to their content, they will leave the PPSPs in accordance with the terms of the plan and the PPSPs will be paid out on a pro rata basis. This payment will be made at the expense of Daimler Truck AG or its subsidiaries. The details are described in Section G.III.5.

- 1142 In addition to the principles described above, the following special scenarios must also be taken into account in connection with the PPSPs.

Early withdrawal and continuation of PPSP upon retirement

- 1143 In the case of plan participants who, prior to the spin-off taking effect, have left or will leave – as a result of a mutually agreed termination of their employment relationship, a regular end of contract (expiry of the contract), early retirement, retirement (including after partial retirement) or occupational disability or invalidity – companies which will belong to the Future Daimler Truck Group as of the spin-off taking effect, Daimler Truck AG will, with the consent of the plan participants concerned, continue the plans on the basis of the conversion of the phantom shares along the lines of the terms of the active employees of the Future Daimler Truck Group. The costs and payments will continue to be borne by the previous employer, who will also ensure the relevant taxation processes.

Early withdrawal from PPSP 2018

- 1144 If a pro rata calculation of the payout for the 2018 PPSP applies with regard to withdrawing plan participants for which the date of withdrawal is after the date the spin-off takes effect, then in deviation from the existing plan terms the final price of the 2018 PPSP will be used as the price on the date of withdrawal. In this context, the final price is calculated on the basis of the average opening prices (in each case Xetra trading or a functionally comparable successor system of the Frankfurt Stock Exchange replacing it) of the Daimler share (share price of Daimler AG) and the Daimler Truck Holding AG share (share price of Daimler Truck Holding AG) in the period between 1 January 2022, and the day before the first ordinary meeting of the Presidential Committee of the Supervisory Board of Daimler AG in 2022, but no later than the day before the meeting of the Supervisory Board of Daimler AG to adopt the annual financial statements for 2021, and the allocation ratio defined for the shareholders, according to which each shareholder receives one share of Daimler Truck Holding AG for every two Daimler shares held. The final price is thus determined on the basis of the following formula: $\text{Share price Daimler AG} + (\text{share price Daimler Truck Holding AG} \times 0.5)$

Early withdrawal from the PPSPs 2019 to 2021 (and 2022, if applicable):

- 1145 If a pro rata calculation of the payout for the 2019 to 2021 (and, if applicable, 2022 PPSP) PPSPs applies with regard to withdrawing plan participants for which the date of withdrawal is prior to the date the spin-off takes effect, the average of the opening and closing price of the Daimler share (Xetra trading or a functionally comparable successor system of the Frankfurt Stock Exchange replacing it) on the date of withdrawal is relevant. The previous provisional number of phantom shares and the previous cap for the payout apply.
- 1146 If the date of withdrawal is in the period from the first trading day of the shares of Daimler Truck Holding AG until 31 December 2021, the relevant share price for the calculation of the pro rata payment on the date of withdrawal shall be calculated on the basis of the average of the closing prices of the shares of Daimler Truck Holding AG

weighted by the daily trading volume in the aforementioned period (closing prices in Xetra trading on the Frankfurt Stock Exchange). If the spin-off does not take effect until after 31 December 2021, and the employee withdraws within the first twenty trading days of the shares of Daimler Truck Holding AG, the first twenty trading days of the shares of Daimler Truck Holding AG shall be the relevant period. If the withdrawal occurs after 31 December 2021, or if the spin-off takes effect after 31 December 2021, respectively, and the withdrawal occurs after the 20th trading day of the share of Daimler Truck Holding AG, the average of the opening and closing prices of the Daimler share or of the shares of Daimler Truck Holding AG, respectively, (Xetra trading or a functionally comparable successor system of the Frankfurt Stock Exchange replacing it) on the date of withdrawal shall be relevant. The aforementioned average of the opening and closing prices shall be capped at 2.5 times the value resulting from the quotient of the originally allotted amount in euros (before conversion into the provisionally allotted number of phantom shares) and the adjusted number of provisional Daimler or Daimler Truck Holding phantom shares, respectively.

Plan participants transferring after the spin-off takes effect

- 1147 For plan participants whose transfer from Daimler AG or one of its subsidiaries to Daimler Truck Holding AG or one of its subsidiaries takes place only after the spin-off has taken effect, but nevertheless within the scope of the overall project (e.g. IPS, HR Service Center Trucks, etc.), it is intended to make corresponding arrangements (offer of change of contractual partner and continuation of the current plans as a complete package with conversion of preliminary phantom shares, for PPSP 2022 on the basis of the allocation amount, including corresponding plan amendments). This shall not apply to plan participants who transfer as part of an individual decision. For these participants, the rules on the withdrawal of a plan participant during the plan term apply in accordance with the applicable plan terms.

b) Employee shares

- 1148 Daimler AG offers employees of participating companies of the Daimler Group the opportunity to purchase company shares at preferential conditions within the framework of an employee share plan. Daimler AG makes a new decision each year regarding the implementation of an employee share plan and the form of the specific offer.
- 1149 After the spin-off has taken effect, the employees of the Future Daimler Truck Group will no longer be entitled, due to their lack of affiliation with the Daimler Group, to participate in any employee share plan as part of an employee share scheme of Daimler AG. Employee shares already granted to the employees of the Future Daimler Truck Group at the time the spin-off takes effect will remain in existence. As a consequence of the spin-off and the associated withdrawal of Daimler Truck AG and its direct and indirect subsidiaries from the Daimler Group, the contractual Lock-Up Period on employee shares already granted is expected to cease to apply to the employees of the Future Daimler Truck Group after the spin-off has taken effect.

- 1150 It is intended that after the spin-off has taken effect, Daimler Truck Holding AG will offer its own employee share programme for the employees of participating companies of the Future Daimler Truck Group at comparable conditions. In accordance with the procedure at Daimler AG, a new decision will be made each year regarding the implementation of a possible employee share plan and the form of the specific offer. The decision on the exact form of the individual offer packages, the amount of any grant and the number of any bonus shares will be made depending on the share price of Daimler Truck Holding AG after the spin-off has taken effect.
- 1151 The spin-off will have no effect on the eligibility of employees of participating companies of the Future Daimler Group to participate in any employee share plan under the employee share programme of Daimler AG. Daimler AG will continue to decide each year on the implementation and the form of the concrete offer of any employee share plan. Employee shares already granted to the employees of participating companies of the Future Daimler Truck Group at the time the spin-off takes effect will remain in existence.

c) Variable remuneration

- 1152 (Senior) executives of management levels E1 to E3 and, in some cases, E4 receive a Daimler Company Bonus as a component of their variable remuneration, which depends on the corporate success of the Daimler Group and the individual divisions (Group, Mercedes-Benz Cars, Daimler Trucks & Buses, Mercedes-Benz Vans, Daimler Mobility). The Daimler Company Bonus for the 2021 financial year depends on the achievement of divisional non-financial targets and transformation targets as well as financial targets, the latter consisting of a divisional component (70 %) and a Group component (30 %) (determined at 50 % each on the basis of target achievement for EBIT and free cash flow or net payout, respectively (at Daimler Mobility AG)). The structure of the Daimler Company Bonus is determined by the Board of Management of Daimler AG at the end of each financial year for the following financial year.
- 1153 Executives at management level E4 tariff of the companies Daimler AG, Mercedes-Benz AG, Daimler Truck AG and Daimler Brand & IP Management GmbH & Co. KG in Germany receive a profit-sharing bonus as a component of their variable remuneration, which amounts to 30 % of the variable remuneration. The target achievement for the profit-sharing bonus is determined exclusively on the basis of the EBIT target achievement for the respective division (100 % EBIT). 70 % of the variable remuneration is based on individual performance (bonus).
- 1154 Executives at management level E4 of Daimler Mobility AG receive variable remuneration, 50 % of which is based on individual performance and 50 % of which is performance-based. The EBIT target achievement of Daimler Mobility AG is used as a basis for the performance-based variable remuneration, and the statements made in the following for the profit-sharing bonus apply in this regard.
- 1155 The reference basis for the Daimler Company Bonus and the profit-sharing bonus is determined on the basis of a subgroup logic, which depends on the allocation of the position to a subgroup (or the Vans Division, respectively). In other words, the allocation

of the respective position to the subgroup (or the Vans division, respectively) determines which division is relevant for determining the target achievement for the eligible (senior) executives.

1156 In general, the entitlement to receive a variable remuneration (Daimler Company Bonus, profit-sharing bonus, bonus) remains unaffected by the spin-off.

1157 Regardless of the point in time the spin-off takes effect, the following shall apply:

- The divisional component of the Daimler Company Bonus for (senior) executives of Daimler Mobility AG will exclusively include EBIT as a financial measure for the 2021 and 2022 financial years.
- To the extent that extraordinary effects in EBIT and free cash flow result from the spin-off, these may be standardised.

1158 If the spin-off takes effect in the 2021 financial year, the following shall apply to the determination of the target achievement for the Daimler Company Bonus and the profit-sharing bonus for the 2021 financial year:

- Despite the spin-off and the related withdrawal of Daimler Truck AG and its direct and indirect subsidiaries from the Daimler Group before the end of the 2021 financial year, the Group component for the Daimler Company Bonus for the entire 2021 financial year for the eligible (senior) executives of both the Future Daimler Group and the Future Daimler Truck Group will be determined on the basis of the consolidated financial statements of Daimler AG.
- The target achievement for the divisional financial targets (divisional component of the Daimler Company Bonus and the profit-sharing bonus) of the eligible (senior) executives of the Future Daimler Group (including the remaining eligible (senior) executives of Daimler Mobility AG) will be determined for the 2021 financial year on the basis of the consolidated financial statements of Daimler AG in accordance with the affiliation to the respective division.
- The target achievement for the divisional financial targets (divisional component of the Daimler Company Bonus and the profit-sharing bonus) of the eligible (senior) executives of the Future Daimler Truck Group (including the eligible (senior) executives of Daimler Truck Financial Services GmbH and its subsidiaries) will be determined for the entire financial year 2021 on the basis of the consolidated financial statements of Daimler Truck Holding AG.
- In the event of a change of subgroup (intra-group transfer or (partial) transfer of establishment) prior to the spin-off taking effect, the achievement of the divisional targets (divisional component, non-financial targets and transformation targets of the Daimler Company Bonus and profit-sharing bonus) shall be determined on a pro rata temporis basis using this logic.

- 1159 If the spin-off takes effect only in the year 2022, the following shall apply to the determination of the target achievement for the Daimler Company Bonus and the profit-sharing bonus for the 2021 financial year: The Daimler Company Bonus and profit-sharing bonus for the 2021 financial year shall be determined in accordance with the applicable regulations and taking into account the measures described above that are independent of the date the spin-off takes effect.
- 1160 For the financial years from 2022 onwards, it is planned to continue a Company Bonus and a profit-sharing bonus in both the Future Daimler Group and the Future Daimler Truck Group. Independently of each other, the Boards of Management of Daimler AG and Daimler Truck Holding AG will determine the structure of a Company Bonus on an annual basis. Any effects of a spin-off not taking effect until the 2022 financial year will then be taken into account in the terms and conditions of a Company Bonus to be determined for the 2022 financial year as well as in the determination of the profit-sharing bonus for the 2022 financial year.

d) Participation in profits

- 1161 Employees of Daimler AG, Mercedes-Benz AG, Daimler Truck AG and Daimler Brand & IP Management GmbH & Co. KG receive a profit-sharing bonus as a voluntary benefit, which depends on the performance of the divisions of the Daimler Group (Mercedes-Benz Cars, Mercedes-Benz Vans and Daimler Trucks & Buses) and the implementation and specific structuring is newly agreed upon on a yearly basis between the company-wide General Works Council of Daimler AG and the aforementioned companies.
- 1162 The general entitlement to receive a profit-sharing bonus will not be affected by the spin-off.
- 1163 The profit-sharing bonus already agreed between the parties for the 2021 financial year is intended – despite the spin-off – to be provided to the employees of Daimler AG, Mercedes-Benz AG, Daimler Truck AG and Daimler Brand & IP Management GmbH & Co. KG on the basis of a uniform calculation logic and in the same amount.
- 1164 For the 2022 financial year, Daimler AG, Mercedes-Benz AG, Daimler Truck AG and Daimler Brand & IP Management GmbH & Co. KG will reach agreements after the spin-off takes effect with the respective works council bodies then competent on the implementation of a voluntary profit-sharing bonus and its specific structuring. After the spin-off takes effect, a coordination on the calculation logic and the amount of the profit participation between the Future Daimler Group and the Future Daimler Truck Group is no longer legally permissible.

e) Company staff sales

- 1165 Within the framework of the company staff sales of Mercedes-Benz AG, employees (and pensioners) of the Daimler Group are entitled to purchase vehicles of the Mercedes-Benz and smart brands at special conditions (so-called rental and purchase models). (Senior) executives of management levels E1 to E3 and so-called E4 executives are

entitled to receive an executive rental vehicle by way of gross salary conversion within the framework of the so-called executive rental model. Level 5 (E5) employees are entitled to participate in the so-called E5 rental model (also known as the master rental model) and are granted a discount of EUR 60 on the rental rate for the period of the vehicle rental.

- 1166 Also after the spin-off has taken effect, employees (and pensioners) of the Future Daimler Truck Group will be entitled to participate in the purchase models of Mercedes-Benz AG's company staff sales. However, due to lack of affiliation, after the spin-off has taken effect, the employees (and pensioners) of the Future Daimler Truck Group will no longer be entitled to participate in the various rental models of Mercedes-Benz AG's company staff sales. After the spin-off has taken effect, instead of the rental model, the employees of the Future Daimler Truck Group will be offered a so-called provision model at essentially the same conditions compared to the status quo. It is also planned to offer the (senior) executives of the management levels E1 to E3 and so-called E4 executives of the Future Daimler Truck Group an executive rental vehicle at essentially similar conditions compared to the status quo after the spin-off has taken effect. In this case, the Future Daimler Truck Group will introduce its own provision conditions and regulations regarding the terms for the provision of executive rental vehicles after the spin-off takes effect, and it will make its independent decisions regarding the procurement of a vehicle fleet and the operational handling of a car provision. Level 5 employees (E5) will be offered preferential conditions of essentially the same value compared to the status quo after the spin-off takes effect, i.e. participating employees will receive a monthly reduction in the rental rate of EUR 60 from their respective contractual employer for the period in which the vehicle is provided. Any non-cash benefit resulting from this reduction will be taxed at the expense of the respective contractual employer.
- 1167 The spin-off will not have any effect on the eligibility for and the structure of the company staff sales of Mercedes-Benz AG for the employees (and pensioners) of the Future Daimler Group.

f) Company car

- 1168 (Senior) executives of the management levels E1 to E4 of Daimler Group as well as employees of the Daimler Group who permanently require a company car due to their function and in order to perform their duties (e.g. sales representatives) are provided with a personally assigned company car for business and private use at the terms and conditions of the company car policy applicable in the Daimler Group and the pertinent terms of provision and company programmes, subject to the condition of tax residence in Germany.
- 1169 For the employees of the Future Daimler Truck Group, the conditions of the Daimler Group's company car policy and the associated conditions of provision and company programmes will no longer apply to the provision of a personally assigned company car after the spin-off takes effect due to lack of affiliation of the employees to the Daimler Group.

- 1170 (Senior) executives of the management levels E1 to E4 of the Future Daimler Truck Group as well as employees of the Future Daimler Truck Group who permanently require a company car due to their function and in order to perform their duties (e.g. sales representatives) will continue to be provided with a personally assigned company car for business and private use ,subject to the condition of tax residence in Germany, at conditions comparable to the status quo. After the spin-off has taken effect, Daimler Truck Holding AG or the respective contractual employer, respectively, will introduce its own policies and regulations regarding the conditions for the provision of personally assigned company cars. After the spin-off has taken effect, Daimler Truck Holding AG or the respective contractual employer, respectively, will decide independently on the procurement of the vehicle fleet and the operational handling of the provision.
- 1171 The spin-off will have no effect on the content of any claims of the employees of the Future Daimler Group to the provision of a personally assigned company car.

g) Group insurance policies and Daimler Vorsorge und Versicherungsdienst

- 1172 Employees of the Daimler Group are covered by group insurance policies of the Daimler Group brokered by Daimler Insurance Services, including employer-financed group accident insurance. Daimler Vorsorge und Versicherungsdienst, as a company-based insurance intermediary (multiple agent), brokers collective and individual insurance solutions to employees of Daimler Group.
- 1173 Generally, after the spin-off has taken effect, the employees of the Future Daimler Truck Group will no longer be subject to the regulations of the group insurance contracts of Daimler Group brokered by Daimler Insurance Services, due to their lack of affiliation with the Daimler Group. After the end of the term of the respective group insurance contract of Daimler Group, the employees of the Future Daimler Truck Group will be insured through equivalent group insurance policies of Daimler Truck Holding AG or their contractual employer, respectively, through Daimler Insurance Services.
- 1174 Also, in the future, Daimler Vorsorge und Versicherungsdienst, as a multiple agent, will offer the collective and individual insurance solutions it offers today to the companies of the Future Daimler Truck Group. The companies of the Future Daimler Truck Group commission Daimler Vorsorge und Versicherungsdienst to provide these insurance solutions to the same extent as the companies of the Daimler Group. Employer- and/or employee-financed insurance relationships of employees of the Future Daimler Truck Group already existing at the time the spin-off takes effect will be continued by the respective company of the Future Daimler Truck Group. Insurance policies (e.g. liability, household contents) already taken out individually by employees of the Future Daimler Truck Group via Daimler Vorsorge und Versicherungsdienst will not be affected by the spin-off.
- 1175 The spin-off will have no effect on employer- and/or employee-financed group insurance contracts of the employees of the Future Daimler Group and the benefits of Daimler Vorsorge und Versicherungsdienst offered to them.

2. Company pension scheme

- 1176 The spin-off and the hive-down do not have any effects on the company pension scheme of the current and former employees of Daimler AG and the Future Daimler Group as well as the current and former employees of Daimler Truck AG and the Future Daimler Truck Group. The pension obligations of the respective contractual employer towards the employees currently or formerly employed by it will remain in force. Daimler Truck Holding AG currently has no obligations from company pension plans, as it does not have any employees to date.
- 1177 However, the spin-off taking effect will have the consequence that the securing of the pension obligations can no longer be carried out via Daimler Pension Trust e.V., as Daimler Truck AG will no longer be an affiliated company of Daimler AG. For this reason, it is intended to establish the securing of the pension obligations of Daimler Truck AG via the trust association Daimler Truck Pension Trust e.V., which was founded in May 2021. The purpose of Daimler Truck Pension Trust e.V. is to secure obligations of Daimler Truck AG relating to retirement benefits, partial retirement and long-term accounts against the insolvency of the company and in other security scenarios. In addition, with regard to the pension provisions, the fiduciary transfer of assets for the pension obligations is intended to create plan and cover assets in accordance with IAS 19 and § 246 para. 2 sent. 2 HGB. Daimler Truck Pension Trust e.V. is mostly modelled after Daimler Pension Trust e.V. As far as not already done, Daimler Truck Pension Trust e.V. will conclude corresponding trust agreements with Daimler Truck AG and EvoBus GmbH until the spin-off takes effect. In order to secure the entitlements and claims arising from the company pension scheme, Daimler Pension Trust e.V. will transfer the trust assets allocated to Daimler Truck AG to Daimler Truck Pension Trust e.V.
- 1178 For the purpose of insolvency protection and netting with pension provisions for reinsured direct commitments (deferred compensation "Future Capital" and "Future Capital LFK"), Daimler Truck AG had also transferred assets to Allianz Treuhand GmbH on the basis of a trust agreement concluded in September 2019 and agreed a security trust in favor of the beneficiaries. This will not change as a result of the spin-off taking effect.
- 1179 Finally, Daimler Truck AG has obligations to its active employees under partial retirement and long-term account agreements. In the course of the restructuring in 2019, Daimler Truck AG had commissioned Mercedes-Benz AG to provide insolvency protection. In order to comply with the statutory insolvency protection obligation, assets had been transferred by Mercedes-Benz AG to Daimler Pension Trust e.V. on a fiduciary basis. After the spin-off takes effect, the insolvency protection required under statutory law will be fulfilled by means of a new trust agreement between Daimler Truck AG and Daimler Truck Pension Trust e.V. Also, for EvoBus GmbH, the insolvency protection of the credit balances from partial retirement and long-term accounts will in future be carried out via a trust agreement with Daimler Truck Pension Trust e.V. The Daimler Truck Pension Trust e.V. will be appropriately endowed by its sponsoring companies in order to secure the value credit claims from partial retirement and long-term account agreements.

III. Consequences for employee representative bodies

1. General provisions

1180 The spin-off and hive-down themselves do not involve any change in the operational organisation. The establishments within the meaning of the Works Constitution Act existing immediately prior to the spin-off taking effect will, in principle, remain unaffected. Changes in the operational organisation result only from the dissolution of the joint establishments as a preparatory measure for the spin-off (point I.2).

2. Works councils, representative bodies for severely disabled employees and for young employees and trainees

1181 Daimler Truck Holding AG has no operational activities and so far does not employ any employees. It therefore has no works councils, representative bodies for severely disabled employees or representative bodies for young employees and trainees. This will not change as a consequence of the spin-off and hive-down.

1182 The establishments of Daimler AG and the Future Daimler Group and the establishments of Daimler Truck AG and the Future Daimler Truck Group will, in principle, remain unaffected by the spin-off and hive-down themselves. The existence, composition and term of office of local works councils, local representative bodies for severely disabled employees and local representative bodies for young employees and trainees will remain unchanged both in the establishments of the Future Daimler Group and in the establishments of the Future Daimler Truck Group. Changes result only from the dissolution of the joint establishments as a preparatory measure for the spin-off (point I.2).

1183 The spin-off and hive-down do not, in principle, have any effects on the existence, composition and term of office of existing central works councils, central representative bodies for severely disabled employees and central representative bodies for young employees and trainees of the companies of the Future Daimler Group and the Future Daimler Truck Group. Changes result only from the dissolution of the joint establishments and the uniform inter-company bodies as preparatory measures for the spin-off (points I.2 and I.3).

1184 The Group Works Council and the Group representative body for severely disabled employees of Daimler AG will continue to exist after the spin-off and hive-down. However, Daimler Truck AG and the Future Daimler Truck Group companies will cease to be part of the Daimler Group when the spin-off takes effect. Daimler Truck Holding AG, together with its dependent companies, forms a separate company group. As a result, the Group Works Council and the Group representative body for severely disabled employees of Daimler AG will no longer be responsible for the employees of the Future Daimler Truck Group after the spin-off has taken effect. Daimler Truck AG leaving the Daimler Group will also lead to changes in the composition of the Group Works Council and the Group representative body for severely disabled employees of Daimler AG. Upon the spin-off taking effect, the number of members of the Group Works Council and the Group representative body for severely disabled employees of Daimler AG will be reduced by those

members who were delegated from the General Works Councils or the General representative body for severely disabled employees or corresponding local bodies of the companies, respectively, of the Future Daimler Truck Group. Upon the spin-off taking effect, any members of the Group Works Council and the Group representative body for severely disabled employees of Daimler AG who are employed by Daimler Truck AG or other companies of the Future Daimler Truck Group will lose their office as members of the Group Works Council and the Group representative body for severely disabled employees, unless they are employed at a joint establishment with companies of the Future Daimler Group. Changes may also result from the dissolution of the joint establishments and the uniform inter-company bodies as preparatory measures for the spin-off (points I.2 and I.3).

1185 Upon the spin-off taking effect, Daimler Truck Holding AG will be the controlling company of the Future Daimler Truck Group. Thus, the prerequisites for the establishment of a Group Works Council pursuant to § 54 BetrVG (German Works Constitution Act) are generally met at Daimler Truck Holding AG. If a Group Works Council is established at Daimler Truck Holding AG, a Group representative body for severely disabled employees will also be established at Daimler Truck Holding AG pursuant to § 180 para. 2 SGB IX (*Sozialgesetzbuch Buch 9* – German Social Security Code, Book 9). Upon the spin-off taking effect, the prerequisites for the establishment of a representative body for young employees and trainees pursuant to § 73a BetrVG will in principle also be met at Daimler Truck Holding AG.

1186 The European Works Council and the World Employee Council will also continue to exist in the Future Daimler Group after the spin-off and hive-down. When the spin-off takes effect, the withdrawal of Daimler Truck AG and the Future Daimler Truck Group companies from the Daimler Group may, however, lead to changes in the composition of the European Works Council. The agreement governing the World Employee Council of Daimler AG will be adjusted in the course of the spin-off. In this respect, changes in composition may occur.

1187 Upon the spin-off taking effect, Daimler Truck Holding AG will be the controlling company of the Future Daimler Truck Group. Thus, the prerequisites for the establishment of a European Works Council pursuant to §§ 1 et seqq. EBRG (German Act on the European Works Council) are generally met at Daimler Truck Holding AG.

3. Speaker committees

1188 Daimler Truck Holding AG has no operational activities and so far does not employ any employees. Therefore, it does not have a speaker committee, either. This will not change as a consequence of the spin-off and hive-down.

1189 The establishments of Daimler AG and the Future Daimler Group and of Daimler Truck AG and the Future Daimler Truck Group will in principle remain unaffected by the spin-off and hive-down as such. The existence, composition and term of office of local speaker committees will therefore remain unchanged both in the establishments of the Future Daimler Group and in the establishments of the Future Daimler Truck Group. Changes

result only from the dissolution of the joint establishments as a preparatory measure for the spin-off (point I.2).

- 1190 The existence, composition and term of office of the joint speaker committees of the companies of the Future Daimler Group and the Future Daimler Truck Group will generally not be affected by the spin-off and the hive-down. Changes result only from the dissolution of the joint establishments as a preparatory measure for the spin-off (point I.2).
- 1191 The Group Speaker Committee of Daimler AG will continue to exist after the spin-off and hive-down. However, Daimler Truck AG and the Future Daimler Truck Group companies will cease to be part of the Daimler Group when the spin-off takes effect. Daimler Truck Holding AG, together with its dependent companies, forms the Future Daimler Truck Group. As a result, the Group Speaker Committee of Daimler AG will no longer be responsible for the employees of the Future Daimler Truck Group after the spin-off has taken effect. Daimler Truck AG leaving the Daimler Group will also lead to changes in the composition of the Group Speaker Committee of Daimler AG. Upon the spin-off taking effect, the number of members of the Group Speaker Committee will be reduced by the number of members delegated from the General Speaker Committees of the companies of the Future Daimler Truck Group or from relevant local bodies, respectively. Upon the spin-off taking effect, any members of the Group Speaker Committee who are employed by Daimler Truck AG or other companies of the Future Daimler Truck Group will lose their office as members of the Group Speaker Committee of Daimler AG, unless they are employed at a joint establishment with companies of the Future Daimler Group. Changes may also result from the dissolution of the joint establishments as a preparatory measure for the spin-off (point I.2).
- 1192 Upon the spin-off taking effect, Daimler Truck Holding AG will be the controlling company of the Future Daimler Truck Group. Thus, the prerequisites for the establishment of a Group Speaker Committee pursuant to § 21 SprAuG (*Sprecherausschussgesetz* – German Speaker Committee Act) are generally met at Daimler Truck Holding AG.

4. Economic committee

- 1193 Daimler Truck Holding AG has no operational activities and so far does not employ any employees. It therefore does not have an economic committee. The spin-off and hive-down do not change this.
- 1194 The existing economic committees at Daimler AG and Daimler Truck AG, which also assume the function of the investment and innovation committees, will continue to exist unchanged after the spin-off and hive-down. Since Daimler Truck AG will cease to be a member of the Daimler Group when the spin-off takes effect, the Group Economic Committee of Daimler AG (formed on the basis of a Group Works Agreement) will no longer be responsible for the employees and companies of the Future Daimler Truck Group when the spin-off takes effect.

IV. Consequences of the demerger for existing collective agreements, works agreements and agreements with the speaker committees

1. Collective agreements

1195 Daimler Truck Holding AG has no operational activities and so far does not employ any employees. No collective agreements apply to it. The spin-off and hive-down do not change this.

1196 At Daimler AG as well as at Daimler Truck AG, the spin-off and hive-down do not have any effects on the (normative) validity under collective law of existing collective agreements. The memberships of Daimler AG and Daimler Truck AG in the employers' associations of the metal and electrical industry and the employers' associations of the motor vehicle trade and industry remain unaffected by the spin-off and hive-down. The spin-off and hive-down also have no effect on the validity of in-house collective agreements and company-related association collective agreements. Insofar as collective agreements were previously applicable due to a reference in the employment agreement, the spin-off and hive-down do not change this.

2. Works agreements

1197 Daimler Truck Holding AG has no operational activities and so far does not employ any employees. No works agreements apply to it. The spin-off and hive-down do not change this.

1198 The establishments of Daimler AG and the Future Daimler Group and of Daimler Truck AG and the Future Daimler Truck Group will in principle remain unaffected by the spin-off and hive-down. The spin-off and hive-down therefore will have no effect on the collective (normative) validity of local works agreements, neither at Daimler AG nor at Daimler Truck AG. Changes in the operational organisation result only from the dissolution of the joint establishments as a preparatory measure for the spin-off (point I.2).

1199 Neither in Daimler AG and the Future Daimler Group nor in Daimler Truck AG and the Future Daimler Truck Group will the spin-off and hive-down have any effect on the collective (normative) validity of existing general works agreements. This means that the spin-off and hive-down do not have any effect, either, on the validity of the agreement "Reconciliation of Interests and General Works Agreement on 'Future Daimler'" concluded between Daimler AG and the Group Works Council of Daimler AG on 14 December 2017, and the "Agreement on the Implementation of Project FUTURE in German Own Retail" concluded between Daimler AG and the Group Works Council of Daimler AG on 18 September 2018. In particular, the extended job security until 31 December 2029 ("**Job Security 2030/ZuSi**"), and the individual transformation commitments remain unaffected in their respective stipulated areas of application by the spin-off and hive-down.

1200 The spin-off and hive-down also have no effect on the collective (normative) validity of existing group works agreements in the Future Daimler Group. After the spin-off has

taken effect, the group works agreements will continue to apply in the Future Daimler Truck Group (normatively) under collective law, except to the extent that the provisions made mandatorily require continued affiliation with the Daimler Group or become obsolete after the withdrawal from the Daimler Group.

3. Agreements with the spokespersons' committees

1201 Daimler Truck Holding AG has no operational activities and so far does not employ any employees. No agreements with the speaker committees apply to it. The spin-off and hive-down do not change this.

1202 In the companies of the Future Daimler Group, the spin-off and hive-down will have no effect on the collective (normative) validity of the agreements with the Group Speaker Committee of Daimler AG. The agreements with the Group Speaker Committee of Daimler AG will also apply in the companies of the Future Daimler Truck Group after the spin-off has taken effect, except to the extent that the provisions made mandatorily require continued affiliation with the Daimler Group or become obsolete after the withdrawal from the Daimler Group.

V. No other consequences under individual or collective law

1203 For the employees of the Future Daimler Group and the Future Daimler Truck Group and their respective representative bodies, the spin-off and hive-down will have no consequences under individual and collective law other than those described above. No other measures are envisaged in this respect.

VI. Consequences of the demerger for company co-determination and the Supervisory Board

1. Co-determination on the Supervisory Board of Daimler AG

1204 At Daimler AG, there is a Supervisory Board composed in accordance with the provisions of the MitbestG based on the principle of parity co-determination. The spin-off and hive-down have no consequences for the existence and the size of Daimler AG's Supervisory Board. Daimler AG will remain a company with a Supervisory Board consisting of twenty members subject to the principle of parity co-determination pursuant to the provisions of the MitbestG (ten Supervisory Board members each as representatives of the shareholders and of the employees). The employee representatives on the Supervisory Board of Daimler AG will be elected by the domestic employees of all companies of the Future Daimler Group. After the spin-off taking effect, Daimler Truck Holding AG and the other companies of the Future Daimler Truck Group will no longer be group companies of the Daimler Group with Daimler AG as the group parent company, meaning that after the spin-off has taken effect, employees of Daimler Truck Holding AG and the other domestic companies of the Future Daimler Truck Group who are not employed in a joint establishment with companies of the Future Daimler Group will no longer be entitled to the active and passive right to vote in respect of the Supervisory Board of Daimler AG, but in respect of the Supervisory Board of Daimler Truck Holding AG and Daimler Truck AG.

Currently, one employee of the Future Daimler Truck Group is a member of the Supervisory Board of Daimler AG who will lose her eligibility and withdraw from the Supervisory Board of Daimler AG upon the spin-off taking effect. After this employee has left the Supervisory Board of Daimler AG, her vacant position will be filled by an employee of the Future Daimler Group in accordance with the applicable statutory provisions. It is intended to have a successor appointed by the court after the vacancy occurs until a successor is elected.

2. Co-determination on the Supervisory Board of Daimler Truck AG

1205 At Daimler Truck AG, there is a Supervisory Board composed in accordance with the provisions of the MitbestG based on the principle of parity co-determination. The spin-off and hive-down have no consequences for the existence and the size of Daimler Truck AG's Supervisory Board or on the office of its members. Daimler Truck AG will remain a company with a Supervisory Board consisting of twenty members subject to the principle of parity co-determination pursuant to the provisions of the MitbestG (ten Supervisory Board members each as representatives of the shareholders and of the employees). The employee representatives on the Supervisory Board of Daimler Truck AG will be elected by the employees of Daimler Truck AG and all of its domestic group companies.

3. Co-determination on the Supervisory Board of Daimler Truck Holding AG

1206 Currently, Daimler Truck Holding AG has a Supervisory Board comprising three members who were appointed by Daimler Grund as founder and sole shareholder in the course of its formation. Since Daimler Truck Holding AG does not yet directly employ any employees itself and up to now there is no attribution of a sufficiently high number of employees employed at its subsidiaries, it currently does not have a supervisory board subject to statutory employee co-determination.

1207 It is intended to enlarge the Supervisory Board of Daimler Truck Holding AG to 20 members immediately after the spin-off takes effect. The 20 members will all be elected prior to the spin-off by the General Meeting of Daimler Truck Holding AG and thus formally as shareholder representatives. Ten of these members are to be elected by the General Meeting upon consultation with the employees.

1208 After the spin-off has taken effect, Daimler Truck Holding AG will employ more than 2,000 employees in Germany on the basis of the attribution rule pursuant to § 5 para. 1 sent. 1 MitbestG. Thus, the MitbestG will apply and the Supervisory Board will then not be composed in accordance with the relevant provisions of the MitbestG. Upon the spin-off taking effect, the Board of Management of Daimler Truck Holding AG will therefore conduct so-called status proceedings pursuant to §§ 97 et seqq. AktG. Daimler AG and Daimler Truck Holding AG assume that upon the spin-off taking effect, pursuant to the attribution rules of the MitbestG, usually more than 20,000 employees will be deemed employees of Daimler Truck Holding AG and that after completion of the status proceedings pursuant to § 7 para. 1 sent. 1 no. 1 MitbestG, the Supervisory Board will comprise 20 members, ten of whom will be Supervisory Board members representing the shareholders and ten will represent the employees.

- 1209 The terms of office of the 20 members elected to the Supervisory Board by the General Meeting of Daimler Truck Holding AG with effect immediately after the spin-off taking effect will end after completion of the status proceedings at the close of the first General Meeting after expiry of the period for bringing a motion pursuant to § 97 para. 2 AktG or a final and binding decision pursuant to § 98 AktG, respectively, but no later than six months after expiry of the motion period or the final and binding decision, respectively. After completion of the status proceedings, the ten shareholder representatives are to be newly elected at the Annual General Meeting of Daimler Truck Holding AG in 2022. For the period up to the completion of the election of the employee representatives, a motion for the court appointment of the employee representatives on the Supervisory Board of Daimler Truck Holding AG is intended to be filed pursuant to § 104 AktG.

L. Explanation of the Demerger Agreement including its annexes

1210 This section explains the provisions of the Demerger Agreement as well as the main contents of the Group Separation Agreement and the deconsolidation agreement, which are annexes to the Demerger Agreement.

I. Demerger Agreement

1211 The Demerger Agreement contains regulations and information on the spin-off and the hive-down in a single agreement. The Demerger Agreement is divided into six sections:

- Section A contains explanatory preliminary remarks on the background to the planned spin-off and hive-down as well as on selected implementation steps and the target structure.
- Next, Section B (§§ 1 to 6) contains information and provisions required pursuant to § 126 UmwG in respect of the spin-off, as well as other provisions concerning the spin-off. The purpose of the spin-off is to transfer, in particular, a majority shareholding in Daimler Truck AG to Daimler Truck Holding AG in return for the granting of shares to the shareholders of Daimler AG.
- Section C (§§ 7 to 12) contains information and provisions required pursuant to § 126 UmwG in respect of the hive-down, as well as other provisions concerning the hive-down. The purpose of the hive-down is to transfer a minority shareholding in Daimler Truck AG to Daimler Truck Holding AG in return for the granting of shares to Daimler AG.
- Section D (§§ 13 to 14) contains provisions regarding the contribution of the interests in the Gamma Partnerships held by Daimler Grund to Daimler Truck AG and the capital increase to be carried out in this context, as well as regarding the subsequent contribution of the newly created Daimler Truck shares to Daimler Truck Holding AG and the capital increase to be carried out in this context.
- Section E (§§ 15 to 27) contains provisions and information concerning both the spin-off and the hive-down. In this context, information required pursuant to § 126 UmwG with regard to the spin-off or the hive-down is also presented together, to which reference is made in Sections B and C, respectively.
- Finally, Section F (§§ 28 to 31) contains additional agreements of the contractual parties in connection with the splitting up of Daimler Group.

1212 For the following explanation of the Demerger Agreement, the terms defined therein will be used. References to annexes are references to those of the Demerger Agreement. References to sections (§) without reference to a statute are references to sections of the Demerger Agreement.

1. Spin-off (§ 1)

- 1213 § 1.1 contains the constituent provision for a spin-off, according to which Daimler AG as transferring legal entity transfers the part of its assets specified in § 3.1, with all associated rights and obligations, in its entirety to Daimler Truck Holding AG as acquiring legal entity by means of a spin-off by way of absorption pursuant to § 123 para. 2 no. 1 UmwG. In return, the shareholders of Daimler AG are granted shares in Daimler Truck Holding AG (cf. in this regard point 4 below). With regard to the Spin-Off Assets, the transfer by means of the spin-off results in a so-called partial universal succession pursuant to § 131 para. 1 no. 1 UmwG, which means that upon the spin-off taking effect Daimler Truck Holding AG will become the universal legal successor of Daimler AG in respect of the Spin-Off Assets.
- 1214 § 1.2 clarifies that assets that are not allocated to the Spin-Off Assets pursuant to the Demerger Agreement or that are explicitly excluded from transfer in the Demerger Agreement are not transferred to Daimler Truck Holding AG by way of the spin-off.

2. Spin-Off Effective Date, Tax Transfer Effective Date and Closing Balance Sheet (§ 2)

- 1215 § 2.1 determines 1 January 2021, 0:00 a.m., to be the Spin-Off Effective Date. The Spin-Off Effective Date is the point in time from which – in the internal relationship between Daimler AG and Daimler Truck Holding AG – the acts and transactions of Daimler AG relating to the Spin-Off Assets will be deemed to have been undertaken for the account of Daimler Truck Holding AG (§ 126 para. 1 no. 6 UmwG). This means, that for the purposes of the commercial law balance sheet the spin-off has economic retroactive effect as of 1 January 2021, 0:00 a.m., and that Daimler AG and Daimler Truck Holding AG will put each other in such position in their internal relationship as if the Spin-Off Assets had already been transferred to Daimler Truck Holding AG on 1 January 2021, 0:00 a.m.
- 1216 § 2.2 refers to the tax transfer effective date for the spin-off. Pursuant to § 2 UmwStG, the tax transfer effective date for the spin-off derives from the Closing Balance Sheet (in this respect see below), which pursuant to §§ 125 sent. 1, 17 para. 2 UmwG is used as a basis for the spin-off and is, thus, 31 December 2020, 12:00 p.m.
- 1217 §§ 125 sent. 1, 17 para. 2 UmwG stipulate that the filing with the commercial register of the transferring entity (Daimler AG) has to include a so-called Closing Balance Sheet. In this respect, § 2.3 determines that the spin-off is to be based on the HGB balance sheet of Daimler AG as per 31 December 2020, 12:00 p.m. as Closing Balance Sheet. The balance sheet of Daimler AG as per 31 December 2020, 12:00 p.m., was audited by the auditor of Daimler AG, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, in the course of the annual financial statements which have received an unqualified audit opinion. Pursuant to § 125 sent. 1 in conjunction with § 17 para. 2 sent. 4 UmwG, the register court of the transferring entity (Daimler AG) is only permitted to enter the spin-off in the register if the Closing Balance Sheet is prepared as of a cut-off date which is no more than eight months prior to the filing for registration. In deviation therefrom, a

balance sheet is permissible as closing balance sheet that is prepared as of a cut-off date which is no more than twelve months prior to the filing for registration pursuant to Art. 2 § 4 of the Act on Mitigating the Consequences of the COVID-19 Pandemic in Civil, Insolvency and Criminal Procedure Law of 27 March 2020, in conjunction with the Ordinance on the Extension of Measures in Corporate, Cooperative, Association and Foundation Law to Mitigate the Effects of the COVID-19 Pandemic, in each case as amended by the Act on the Further Shortening of the Residual Debt Relief Procedure and on the Adjustment of Pandemic-Related Provisions in Corporate, Cooperative, Association and Foundation Law as well as in Tenancy and Lease Law of 22 December 2020. Thus, the filing of the spin-off for registration with the commercial register has to occur no later than on 31 December 2021.

- 1218 § 2.4 stipulates that Daimler Truck Holding AG will assume and continue the Spin-Off Assets in its commercial accounting at the carrying amounts recognised in the Closing Balance Sheet. In addition, § 2.4 provides that Daimler Truck Holding AG will assume the Spin-Off Assets in its tax balance sheet at the fair market value on the Tax Transfer Effective Date for the Spin-Off.
- 1219 In the event that the spin-off is not entered in the commercial register of Daimler AG until the end of 31 December 2021, § 2.5 determines 1 January 2022, 0:00 a.m., as the deviating Spin-Off Effective Date. In this case, the cut-off date of the Closing Balance Sheet is determined to be 31 December 2021. In case of a further delay regarding the entry in the commercial register beyond 31 December of the following year, the Spin-Off Effective Date and the reporting date of the Closing Balance Sheet will in each case be postponed by one year. If the spin-off has not become effective by 30 June 2022, there is also a right of withdrawal for both parties as agreed in § 31.2 (in this respect cf. point 26 below).

3. Spin-Off Assets and Spin-Off Balance Sheet

- 1220 § 3.1 defines which assets are transferred to Daimler Truck Holding AG as Spin-Off Assets. Accordingly, the Spin-Off Assets consist, for one thing, of 574,954,240 Daimler Truck shares, which are listed in the share register of Daimler Truck AG under numbers 251,498,475 to 826,452,714. § 3.1(a) additionally clarifies in this respect that the transfer of the shares is made including all associated rights and obligations as of the Spin-Off Effective Date. In addition, the control and profit and loss transfer agreement existing between Daimler AG and Daimler Truck AG forms part of the Spin-Off Assets, which is enclosed with the Demerger Agreement as Annex 3.1(b) (cf. Section B.IV.6 above regarding the control and profit and loss transfer agreement). § 3.1(b) additionally clarifies that the transfer of the control and profit and loss transfer agreement is made including all associated rights and obligations under the agreement as of the Spin-Off Effective Date. Thus, the claims and liabilities under the control and profit and loss transfer agreement relating to the period up to the Tax Transfer Effective Date for the Spin-Off and that incurred up to that date remain with Daimler AG.
- 1221 For purposes of determining the Spin-Off Assets in terms of accounting, § 3.2 contains a reference to the Spin-Off Balance Sheet developed from the Closing Balance Sheet

and prepared as at 1 January 2021, 0:00 a.m. This balance sheet is enclosed with the Demerger Agreement as Annex 3.2. The assets forming part of the Spin-Off Assets are shown in the Spin-Off Balance Sheet to the extent that they are eligible to be recognised in the balance sheet.

- 1222 § 3.3 additionally clarifies that it is not a prerequisite for the transfer that the items of the Spin-Off Assets are required or eligible to be recognised or whether these are actually (in particular in the Spin-Off Balance Sheet) recognised.

4. Granting of shares, capital increase and trustee for the spin-off (§ 4)

- 1223 § 4 specifies the consideration for the transfer of the Spin-Off Assets and regulates the capital increase to be carried out at Daimler Truck Holding AG in this context as well as the appointment of a trustee for the receipt of the shares to be granted.

- 1224 Pursuant to § 4.1, the shareholders of Daimler AG will receive for the transfer of the Spin-Off Assets, free of charge and in proportion to their previously existing shareholdings (preserving the proportion of company interests held), one no-par value registered share of Daimler Truck Holding AG for each two no-par value registered shares of Daimler AG. A total of 534,918,723 no-par value registered shares of Daimler Truck Holding AG will be granted to the shareholders of Daimler AG. This corresponds to a shareholding of 65.00 % in relation to the share capital of Daimler Truck Holding AG after completion of the spin-off and hive-down and implementation of the Capital Increase Against Contributions in Kind III in connection with the contribution of Daimler Truck shares by Daimler Grund.

- 1225 Pursuant to § 4.2, the shares to be granted by Daimler Truck Holding AG are entitled to a share in profits for the financial years from (and including) 1 January 2022. If the Spin-Off Effective Date is postponed to 1 January 2022, in accordance with § 2.5 sent. 1, the profit entitlement from the shares to be granted does not change. In the event of a further postponement of the Spin-Off Effective Date pursuant to § 2.5 sent. 3, the profit entitlement from the shares to be granted will be postponed accordingly.

- 1226 § 4.3 determines the way the shares that are to be granted to the shareholders of Daimler AG as consideration will be created. To implement the spin-off, Daimler Truck AG will increase its share capital by EUR 534,918,723.00 through the issue of 534,918,723 new no-par value registered shares. This capital increase is referred to in the Demerger Agreement as "Capital Increase Against Contributions in Kind I". Each new no-par value share will represent a portion of EUR 1.00 of the increased share capital. An additional premium is not agreed and is therefore not owed. Pursuant to the provisions of the UmwG, the spin-off may only be registered after the implementation of this capital increase has been registered in the commercial register of Daimler Truck Holding AG (§§ 125 sent. 1, 66 UmwG).

- 1227 § 4.4 clarifies that the contribution in kind is made by transfer of the Spin-Off Assets. § 4.4 also governs the accounting treatment of any difference between the value at which the contribution in kind made by Daimler AG is taken over by Daimler Truck

Holding AG and the amount of the increase in the share capital. To the extent that the value at which the contribution in kind is received by Daimler Truck Holding AG exceeds the amount of the increase of the share capital, such excess amount will be allocated to the capital reserve of Daimler Truck Holding AG pursuant to § 272 para. 2 no. 1 HGB.

- 1228 Pursuant to §§ 125 sent. 1, 71 para. 1 sent. 1 UmwG, the transferring legal entity must appoint a trustee to receive the shares to be granted. § 4.5 provides that Daimler AG appoints Deutsche Bank AG, Frankfurt am Main, as trustee to receive the shares of Daimler Truck Holding AG to be granted and to deliver these to the entitled shareholders of Daimler AG. Possession of the shares to be granted shall be provided to Deutsche Bank AG prior to the registration of the spin-off. At the same time, the trustee is instructed to provide the shares for the shareholders of Daimler AG upon registration of the spin-off in the commercial register of Daimler AG (for further details in this respect, cf. Section E.XII above).

5. Granting of special rights and benefits in the context of the spin-off (§ 5)

- 1229 § 5 refers to §§ 18 and 19 for the description of the special rights and benefits granted in the context of the spin-off within the meaning of § 126 para. 1 nos. 7 and 8 UmwG (cf. points 18 and 19 below).

6. Consequences of the spin-off for the employees and their representative bodies (§ 6)

- 1230 § 6 refers to §§ 22 et seqq. for a description of the consequences of the spin-off for the employees and their representative bodies (cf. point 22 below).

7. Hive-down (§ 7)

- 1231 § 7.1 contains the constituent provision for a hive-down, according to which Daimler AG as transferring legal entity transfers the part of its assets specified in § 9.1, with all associated rights and obligations, in its entirety to Daimler Truck Holding AG as acquiring legal entity by means of a hive-down by way of absorption pursuant to § 123 para. 3 no. 1 UmwG. In return, Daimler AG will be granted new shares in Daimler Truck Holding AG (in this respect, cf. point 10 below). As in the case of the spin-off, the transfer by means of the hive-down results – with regard to the Hive-Down Assets – in a so-called partial universal succession pursuant to § 131 para. 1 no. 1 UmwG, which means that upon the hive-down taking effect Daimler Truck Holding AG will assume the legal position of Daimler AG in respect of the Hive-Down Assets.
- 1232 § 7.2 clarifies that assets that are not allocated to the Hive-Down Assets pursuant to the Demerger Agreement or that are explicitly excluded from transfer in the Demerger Agreement are not transferred to Daimler Truck Holding AG by way of the hive-down.

8. Hive-Down Effective Date, Tax Transfer Effective Date and Closing Balance

Sheet (§ 8)

- 1233 § 8.1 determines 1 January 2021, 0:00 a.m., to be the Hive-Down Effective Date. The Hive-Down Effective Date is the point in time from which – in the internal relationship between Daimler AG and Daimler Truck Holding AG – the acts and transactions of Daimler AG relating to the Hive-Down Assets will be deemed to be undertaken for the account of Daimler Truck Holding AG (§ 126 para. 1 no. 6 UmwG). This means, that for the purposes of the commercial law balance sheet the hive-down has economic retroactive effect as of 1 January 2021, 0:00 a.m., and that Daimler AG and Daimler Truck Holding AG will put each other in such position in their internal relationship as if the Hive-Down Assets had already been transferred to Daimler Truck Holding AG on 1 January 2021, 0:00 a.m.
- 1234 § 8.2 refers to the Tax Transfer Effective Date for the Hive-Down. Since the hive-down is an exchange of shares, the Hive-Down Assets are contributed for transformation tax purposes in accordance with § 21 UmwStG. In this case, there is no retroactive taxation, meaning that the Tax Transfer Effective Date for the hive-down is the Consummation Date. § 2 UmwStG does not apply to the exchange of shares pursuant to § 21 UmwStG.
- 1235 §§ 125 sent. 1, 17 para. 2 UmwG stipulate that the filing with the commercial register of the transferring entity (Daimler AG) has to include a so-called Closing Balance Sheet. In this respect, § 8.3 determines that the hive-down (as is the case with the spin-off, cf. point 2 above) is to be based on the HGB balance sheet of Daimler AG as per 31 December 2020, 12:00 p.m. as Closing Balance Sheet. As was already described (cf. point 2 above), the balance sheet of Daimler AG as per 31 December 2020, 12:00 p.m., was audited by the auditor of Daimler AG, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, in the course of the annual financial statements which have received an unqualified audit opinion. The statements in point 2 regarding the latest possible date for the commercial register filing for the spin-off apply accordingly to the hive-down.
- 1236 § 8.4 stipulates that Daimler Truck Holding AG will assume and continue the Hive-Down Assets in its commercial accounting at the carrying amounts recognised in the Closing Balance Sheet. In addition, § 8.4 provides that Daimler Truck Holding AG will continue the Hive-Down Assets in its tax balance sheet at the carrying amounts shown on the Tax Transfer Effective Date for the Hive-Down.
- 1237 In the event that the hive-down is not registered in the commercial register of Daimler AG until the end of 31 December 2021, § 8.5 determines 1 January 2022, 0:00 a.m., as the deviating Hive-Down Effective Date. In this case (as in the case of the spin-off, see point 2 above), the reporting date for the Closing Balance Sheet is stipulated to be 31 December 2021. In case of a further delay regarding the entry in the commercial register beyond 31 December of the following year, the Hive-Down Effective Date and the reporting date of the Closing Balance Sheet are in each case postponed by one year. If the hive-down has not become effective by 30 June 2022, there is also a right of withdrawal for both parties as agreed in § 31.2 (in this respect cf. point 26 below).

9. Hive-Down Assets and Hive-Down Balance Sheet (§ 9)

- 1238 § 9.1 defines which assets are transferred to Daimler Truck Holding AG as Hive-Down Assets. According to this provision, the Hive-Down Assets consist exclusively of 251,498,474 shares in Daimler Truck AG, which are listed in the share register of Daimler Truck AG under numbers 1 to 251,498,474. § 9.1 additionally clarifies in this respect that the transfer of the shares is made including all associated rights and obligations as of the Hive-Down Effective Date.
- 1239 For purposes of determining the Hive-Down Assets in terms of accounting, § 9.2 contains a reference to the Hive-Down Balance Sheet developed from the Closing Balance Sheet and drawn up as at 1 January 2021, 0:00 a.m. This balance sheet is enclosed with the Demerger Agreement as Annex 9.2. The assets belonging to the Hive-Down Assets are shown in the Hive-Down Balance Sheet.

10. Granting of shares and capital increase for the hive-down (§ 10)

- 1240 § 10 specifies the consideration for the transfer of the Hive-Down Assets and regulates the capital increase to be carried out at Daimler Truck Holding AG in this context.
- 1241 Pursuant to § 10.1, Daimler AG will receive 233,936,002 new no-par value registered shares of Daimler Truck Holding AG in return for the transfer of the Hive-Down Assets. This corresponds to a shareholding of 28.43 % in relation to the share capital of Daimler Truck Holding AG after completion of the spin-off and hive-down and implementation of the Capital Increase Against Contributions in Kind III in connection with the contribution of Daimler Truck shares by Daimler Grund.
- 1242 Pursuant to § 10.2, the shares to be granted by Daimler Truck Holding AG will be entitled to a share in profits for the financial years from (and including) 1 January 2022. If the Hive-Down Effective Date is postponed to 1 January 2022, in accordance with § 8.5 sent. 1, the profit entitlement from the shares to be granted does not change. In the event of a further postponement of the Hive-Down Effective Date pursuant to § 8.5 sent. 3, the profit entitlement from the shares to be granted will be postponed accordingly.
- 1243 § 10.3 determines the way the shares that are to be granted to Daimler AG as consideration will be created. To implement the hive-down, Daimler Truck AG will increase its share capital by EUR 233,936,002.00 through the issue of 233,936,002 new no-par value registered shares. In the Demerger Agreement, this capital increase is referred to as "Capital Increase Against Contributions in Kind II". Each new no-par value share will represent a portion of EUR 1.00 of the increased share capital. An additional premium is not agreed and is therefore not owed. Pursuant to the provisions of the UmwG, the hive-down may only be registered after the implementation of this capital increase has been registered in the commercial register of Daimler Truck Holding AG (§§ 125 sent. 1, 66 UmwG).

- 1244 § 10.4 clarifies that the contribution in kind is made by transfer of the Hive-Down Assets. § 10.4 also governs the accounting treatment of any difference between the value at which the contribution in kind made by Daimler AG is acquired by Daimler Truck Holding AG and the amount of the increase in the share capital. To the extent that the value at which the contribution in kind is received by Daimler Truck Holding AG exceeds the amount of the increase of the share capital, such excess amount will be allocated to the capital reserve of Daimler Truck Holding AG pursuant to § 272 para. 2 no. 1 HGB.

11. Granting of special rights and benefits in the context of the hive-down (§ 11)

- 1245 § 11 refers to §§ 18 and 19 for the description of the special rights and benefits granted in the context of the hive-down within the meaning of § 126 para. 1 nos. 7 and 8 UmwG (cf. points 18 and 19 below).

12. Consequences of the hive-down for the employees and their representative bodies (§ 12)

- 1246 § 12 refers to §§ 22 et seqq. for a description of the consequences of the hive-down for the employees and their representative bodies (cf. point 22 below).

13. Capital increase against contributions in kind at Daimler Truck AG (§ 13)

- 1247 § 13.1 stipulates the obligation of Daimler AG to ensure that Daimler Grund will contribute its interests in four real estate management partnerships in the legal form of ordinary commercial partnerships, the Gamma Partnerships, to Daimler Truck AG in accordance with the provisions of the draft contribution agreement enclosed with the Demerger Agreement as Annex 13.1 (for more details, see the end of this section) before the spin-off takes effect.
- 1248 Pursuant to § 13.2, as consideration for the contribution of the equity interests specified in § 13.1, Daimler Grund receives 58,091,270 new no-par value registered shares of Daimler Truck AG, which are entitled to profits for the financial years from (and including) 1 January 2021.
- 1249 § 13.3 determines the way the shares that are to be granted to Daimler Grund as consideration for the contribution will be created. In order to implement the contribution, Daimler Truck AG will increase its share capital by EUR 58,091,270.00. Each new no-par value share will represent a portion of EUR 1.00 of the increased share capital. An additional premium is not agreed and is therefore not owed.
- 1250 § 13.4 clarifies that the contribution in kind is made by transfer of the interests specified in § 13.1. § 13.4 also governs the accounting treatment of any difference between the value at which the contribution in kind made by Daimler Grund is taken over by Daimler Truck AG and the amount of the increase in the share capital. To the extent that the value at which the contribution in kind is acquired by Daimler Truck AG exceeds the amount of the increase of the share capital, such excess amount will be allocated to the capital reserve of Daimler Truck AG pursuant to § 272 para. 2 no. 1 HGB.

1251 § 13.5 clarifies that in accordance with the intentions of the contractual parties the transfer of the interests specified in § 13.1 and the implementation of the capital increase against contributions in kind will become effective at the beginning of December 2021 at the earliest.

1252 The main content of the draft contribution agreement enclosed with the Demerger Agreement as Annex 13.1 can be described as follows:

- Pursuant to § 1.1, Daimler Grund undertakes to contribute the interests in the Gamma Partnerships held by it (the "Gamma Interests") to Daimler Truck AG by way of a capital increase against contribution in kind. Pursuant to § 1.2, the contribution of the Gamma Interests is made in each case with all associated rights and obligations, with economic effect as of the Transfer Effective Date of 1 December 2021, 0:00 hours. § 1.3 stipulates that the consummation of the obligation under § 1.1 is to be effected by way of an assignment with effect as of the Transfer Effective Date. Pursuant to § 1.4, Daimler Grund and Daimler Truck AG undertake to register the change of partners with the commercial register of the Gamma Partnerships.
- § 2 governs the details regarding the consideration to be granted by Daimler Truck AG for the contribution of the Gamma Interests. Pursuant to § 2.1, Daimler Truck AG grants to Daimler Grund, as consideration for the contribution of the Gamma Interests, a total of 58,091,270 no-par value registered shares of Daimler Truck AG, each representing EUR 1.00 of the share capital, which are created by way of a capital increase. § 2.1 also stipulates the manner in which these new Daimler Truck shares are to be distributed among the Gamma Interests to be contributed. In addition, pursuant to § 2.4, the parties undertake to have the preliminary valuation of the Gamma Interests, on the one hand, and of Daimler Truck AG, on the other hand, which was carried out on the basis of the IDW S 1 standard by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft as a neutral valuation expert as at 30 November 2021, and on the basis of which the number of new Daimler Truck shares was determined, updated by 31 December 2021 on the basis of the specifications stipulated in Annex 2. Depending on the outcome of this updated valuation, the obligation to make compensation payments may arise in both directions pursuant to § 2.5. In this context, § 2.6 regulates the due date of any compensation payments to be made.
- § 3 conclusively regulates the warranty claims of Daimler Truck AG with respect to the Gamma Interests and excludes the statutory provisions to the extent legally permissible. With the exception of the cases provided for in § 3, Daimler Grund's liability is thus limited to the mandatory statutory extent. In this context, Daimler Grund warrants to Daimler Truck AG pursuant to § 3.1 that the Gamma Interests have been validly issued and that the contributions have been made in full and have not been repaid, that the Gamma Interests are free from encumbrances and other rights of third parties and that Daimler Grund is the sole owner of the Gamma Interests and is entitled to make dispositions in respect of them.

- § 4 contains provisions for certain tax matters.
- § 5 contains standard concluding provisions.

1253 A draft agreement on the commitment of cash contributions between Daimler Grund Services, on the one hand, and Daimler Grund, EvoBus GmbH and Daimler Truck AG, on the other hand, is enclosed with the contribution agreement described above as Annex 1. This agreement governs the restructuring of the holding of interests in the Gamma Partnerships and EvoBus OHG (the "Real Estate Management Partnerships"), which will take place prior to the contribution of the Gamma Partnerships to Daimler Truck AG. The main content of this cash contribution agreement can be described as follows:

- Pursuant to § 1.1, Daimler Grund Services undertakes to increase its interests in the Gamma Partnerships and EvoBus OHG, respectively, for the purpose of acquiring an interest in the fixed capital in the amount of EUR 11,235.71 each and in the amount of EUR 12,385.18, respectively, with effect as of 30 November 2021, 0:00 a.m., by making cash contributions as defined in more detail in § 2 (the "Increase Effective Date"). As a result, pursuant to § 1.2, the partnership agreements of the Real Estate Management Partnerships will be amended as of the Increase Effective Date in accordance with the provisions contained therein.
- § 2 governs the details with regard to the cash contributions required to increase the equity interests. The cash contribution obligations shown in § 2.1 are based on a preliminary valuation of the Real Estate Management Partnerships, which was carried out on the basis of the IDW S 1 standard by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft as a neutral valuation expert as at 30 November 2021. Pursuant to § 2.3, the parties undertake to have the preliminary valuation of the Real Estate Management Partnerships updated on the basis of the specifications stipulated in Annex 2. Depending on the outcome of this updated valuation, the obligation to make compensation payments may arise in both directions pursuant to § 2.4. In this context, § 2.5 regulates the due date of any compensation payments to be made, while § 2.6 clarifies that the compensation mechanism does not affect Daimler Grund Services' participation in the fixed capital of the respective Real Estate Management Partnership.
- § 3 contains specifications for the accounting treatment of the cash contribution to be made by Daimler Grund Services to the Gamma Partnerships (§ 3.1) and EvoBus OHG (§ 3.2).
- Pursuant to § 4.1, the provisions of the cash contribution agreement only become effective as of 30 November 2021, 0:00 hours. In addition, § 4 contains standard concluding provisions.

14. Further capital increase against contributions in kind at Daimler Truck

Holding AG (§ 14)

- 1254 § 14.1 stipulates the obligation of Daimler AG to ensure that Daimler Grund will contribute the shares of Daimler Truck AG specified in more detail in § 14.1 to Daimler Truck Holding AG in accordance with the provisions of the draft agreement on post-formation and contribution enclosed with the Demerger Agreement as Annex 14.1 (for more details, see the end of this section), namely, on the one hand, the 58,091,270 new Daimler Truck shares from the capital increase against contributions in kind described in § 13.3 and, on the other hand, 1,000 already existing Daimler Truck shares which Daimler AG will contribute to Daimler Grund after conclusion of the Demerger Agreement.
- 1255 Pursuant to § 14.2, Daimler Grund will receive 54,047,157 new no-par value registered shares of Daimler Truck Holding AG in return for the contribution of the shares specified in § 14.1. This corresponds to a shareholding of 6.57 % in relation to the share capital of Daimler Truck Holding AG after completion of the spin-off and hive-down and implementation of the capital increase against contributions in kind required for the purpose of the contribution of Daimler Truck shares.
- 1256 Pursuant to § 14.3, the shares to be granted by Daimler Truck Holding AG are entitled to profits for the financial years from (and including) 1 January 2022, with the entitlement to profits from the shares to be granted not changing in the event of a postponement of the Spin-Off or Hive-Down Effective Date to 1 January 2022 pursuant to § 2.5 sent. 1 or § 8.5 sent. 1. In the event of a further postponement of the Spin-Off or Hive-Down Effective Date pursuant to § 2.5 sent. 3 or § 8.5 sent. 3, respectively, the profit entitlement from the shares to be granted will be postponed accordingly.
- 1257 § 14.4 determines the way the shares that are to be granted to Daimler Grund as consideration for the contribution will be created. In order to implement the contribution, Daimler Truck Holding AG will increase its share capital by EUR 54,047,157.00. This capital increase is referred to in the Demerger Agreement as "Capital Increase Against Contributions in Kind III". Each new no-par value share will represent a portion of EUR 1.00 of the increased share capital. An additional premium is not agreed and is therefore not owed.
- 1258 § 14.5 clarifies that the contribution in kind is made by transfer of the Daimler Truck shares specified in § 14.1. § 14.5 also governs the accounting treatment of any difference between the value at which the contribution in kind made by Daimler Grund is acquired by Daimler Truck Holding AG and the amount of the increase in the share capital. To the extent that the value at which the contribution in kind is acquired by Daimler Truck Holding AG exceeds the amount of the increase of the share capital, such excess amount will be allocated to the capital reserve of Daimler Truck Holding AG pursuant to § 272 para. 2 no. 1 HGB.
- 1259 The essential content of the draft agreement on post-formation and contribution enclosed with the Demerger Agreement as Annex 14.1 can be described as follows:

- § 1.1 contains the obligation of Daimler Grund to contribute the aforementioned Daimler Truck shares to Daimler Truck Holding AG by way of a capital increase against contribution in kind. In this context, § 1.2 provides that the transfer *in rem* of these Daimler Truck shares will be effected by means of a transfer agreement to be concluded between the parties after the registration of the implementation of the capital increase of Daimler Truck AG in the commercial register, a draft of which is enclosed as an Annex to the agreement on post-formation and contribution (see below in this respect).
- § 2 governs the details regarding the consideration to be granted by Daimler Truck Holding AG for the contribution of the Daimler Truck shares. Pursuant to § 2.1, Daimler Truck Holding AG grants to Daimler Grund, as consideration for the contribution of the Daimler Truck shares, a total of 54,047,157 no-par value registered shares of Daimler Truck Holding AG, which are created by way of a capital increase. In addition, § 2.1 stipulates the manner in which these new shares of Daimler Truck Holding AG are to be distributed among the Daimler Truck shares to be contributed. According to this provision, a total of 54,046,227 new shares of Daimler Truck Holding AG are attributable to the new Daimler Truck shares created in connection with the contribution of the Gamma Interests to Daimler Truck AG. Accordingly, 930 new shares of Daimler Truck Holding AG are attributable to the already existing 1,000 Daimler Truck shares. Section 2.2 stipulates that the new shares of Daimler Truck Holding AG are entitled to profits from 1 January 2022, with the entitlement to profits from the shares to be granted not changing in the event of a postponement of the Spin-Off or Hive-Down Effective Date to 1 January 2022, pursuant to § 2.5 sent. 1 or § 8.5 sent. 1. In the event of a further postponement of the Spin-Off or Hive-Down Effective Date pursuant to § 2.5 sent. 3 or § 8.5 sent. 3, respectively, the profit entitlement from the shares to be granted will be postponed accordingly.
- § 2.3 determines the way the shares that are to be granted to Daimler Grund as consideration will be created. For this purpose, Daimler Truck Holding AG will increase its share capital by EUR 54,047,157.00 through the issue of 54,047,157 new no-par value registered shares of Daimler Truck Holding AG. Each new no-par value share will represent a portion of EUR 1.00 of the share capital. An additional premium is not owed. § 2.4 then clarifies that the contribution in kind is made through the contribution of the Daimler Truck shares and regulates the accounting treatment of any difference between the value at which the contributed Daimler Truck shares are taken over by Daimler Truck Holding AG and the amount of the increase in share capital. To the extent that the value at which the contributed Daimler Truck shares are acquired by Daimler Truck Holding AG exceeds the amount of the increase of the share capital, such excess amount will be allocated to the capital reserve of Daimler Truck Holding AG pursuant to § 272 para. 2 no. 1 HGB.
- § 3 stipulates that the agreement on post-formation and contribution will only become effective upon approval by the General Meeting of Daimler Truck Holding AG and entry in the commercial register of Daimler Truck Holding AG.

- § 4 contains standard concluding provisions.

1260 The separate transfer agreement referred to in the agreement on post-formation and contribution described above is in turn enclosed with the latter in draft form as Annex 1. § 1 of the transfer agreement regulates the transfer *in rem* of the Daimler Truck shares. According to this provision, the transfer of the Daimler Truck shares is subject to the condition precedent of the spin-off and hive-down provided for in the Demerger Agreement taking effect and the registration of the implementation of the capital increase against contribution in kind in the commercial register of Daimler Truck Holding AG, by which the new shares in Daimler Truck Holding AG to be granted to Daimler Grund as consideration are created. In addition, the transfer agreement contains provisions on warranty in § 2, according to which the liability of Daimler Grund – to the extent legally permissible – is limited to the mandatory legal extent stipulated by law, with the exception of the cases provided for (effective issuance of the Daimler Truck shares, ownership title, freedom from encumbrances and power to make dispositions).

15. Consummation (§ 15)

1261 § 15.1 clarifies that the Spin-Off Assets and the Hive-Down Assets, respectively, will transfer to Daimler Truck Holding AG with effect *in rem* at the time of the registration of the spin-off or the hive-down in the commercial register of Daimler AG. The time of the transfer *in rem* of the Spin-Off Assets is referred to in the Demerger Agreement as the Spin-Off Consummation Date, and the time of the transfer *in rem* of the Hive-Down Assets as the Hive-Down Consummation Date. The determination of the respective Consummation Date already follows from statutory law pursuant to §§ 130 para. 1 sent. 1, 131 para. 1 no. 1 UmwG, according to which the entry of the spin-off in the register of the registered office of the transferring legal entity results in the transfer of the portion of the assets of the transferring legal entity which is spun off or hived down, respectively, is transferred in its entirety to the acquiring legal entity in accordance with the allocation provided for in the demerger agreement. At the respective Consummation Date, the transfer of assets agreed in the internal relationship with economic effect from the Spin-Off or Hive-Down Effective Date (1 January 2021) thus also takes effect in the external relationship.

1262 In addition, § 15.1 specifies the order of entries in the commercial register intended by the contracting parties. According to this provision, the spin-off and the hive-down will be filed with the commercial register of Daimler AG with the proviso that the spin-off is to be registered prior to the hive-down. Further, the Capital Increase Against Contributions in Kind III will be filed with the commercial register of Daimler Truck Holding AG with the proviso that it is not to be registered until the spin-off and hive-down have taken effect by registration in the commercial register of Daimler AG. This ensures that the transfer of the Daimler Truck shares referred to in § 14.1 to Daimler Truck Holding AG takes place with effect *in rem* after the spin-off and hive-down have taken effect.

1263 In this context, § 15.2 regulates the relationship of the measures governed by the Demerger Agreement and states that the separation of the commercial vehicles business operated by Daimler Truck AG from the Daimler Group is to be legally implemented

thereby. Pursuant to § 15.2, the spin-off and hive-down are not to take place without the Capital Increase Against Contributions in Kind III following thereafter and the Capital Increase Against Contributions in Kind III is not to take place without the previous spin-off and hive-down. The parties therefore agree to endeavor to ensure that the spin-off and hive-down (by registration in the commercial register of Daimler AG) and the implementation of Capital Increase Against Contributions in Kind III (by registration in the commercial register of Daimler Truck Holding AG) take effect on the same day, so that there is as short a period of time as possible between the effective dates referred to in § 15.1. § 15.2 defines the taking effect of the spin-off, hive-down and Capital Increase Against Contributions in Kind III in the order described above upon the Capital Increase Against Contributions in Kind III taking effect as the Consummation of the Demerger Agreement.

1264 § 15.3 contains, purely as a precautionary measure, a fall-back provision in the event that the Spin-Off Assets or the Hive-Down Assets do not already pass to Daimler Truck Holding AG upon registration of the spin-off or hive-down, respectively. In this case, Daimler AG will transfer the Spin-Off Assets or Hive-Down Assets to Daimler Truck Holding AG by means of a separate deed *in rem*. Daimler Truck Holding AG is obliged to consent to such transfer. In their internal relationship, the parties will place themselves in the same position as if the transfer had taken place in the external relationship as of the Spin-Off Effective Date or the Hive-Down Effective Date.

1265 § 15.4 stipulates that the contracting parties have the mutual obligation to take all actions that may still be necessary or expedient for the purpose of the Consummation of the Demerger Agreement, as well as to obtain any necessary permits or clearances from public authorities.

16. Protection of creditors and internal compensation (§ 16)

1266 § 16.1 first stipulates that the provisions in § 16.2 to § 16.3 governing internal compensation between the parties are to apply only to the extent that no different allocation of burdens and liabilities applies as a result of the Demerger Agreement.

1267 Subject to the requirements stipulated in § 133 para. 1, para. 3 UmwG, Daimler AG and Daimler Truck Holding AG, as the legal entities involved in the Demerger, are jointly and severally liable for the liabilities of Daimler AG incurred prior to the Demerger taking effect for a period of five years from the publication of the entry of the spin-off or hive-down in the commercial register of Daimler AG (or ten years in the case of pension obligations under the German Company Pensions Act).

1268 § 16.2 provides in this context that Daimler Truck Holding AG has to indemnify Daimler AG upon first demand against claims arising from liabilities, obligations or contingencies which are transferred to Daimler Truck Holding AG pursuant to the Demerger Agreement if and to the extent that claims are asserted against Daimler AG by creditors for such liabilities, obligations or contingencies on the basis of § 133 UmwG or other provisions of law. The same applies in case Daimler AG is held liable for granting security by creditors of the liabilities, obligations or contingencies described above. However, it must be

taken into account that no liabilities, obligations or contingencies will be directly transferred from Daimler AG to Daimler Truck Holding AG in the course of the spin-off and hive-down.

- 1269 As a reverse image of § 16.2, § 16.3 provides for an indemnification obligation of Daimler AG for the benefit of Daimler Truck Holding AG if and to the extent that the latter is held liable based on § 133 UmwG or other provisions of law for liabilities, obligations or contingencies which are not transferred to Daimler Truck Holding AG in accordance with the Demerger Agreement. The same applies in the event that Daimler Truck Holding AG is held liable for granting security by creditors of the liabilities, obligations or contingencies described above.
- 1270 The provisions in § 16.2 and § 16.3 correspond to the procedure customary in demerger agreements for regulating the internal compensation between the legal entities involved in the demerger and constitute a permissible internal contractual agreement in compliance with § 133 paras. 1 and 3 UmwG. This does not affect external liability. § 16.2 and § 16.3 ensure that the respective obligations are borne by the legal entity to which they are economically allocated in the course of the Demerger.

17. Warranties and commitments of Daimler AG (§ 17)

- 1271 § 17 conclusively regulates the warranty claims of Daimler Truck AG with respect to the Spin-Off Assets and the Hive-Down Assets and excludes the statutory provisions to the extent legally permissible. With the exception of the cases provided for in § 17, Daimler AG's liability is thus limited to the mandatory statutory extent.
- 1272 In § 17.1, Daimler AG warrants vis-à-vis Daimler Truck Holding AG with respect to the Spin-Off Assets and the Hive-Down Assets that it is the owner of the Daimler Truck Shares at the respective time of consummation, that it is entitled to freely dispose of the Daimler Truck Shares and that these are not encumbered with third-party rights. Pursuant to § 17.1, no further condition is agreed with regard to the Spin-Off Assets or the Hive-Down Assets. In addition, it is clarified as a precautionary measure that neither specific characteristics nor a specific value of the business of Daimler Truck AG are agreed.
- 1273 § 17.2 excludes, to the extent permitted by law, all claims, rights and warranties which may exist under the statutory provisions or otherwise in addition to those in § 17.1.
- 1274 § 17.3 establishes the obligation of Daimler AG not to adopt a resolution on a capital increase at Daimler Truck AG until the Spin-Off Consummation Date – with the exception of the capital measures provided for in the Demerger Agreement.
- 1275 In § 17.4, Daimler AG undertakes vis-à-vis Daimler Truck Holding AG to make the following additional contributions to the capital reserve pursuant to § 272 para. 2 no. 4 HGB of Daimler Truck AG until the Consummation of the Demerger Agreement: (i) in the amount of EUR 1,987 million to enable Daimler Truck AG (or its subsidiaries) to acquire and build up the commercial vehicles-related financial services business and to

acquire companies, business activities and economic goods (including rights to use trademarks and patents) attributable to the Trucks & Buses division, (ii) in the amount of EUR 250 million to strengthen the assets held to cover the pension obligations, and (iii) in the amount of EUR 3.134 million to ensure, on the whole, that Daimler Truck AG has an adequate equity base. With regard to the details of the strengthening of the equity capital, reference is made to the explanations in Section D.VIII. If the Spin-Off Effective Date is postponed in accordance with § 2.5 sent. 1 and the Hive-Down Effective Date is postponed in accordance with § 8.5 sent. 1, Daimler AG undertakes to make another additional contribution to the capital reserve pursuant to § 272 para. 2 no. 4 HGB with immediate effect as at 31 December 2021 to place Daimler Truck AG in the position it would be in if it had not transferred its profits for the financial year 2021 to Daimler AG in accordance with the existing control and profit and loss transfer agreement and the taxes on the profits had been paid by Daimler Truck AG itself. Should the existing control and profit and loss transfer agreement result in an obligation on the part of Daimler AG to compensate Daimler Truck AG for losses incurred in the financial year 2021, reserves established at Daimler Truck AG pursuant to § 272 para. 2 no. 4 HGB are to be dissolved in the corresponding amount, reduced by the tax benefit arising at Daimler AG as a result of the assumption of losses, with immediate effect as at 31 December 2021 and are to be distributed as net earnings to the shareholders of Daimler Truck AG.

18. Granting of special rights (§ 18)

- 1276 Pursuant to § 126 para. 1 no. 7 UmwG, the Demerger Agreement has to contain information on rights which the acquiring legal entity or the transferring legal entity (at the choice of the legal entities pursuant to § 133 para. 2 sent. 2 UmwG) grants to the holders of special rights (for example, stock options, shares without voting rights, preference shares, shares conferring multiple votes, bonds, profit participation rights). Furthermore, information has to be provided on the measures intended to be taken for these persons.
- 1277 § 5 (for the spin-off) and § 11 (for the hive-down) refer to § 18, which is explained below, for the relevant disclosures. The information provided therein applies to both the spin-off and the hive-down.
- 1278 § 18.1 first clarifies that Daimler AG has not issued any convertible bonds or bonds with warrants at the time of signing the Demerger Agreement.
- 1279 As a measure of utmost precaution, it is then pointed out in § 18.2 that Daimler AG and its group companies have granted share-based remuneration rights to members of the Board of Management and employees of Daimler AG as well as to board members and employees of Daimler Group companies, including board members and employees of the Future Daimler Truck Group, under long-term remuneration programmes, the so-called Performance Phantom Share Plans. A description of the remuneration rights under the Performance Phantom Share Plans is enclosed with the Demerger Agreement as Annex 18.2. In addition, § 18.2 describes the adjustment of the claims under the Performance Phantom Share Plans existing at the time of the Consummation of the

Demerger Agreement. The details of the provisions existing in this respect vis-à-vis beneficiaries who continue to be employed by the Future Daimler Group after the spin-off has taken effect or who are otherwise not subject to § 18.2(b) of the Demerger Agreement are set out in Annex 18.2(a). The details of the provisions vis-à-vis beneficiaries of the Future Daimler Truck Group who leave the Daimler Group upon the spin-off taking effect are set out in Annex 18.2(b). In this respect, reference is made to the explanations in Sections G.III.5, H.III.5 and I.III.9.

- 1280 § 18.3 clarifies that, other than the provisions described above, no further rights are granted to individual shareholders or holders of special rights within the meaning of § 126 para. 1 no. 7 UmwG, and no measures are intended for such persons within the meaning of said provision.

19. Granting of special benefits (§ 19)

- 1281 Pursuant to § 126 para. 1 no. 8 UmwG, the Demerger Agreement has to contain information, in particular, on special benefits granted to a member of the Board of Management or of the Supervisory Board of the legal entities participating in the Demerger, to an auditor or a demerger auditor. § 5 (for the spin-off) and § 11 (for the hive-down) refer to § 19, which is explained below, for the description of the granting of special benefits. The information provided therein applies to both the spin-off and the hive-down.
- 1282 In § 19.1, it is pointed out as a precautionary measure that it is intended to cover the risks arising from statutory prospectus liability with regard to the securities prospectus for the stock exchange listing by means of a so-called IPO insurance policy available on the market. Under the usual terms and conditions, such insurance policies also cover the members of the issuer's Board of Management and Supervisory Board as insured persons. Such insurance policies can only be taken out shortly before the stock exchange listing on the basis of a far advanced securities prospectus for the stock exchange listing. Accordingly, details of the insurance cover, including the amount of cover and the insurance premium, have not yet been determined.
- 1283 § 19.2 indicates that Martin Daum, as acting member of the Board of Management of Daimler AG and Chairman of the Board of Management of Daimler Truck AG, was appointed by the Supervisory Board of Daimler Truck Holding AG in July 2021 to the Board of Management of Daimler Truck Holding AG until the end of February 2025 and will resign from the Board of Management of Daimler AG in connection with the spin-off taking effect. § 19.2 further describes agreements made in this respect regarding remuneration at the level of Daimler AG and at the level of Daimler Truck Holding AG, respectively.
- 1284 § 19.3 to § 19.6 contain information on the proposed composition of the Supervisory Board of Daimler Truck Holding AG. § 19.3 describes that the members of the Board of Management of Daimler AG, Renata Jungo Brüngger and Harald Wilhelm, are to be elected to the Supervisory Board of Daimler Truck Holding AG. Furthermore, the provision contains information on the crediting of the board remuneration in the Supervisory

Board of Daimler Truck Holding AG with regard to the remuneration of the Board of Management activities at Daimler AG. § 19.4 explains the intended appointment of the current Supervisory Board members of Daimler AG, Joe Kaeser and Marie Wieck, who have resigned their mandates with effect as of the end of the extraordinary General Meeting on 1 October 2021, to the Supervisory Board of Daimler Truck Holding AG with effect immediately after the Consummation of the Demerger Agreement. § 19.5 states that Michael Brecht and Roman Zitzelsberger, who as employee representatives are already members of both the Supervisory Board of Daimler AG and the Supervisory Board of Daimler Truck AG, are also to be appointed to the Supervisory Board of Daimler Truck Holding AG in this capacity. Furthermore, it is clarified that their membership in the Supervisory Board of Daimler AG will also continue after the spin-off and hive-down have become effective. § 19.6 summarises the current considerations regarding the filling of the position of Chairman and Deputy Chairman of the Supervisory Board as well as regarding possible committee memberships of the persons named in §§ 19.3 to 19.5.

- 1285 § 19.7 contains information with regard to the remuneration of the Supervisory Board memberships at Daimler Truck Holding AG and Daimler Truck AG. The provision points out that the remuneration of the members of the future Supervisory Board of Daimler Truck Holding AG is set forth in the future Articles of Incorporation of Daimler Truck Holding AG, which are enclosed with the Demerger Agreement as Annex 20.1. With regard to the amount of such remuneration, reference is made to the relevant explanations in Section I.III.4 c). In addition, it is clarified in § 19.7 that no remuneration will be granted in the future for serving on the Supervisory Board of Daimler Truck AG.
- 1286 § 19.8 describes that Jochen Götz, as an acting member of the Board of Management of Daimler Truck AG, was also appointed to the Board of Management of Daimler Truck Holding AG in July 2021, with no remuneration being granted to him at the level of Daimler Truck Holding AG for assuming the mandate until the first day of the month in which the spin-off takes effect. Furthermore, the provision contains information on the current remuneration on the level of Daimler Truck AG as well as on the future remuneration after the spin-off takes effect on the level of Daimler Truck Holding AG.
- 1287 § 19.9 contains information on the effect of the spin-off on the determination of the annual bonus of the members of the Board of Management of Daimler AG. § 19.10 refers to the adjustment of the PPSPs for the members of the Board of Management of Daimler AG and to the possible effects of the spin-off due to the dependence of the PPSPs on the stock exchange price of Daimler AG. With regard to further details, reference is made to the explanations in Section G.III.5.
- 1288 § 19.11 contains a list of matters relating to the intended appointment of identical persons to the corporate bodies of Daimler AG and Mercedes-Benz AG, which are disclosed for reasons of legal precaution. Against this background, it is described under lit. (a) that it is intended that Hubertus Troska will also be appointed to the Board of Management of Mercedes-Benz AG. Under lit. (b), it is described that Wilfried Porth will resign from his position on the Board of Management of Daimler AG with contractual payment until end of April 2022 in order to achieve an identical management of the HR department at the level of both, Daimler AG and Mercedes-Benz AG, by Sabine Kohleisen.

Under lit. (c), the appointment of several members of the Supervisory Board of Daimler AG to the Supervisory Board of Mercedes-Benz AG is described. In this context, it is also pointed out as a precautionary measure that the members of the Supervisory Board of Daimler AG will receive the remuneration for assuming the additional mandate on the Supervisory Board of Mercedes-Benz AG as determined by the General Meeting of Mercedes-Benz AG on 9 September 2019.

- 1289 § 19.12 clarifies, for the sake of completeness, that other than the above, no special benefits within the meaning of § 126 para. 1 no. 8 UmwG will be granted to members of the Board of Management or of the Supervisory Board of the companies participating in the spin-off and hive-down or to any auditor of financial statements or demerger auditor.

20. Articles of Incorporation of Daimler Truck Holding AG and authorisation (§ 20)

- 1290 § 20.1 contains the undertaking by Daimler AG as sole shareholder of Daimler Truck Holding AG to ensure that prior to the spin-off taking effect the Articles of Incorporation of Daimler Truck Holding AG will be amended in such manner as to contain, upon the measures provided for in the Demerger Agreement taking effect, the provisions in the version enclosed as Annex 20.1 to the Demerger Agreement. The Articles of Incorporation of Daimler Truck Holding AG contain the provisions customary for a listed company. In this respect, reference is made to the explanations in Section I.III.2.
- 1291 Pursuant to § 20.2, Daimler AG, as the sole shareholder of Daimler Truck Holding AG, undertakes to ensure that, prior to the spin-off taking effect, the authorisation for the acquisition and use of own shares in the total amount of up to 10 % of the share capital existing at the time the authorisation takes effect is resolved in accordance with § 71 para. 1 no. 8 AktG. Such an authorisation is also customary for a listed company (cf. the explanations in Section I.III.8 regarding the content of the authorisation and the procedure).

21. Stock exchange listing (§ 21)

- 1292 Immediately after the Consummation of the Demerger Agreement, the fungibility of the shares of Daimler Truck Holding AG is to be ensured by admission to stock exchange trading. This is intended to ensure that Daimler shareholders are granted equivalent rights. § 21 obligates the contracting parties to take all necessary or expedient steps to have the shares of Daimler Truck Holding AG admitted to trading on the Regulated Market of the Frankfurt Stock Exchange and additionally on the subsegment of the Regulated Market of the Frankfurt Stock Exchange with additional post-admission obligations (Prime Standard).

22. Consequences of the Demerger for the employees and their representative

bodies (§§ 22 to 27)

1293 §§ 22 to 27 contain the information prescribed in § 126 para. 1 no. 11 UmwG regarding the consequences of the Demerger for the employees and their representative bodies. These provisions do not contain any contractual agreements between the parties, but merely a description of the consequences of the Demerger. For the sake of clarity, the effects of the hive-down are described in connection with the effects of the spin-off. For this reason, § 6 (for the spin-off) and § 12 (for the hive-down) each refer to the respective explanations in §§ 22 et seqq. of the Demerger Agreement. Reference is made to the explanations in Section K as well as in §§ 22 to 27 of the Demerger Agreement.

23. Termination of the controlling influence and deconsolidation (§ 28)

1294 § 28 sets forth that Daimler AG and Daimler Grund, on the one hand, and Daimler Truck Holding AG, on the other hand, will enter into a deconsolidation agreement. This deconsolidation agreement is enclosed with the Demerger Agreement as Annex 28 (for further explanations on the deconsolidation agreement see Section L.III below).

1295 As a consequence of the deconsolidation agreement, upon the spin-off taking effect, Daimler AG will neither directly nor indirectly exercise a controlling influence within the meaning of § 17 AktG on Daimler Truck Holding AG, nor will it be obliged to consolidate its direct and indirect shareholding in Daimler Truck Holding AG in its consolidated financial statements. The effectiveness of the deconsolidation agreement is therefore subject to the condition precedent of the spin-off taking effect.

24. Group Separation Agreement (§ 29)

1296 At the same time as the Demerger Agreement, Daimler AG and Daimler Truck Holding AG will conclude a group separation agreement pursuant to § 29 with the contents set forth in Annex 29 to the Demerger Agreement. The Group Separation Agreement governs the legal relationships between Daimler AG and Daimler Truck Holding AG as well as their respective group companies for the period from the consummation of the Demerger and the associated withdrawal of the commercial vehicles business, including Daimler Truck AG, as well as Daimler Truck Holding AG from the Daimler Group. The content of the Group Separation Agreement is described in Section L.II.

25. Costs and taxes (§ 30)

1297 § 30 lays down rules on the payment of costs and taxes. Pursuant to § 30.1, the contracting parties assume that no German value added tax will be incurred as a result of the conclusion and implementation of the Demerger Agreement and will cooperate to avoid any assessment of value added tax. If, contrary to the assumption, value added tax is incurred, Daimler Truck Holding AG is only obliged to make a payment to Daimler AG in respect of the value added tax if and to the extent that it is able to deduct the corresponding value added tax as input tax. To the extent that value added tax is assessed against Daimler Truck Holding AG and Daimler Truck Holding AG is not entitled

to deduct such value added tax, Daimler AG will indemnify Daimler Truck Holding AG against the value added tax and any interest thereon.

- 1298 § 30.2 stipulates that Daimler AG is to bear the costs incurred and still to be incurred by Daimler AG and Daimler Truck Holding AG in connection with the preparation, conclusion and implementation of the Demerger Agreement up to the respective time of consummation (including the costs of the respective general meeting and the costs of the filings with and the entries in the commercial register, the joint Demerger Report, the Demerger audit and the audits in connection with the capital increase and post-formation and the intended stock exchange listing as well as the respective associated costs of the advisors, banks and insurance companies commissioned by Daimler Truck Holding AG) and transaction taxes (with the exception of value added tax, which is specifically provided for in § 30.1 of the Demerger Agreement).

26. Final provisions (§ 31)

- 1299 § 31 contains various standard final provisions. § 31.1 points out that, in order to take effect, the Demerger Agreement requires the approval of the general meetings of shareholders of both Daimler AG and Daimler Truck Holding AG.
- 1300 § 31.2 contains a withdrawal clause pursuant to which either party may withdraw from the Demerger Agreement by written declaration to the other party if the registration of the spin-off and hive-down in the commercial registers of the contracting parties has not occurred by 30 June 2022. Thus, there is a legal possibility to stop the implementation of the Demerger if, for example, unexpected obstacles occur which significantly delay the implementation of the planned measures.
- 1301 § 31.3 contains a standard choice of law clause according to which the Demerger Agreement is governed by German law.
- 1302 In § 31.4, the parties contractually declare their intent to amicably settle any and all disputes arising from or in connection with the Demerger Agreement or agreements concluded for its implementation. For settlement of any disputes, the contracting parties will establish a special committee which is to comprise two members to be designated in writing by Daimler AG vis-à-vis Daimler Truck Holding AG and two members to be designated in writing by Daimler Truck Holding AG vis-à-vis Daimler AG. The purpose of this Dispute Settlement Committee is to find a mutually appropriate solution for the settlement of disputes.
- 1303 In the event that the Dispute Settlement Committee is unable to reach a mutually appropriate solution to resolve a dispute, § 31.5 provides that the parties will promptly and jointly bring the dispute to the attention of the chief executive officers of the parties. This is to facilitate a mutually appropriate solution for the settlement of the dispute by the chief executive officers. If this is not successful, each party is entitled to initiate measures of interim relief and/or arbitration proceedings.

- 1304 In the event that the above provisions have not led to a settlement of the dispute, § 31.6 provides for a dispute settlement mechanism by final decision of an arbitral tribunal in accordance with the Arbitration Rules of the German Institution of Arbitration (*Deutsche Institution für Schiedsgerichtsbarkeit e.V.* – DIS) in the applicable version. In this regard, § 31.6 regulates the composition of the arbitral tribunal as well as certain procedural modalities of the arbitral proceedings. According to this, the venue of the arbitration proceedings is to be Stuttgart.
- 1305 § 31.7 clarifies that the annexes to the Demerger Agreement form an integral part of the agreement.
- 1306 § 31.8 contains a contractual limitation clause. According to this clause, claims under the Demerger Agreement are subject to fixed limitation upon expiry of 31 December 2031.
- 1307 § 31.9 contains a standard written form clause.
- 1308 § 31.10 contains a customary so-called severability clause for maintaining the validity of the Demerger Agreement in the event of individual provisions being invalid and for the analogous replacement of any invalid or unenforceable provisions.

II. Group Separation Agreement

- 1309 Daimler AG and Daimler Truck Holding AG have entered into a group separation agreement which is enclosed with the Demerger Agreement as Annex 29. The Group Separation Agreement governs the legal relationships between Daimler AG and Daimler Truck Holding AG for the period from the spin-off taking effect and the related separation of the companies of the Future Daimler Truck Group from the current Daimler Group. For the purposes of the Group Separation Agreement, the companies of the Future Daimler Group and the activities conducted by them which are subject to change from time to time are referred to as the "Daimler Division", and the respective companies of the Future Daimler Truck Group and the activities conducted by them which are subject to change from time to time are referred to as the "Daimler Truck Division".
- 1310 The Group Separation Agreement comprises six sections. Section I (Clauses 1 to 3) contains provisions on the separation of the Divisions, Section II (Clauses 4 to 6) contains tax provisions, Section III (Clauses 7 to 11) regulates the allocation of liability between the Divisions, Section IV (Clauses 12 to 18) deals with the continuing relationships between the Divisions, Section V (Clauses 19 to 22) contains provisions on the implementation of the Group Separation Agreement and Section VI (Clauses 23 to 28) contains other provisions, including those on the commencement of the agreement, the geographical scope of application, the term and termination and any invalid agreements or provisions.
- 1311 The main provisions of the Group Separation Agreement are described and explained below.

1. Separation of divisions (Section I)

- 1312 Clause 1 of the Group Separation Agreement stipulates that the replacement of so-called Cross-Collateralisation is to be worked towards. Cross-Collateralisation is defined as sureties, guarantees or comparable declarations of liability or obligations to provide collateral by a party, one of its Group Companies or a bank, financial institution, insurance company or other third party commissioned by a party or one of its Group Companies for liabilities of the other party, one of its Group Companies or a third party in the interest of the other party or one of its Group Companies – in each case for the benefit of third parties. Clause 1.2 of the Group Separation Agreement provides for a claim for indemnification in the event that a collateral provider is held liable under a Cross-Collateralisation.
- 1313 Clause 2 of the Group Separation Agreement stipulates that the parties will ensure that, in accordance with the relevant annexes to the Group Separation Agreement, (i) the activities of Daimler Mobility AG and its subsidiaries will be divided between the Daimler Group and the Daimler Truck Group (Annex 2.1), (ii) any remaining interdependencies between the Cars & Vans and Trucks & Buses divisions are dissolved (Annex 2.2), (iii) the separation of central functions and mandated functions is implemented (Annex 2.3), and (iv) the agreed transitional services are provided (Annex 2.5). In addition, Daimler AG undertakes to grant to Daimler Truck AG the rights of use or ownership of certain trademarks, domains and patents, in accordance with the more detailed provisions in Annex 4. In addition, the scenario is provided for in which one party is of the opinion, after the Spin-Off Consummation Date, that assets, rights, contracts or liabilities have not been correctly allocated in the course of the creation of the divisions. In this case, it is envisaged that the parties will reach an agreement on whether the allocation is indeed erroneous and will negotiate in good faith regarding a correction, if necessary against payment, of the allocation. Finally, with regard to the pension obligations to company pensioners, it is stipulated that (i) Daimler AG will not assert any claims against Daimler Truck AG with regard to the secondary liability for pension obligations to company pensioners whose pension obligations have been transferred to Daimler Pensionsfonds AG and (ii) Daimler Truck Holding AG will ensure that Daimler Truck AG makes a legally binding and irrevocable declaration vis-à-vis Daimler AG at the time the Group Separation Agreement becomes effective that it will not assert claims specified in more detail for the pro rata retransfer of assets granted to Daimler Pensionsfonds AG in the event of excess cover.
- 1314 Clause 3 of the Group Separation Agreement governs the allocation of any liability between Daimler AG and Daimler Truck Holding AG for any and all damages and other pecuniary losses arising in connection with the implementation of the listing of the shares of Daimler Truck Holding AG which are based on the fact that the securities prospectus and/or the further marketing documents as well as other documents actually or allegedly contain information which is incorrect, incomplete or otherwise misleading and for which either no insurance cover exists or no compensation can be obtained despite insurance cover. For this purpose, a split in the ratio of 70 % (Daimler AG) to 30 % (Daimler Truck Holding AG) is provided for. This allocation includes, in particular, the liability for warranties and indemnity of Daimler Truck Holding AG towards the banks

accompanying the transaction. It also applies to costs and expenses (including disbursements) of any party, incurred by such party for the purposes of audit, defense or settlement of any so-called prospectus liability (including the assertion of any counterclaims and cross-actions as well as the assertion of claims against third parties), if and to the extent that such costs and expenses are necessary or appropriate in the view of a prudent and conscientious manager whose undertaking would have to bear such costs and expenses itself. The parties mutually indemnify each other accordingly in the proportion described above. § 254 BGB and any similar provisions and legal principles of any nature are inapplicable as between the parties, and any related objection and remedy of any party against the other party is expressly excluded.

2. Taxes (Section II)

- 1315 Clause 4 of the Group Separation Agreement clarifies that the provisions in Section III (Liability) as well as in Clause 22 (Limitation) of the Group Separation Agreement do not apply to tax matters to the extent that Clauses 5 and 6 contain deviating provisions for tax matters.
- 1316 Clause 5.1 defines a number of tax-related terms for the purposes of the Group Separation Agreement. Clause 5.2 of the Group Separation Agreement stipulates that taxes are generally borne by the party that is the legal tax debtor. This also applies to taxes owed under tax law as a result of the conclusion and consummation of the Demerger Agreement and the preparatory measures, including all pre-structuring steps. Thus, in principle, there is no general exemption from taxes which are attributable to an assessment period up to and including the Tax Transfer Effective Date for the Spin-Off (as defined in the Demerger Agreement) ("**Pre-Effective Date Taxes**") and which are caused by the business division of the other party. Clauses 5.3 et seqq. of the Group Separation Agreement, in turn, provide for a number of explicit exceptions in this regard in which taxes are borne in deviation therefrom and may lead to a payment obligation between the parties, namely (i) taxes in connection with the subsequent triggering of a contribution gain I pursuant to § 22 para. 1 UmwStG; (ii) taxes resulting from tax group relationships with Daimler Truck AG or companies of the Daimler Truck Group or a subsequent non-recognition of such tax group relationships; (iii) taxes in connection with measures in the period from 2018 to 2021 for the purpose of bundling the Cars & Vans and Trucks & Buses divisions; (iv) taxes in connection with mutual agreement proceedings (*Verständigungsverfahren*) (or similar measures), harmful measures of a party, breach of duties to cooperate, value added tax as well as other provisions. Furthermore, it is stipulated that claims under Clause 5 will become subject to limitation after the expiry of six months after and to the extent that the respective underlying tax assessment or determination of the loss has become formally and substantially final, but (i) not before the expiry of six months after the spin-off has taken effect, and (ii) at the latest eight years after the spin-off has taken effect. Furthermore, a so-called *de-minimis* clause has been agreed. According to this clause, each party may only assert claims for payment under Clauses 5 and 6, with the exception of Clause 5.3, if each individual claim exceeds an amount of EUR 5,000,000. Within the framework of the tax group for value added tax, the allocation method (*Umlageverfahren*) is to be applied as a matter of priority, where smaller claims can be easily and simply allocated according to cause.

In other cases, all claims arising for a Group Company per assessment period (for all types of taxes and, to the extent that this is simplified, also for determinations of value added tax in the course of tax field audits) are to be regarded as a single claim for the purpose of assessing whether the above threshold has been exceeded.

- 1317 Clause 6 of the Group Separation Agreement governs future cooperation in tax matters. The core provision in this respect is that the parties will cooperate closely and within the legal framework in tax matters (including ongoing mutual agreements, appeal and court proceedings, tax field audits, requests for review and requests for administrative and legal assistance) with the aim of minimising the tax burden for both parties and their respective Group Companies or obtaining a refund of taxes or providing the requested official information, in a manner similar to the cooperation with the tax authorities and the tax courts in the past. They will also ensure, to the extent permitted by law, that their respective Group Companies participate in such cooperation. The cooperation includes, in particular, the procurement and provision of tax-relevant documents and evidence (e.g. evidence in accordance with § 22 para. 3 UmwStG, evidence of residence for the purpose of obtaining tax relief under treaty law or evidence for the purpose of crediting or refunding withholding taxes; settlements and evaluations for the purpose of responding to requests for information, administrative and legal assistance).

3. Liability (Section III)

- 1318 Clause 7 of the Group Separation Agreement governs the allocation of liability between the Daimler Division and the Daimler Truck Division for liabilities attributable to one or the other of the Divisions. Accordingly, each of the parties is liable, in principle, for all liabilities, commitments and contingent liabilities attributable to its respective Division. To the extent that liabilities, commitments or contingent liabilities cannot be clearly allocated to the Daimler Division or the Daimler Truck Division, the party whose division is solely or predominantly responsible for the creation of the respective liability or commitment or the respective contingent liability is to be liable. If this cannot be determined either, Daimler AG and Daimler Truck Holding AG will be liable for the respective liabilities, commitments or contingent liabilities in the ratio of 70 % (Daimler AG) to 30 % (Daimler Truck Holding AG). To the extent that a party or one of its Group Companies is held liable for a liability, commitment or contingent liability for which the other party is liable, the liable party will indemnify the party against which claims have been asserted or its Group Company concerned.
- 1319 Clause 8 of the Group Separation Agreement regulates the case of liability for the repayment of subsidies and state aid: To the extent that a party or one of its Group Companies is held liable for repayment of subsidies or state aid granted prior to the Spin-Off Effective Date due to a circumstance that was solely or predominantly caused by the other party's division, the party whose division was solely or predominantly responsible for the repayment has to indemnify the party or its Group Company concerned that is obliged to make the repayment.
- 1320 Clause 9 of the Group Separation Agreement governs the conduct of proceedings and acts of cooperation in the event that a third party asserts a claim against a company of

the Future Daimler Group or a company of the Future Daimler Truck Group or initiates legal or administrative proceedings or announces such a claim or such proceedings in writing and, according to the reasonable assumption of one party, the successful assertion of the claim by the third party or the successful outcome of the proceedings for the third party would lead to an indemnification claim of this party against the other party permitted under the Group Separation Agreement.

1321 Clause 10 of the Group Separation Agreement governs the scope and modalities of compensation of damage and indemnification and the passing on of any benefits, as follows:

- Pursuant to Clause 10.1, indemnification against third-party claims determined by a court or by way of settlement, including any related court costs and out-of-court costs, is generally to be effected by way of direct payment by the indemnifying party to the respective plaintiff, counsel of record or the court. In contrast, payment by the party entitled to indemnification is made only if payment by the indemnifying party or its Group Company concerned itself would not have a debt-discharging effect or if the respective plaintiff or the court insists on payment by the indemnifying party, with the proviso that in the latter case a mere request for payment is not sufficient but an express declaration is required. In this case, the party entitled to indemnification has to make the corresponding payment without undue delay and will be reimbursed the corresponding amounts by the indemnifying party without undue delay upon presentation of the payment request including proof of payment. If the indemnifying party does not fulfil its payment obligation or does not fulfil it in time, it is obliged to compensate the party entitled to indemnification for any damages.
- Pursuant to Clause 10.2, claims under the Group Separation Agreement for damages or for indemnification exist (i) with respect to damages for direct and indirect damages, other than lost profit (except to the extent they are part of an asserted third-party claim for damages) or lost business opportunities, and (ii) with respect to costs for external costs only. However, this does not apply to indemnification claims in connection with the stock exchange listing, for which Clause 3.2 of the Group Separation Agreement contains a separate provision.
- Pursuant to Clause 10.3 of the Group Separation Agreement, each party may, in principle, only assert claims for damages or indemnification under the Group Separation Agreement if each individual claim exceeds an amount of EUR 100,000; in this regard, claims that are based on a uniform set of facts or that have arisen from the same legal basis are to be considered as a single claim for the purpose of assessing whether this threshold has been exceeded. However, this does not apply to indemnification claims under Clause 1.2 (indemnification due to granting of collateral), Clause 3.2 (stock exchange listing), Clause 8.1 (subsidies, state aid) and Clause 16.2 (insurance benefits) of the Group Separation Agreement, nor to indemnification claims due to third-party claims based on the decision of the European Commission of 19 July 2016 (Case AT.39824).

- Clause 10.4 of the Group Separation Agreement regulates under which conditions the indemnifying party may demand the assignment of any claims of the party entitled to indemnification against third parties, e.g. insurance companies.

1322 Clause 11 of the Group Separation Agreement clarifies that any claims of Daimler AG against its (former) members of corporate bodies or employees in connection with the decision of the European Commission of 19 July 2016 (Case AT.39824), including those against the relevant D&O insurers, will remain in full with Daimler AG, which shall have the sole power to assert or make dispositions in respect of them (in particular by way of settlement) at its own expense. Daimler AG is exclusively entitled to any benefits in this respect. If the benefits can only be rendered to Daimler Truck Holding AG or one of its Group Companies, Daimler Truck Holding AG has to immediately pay an identical amount to Daimler AG.

4. Continuing relationships between the Divisions (Section IV)

1323 Pursuant to Clause 12 of the Group Separation Agreement, it is the unanimous understanding of the parties that the conditions of supply and service relationships which companies of the Daimler Group in the form in which it existed until the spin-off taking effect have agreed with each other are in line with market conditions, were determined in accordance with the arm's length principle and, in this respect, are in principle to continue to exist. The parties will ensure that the future supply and service relationships between companies of the Future Daimler Group, on the one hand, and the companies of the Future Daimler Truck Group, on the other hand, will also be performed at arm's length and documented in an appropriate manner that complies with the relevant legal requirements. The individual deliveries and services will be provided on the basis of binding agreements between the relevant companies of the Future Daimler Group, on the one hand, and the relevant companies of the Future Daimler Truck Group, on the other hand.

1324 Clause 13 of the Group Separation Agreement governs information obligations and requirements for reporting by Daimler Truck Holding AG to Daimler AG. This serves to enable Daimler AG, in view of the deconsolidation of its remaining (indirect) investment in Daimler Truck Holding AG upon the spin-off taking effect and the associated presentation of this investment as an investment accounted for using the equity method in the financial statements of Daimler AG, to properly prepare its accounts and to comply with the corresponding disclosure obligations as of the spin-off taking effect.

1325 Clause 14 of the Group Separation Agreement contains a general provision on cooperation duties of the parties. The regulation contains (procedural) provisions on the intended exchange of information between the parties after the spin-off has taken effect. In addition, it contains a duty for the parties to provide mutual support to the extent permitted by law in the event of compliance cases, official proceedings and legal disputes that (also) affect the respective other party's Group. It also provides that, following the Spin-Off Consummation Date, the parties will consider and agree whether they should jointly monitor possible relevant cartel cases in the market from which the parties' own cartel damages claims against third parties could arise. To the extent that the

parties agree on such joint monitoring, they intend to make separate arrangements in this regard and to share the costs in a proportion acceptable and reasonable to both parties. In addition, from the Spin-Off Consummation Date, they will regularly review and agree on whether and in which cases it is actually and legally possible and advisable for the parties to jointly pursue their own cartel damages claims against third parties, including the joint appointment of external legal advisors, economists and other consultants, and to determine the turnover that may be affected. Any costs of such joint pursuit are to be shared appropriately, also subject to a separate agreement, if necessary.

- 1326 The provisions in Clause 15.1 concern the transfer of documents and data between the companies of both Divisions. The parties are obliged to ensure that all documents and data which are exclusively or predominantly attributable to the respective other Division or which are exclusively or predominantly not attributable to their own Division and which exist at the time the spin-off takes effect or which are received, e.g. from third parties, after the spin-off has taken effect, are transferred to the latter. The only exception to this is where any necessary separation of the data is disproportionate to the advantage of the separation. Necessary expenses for the fulfilment of these obligations are to be reimbursed by the respective other party. Clause 15.2 of the Group Separation Agreement governs the obligation of the parties to comply with retention obligations and mutual inspection rights in the event of a legitimate interest (against reimbursement of costs) in documents retained by the other party.
- 1327 Clause 16 governs cases where an insured loss occurs at one party or one of its Group Companies attributable to it at the time the spin-off takes effect due to a circumstance occurring or becoming known after the Spin-Off Effective Date (as defined in the Demerger Agreement) and the respective other party or one of its Group Companies attributable to it at the time the spin-off takes effect is entitled to an insurance benefit in respect of this loss. In this case, the parties are obliged to ensure that the insurance benefit economically accrues to the injured company. Provisions are also made for the cooperation of the parties in order to successfully assert the claim for insurance benefits and to pay them out to the injured company. Any necessary costs and expenses incurred in asserting the insurance claim are to be borne by the party to whose Group the injured company belongs, and the latter has to indemnify the Insured Company to this extent. Claims against the respective D&O insurer are excluded from Clause 16.
- 1328 Clause 17 of the Group Separation Agreement provides for a so-called lock-up agreement. The background to this is that Daimler AG considers its future investment in Daimler Truck Holding AG to be a significant investment, even after the commercial vehicles business has been separated from the Group. It therefore intends to support Daimler Truck Holding AG in the upcoming transformation as an anchor shareholder during a longer transitional period and thus to participate in future value enhancement potential. In detail, Clause 17 of the Group Separation Agreement regulates the following:
- In Clause 17.1 of the Group Separation Agreement, Daimler AG undertakes vis-à-vis Daimler Truck Holding AG not to dispose of any of the shares in Daimler

Truck Holding AG held directly or indirectly by Daimler AG at the time of the Consummation of the Demerger Agreement without the prior consent of Daimler Truck Holding AG until the end of the day that is 36 months after the first day on which the shares in Daimler Truck Holding AG are traded on the Frankfurt Stock Exchange (Lock-Up Period). "Disposal", in the preceding sense, includes, regardless of whether directly or indirectly, any sale, any transfer, any obligation to transfer, any pledge or any other encumbrance, any disposition (whether in whole or in part, for instance with regard to the voting rights or the commercial opportunities and risks, and whether legally or economically, *in rem* or under the law of obligations) and any other conduct (act, toleration or omission) by Daimler AG which is economically comparable to one or more of the above activities. This does not apply to disposals to affiliated companies within the meaning of § 15 AktG or to Daimler Pension Trust e.V. as well as any measures that are not caused by any conduct (action, toleration or omission) on the part of Daimler AG. In this context, it is clarified, that the shares of Daimler Truck Holding AG held in trust by Daimler Pension Trust e.V. as security assets are not subject to any lock-up.

- § 17.2 of the Group Separation Agreement stipulates that Daimler AG is not prevented from disposing of the shares of Daimler Truck Holding AG subject to the lock-up pursuant to § 17.1 after the end of the day that is twelve months after the first day on which the shares of Daimler Truck Holding AG are traded on the Frankfurt Stock Exchange, without the prior consent of Daimler Truck Holding AG, if, in the opinion of the Board of Management of Daimler AG, such a disposal is necessary for the purposes of prudent and conscientious management (§ 93 para. 1 AktG), taking into account the economic and strategic considerations applying at the relevant time. Exceptions to this are disposals to a direct competitor of Daimler Truck Holding AG, which are not permitted within the Lock-Up Period.
- Clause 17.3 of the Group Separation Agreement stipulates that in the event of a Disposal within the first six years after the first day of stock exchange trading of the shares of Daimler Truck Holding AG on the Frankfurt Stock Exchange, Daimler AG will dispose of the relevant shares in Daimler Truck Holding AG primarily in such a way that the disposal leads to an increase in the free float at Daimler Truck Holding AG, unless this form of Disposal would not be compatible with the duties of care of the Board of Management of Daimler AG (§ 93 para. 1 AktG).

1329 Clause 18 of the Group Separation Agreement contains customary confidentiality obligations of the parties with regard to confidential information defined in the provision which is available to one party or its Group Companies via the other party or its Group Companies due to the still existing joint group affiliation, or is made available later due to information rights under this agreement or the Demerger Agreement, regardless of whether it concerns Daimler AG, Daimler Truck Holding AG, their Group Companies or third parties and regardless of whether and how it is stored.

5. Implementation of the Agreement (Section V)

- 1330 Clause 19 of the Group Separation Agreement contains provisions on the implementation and assertion of claims between the parties. The Group Separation Agreement entitles and obligates the parties alone, unless otherwise expressly provided with respect to an entitlement. Claims and liabilities arising under the Group Separation Agreement are to be asserted and fulfilled only between the parties. However, each party is entitled to require the other party to make performance to a Group Company designated by the other party and authorised to receive such performance, which is allocated to it upon or after the spin-off takes effect. Likewise, either party may use one of its Group Companies as a vicarious agent to perform an obligation under the Agreement. Each party is to work towards and ensure that its Group Companies comply with or fulfil the provisions of this Agreement and, in particular, do not assert any claims against the other party or its Group Companies contrary to the provisions of this Agreement. If it is necessary for a service under this Agreement to be provided by a particular Group Company of a party, the respective party has to ensure that its relevant Group Company provides the relevant service. Claims of one party arising under the Agreement may only be transferred, except to Group Companies of such party, with the written consent of the other party.
- 1331 Clause 20 of the Group Separation Agreement clarifies that the general principles on the burden of proof apply to the provisions of this Agreement, i.e. each party must demonstrate and prove the facts and circumstances that are favorable to it.
- 1332 Clause 21 of the Group Separation Agreement declares the dispute resolution mechanism agreed in the Demerger Agreement (cf. § 31.4 to § 31.6 therein) to apply *mutatis mutandis* to disputes arising from or in connection with the Group Separation Agreement or Agreements concluded for its implementation. See in this respect the explanations in Section L.I.26.
- 1333 Clause 22 of the Group Separation Agreement governs the statute of limitations. According to this provision, indemnification claims due to third-party claims based on the European Commission's decision of 19 July 2016 (Case AT.39824) become subject to limitation 15 years after the effective date of the Group Separation Agreement, but at the earliest six months after the legally binding conclusion of the last court proceedings in connection with third-party claims based on the Commission's Decision. All other claims for indemnification and damages under the Group Separation Agreement become subject to limitation upon expiry of 31 December 2031, unless otherwise expressly provided in this Agreement.

6. Miscellaneous (Section VI)

- 1334 Clause 23 of the Group Separation Agreement stipulates that the provisions in Clauses 2.1 to 2.5, 19 to 22 and 24 to 28 of this Agreement take effect at the time at which both the General Meeting of Daimler AG and the General Meeting of Daimler Truck Holding AG have approved the Demerger Agreement by resolution. In all other respects,

the Group Separation Agreement takes effect upon the spin-off taking effect by virtue of its registration in the commercial register of Daimler AG.

- 1335 Pursuant to Clause 24, the Group Separation Agreement applies to all activities of the Future Daimler Group and the Future Daimler Truck Group worldwide.
- 1336 Clause 25 clarifies that the terms defined in the Group Separation Agreement, including the preamble, have the meaning assigned to them therein.
- 1337 Clause 26 of the Group Separation Agreement stipulates that amendments and supplements to this Agreement, including the abolition of Clause 26 itself, must be in writing, except where any stricter form is required.
- 1338 Clause 27.1 of the Group Separation Agreement stipulates that this Agreement has a fixed term until the expiry of 31 December 2041. During this period, ordinary termination is excluded. Clause 27.2 of the Group Separation Agreement clarifies that the right to extraordinary termination for good cause remains unaffected.
- 1339 Clause 28 of the Group Separation Agreement contains so-called severability clauses for any invalid agreements or provisions. Clause 28.1 clarifies that the parties and their respective Group Companies have already entered into certain agreements in connection with the spin-off and will enter into certain further agreements in connection with the spin-off, e.g. agreements in connection with the creation of the Divisions and the provision of the transitional services. It is then stipulated that the spin-off is also to take effect if these agreements are or become invalid, void or unenforceable, in whole or in part. If these agreements are or should become invalid, void or unenforceable, in whole or in part, the parties will retroactively conclude the affected agreements again or, if this is not possible, conclude new agreements which come closest to what was intended by the respective contracting parties according to the economic rationale and purpose of the agreement that is invalid, void or unenforceable, in whole or in part. Clause 28.2 states that the validity of the Group Separation Agreement and its other provisions is to remain unaffected if one or more of its provisions should be or become invalid, void or unenforceable, in whole or in part. In place of the void, invalid or unenforceable provision, such provision is to apply which comes closest in form, content, time, measure and scope to what the parties intended according to the economic rationale and purpose of the void, invalid or unenforceable provision. The same applies with regard to any unintended gaps in the Group Separation Agreement.

III. Deconsolidation Agreement

- 1340 When the spin-off takes effect, the shareholders of Daimler AG will – in addition to their unchanged shareholding in Daimler AG – hold 65.00 % of the share capital of Daimler Truck Holding AG. Daimler AG will retain a minority shareholding in the share capital of Daimler Truck Holding AG totaling 35.00 %, held directly by Daimler AG in the amount of 28.43 % (as a consequence of the spin-off) and indirectly via Daimler Grund in the amount of 6.57 % (as a consequence of the Capital Increase Against Contribution in Kind III). The control and profit and loss transfer agreement between Daimler AG and

Daimler Truck AG is intended to be transferred to Daimler Truck Holding AG by means of a spin-off, so that Daimler Truck Holding AG will replace Daimler AG as the controlling company when the spin-off takes effect. Daimler AG intends to transfer an interest in Daimler Truck Holding AG in the amount of 5.0 % to Daimler Pension Trust e.V., which will hold the shares in trust for Daimler AG or Mercedes-Benz AG, if necessary via a special fund, as security assets after the Consummation of the Spin-Off Agreement.

- 1341 It is expected that Daimler AG will have an attendance majority at the General Meeting of Daimler Truck Holding AG. Notwithstanding this, Daimler Truck Holding AG is to manage the commercial vehicles business bundled under it autonomously and independently of Daimler AG after the spin-off takes effect. In order to completely exclude any control of Daimler AG over Daimler Truck Holding AG and the resulting obligation to fully consolidate the shares directly and indirectly held by Daimler AG in Daimler Truck Holding AG in the consolidated financial statements of Daimler AG, Daimler AG and Daimler Grund, on the one hand, and Daimler Truck Holding AG, on the other hand, have concluded the deconsolidation agreement enclosed with the Demerger Agreement as Annex 28.
- 1342 The deconsolidation agreement provides that Daimler AG and Daimler Grund undertake vis-à-vis Daimler Truck Holding AG not to exercise their voting rights in the election of two of the ten Supervisory Board members of Daimler Truck Holding AG to be elected by the shareholders pursuant to § 101 para. 1 AktG in conjunction with § 7 para. 1 sent. 1 no. 3 MitbestG. Furthermore, Daimler AG and Daimler Grund will not exercise their voting rights in the decision on the early re-election, the election of substitute members and the dismissal of such Supervisory Board members in whose original election they did not exercise their voting rights. If, in this case, the Supervisory Board of Daimler Truck Holding AG proposes a candidate for (re)appointment or replacement who is not independent of Daimler AG and Daimler Grund in accordance with C.9 para. 2 GCGC, Daimler AG and Daimler Grund will, to the extent legally permissible, work towards ensuring that this candidate is not available for election as a member of the Supervisory Board of Daimler Truck Holding AG.
- 1343 Daimler AG and Daimler Grund will jointly propose to Daimler Truck Holding AG eight of the Supervisory Board members to be elected by the shareholders in good time prior to the adoption of the resolution by the Supervisory Board of Daimler Truck Holding AG on its proposals for the election of Supervisory Board members to the General Meeting of Daimler Truck Holding AG. If the Supervisory Board of Daimler Truck Holding AG resolves to propose the candidates proposed by Daimler AG and Daimler Grund to the General Meeting of Daimler Truck Holding AG for election to the Supervisory Board of Daimler Truck Holding AG, Daimler AG and Daimler Grund will exercise their voting rights only in respect of these candidates, but not in respect of the two other candidates.
- 1344 If, in contrast, the Supervisory Board of Daimler Truck Holding AG deviates from the election proposals of Daimler AG and Daimler Grund, Daimler AG and Daimler Grund will inform Daimler Truck Holding AG without undue delay after receipt of the relevant invitation to the General Meeting of Daimler Truck Holding AG as to with regard to which

of the Supervisory Board members standing for election they will and will not exercise their voting rights on the basis of the deconsolidation agreement.

- 1345 Daimler Truck Holding AG will promptly publish on its homepage the relevant election proposals of Daimler AG and Daimler Grund and information on the voting behavior of Daimler AG and Daimler Grund received from Daimler AG and Daimler Grund in connection with the election or dismissal of members of the Supervisory Board of Daimler Truck Holding AG and will keep these election proposals and information on the voting behavior available on its homepage at least until the end of the General Meeting at which the election or dismissal resolutions are adopted.
- 1346 In addition to Daimler Truck Holding AG, shareholders of Daimler Truck Holding AG whose shares together represent a proportionate amount of the share capital of Daimler Truck Holding AG of at least EUR 100,000.00 may also demand compliance with the provisions of the deconsolidation agreement.
- 1347 The deconsolidation agreement is valid until the end of the fifth annual General Meeting of Daimler Truck Holding AG following the annual General Meeting of Daimler Truck Holding AG in 2022. If the deconsolidation agreement is not ordinarily terminated until no later than six months prior to its expiry, it will be extended until the end of the fifth annual General Meeting following the termination of the deconsolidation agreement that would otherwise have occurred. The deconsolidation agreement automatically terminates if the (in)direct shareholding of Daimler AG in Daimler Truck Holding AG falls below 20 % of the share capital of Daimler Truck Holding AG. However, the termination of the deconsolidation agreement is subject to the condition precedent that all merger and investment control regulations have been complied with, with the consequence that the termination of the deconsolidation agreement may be consummated in accordance with the applicable regulations.

Daimler AG

The Board of Management

9 August 2021

[Signature]

Ola Källenius

[Signature]

Martin Daum

[Signature]

Renata Jungo Brüngger

[Signature]

Wilfried Porth

[Signature]

Markus Schäfer

[Signature]

Britta Seeger

[Signature]

Hubertus Troska

[Signature]

Harald Wilhelm

Daimler Truck Holding AG

The Board of Management

9 August 2021

[Signature]

Martin Daum

[Signature]

Jochen Götz

