



Mercedes-Benz

Annual General Meeting 2025

Position of the management on the countermotions

The Board of Management and the Supervisory Board stand by their proposed resolutions on the Agenda and comment on the countermotions as follows:

Dividend policy

In the interests of a sustainable dividend policy, the Mercedes-Benz Group generally bases its dividend on a payout ratio of approximately 40% of the net profit attributable to Mercedes-Benz Group shareholders. The free cash flow from the industrial business is also taken into consideration when setting the dividend.

The Board of Management and Supervisory Board propose to distribute a dividend of €4.30 per no-par-value share entitled to a dividend for the financial year 2024, corresponding to a distribution ratio of around 41%. We consider both the distribution ratio and the absolute dividend amount to be appropriate.

Socially just and climate-friendly transformation

We have made our production flexible in terms of drive systems and we sustainably utilize efficiencies between new and existing model series. This enables us to react quickly to market conditions and customer requirements and to develop innovative solutions. The new CLA that was recently unveiled in Rome is one example of this.

The investments to enable our transformation in the areas of drive systems and software are at an all-time high. This year, we are investing over ten billion in new models, technologies and locations so that we can continue to build cars powered by innovation in the years to come. We are also massively stepping up our development activities in battery technology. One example is the opening of our eCampus in the heart of our headquarters in Stuttgart-Untertürkheim. Investments in the nine-digit range are strengthening Stuttgart-Untertürkheim as a high-tech location for drive technologies. The new paint shop currently under construction at the Sindelfingen site is a lighthouse project for sustainability, innovation and digitalization and a further contribution to the transformation.

Mercedes-Benz is about to launch the biggest product offensive in its history. From 2025, we will be renewing the entry into the world of Mercedes-Benz with vehicles developed from scratch that are at the top of their segment in terms of size, equipment and technical sophistication. Each new model will be available with both electric and high-tech hybrid drives. The all-electric CLA will kick things off. As part of this model offensive, we are

introducing an enhanced design idiom that gives every Mercedes-Benz even more unique character and status.

Mercedes-Benz will continue to react flexibly to customer demand with electrified high-tech combustion engines, highly efficient hybrid vehicles and all-electric models. The pace of transformation is determined by market conditions and, in particular, by the wishes of our customers.

As a global company with more than 30 plants worldwide, Mercedes-Benz basically pursues a local-for-local strategy. We continuously optimize our production network and utilize its high flexibility to react to fluctuations and changing market conditions and remain competitive. The Mercedes-Benz plant in Kecskemét in the EU member state of Hungary is a key component of our international production network. We have been manufacturing there since 2012. The German Mercedes-Benz plants are successively starting production of new models in the Top End, Core, and Entry segments.

Optimizing our entire cost structure also involves reducing personnel costs. As already communicated, the company makes attractive offers to employees in indirect areas, for example to continue their careers outside the company or to switch to a different phase of life. We take a socially responsible and fair approach. There are no compulsory redundancies. The severance packages are designed to offer a sustainable prospect to both the employees and the company. The programme is part of the package of measures for greater competitiveness agreed between the General Works Council and the company. On the basis of the agreed savings and flexibilization measures, the company and the General Works Council have agreed to extend the existing job security guarantee until the end of 2034 ("ZuSi 2035"). In addition, discussions on the planned future structuring of the Mercedes-Benz sites are currently taking place between the employer and the employee sides.

In the 2024 financial year, the Supervisory Board of Mercedes-Benz Group AG again performed, in full, the tasks and duties incumbent upon it. In this context, the Supervisory Board continuously advised and monitored the Board of Management in the management of the company and provided support on strategically important issues for the further development of the company. The Supervisory Board regularly dealt with strategic issues at its meetings and discussed these with the Board of Management. These included, in particular, examining the product strategy and the drive system flexibility of the model series. In addition, an in-depth discussion of strategic challenges took place in September 2024 as part of a strategy meeting lasting several days. The product requirements of the various markets were also discussed in a constructive and open dialogue. During its discussions, the Supervisory Board always took the interests of the workforce and the shareholders into consideration. The Supervisory Board's monitoring and advice of the Board of Management also includes integrity and sustainability issues. At regular intervals, the Supervisory Board obtains reports from the Board of Management on significant developments in this area. The Supervisory Board has also fully complied with its duty of care in this respect.

Virtual Annual General Meeting

With a majority of 90.64%, the Annual General Meeting 2023 authorized the Board of Management to hold the Annual General Meeting as a virtual General Meeting without the physical presence of the shareholders or their proxies at the venue of the General Meeting for a period of two years after entry of the corresponding amendment to the Articles of Association in the Company's commercial register. The Board of Management is making use of this option for the Annual General Meeting 2025. The shareholders' rights remain fully safeguarded.

The existing authorization expires on 26 June 2025. The Board of Management and Supervisory Board propose to the Annual General Meeting to reauthorize the Board of Management by means of a corresponding provision in the Articles of Association. In doing so, the maximum term of five years provided for by law will not be fully applied. Instead, there will be another authorization period of just two years after entry of the amendment to the Articles of Association into the commercial register. Although the Board of Management is of the opinion that the virtual format for the General Meeting has proven to be beneficial to the Company and its shareholders, shareholders will be given an opportunity to decide on this again in two years' time.

For future General Meetings, a separate decision shall always be made by the Board of Management in the interests of the Company and its shareholders and exclusively on the basis of objective criteria, taking into account the circumstances of the individual case and with the involvement of the Chairperson of the Supervisory Board as the chairperson of the General Meeting under the Articles of Association, as to whether to make use of the authorization and hold a General Meeting as a virtual General Meeting.

To achieve the best possible cost and organizational efficiency, a virtual implementation is preferable to a physical implementation. The costs and organizational effort of a physical General Meeting far exceed the costs and effort of a virtual General Meeting. In addition, the latter saves resources and is therefore more sustainable than an in-person General Meeting. At the same time, all shareholder rights are fully preserved in the case of a virtual format. Since 2023, Mercedes-Benz Group AG has not made use of the legally permissible option of bringing forward the submission of and response to shareholder questions. Despite the clear advantages of a virtual General Meeting, the Board of Management, in consultation with the Chairman of the Supervisory Board, could decide to hold a physical General Meeting in individual cases in the future.

In contrast, a hybrid General Meeting is not an alternative to a virtual General Meeting for the Board of Management.

The hybrid format involves high organizational and cost expenditures for both physical and virtual implementations. A hybrid General Meeting would therefore be significantly more expensive than a physical General Meeting, which in turn is significantly more expensive than a virtual General Meeting. In view of the Company's current situation and our extensive efforts to cut costs, a hybrid AGM would be counterproductive at present.