



Mercedes-Benz

## **Annual General Meeting 2022**

### **Counter motions and election proposals from shareholders**

As follows, you will find the counter motions and election proposals from shareholders as defined by Sections 126 and 127 of the German Stock Corporation Act (AktG) on the Items of the Agenda of the virtual Annual General Meeting of Mercedes-Benz Group AG to be held on 29 April 2022.

#### **Dear Shareholders,**

A counter motion or election proposal to be made accessible in accordance with Sections 126 and 127 of the German Stock Corporation Act that is received before midnight (CEST) on 14 April 2022 will be deemed to have been made during the virtual General Meeting if the shareholder making the request or submitting the election proposal has duly registered for the General Meeting. The right of the Chairman of the General Meeting to put the Management's resolution proposals to vote first remains unaffected.

Please find below, in the chronological order in which they were received, the counter motions and election proposals that have been sent to us to date and that are to be made accessible, as well as any further motions from shareholders that we have made accessible. We have marked motions and election proposals that do not consist solely of the rejection of a management proposal with capital letters.

If you wish to support or reject motions and election proposals marked in this way, please vote on the respective motion or election proposal on the reply form sent together with the letter of invitation to the Annual General Meeting or available on our website or via the e-service. As a motion or election proposal may not be voted on if the respective management proposal achieves the required majority, please do not fail to vote also by marking a cross on the relevant Item of the Agenda.

Counter motions and election proposals which consist solely of rejecting management proposals are not marked with letters. You can support these motions or election proposals by voting "No" on the respective Item of the Agenda or by issuing the corresponding voting instructions.

The motions, election proposals, and their justifications reflect the views of the authors as communicated to us. Any allegations of facts have also been posted on the Internet unchanged and without verification by us.

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## Association of Ethical Shareholders, Cologne

### **Motion A**

#### **Regarding Item 2 of the Agenda**

The Association of Ethical Shareholders proposes that the allocation of distributable profits be rejected.

#### Reasons:

The Association requests that instead of a dividend of €5.00 per dividend-entitled no par value share, only a dividend of €0.10 per share be distributed. The distributable profits also resulted from the use of state aid, for example the promotion of electric mobility or short-time work (see our countermotion to Item 3). Instead of distributing profits on a grand scale, the funds should be used to secure long-term jobs and environmentally and climate-friendly production in order to ensure a sustainable business model.

#### **Regarding Item 3 of the Agenda**

The Association of Ethical Shareholders proposes that the actions of the members of the Board of Management of Mercedes-Benz AG for the financial year 2021 are not to be ratified.

#### Reasons:

##### **State aid is being taken advantage of during the covid-19 pandemic**

The renewed increase in dividends in a time of transformation and supply difficulties due to a lack of spare parts and reduced unit sales shows that Mercedes-Benz AG is highly profitable. This is due in part to the fact that Mercedes-Benz AG, like other groups, takes advantage of short-time work for its own purposes. In some plants such as Bremen, people switch back and forth between full-time and short-time work as it suits the Company. Instead, the work could be better planned and divided. But then the Group would not have been benefiting from the tax-funded short-time allowance for some time.

At the same time, the Group is primarily concentrating on the production of particularly high-margin vehicles. We will explain the consequences of this portfolio policy below.

Instead of building particularly large, heavy and high-performance vehicles and thereby realising high profit margins, the Group should invest in the development of small, light, resource-efficient and energy-efficient vehicles. The transformation will not be manageable with pure luxury vehicles alone. The Group must continue to position itself broadly in order not to become a takeover candidate.

##### **CO<sub>2</sub> fleet limits can sometimes only be met with the help of Tesla**

Mercedes-Benz AG had itself celebrated to great effect in the media for its compliance with the fleet limits in the EU for 2021. It is a well-known problem that the real data that the Group reads from the vehicles and sends to the EU Commission deviate greatly from the official standard values. In future, one should be able to expect from Mercedes-Benz AG that customers will also be informed about the real consumption of the vehicles in operation on the road. The actual average consumption of new vehicles with internal combustion engines

in the EU in 2021 was over 10 litres per 100 km — a value that is unacceptable in view of the climate crisis. The differences between standard and real consumption continue to be particularly noticeable in plug-in hybrids, which, with their unrealistically low official consumption values, have prettified the CO<sub>2</sub> fleet limit value and made a significant contribution to its compliance last year.

Things are even worse in China and the United States, where Mercedes was unable to meet the fleet requirements on its own and had to buy some CO<sub>2</sub> certificates from competitor Tesla, thereby increasing its rival's profitability. In the United States, Mercedes has not achieved the CO<sub>2</sub> and consumption figures for cars and vans. According to the GHG standard, the maximum value for 2021 was 194 g CO<sub>2</sub> per mile, but in reality the average fleet value of Mercedes in the United States last year was significantly higher, at 251 g per mile. The reason is the low unit sales of electric cars and the large number of particularly high-consumption models.

Here, the Board of Management must formulate clearly and bindingly that the CO<sub>2</sub> targets not only in the EU but also worldwide will be achieved by the Group with its own efforts and without purchasing pollution certificates.

### **Large saloons and SUVs are not “sustainable luxury”**

Mercedes-Benz AG still sells the vast majority of cars with internal combustion engines. Although an end date has now been given for the combustion engine and the path to a purely electric company has thus been taken, there is considerable room for improvement in the current portfolio. Large, heavy cars, whether they are pure combustion engine vehicles, plug-in hybrids or electric cars, are the opposite of sustainability; they are resource wasters. The higher the performance, the higher the energy consumption. This is obvious for cars with combustion engines, but of course not every electric car is an eco-mobile. Strict environmental and resource standards must also apply here.

Mercedes must not take part in the resource-intensive race for the longest range. The EQS with a theoretical range of 780 km is a negative example here. Instead, new developments in battery technology must be utilised in order to minimise the use of energy and resources in the manufacture of the batteries.

### **Regarding Item 4 of the Agenda**

The Association of Ethical Shareholders proposes that the actions of the members of the Supervisory Board of Mercedes-Benz AG for the financial year 2021 are not to be ratified.

#### Reasons:

The Supervisory Board has inadequately fulfilled its task of monitoring the activities of the Board of Management in accordance with Section 111 (1) AktG (German Stock Corporation Act).

### **Existing real values must become the basis for the Group's actions**

Like all other groups, Mercedes-Benz AG has had to report the real consumption values of the cars it sells in Europe to the European Commission since 1 April 2022. This is a step in the right direction, because over the years the cars have been optimised for the official test procedures and the grey areas created by massive lobbying have been fully exploited. The consequence of this is a high difference between the official consumption and the associated CO<sub>2</sub> value and the real values when operating on the road. This applies in particular to plug-in

hybrids, for which the difference between the reported average consumption on the road and the factory data is likely to be particularly high. In the past, Mercedes has primarily focused on compliance with theoretical standard values. This has to stop. The Supervisory Board must ensure that the existing real values become the basis for the Group's actions.

A group such as Mercedes-Benz AG can be expected to use and publish these real values to provide customers with better information. Anyone who has bought a new car deserves to know how much energy others who have bought the same model over the past year have actually consumed. The provision of this information is currently still voluntary and it would have to be given in addition to the official labelling with the standard value. Here, the Group is challenged to go beyond the legal requirements in order to ensure the often invoked transparency.

### **The emissions scandal still continues**

Even if things have become rather quiet in public, numerous proceedings for manipulation of diesel vehicles bearing the Mercedes star were still ongoing in the 2021 financial year. In some judgments, the plaintiffs were awarded over €40,000 plus interest. In November 2021, the Federation of German Consumer Organisations (vzbv) brought a model declaratory action to clarify important questions about the claims for damages of affected consumers.

In recent years, the Federal Motor Transport Authority has recalled numerous Mercedes-Benz vehicles due to impermissible defeat devices. The Federation of German Consumer Organizations (vzbv) has brought a model declaratory action against the manufacturer in order to clarify important questions about the claims for damages of affected consumers.

Despite everything, Daimler continues to assert that the Group has not cheated on the emissions of its diesel vehicles; these assurances were and are obviously false and either suggest a lack of oversight on the part of the Supervisory Board in monitoring the Group's Board of Management or were and are intentionally false statements. Internationally, too, authorities continue to assume that illegal defeat devices are installed in other Mercedes-Benz diesel vehicles.

### **Mercedes has to cease its involvement in Formula 1**

It is anachronistic to invest many hundreds of millions annually in the development of chassis and power units which have little benefit for the products of the Group as a whole. Especially in view of the electrification strategy of the core brand Mercedes-Benz, a further commitment to Formula 1 is incomprehensible and casts doubt on the credibility of this strategy. The Supervisory Board failed to get on track for an exit from this expensive and unsustainable racing series in 2021.

Announcements to make the racing series supposedly climate-friendly by using synthetic fuels and the purchase of pollution certificates are merely greenwashing, because racing with combustion engines and climate protection do not go together. Synthetic fuels cannot be a solution for the future, if for no other reason than their high energy requirements during production. The Group must recognise this and act accordingly, especially in view of the fact that the main part of the emissions is generated by the transport of the vehicles, equipment and employees around the world. The emissions associated with this should not be offset, but avoided entirely by withdrawing from Formula 1.