



Mercedes-Benz

**Position of the management on the countermotions
for the Annual Meeting of the Shareholders to be held on 29 April 2022**

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

Allocation of distributable profits

The dividend is paid as an allocation of distributable profit for the respective preceding financial year. The earnings of the preceding financial year, the free cash flow of the industrial business, and the current business development form the basis for the proposal for the allocation of distributable profit to the Annual General Meeting. The Group net profit for the financial year 2021 amounted to €14.2 billion, excluding the non-cash deconsolidation effects. The free cash flow of the industrial business amounted to around €8.6 billion.

Mercedes-Benz Group AG has for years aimed in general to make an annual dividend payment of 40% of the Group net profit attributable to the Mercedes shareholders. The dividend should be covered by the free cash flow in the industrial business. Against this background, we propose to the Annual General Meeting a dividend in the amount of €5.00 per share. This corresponds to a payment of almost 39% of the Group net profit attributable to the Mercedes shareholders. Of the proposed dividend of €5.00, €4.30 is attributable to Mercedes-Benz Group AG in its current structure. This amount therefore also represents the reference value for future dividends, and €0.70 to Daimler Truck Holding AG, which has been listed separately since the end of 2021.

We are aware of the current discussion regarding the distribution of profits. The dividend proposal from the Board of Management and the Supervisory Board takes into account a careful consideration of the interests of all stakeholders, the current business situation, the liquidity of the Company and the business outlook. Short-time allowance only had a very slight influence on the net profit in 2021. The state subsidy for electric mobility benefits the customer when buying an electric car.

Investments and advance expenditure that serve to ensure our company's fitness for the future are of strategic importance to us. We have set ourselves the ambitious target of becoming all-electric by the end of the decade — wherever market conditions allow. As of this year, all of the car and battery assembly facilities operated by the Mercedes-Benz Group already operate using climate-neutral production processes. In addition, around 42,000 employees have been qualified in electric mobility in Germany alone over the last two years. Altogether, we want to invest more than €60 billion between 2022 and 2026 for the transformation towards an emission-free and software-driven future. The proposed dividend has no impact on the implementation of our sustainable business strategy.

Model policy and CO₂ emissions

Mercedes-Benz has a very attractive product portfolio, increasingly consisting of purely battery electric vehicles and hybrid vehicles with electric ranges of up to 100 km (WLTP).

The requirements of customers and markets are constantly changing, but not uniformly in all sales regions. Therefore, we continuously review our products and our portfolio and adapt them to changing requirements if necessary.

Our goal is and remains CO₂-neutral mobility: By 2039, our entire fleet of new cars should be CO₂-neutral. We use various options to reduce emissions quickly and sustainably. We develop new and ever more efficient drive technologies. As an important milestone on the way there, we at Mercedes-Benz Cars have set ourselves the goal of reducing our CO₂ emissions by more than 50 per cent per car by the end of the decade compared to 2020. The Mercedes-Benz plug-in hybrid portfolio extends from model variants of the A-Class to the S Class, from the GLA to the GLE, with electric ranges of up to 100 kilometres (WLTP). The models with plug-in hybrid drive systems combine the best of both worlds: the dynamics and efficiency of an electric motor with the range of a combustion engine. They can be driven purely electrically in city or commuter traffic, charged at home, at work and at public charging stations and offer the usual convenience of short refuelling times on long journeys.

Our goal is to be CO₂-compliant with the fleet targets in the European Union in 2022 and beyond.

We will also be introducing more and more purely electric or plug-in hybrid models in other markets, such as China or the United States, so that fleet consumption can also be continuously reduced there.

In comparison to the certified values, there are deviations in real driving. The deviations between laboratory and road emissions result primarily from different conditions in real operation compared to the legally stipulated conditions during a certification measurement, for example when the vehicle is operated under different vehicle loads (e.g. higher speed, stronger acceleration), other secondary loads such as the air conditioning system or the heater are switched on or other temperature conditions prevail.

In order to optimally support our customers who drive plug-in hybrid models, we rely on several measures: Firstly, we are working on the constant expansion of our charging offers, such as wallboxes and access to public charging stations. Secondly, we are increasing the all-electric ranges of our vehicles to enable frequent all-electric operation. Thirdly, we are working on digital products that enable customers with plug-in hybrid models to transparently compare their consumption with that of other drivers and improve individually. The individual fuel consumption of plug-in hybrid models depends largely on charging and driving behaviour.

Diesel exhaust gas emissions

As presented in the Annual Report 2021, a multitude of lawsuits by customers alleging claims under warranty and/or tort laws in connection with diesel exhaust gas emissions are pending.

Customer satisfaction is very important to us, and we therefore take legal actions seriously. However, we also defend ourselves when unfounded claims are asserted against us.

The rulings in the individual proceedings are currently almost exclusively in favour of Mercedes-Benz. In the individual proceedings, the district courts and higher regional courts in Germany have ruled in favour of the Company in around 95 per cent of the cases.

In this context, the Federation of German Consumer Organisations (Verbraucherzentrale Bundesverband e.V.) filed a model declaratory action (Musterfeststellungsklage) with the Stuttgart Higher Regional Court in 2021. It seeks a ruling that certain preconditions of alleged consumer claims are met. Mercedes-Benz Group AG will defend itself against the federation's allegations.

As is well known, the Federal Motor Transport Authority (KBA) ordered various recalls in connection with diesel exhaust gas emissions between 2018 and 2020. Since Mercedes-Benz has a different understanding of the relevant legal provisions and it also wants to obtain clarity in the interpretation of relevant legal norms in a complex technical environment for the future, the Company has submitted the controversial issues to judicial clarification before the responsible administrative court and filed corresponding lawsuits. Independently of the legal clarification of this matter, the company continues to cooperate fully with the authorities, and to create transparency.

The new calibrations requested by the KBA have been developed by Mercedes-Benz and assessed and approved by the KBA; the related recalls are being carried out.

In 2021, too, the Supervisory Board regularly dealt with the complex issue of diesel emissions and was informed about emissions-related legal matters and the corresponding further development of the compliance systems.

The Supervisory Board monitors the Board of Management comprehensively and continuously with regard to all developments and measures. The Supervisory Board is having the circumstances that led to the diesel emissions issue analysed in detail and, in accordance with its duties, it is examining whether the underlying facts could give rise to a possible Board of Management responsibility. This examination is still under way.

In this connection we refer to the Report of the Supervisory Board in our Annual Report 2021.

Commitment to Formula 1

Formula 1 is the most important global marketing and brand-building platform for Mercedes-Benz and our Mercedes-AMG performance brand, achieving over \$1 billion of brand exposure in 2021 from the TV broadcast alone. Since the introduction of the budget cap in 2021, the chassis team in Brackley has become a profit centre and makes a positive financial contribution to the company. A budget cap will also be introduced for engine development from 2023. The R&D activities in Brixworth, UK where the power units are developed, are an important part of the company's advanced R&D capability, particularly with respect to electrification. The lessons learned in motorsport improve the company's capability in technologies such as electric motors, batteries, management software and lightweight construction. This has been demonstrated most recently in the Vision EQXX, which features battery and lightweight technologies developed in motorsport, and where the F1 engineers were an integrated part of the project team. Formula One has set the target of carbon net zero by 2030, including 50% electrification and the introduction of 100% sustainable fuel from 2026, which must be produced using renewable energy. We welcome these steps towards making the sport more sustainable and fit for the future. Since 2018, our Mercedes team has reduced its CO₂ footprint by 50%, and it has set the target of achieving carbon net zero by

2026, through the adoption of measures including the use of sustainable aviation fuel and on-site power generation.

Stuttgart, April 2022

Mercedes-Benz Group AG