



Convocation  
of the Annual General Meeting  
of Mercedes-Benz Group AG  
on May 3, 2023



**Mercedes-Benz Group AG  
Stuttgart**

- ISIN DE 000 710 000 0 -

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Stuttgart**

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**Invitation to the 2023 Annual General Meeting**

We herewith invite our shareholders to attend the

**Annual General Meeting  
of Mercedes-Benz Group AG<sup>1</sup>**

**on Wednesday, May 3, 2023 at 10:00 a.m. (CEST).**

The Annual General Meeting will be held on the basis of Section 26n, Subsection 1 of the Introductory Act to the German Stock Corporation Act (*Einführungsgesetz zum Aktiengesetz*) **as a virtual General Meeting** pursuant to Section 118a, Subsection 1 Sentence 1 of the German Stock Corporation Act (*Aktiengesetz*) without the physical presence of shareholders or their proxies (with the exception of the proxies appointed by the Company) at the venue of the Annual General Meeting. The venue of the General Meeting for the purposes of the German Stock Corporation Act is Carl Benz-Arena, Mercedesstraße 73d, 70372 Stuttgart, Germany.

Shareholders duly registered for the General Meeting or their proxies will be able to connect to the virtual General Meeting electronically via the InvestorPortal by visiting

[group.mercedes-benz.com/investorportal](https://group.mercedes-benz.com/investorportal)

Irrespective of registration and exercising shareholder rights electronically, the full length of the Annual General Meeting will be audio-visually broadcast live for Mercedes-Benz Group AG shareholders entered in the share register and their proxies on the InvestorPortal at [group.mercedes-benz.com/investorportal](https://group.mercedes-benz.com/investorportal).

The opening of the General Meeting, the introductory statement of the Chairman of the Supervisory Board and the speech by the Chairman of the Board of Management can also be followed by the interested public online at

[group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023).

Voting rights may only be exercised by shareholders or their proxies – including electronically – by absentee voting or by granting power of attorney to the proxies appointed by the Company.

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## SECTION A

### Agenda

**1. Presentation of the adopted annual financial statements, the approved consolidated financial statements, the combined management report for Mercedes-Benz Group AG and the Group and the report of the Supervisory Board for financial year 2022**

The above-mentioned documents also include the explanatory report on the information required pursuant to Section 289a and Section 315a of the German Commercial Code (*Handelsgesetzbuch*) for financial year 2022. They are contained in the 2022 annual report along with the non-financial statement for the Company and the Group and the corporate governance statement, but excluding the annual financial statements of Mercedes-Benz Group AG. The annual report and the annual financial statements of Mercedes-Benz Group AG for the financial year 2022 are available as from the date of the General Meeting notice at

[group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023)

These documents will also be available, and explained in more detail, at the General Meeting. The remuneration report is also available on the aforementioned website.

The Supervisory Board has approved the annual financial statements and the consolidated financial statements as of December 31, 2022 prepared by the Board of Management; the annual financial statements are thereby adopted. In accordance with the statutory provisions, the Agenda does therefore not provide for a shareholder resolution in relation to Item 1.

**2. Resolution on the appropriation of distributable profit**

The Board of Management and the Supervisory Board propose that the distributable profit for financial year 2022 in the amount of €5,563,154,724.40 be appropriated as follows:

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Dividend distribution of €5.20 per no-par value share entitled to dividends	€5,563,154,724.40
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Pursuant to Section 58, Subsection 4, sentence 2 of the German Stock Corporation Act (*Aktiengesetz*), the claim to payment of dividends is due on the third business day following adoption of the resolution by the General Meeting, i.e., on May 8, 2023.

In the event that the Company directly or indirectly holds any treasury shares at the date of the General Meeting that are not entitled to a dividend pursuant to Section 71b of the German Stock Corporation Act (*Aktiengesetz*), it is recommended to the Annual Meeting that with an unchanged dividend of €5.20 per no-par value share entitled to dividends the portion of the distributable profit attributable to no-par value shares not entitled to dividends shall be transferred to retained earnings.

**3. Resolution on ratification of Board of Management members' actions in financial year 2022**

The Board of Management and the Supervisory Board propose that the actions of the Board of Management members who were in office in the 2022 financial year be ratified for that period.

**4. Resolution on ratification of Supervisory Board members' actions in financial year 2022**

The Board of Management and the Supervisory Board propose that the actions of the Supervisory Board members who were in office in the 2022 financial year be ratified for that period.

**5. Resolution on the appointment of the auditor for the annual financial statements and the auditor for the consolidated financial statements**

- a) Based on the recommendation of the Audit Committee (*Prüfungsausschuss*), the Supervisory Board proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, be appointed as the auditor for the annual financial statements, the auditor for the consolidated financial statements and the auditor for the review of the interim financial reports for financial year 2023.
- b) According to the EU Audit Regulation (Regulation (EU) No. 537/2014), Mercedes-Benz Group AG is obliged to change its auditor at certain intervals, initially for the financial year 2024 at the latest.



On the basis of a selection procedure carried out in accordance with Art. 16 of the EU Audit Regulation, the Audit Committee has recommended to the Supervisory Board that it propose to the General Meeting either PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, or Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart as the auditor for the annual financial statements, the auditor for the consolidated financial statements and the auditor for the review of the interim financial reports for financial year 2024. In this context, the Audit Committee indicated its preference for PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main.

Based on the recommendation and preference of the Audit Committee, the Supervisory Board proposes that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, be appointed as the auditor for the review of the interim financial reports for the financial year 2024 in the period until the next Annual General Meeting in the financial year 2024.

- c) For a globally positioned company such as the Mercedes-Benz Group, the transition of the audit mandate requires extensive preparations on the part of both the company and the auditor. In the interest of legal and planning security for both sides, the new auditor of the annual financial statements, the auditor of the consolidated financial statements for the financial year 2024 and the auditor for the review of the interim financial reports for the financial year 2024 in the period after the Annual General Meeting in 2024 shall already be appointed at the Annual General Meeting 2023.

On the basis of a selection procedure carried out in accordance with Art. 16 of the EU Audit Regulation, the Audit Committee has recommended to the Supervisory Board that it propose to the General Meeting either PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, or Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart as the auditor for the annual financial statements, the auditor for the consolidated financial statements and the auditor for the review of the interim financial reports for financial year 2024. In this context, the Audit Committee indicated its preference for PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main.

Based on the recommendation and preference of the Audit Committee, the Supervisory Board proposes that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, be appointed as auditor for the annual financial statements and the auditor for the consolidated financial

statements for the financial year 2024 and the auditor for the review of the interim financial reports for the financial year 2024 in the period after the Annual General Meeting in 2024.

The Audit Committee declared that its recommendations to the Supervisory Board for the proposed resolutions 5 a) to c) are also free from undue influence by third parties and that no clause has been imposed upon it of the kind referred to in Art. 16, Subsection 6 of the EU Audit Regulation (Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC).

It is intended that separate votes be taken on agenda items 5 a), 5 b) and 5 c).

## **6. Resolution on the election of a member of the Supervisory Board**

At the close of the Annual General Meeting 2023, the period of office of Sari Baldauf as shareholder representative of the Supervisory Board will end.

Pursuant to Section 96, Subsection 1 and Section 101, Subsection 1 of the German Stock Corporation Act (*Aktiengesetz*) and Section 7, Subsection 1, Sentence 1, No. 3 of the German Co-determination Act (*Mitbestimmungsgesetz*), the Supervisory Board is composed of ten members representing the shareholders and ten members representing the employees, and pursuant to Section 96, Subsection 2, Sentence 1 of the German Stock Corporation Act (*Aktiengesetz*) is composed of not less than 30% of women (i.e., not less than six) and of not less than 30% of men (i.e., not less than six). The gender quota is to be fulfilled by the Supervisory Board as a whole, unless the members representing the shareholders or those representing the employees object to the fulfillment of this ratio by the Supervisory Board as a whole pursuant to Section 96, Subsection 2, Sentence 3 of the German Stock Corporation Act (*Aktiengesetz*). There was no objection to fulfilment of the ratio by the Supervisory Board as a whole with regard to election by the Annual General Meeting 2023.

At the time of publication of this notice, a total of seven women are members of the supervisory board, of whom four including Sari Baldauf are shareholder representatives and three are employee representatives. Accordingly, the minimum quota is fulfilled at present and following election of the candidates proposed by the Supervisory Board.

The following nomination is based on the recommendation of the Supervisory Board's Nomination Committee and seeks to meet the requirements profile for the entire board with a profile of skills and expertise and a diversity concept defined by the Supervisory Board. The requirements profile and the status of its implementation as of

December 31, 2022 are published in the corporate governance statement, which is available online at [group.mercedes-benz.com/company/corporate-governance/declarations-reports](https://group.mercedes-benz.com/company/corporate-governance/declarations-reports) as a separate document and at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023) as part of the annual report.

The proposed candidate is to be elected for a four-year term of office. In the absence of a provision in the Articles of Incorporation on the term of office of Supervisory Board members, the opportunity is thus taken to elect shareholder representatives for a shorter term of office than the maximum legal term of five years. This is intended to particularly take the expectations of institutional investors and the requirements of modern corporate governance into account.

The Supervisory Board proposes the election of

Stefan Pierer,  
Wels, Austria, Chairman of the Board of Management of Pierer Industrie AG,

as a member of the Supervisory Board representing the shareholders, with effect from the end of the Annual General Meeting 2023. The appointment will be for a term of office ending at the close of the General Meeting which resolves on the ratification of the Supervisory Board members' actions for the third financial year following the beginning of the term of office. The financial year in which the term of office begins is not counted.

Further information on the candidate proposed for election, including information on memberships in other statutory supervisory boards or similar supervisory bodies, is set out at the end of this Agenda in section B and is available on the Company's website at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023) and will also be available there during the General Meeting.

**7. Resolution on remuneration for Supervisory Board members and corresponding amendment of Art. 10 (§ 10) of the Articles of Incorporation**

The currently applicable remuneration of the Mercedes-Benz Group AG Supervisory Board members regulated by Art. 10 (§ 10) of the Articles of Incorporation and the underlying remuneration system were resolved by the Annual General Meeting on March 31, 2021.

On the basis of the remuneration system for Supervisory Board members pursuant to a) below in conjunction with section C, Art. 10 (§ 10) of the Articles of Incorporation shall be amended pursuant to b) below and the remuneration adjusted accordingly. This is

intended to meet the steadily growing requirements under challenging economic and increasingly complex regulatory conditions.

The Board of Management and the Supervisory Board – the latter based on the recommendation of the Presidential Committee (*Präsidialausschuss*) – propose the following resolution:

- a) The remuneration system for the members of the Supervisory Board of Mercedes-Benz Group AG will be adjusted as set out in section C at the end of the agenda. The remuneration system for members of the Supervisory Board is also available at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023) and will also be available there during the General Meeting.
- b) Art. 10 of the Articles of Incorporation is reworded as follows:

“Art. 10 (§ 10) Remuneration of the Supervisory Board, Liability Insurance

- (1) The members of the Supervisory Board shall receive a fixed basic remuneration for each full financial year in the amount of € 200,000.00 for each individual member.
- (2) The Chairperson of the Supervisory Board receives € 600,000.00 and the Deputy Chairperson € 475,000.00 for each full financial year.
- (3) The Chairperson of the Audit Committee receives € 450,000.00, each other member of the Audit Committee € 400,000.00 and each member of any other committee € 300,000.00 (in each case including the base remuneration) for each full financial year. Committee activities are only taken into account if the committee in question has met at least twice in the financial year in the performance of its duties. Insofar as a member of the Supervisory Board performs several functions with higher remuneration pursuant to Subsection 2 or Subsection 3 sentence 1, the remuneration shall be based exclusively on the function with the highest remuneration.
- (4) The remuneration shall be payable within two months of the end of each financial year.
- (5) If any members of the Supervisory Board resign from the Supervisory Board during a financial year, they shall receive the remuneration on a pro rata temporis basis. If a member of the Supervisory Board resigns from a function for which there is higher remuneration, the previous sentence shall apply mutatis mutandis in respect of the higher remuneration for the relevant

function. Proportionate remuneration for functions on committees requires that the relevant committee has held at least two meetings in discharge of its duties during the respective part of the financial year.

- (6) In addition to remuneration, the members of the Supervisory Board shall be reimbursed for their reasonable expenses and the value-added tax payable on the payments made to them. In addition, any employer contributions for social insurance arising under foreign laws for Supervisory Board activities are paid or reimbursed. Furthermore, the members of the Supervisory Board shall be covered by insurance against pecuniary damage, taken out by and in the interest of the Company in an appropriate amount for corporate bodies and certain senior executives, to the extent such insurance coverage exists. Premiums for this insurance shall be paid by the Company.

The current version of the Articles of Incorporation is available at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023) and will also be available there during the Annual General Meeting.

## **8. Resolution on the approval of the remuneration system for the members of the Board of Management**

Pursuant to Section 120a, Subsection 1 of the German Stock Corporation Act (*Aktiengesetz*), in the event of any significant change, but at least every four years, the general meeting of a listed company shall resolve on the approval of the remuneration system for the members of the Board of Management that has been adopted by the Supervisory Board in accordance with the provisions of Section 87a of the German Stock Corporation Act (*Aktiengesetz*). The currently applicable remuneration system for the members of the Board of Management of Mercedes-Benz Group AG was approved by the Annual General Meeting on July 8, 2020.

The Supervisory Board reviewed this remuneration system on the occasion of the spin-off and hive-down of the Commercial Vehicles division, taking into account market practice and investor expectations, and in doing so placed a stronger focus on transformation and sustainability goals in addition to the strategic realignment of the Mercedes-Benz Group.

Based on the recommendation by the Presidential Committee, the Supervisory Board proposes that the remuneration system for the members of the Board of Management of Mercedes-Benz Group AG described in detail at the end of the Agenda in section D be approved. The remuneration system for the members of the Board of Management is also available at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023) and will also be available there during the General Meeting.

**9. Resolution on the approval of the remuneration report for financial year 2022**

Pursuant to Section 162 of the German Stock Corporation Act (*Aktiengesetz*), the Board of Management and the Supervisory Board have prepared a report on the remuneration granted and owed to the members of the Board of Management and of the Supervisory Board in financial year 2022 which shall be submitted to the General Meeting for approval in accordance with Section 120a Subsection 4 of the German Stock Corporation Act (*Aktiengesetz*).

In accordance with Section 162 Subsection 3 of the German Stock Corporation Act (*Aktiengesetz*), the remuneration report was audited by the auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, as to whether the disclosures required pursuant to Section 162 Subsections 1 and 2 of the German Stock Corporation Act (*Aktiengesetz*) have been made. Beyond statutory requirements, the auditor also applied substantive criteria in its audit. The audit opinion is attached to the remuneration report.

The Board of Management and the Supervisory Board propose to approve the remuneration report prepared for financial year 2022 pursuant to Section 162 of the German Stock Corporation Act (*Aktiengesetz*).

The remuneration report is set out at the end of the Agenda in section E. It is also available at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023) and will also be available there during the General Meeting.

**10. Resolution on the creation of a new Approved Capital 2023 and related amendment to Art. 3(2) (§ 3(2)) of the Articles of Incorporation**

By resolution of the Annual General Meeting on April 5, 2018, the Board of Management of the Company was authorized, with the approval of the Supervisory Board, to increase the share capital of the Company in whole or in part, on one or more occasions, by up to a total of €1,000,000,000.00 by April 4, 2023 by issuing new registered no-par value shares in return for cash contributions and/or contributions in kind and, in this context, to also exclude shareholders' statutory subscription rights in certain cases (Approved Capital 2018, Art. 3(2) (§ 3(2)) of the Articles of Incorporation). To date, this authorization has not been used.

As the authorization period of the Approved Capital 2018 expires prior to the Annual General Meeting 2023, a new Approved Capital 2023 with an unchanged volume shall be

created to ensure that the Company continuously has approved capital. No other approved capital exists.

The Board of Management and the Supervisory Board propose that the following resolution be adopted:

The Board of Management is authorized to increase the Company's share capital with the consent of the Supervisory Board in the period until May 2, 2028 by a total of up to €1,000,000,000.00, in one lump sum or by separate partial amounts at different times, by issuing new registered no-par value shares in exchange for cash and/or non-cash contributions (Approved Capital 2023). The new shares are generally to be offered to the shareholders for subscription (also in the way of indirect subscription pursuant to Section 186, Subsection 5, Sentence 1 of the German Stock Corporation Act (*Aktiengesetz*)). However, the Board of Management is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in certain cases. To this end, Art. 3(2) (§ 3(2)) of the Articles of Incorporation shall be amended and restated as follows:

“(2) The Board of Management is authorized to increase the Company's share capital with the consent of the Supervisory Board in the period until May 2, 2028 by a total of up to €1,000,000,000.00, in one lump sum or by separate partial amounts at different times, by issuing new registered no-par value shares in exchange for cash and/or non-cash contributions (Approved Capital 2023). The new shares are generally to be offered to the shareholders for subscription (also in the way of indirect subscription pursuant to Section 186, Subsection 5, Sentence 1 of the German Stock Corporation Act (*Aktiengesetz*)).

However, the Board of Management is authorized with the consent of the Supervisory Board to exclude shareholders' subscription rights in the following cases:

- to exclude residual or fractional amounts from the subscription rights;
- in the case of capital increases in exchange for non-cash contributions if this serves the purpose of (also indirectly) acquiring entities, parts of entities, equity interests in entities or other assets or claims to the acquisition of assets, including receivables from the Company or its group companies, for example for the purpose of implementing a share dividend in which the shareholders are offered the option of contributing their dividend entitlement to the Company in whole or in part as a contribution in kind against the granting of new shares from Approved Capital 2023;

- to the extent necessary to grant holders of bonds with conversion or option rights/conversion or option obligations that were or will be issued by the Company or its direct or indirect subsidiaries a right to subscribe for new registered no-par value shares of the Company in the amount to which they would be entitled as shareholders after exercising the conversion or option rights/after fulfillment of the conversion or option obligations;
- in the case of capital increases in exchange for cash contributions, if the issue price of the new shares is not significantly lower than the stock market price at the time the issue price is definitively set and the computational part of the shares issued with the exclusion of subscription rights pursuant to Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*) in the share capital does not exceed 10% of the share capital – neither at the time when this authorization takes effect nor when it is exercised. This limit of 10% of the Company’s share capital is to include shares (i) that are issued or sold during the period of this authorization with the exclusion of subscription rights under direct or indirect application of Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*), and (ii) that are issued or may be or have to be issued to honor bonds with conversion or option rights/conversion or option obligations if the bonds are issued with the exclusion of the shareholders’ subscription right after this authorization takes effect pursuant to Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*).

The computational part of the sum of shares issued according to this authorization upon exclusion of the shareholders’ subscription right in exchange for cash and/or non-cash contributions in the share capital must not exceed 10% in total of the share capital at the time when this authorization takes effect. When determining this limit, shares shall also be taken into account which

- are issued or disposed of during the term of this authorization with the exclusion of the shareholders’ subscription right by direct or *mutatis mutandis* application of Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*);
- are issued or may be or have to be issued to honor bonds with conversion or option rights/conversion or option obligations if the bonds are issued with the exclusion of the shareholders’ subscription right after this authorization takes effect pursuant to Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*).

The new shares participate in profits from the start of the fiscal year in which they are issued. To the extent legally permissible, the Board of Management may, subject to the



consent of the Supervisory Board, notwithstanding this and section 60 Subsection 2 of the German Stock Corporation Act (*Aktiengesetz*), determine that the new shares shall bear dividend rights from the beginning of a past fiscal year for which no resolution of the General Meeting regarding the appropriation of the net profit had been passed at the time when they were issued. The Board of Management is authorized with the consent of the Supervisory Board to stipulate the other details of the implementation of capital increases out of Approved Capital 2023, particularly the issue price. The Supervisory Board has the authority to amend the version of the Articles of Incorporation after the complete or partial implementation of the increase in share capital by exercising Approved Capital 2023 and after the elapse of the period of time for which authority was granted.”

The report by the Board of Management concerning the exclusion of subscription rights in the event of the use of Approved Capital 2023 pursuant to Section 203, Subsection 1 and 2 Sentence 2 in conjunction with Section 186, Subsection 4, Sentence 2 and Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*) is set out at the end of the Agenda in section F. It is also available at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023) and will also be available there during the General Meeting.

**11. Resolution to add an authorization to Art. 11 (§ 11) of the Articles of Incorporation for the Board of Management to hold a virtual shareholders’ meeting**

With the Act on the Introduction of Virtual Shareholders’ Meetings of Stock Corporations and the Amendment of Cooperative and Insolvency and Restructuring Law Provisions (Federal Law Gazette I No. 27 2022, p. 1166 et seq.) (*Gesetz zur Einführung virtueller Hauptversammlungen von Aktiengesellschaften und Änderung genossenschafts- sowie insolvenz- und restrukturierungsrechtlicher Vorschriften*), the virtual shareholders’ meeting was permanently established in the German Stock Corporation Act (*Aktiengesetz*). Pursuant to Section 118a Subsection 1 Sentence 1 of the German Stock Corporation Act (*Aktiengesetz*), the articles of incorporation may provide or authorize the Board of Management to provide that the shareholders’ meeting is held virtually, i.e., without the physical presence of the shareholders or their proxies at the venue of the shareholders’ meeting. In view of the ongoing digitization of all areas of life, the intention is to make use of this option and to resolve on a corresponding authorization for the Board of Management. The maximum term of five years provided for by law will not be utilized. Rather, a resolution shall initially only be adopted for an authorization to hold virtual shareholders’ meetings within a period of two years following entry of the amendment to the Articles of Incorporation. For future shareholders’ meetings, a separate decision shall always be made 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, as to whether to make use of the authorization and hold a shareholders’ meeting

virtually. These decision-making criteria include, for example, the relevant shareholders' meeting agenda, external conditions such as challenges in terms of protecting the health of participants or energy bottlenecks, simplified exercise of shareholders' rights for all shareholders, and sustainability considerations. If the Board of Management makes use of the authorization at its due discretion and decides to hold a shareholders' meeting virtually, the shareholder rights from the physical shareholders' meeting shall apply to the virtual shareholders' meeting and be safeguarded in the same way.

The Board of Management and the Supervisory Board propose to adopt the following resolution:

The current Art. 11 (§ 11) of the Articles of Incorporation of Mercedes-Benz Group AG will become Art. 11(1) (§ 11(1)) shall be amended to include a second paragraph and reworded as follows:

**“Art. 11 Convening of Shareholders' Meetings**

- (1) Shareholders' Meetings shall be convened by the Board of Management or the Supervisory Board. They shall be held at the registered office of the Company or in a German city that has a stock exchange. Furthermore, Shareholders' Meetings may be held in any city in Germany with more than 250,000 inhabitants.
- (2) The Board of Management is authorized to provide for the Shareholders' Meeting to be held without the physical presence of the shareholders or their proxies at the venue of the Shareholders' Meeting (virtual Shareholders' Meeting). This authorization is limited in time and applies to Shareholders' Meetings held within a period of two years after entry of this provision of the Articles of Incorporation in the commercial register of the Company. The authorization may be extended or renewed (also several times) by way of a resolution of the Shareholders' Meeting.”

The current version of the Articles of Incorporation is available at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023) and will also be available there during the Annual General Meeting.

**12. Resolution on an amendment to Art. 11a (§ 11a) of the Articles of Incorporation to include a new subsection 3 to enable Supervisory Board members to participate in a virtual Shareholders' Meeting by means of video and audio transmission**

In principle, the members of the Supervisory Board participate in the Shareholders' Meeting in person. Pursuant to Section 118 Subsection 3 Sentence 2 of the German Stock Corporation Act (*Aktiengesetz*), Art. 11a(2) (§ 11a(2)) of the Articles of Incorporation, members of the Supervisory Board with the consent of the chair of the Shareholders'

Meeting are exceptionally permitted to participate in the Shareholders' Meeting by means of video and audio transmission in cases where, due to legal restrictions or due to their place of employment or residence abroad, personal participation is not possible or only possible at considerable expense. If a virtual Shareholders' Meeting is held, Supervisory Board members shall generally be permitted to participate by way of video and audio transmission, even if none of the aforementioned circumstances have occurred. If direct interaction by all or individual members of the Supervisory Board with the Shareholders' Meeting should be necessary, this shall be enabled by directly connecting these Supervisory Board members by means of the two-way communication provided for. The experience already gained by the Board of Management and Supervisory Board in holding virtual Shareholders' Meetings in the years 2020 to 2022 has shown that Supervisory Board members participating digitally does not result in any disadvantages for the Company or the shareholders.

The Board of Management and the Supervisory Board propose to adopt the following resolution:

A third subsection shall be added to Art. 11a of the Articles of Incorporation of Mercedes-Benz Group AG regarding the video and audio transmission:

- (3) "In the event of a virtual Shareholders' Meeting, the members of the Supervisory Board, with the exception of the Chairperson of the meeting and its deputy, if such deputy has been appointed or elected in accordance with Art. 15(1) of the Articles of Incorporation, shall be permitted to participate in the virtual Shareholders' Meeting by means of video and audio transmission even if the circumstances described in Art. 11a(2) have not occurred."

The current version of the Articles of Incorporation is available at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023) and will also be available there during the Annual General Meeting.

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## SECTION B

### Information on the candidate proposed for election to the Supervisory Board (re. Agenda Item 6)

**Stefan Pierer, Wels, Austria**

**Chairman of the Board of Management of Pierer Industrie AG**

**Nationality:** Austrian

Stefan Pierer was born in 1956 in Bruck an der Mur in Austria. He earned an engineering degree in business and energy management from Montan University Leoben in Austria in 1982.

Stefan Pierer began his career as a management assistant at HOVAL (GmbH), where he also became the Chief Sales Officer from 1984. In 1987, he founded Pierer Industrie AG, an investment group with headquarters in Austria, which he developed into a leading European industrial group in more than three decades as CEO. The company's focus is mainly on the automotive high-tech component sector and the global "powered two-wheeler segment". The motorcycle brands produced and sold include in KTM, Husqvarna, GASGAS and MV Agusta.

Stefan Pierer is a member of the following other legally mandatory supervisory boards and comparable supervisory bodies:

- Pankl AG, Kapfenberg, Austria\* (not listed - Chairman)
- Pankl Racing Systems AG, Kapfenberg, Austria\* (not listed - Chairman)
- SHW AG, Aalen, Germany\* (listed)
- Schwäbische Hüttenwerke Automotive GmbH, Aalen, Germany\* (not listed)
- Oberbank AG, Linz, Austria (listed)

\* Group mandate of Pierer Industrie AG.

The candidate's résumé is also available on the internet at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023)

In the opinion of the shareholder representatives on the Supervisory Board, the proposed candidate is independent within the meaning of the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*) and has no further personal or business relationship with Mercedes-Benz Group AG or any of its Group companies, the corporate bodies of Mercedes-Benz Group AG or any shareholder with a substantial interest in Mercedes-Benz Group AG, the disclosure of which is recommended by the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*).

The Supervisory Board has also satisfied itself that the proposed candidate will be able to perform the duties expected of him in the time required for the office.

The Supervisory Board is convinced that Stefan Pierer, with his profound industry know-how and his expertise in product and brand development, will be able to significantly support the Company in its transformation.

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## SECTION C

### **Remuneration system for the members of the Supervisory Board of Mercedes-Benz Group AG (re. Agenda Item 7 a))**

The system for the remuneration of the members of the Supervisory Board fulfills the legal requirements and is in line with the recommendations of the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*). The remuneration of the members of the Supervisory Board shall be balanced overall and shall be commensurate with the tasks of the members of the Supervisory Board and the situation of the company, taking into account the remuneration arrangements of other large listed German companies. At the same time, adequate and appropriate remuneration plays an important role in competing for qualified individuals to fill positions on the Supervisory Board and thus in obtaining the best possible monitoring of and advice for the Board of Management. This in turn is a prerequisite for the successful implementation of the business strategy and the long-term success of the Company.

In accordance with the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*) suggestion, the members of the Supervisory Board receive function-related fixed remuneration without variable components in order to strengthen their independence in the performance of oversight and advisory duties and in personnel and remuneration decisions. Especially in economically strained situations, in which variable remuneration components generally decrease, monitoring and advising the Board of Management must intensify, frequently accompanied by an increased workload and a corresponding increase in the liability risk for the Supervisory Board members.

In relation to remuneration of Supervisory Board members, the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*) also recommends that appropriate account be taken of the larger time commitment of the Chairperson and the Deputy Chairperson of the Supervisory Board as well as of the Chairperson and the members of committees. Art. 10 (§ 10)

of the Company's Articles of Incorporation accordingly provides for increased remuneration based on function.

In accordance with Art. 10 (§ 10) of the Articles of Incorporation as resolved by the General Meeting on March 31, 2021, the fixed basic remuneration for membership of the Supervisory Board, unchanged since the resolution of the General Meeting on March 29, 2017, amounts to €144,000.00 for each full financial year. Under this provision, the Chairperson of the Supervisory Board receives an additional €288,000.00, and the Deputy Chairperson an additional €144,000.00.

Effective January 1, 2023, the basic annual remuneration for membership of the Supervisory Board shall be €200,000.00. The Chairperson of the Supervisory Board shall annually receive €600,000.00 and the Deputy Chairperson €475,000.00 (each including the basic remuneration).

In accordance with Art. 10 (§ 10) of the Articles of Incorporation as resolved by the General Meeting on March 31, 2021, membership and chairmanship of the Audit Committee are remunerated with an additional €72,000.00 and €144,000.00 respectively, and membership of the Presidential Committee with an additional €57,600.00. Membership and chairmanship of the Legal Affairs Committee are remunerated with an additional €57,600.00 and €115,200.00 respectively, and members of the Mediation and Nomination Committees currently receive an additional €28,800.00. Currently, functions on committees are only taken into account for a maximum of three committees; if a member of the Supervisory Board has functions in more than this maximum number of Supervisory Board committees, the three highest-paid committee functions are relevant.

Effective January 1, 2023, the function-based increased remuneration for chairmanship and membership of Supervisory Board committees is to be adjusted and simplified such that the Chairperson of the Audit Committee receives €450,000.00, each other member of the Audit Committee €400,000.00 and each member of any other committee €300,000.00 for each full financial year (in each case including base remuneration). Committee activities are only taken into account if the committee in question has met at least twice in the financial year in the performance of its duties. Insofar as a member of the Supervisory Board performs several functions with higher remuneration, the remuneration shall be based exclusively on the function with the highest remuneration.

Increased remuneration is not paid for chairing the Presidential and Nomination Committees, as these functions are performed by the Chairperson of the Supervisory Board by virtue of the Rules of Procedure of the Supervisory Board and its committees. The same applies to the chairmanship of the Mediation Committee, which the Chairperson of the Supervisory Board holds by law. The increased remuneration of the Supervisory Board Chairperson covers these committee chairmanships. No additional increase in remuneration is granted for chairmanship

of the Legal Affairs Committee beyond the higher remuneration for membership of this committee.

The attendance fee (previously €1,100.00 for each Supervisory Board and committee meeting) is no longer payable.

If any members of the Supervisory Board resign from the Supervisory Board during a financial year, they shall receive the remuneration on a pro rata temporis basis. This applies accordingly if a member of the Supervisory Board resigns from a function for which there is increased remuneration. Proportionate remuneration for functions on committees requires that the relevant committee has held at least two meeting in discharge of its duties during the relevant part of the financial year.

The remuneration shall be payable within two months of the end of the relevant financial year for which the remuneration is being granted.

In addition to the function-related fixed remuneration, the members of the Supervisory Board shall continue to be reimbursed for their reasonable expenses and the value-added tax payable on the payments made to them. With respect to the increasingly international nature of the Supervisory Board, any employer contributions for social insurance arising under foreign laws for Supervisory Board activities shall also be paid.

Beyond this, the members of the Supervisory Board shall be covered by insurance against pecuniary damage, taken out by and in the interest of the Company in an appropriate amount for corporate bodies and certain senior executives, to the extent such insurance coverage exists. Premiums for this insurance shall be paid by the Company.

In 2017, a voluntary commitment was introduced for members of the Supervisory Board based on the “comply or explain” principle, requiring them to declare to the Supervisory Board that they would each acquire shares in the company for 20% of their annual remuneration (excluding committee remuneration and the then attendance fee and before tax, and subject to deduction or imputation obligations) and that they would hold these shares for at least one more year once they leave the Company’s Supervisory Board. In order to eliminate the associated organizational effort, among other things with regard to the consideration of closed periods and director’s dealings, this voluntary commitment will be revoked with effect from January 1, 2023. As a result, the voluntary commitment to purchase shares from the Supervisory Board remuneration paid in 2023 for financial year 2022 and the holding period for the shares purchased in the past on the basis of the voluntary commitment will also cease to apply.

The Supervisory Board remuneration system and the individual remuneration provisions are regularly reviewed for appropriateness by the Presidential Committee of the Supervisory Board. Independent, external remuneration consultants may be consulted for the review.

At least every four years, and in the event of proposals to amend the remuneration provisions, the General Meeting shall adopt a resolution on the remuneration of the members of the Supervisory Board. The General Meeting may confirm the existing system of Supervisory Board remuneration or adopt a resolution to amend it. Such resolution proposals to the General Meeting are submitted by both the Board of Management and the Supervisory Board in accordance with the statutory division of competences. The decision on the structure of the remuneration system and the amount of remuneration for the Supervisory Board is the responsibility of the General Meeting.

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## **SECTION D**

### **Remuneration system for members of the Board of Management (re. Agenda Item 8)**

#### **I. Enhancement of the remuneration system**

The current remuneration system of the Board of Management of the Mercedes-Benz Group AG was presented to the Annual General Meeting in 2020 and approved with an approval rate of 95.33%. Prompted by the demerger and spin-off of the commercial vehicle sector, the Supervisory Board initiated a review of this remuneration system, taking market practice and investor expectations into consideration, while putting a stronger emphasis on the strategic realignment of the Mercedes-Benz Group, as well as the transformation and sustainability targets. Based on the analysis, the Supervisory Board resolved to make adjustments to the remuneration system.

Subject to approval by the Annual General Meeting 2023, the enhanced remuneration system will apply for all incumbent Board of Management members, as well as all new appointments and reappointments, as of 1 January 2023.

The following section provides an overview of the main changes and their background:



Previous design	Adjustment and background
<p><b>Annual bonus: Transformation targets</b></p> <p>The transformation targets may impact the annual bonus target achievement with an addition of up to 25 percentage points.</p>	<p><b>Adjustment:</b> In the enhanced remuneration system, the transformation targets may impact the annual bonus target achievement not only with an addition of up to 25 percentage points, but also with a deduction of up to 25 percentage points.</p> <p><b>Background:</b> With the new range of -25 percentage points to +25 percentage points, the transformation targets are also equipped with a malus function, which was previously only reserved for the non-financial performance criteria of the annual bonus.</p>
<p><b>Annual bonus: Deferral</b></p> <p>50% of the annual bonus payout amount will be paid out at the beginning of the following financial year; the second 50% will be paid out one year later depending on the Mercedes-Benz Group share performance compared to an automotive-related index (deferral).</p>	<p><b>Adjustment:</b> In the future, the payout amount from the annual bonus will be paid out in total after the financial year has ended and hence will no longer be dependent on the Mercedes-Benz Group share performance.</p> <p><b>Background:</b> The basis for a broad acceptance of the Board of Management remuneration is that it is comprehensible in addition to being highly transparent. In view of this, the Supervisory Board has reduced the complexity of the remuneration system by removing the deferral. Regardless of this change, the long-term variable remuneration (PPSP) will still be based on the company performance compared to competitors and the Mercedes-Benz Group share performance. This way, an incentive to achieve long-term outperformance of relevant competitors continues to be set for the majority portion of the variable remuneration.</p>
<p><b>Performance Phantom Share Plan (PPSP): ESG targets</b></p> <p>The performance criteria of the PPSP comprise the relative return on sales and relative share performance.</p>	<p><b>Adjustment:</b> In addition to the relative return on sales and relative share performance, which continue to form the focus of the performance criteria with a weighting of 80%, ESG (environmental/social/governance) targets are integrated in the PPSP as performance criteria with a weighting of 20%.</p> <p><b>Background:</b> Sustainability is firmly anchored in the corporate strategy of the Mercedes-Benz Group. It was therefore decided to apply ESG targets not only in the annual bonus, but also in the PPSP as performance criteria. It is ensured that the ESG targets of the annual bonus and the PPSP complement each other as best as possible so that they are not considered twice. This ensures a comprehensive incentive for sustainable management of Mercedes-Benz Group AG and the Group.</p>
<p><b>Stock Ownership Guidelines (SOG)</b></p> <p>The Board of Management members are obliged to purchase a significant amount of Mercedes-Benz Group shares over several years and to hold those shares until the termination of the service relationship.</p>	<p><b>Adjustment:</b> The holding period of the purchased Mercedes-Benz Group shares will be extended. In the future, the Board of Management members must hold the shares not only until the termination of their service contract, but for an additional two years beyond this date.</p> <p><b>Background:</b> The Stock Ownership Guidelines represent an essential component of the remuneration system in order to establish a strong relation between the share price performance and the Board of Management remuneration and to closely connect the Board of Management interests with those of the shareholders. By extending the holding period, this connection of interests is aligned even more with the long-term success of the Mercedes-Benz Group AG and the Company, and strengthens the commitment of the Board of Management members.</p>

## **II. Guiding principles of the remuneration system**

The automotive industry is in the midst of the largest transformation in its history. Sustainability and particularly environmental and climate protection are among the most pressing issues of our time. As the inventor of the car, the Mercedes-Benz Group AG also strives to set standards for sustainable mobility. Its objective is to shape the accelerated transformation to a fully electric and software-driven future profitably and has therefore placed particular emphasis on profitable growth with its corporate strategy geared towards sustainability and luxury.

The Board of Management remuneration system contributes significantly to the promotion of our business strategy as well as to the long-term and sustainable development of the Company. It creates incentives for the achievement of our strategic goals and provides effective motivation for long-term value-creating development of the Company in the interest of all stakeholders: customers, investors, employees, business partners, and the company as a whole. In view of the central importance of the topics of sustainability, integrity and diversity that form the foundation of all Mercedes-Benz Group activities, ESG targets are taken into account to a significant extent as part of the variable remuneration in addition to financial performance criteria.

The appropriateness of remuneration in view of the Board of Management members' performance is on the one hand ensured through a large proportion of variable remuneration components and on the other hand through ambitiously set targets in the performance criteria of the variable remuneration components. In addition, the current market practice standards are applied taking the size, complexity and economic situation of the Company into account.

Generally, the Supervisory Board is guided by the following principles when setting the Board of Management remuneration system:

<b>Principles of the remuneration system</b>
<p><b>Promotion of the business strategy</b>                      -The remuneration system in its entirety contributes significantly to promoting the business strategy.</p>
<p><b>Long-term and sustainable development of the company</b>                      -The remuneration system and the performance criteria for its variable components provide incentives for the long-term and sustainable growth of the Group.                      -ESG targets are taken into account both in the short-term and long-term variable remuneration to strengthen the sustainable development of the Group.</p>
<p><b>Alignment of interests</b>                      -The remuneration system makes a significant contribution to linking the interests of shareholders, customers and other stakeholders.</p>
<p><b>Pay for performance</b>                      -The performance of Board of Management members is appropriately taken into account through adequate and ambitiously set performance targets within the variable remuneration components.                      -A large part of the remuneration is made up of variable components.</p>
<p><b>Verifiability and transparency</b>                      -The remuneration system is set up to be verifiable and transparent for all stakeholders.</p>
<p><b>Consistency of the remuneration</b>                      -The Supervisory Board ensures that the remuneration systems of the Board of Management and executives set aligned incentives.</p>
<p><b>Consideration of market practice</b>                      -The remuneration system is designed on the basis of current market practice.</p>

### III. Overview of the remuneration system

#### 1. Remuneration system components

The Board of Management remuneration system comprises fixed and variable components.

The fixed remuneration components consist of a base salary, fringe benefits and a pension compensation or alternatively a pension compensation.

The variable remuneration is divided into short-term variable remuneration (annual bonus) and long-term variable remuneration (Performance Phantom Share Plan, PPSP).

Additional central components of the Board of Management remuneration system are the malus and clawback provisions, and the Stock Ownership Guidelines (SOG).

<b>Fixed remuneration</b>	Base salary	- A fixed contractually agreed remuneration that is paid in twelve monthly instalments	
	Fringe benefits	- Mainly expenses for security precautions and the provision of company cars	
	Pension commitment/ pension compensation	<ul style="list-style-type: none"> <li>- An annual contribution in the amount of 15% of the sum of the base salary and the total annual bonus as determined at the end of the reporting period</li> <li>- Option to grant a pension compensation instead of a pension commitment</li> </ul>	
<b>Variable remuneration</b>	Short-term variable remuneration (annual bonus)	Type	- Annual bonus
		Performance criteria	<ul style="list-style-type: none"> <li>- Financial performance criteria <ul style="list-style-type: none"> <li>- 50% EBIT</li> <li>- 50% free cash flow (FCF) of the industrial business</li> <li>- Range of possible target achievement: 0% - 200%</li> </ul> </li> <li>- Non-financial performance criteria <ul style="list-style-type: none"> <li>- An addition to/deduction from the degree of target achievement of up to a total of 10 percentage points</li> </ul> </li> <li>- Transformation targets <ul style="list-style-type: none"> <li>- An addition to/deduction from the degree of target achievement of up to a total of 25 percentage points</li> </ul> </li> </ul>
		Cap	- 200% of the target amount
		Payout	- After the financial year
	Long-term variable remuneration	Type	- Virtual performance share plan ("Performance Phantom Share Plan")
		Term	- Four years (three-year performance period and one-year holding period)
		Performance criteria	<ul style="list-style-type: none"> <li>- 80% relative return on sales and relative share performance</li> <li>- 20% ESG targets</li> </ul>
		Cap	- 250% of the grant value
		Payout	- After the four-year term
<b>Malus/clawback</b>	- Reduction or complete abolishment/reclaim of the variable remuneration is possible		
<b>Stock Ownership Guidelines (SOG)</b>	<ul style="list-style-type: none"> <li>- The number of the shares to be held up to two years after the end of service relationship is set between 20,000 and 75,000 shares</li> <li>- Up to 25% of the gross remuneration out of each PPSP is generally to be used to acquire ordinary shares</li> </ul>		

## 2. Remuneration structure

The total target remuneration consists of a target direct remuneration, fringe benefits and a pension commitment or a pension compensation.

To ensure that the performance orientation and, as a result, the pay-for-performance concept is fully taken into account in the Board of Management remuneration, the target direct remuneration in its majority comprises variable remuneration components. The target direct remuneration is the sum of base salary, target amount of the annual bonus and grant value of the PPSP. Base salary and annual bonus contribute around 25% to 35% to the target direct remuneration, respectively, while the PPSP share is about 35% to 50% of the target direct remuneration.

The stronger weighting of the long-term variable remuneration compared to the short-term variable remuneration ensures that the remuneration structure is oriented towards the sustainable and long-term development of the Mercedes-Benz Group in accordance with the provisions of the German Stock Corporation Act. In addition, the aim is to ensure that in accordance with the recommendations of the German Corporate Governance Code (DCGK), the variable remuneration that results from the achievement of long-term targets exceeds that from short-term targets. At the same time, important annual operative targets are not neglected by putting significant weight on the annual bonus.

As an additional component of the total target remuneration, Board of Management members receive fringe benefits (non-cash benefits, mainly expenses assumed by the Company for security precautions and the provision of company cars, without any compensation payments in the event of new appointments to the Board of Management) which regularly amount to an average of around 8% of the respective base salary. In the event of working abroad, the fringe benefits may exceed this relative share due to special location-based benefits. The pension commitment or pension compensation is currently 15% of the sum of the respective base salary and the annual bonus for the respective financial year calculated at the end of the reporting period. The presented relative shares may deviate somewhat, for example, due to cost developments of the contractually agreed fringe benefits.

## **IV. Remuneration system components in detail**

### 1. Fixed remuneration components

#### 1.1. Base salary

The base salary is a fixed remuneration relating to the entire year, oriented towards the area of responsibility and experience of each Board of Management member and paid out in twelve

monthly instalments. It is determined for every financial year by the Supervisory Board as part of the provision of the individual total target remuneration.

## 1.2. Fringe benefits

Fringe benefits mainly comprise expenses for security precautions and the provision of company cars. In addition, special location-based services can be provided for Board of Management members who work abroad. In exceptional cases, members who are newly appointed to the Board of Management can receive compensatory payments to reimburse them for the loss of remuneration from their previous employment.

## 1.3. Pension commitment/pension compensation

Board of Management members can be granted a contribution-based pension compensation; this is based on the Company retirement benefit system, which also applies for the employees in the collective bargaining area and for executives (“Daimler Pensions Plan”). The Daimler Pensions Plan features the payment of annual contributions by the Company and is capital market oriented. The Company only grants a commitment guarantee for the total of paid-in contributions, which are invested in the capital market according to a pension-oriented investment concept.

The amount of the annual contributions for the Board of Management members, results from a fixed percentage based on the sum of the base salary and the total annual bonus for the respective financial year calculated as of the end of the reporting period. This percentage is currently 15%. The pension plan contributions are granted until the age of 62. The Daimler Pension Plan is paid out to living Board of Management members at the earliest at the age of 62, regardless of an earlier termination of the service relationship. If the service relationship ends due to the member being unfit for service, the pension is paid out as a limited capacity benefit up to the age of 62. Payments under the Daimler Pensions Plan can be made in three ways: as a single amount; in twelve annual instalments, whereby interest accrues on each partial amount pursuant to statutory provisions from the time payments commence until the payout is complete; or as a pension with annual increases in accordance with legal regulations.

The service contracts of Board of Management members contain provisions, according to which in the event of the passing of the Board of Management member before retiring for reasons of age, the spouse/registered civil partner or legally dependent children are entitled to receive the credit amount plus an amount until the Board of Management member would have reached 62 years of age. If a Board of Management member passes away after retiring for reasons of age, the heirs are entitled to receive the benefits in the case of the payout option in twelve annual instalments. For the pension payout variant with survivor benefits, the spouse/registered civil partner or dependent children are entitled to receive 60% of the actual pension amount.

The Supervisory Board reserves the right to grant a fixed amount to Board of Management members in the future to guarantee their private provisions (pension compensation) instead of the pension commitment.

## 2. Variable remuneration components

The variable remuneration components aim to create the right incentives for the Board of Management to act in the interests of the corporate strategy, the customers, shareholders, employees and additional stakeholder groups, and to sustainably pursue and achieve the set long-term targets. In order to ensure that the corporate strategy is implemented in line with the long-term and sustainable development of the Mercedes-Benz Group, the strategic targets are used to derive annual operational targets of a financial and non-financial nature. The annual bonus serves as an incentive for the attainment of these targets. In addition, the PPSP rewards long-term Company success compared to relevant competitors – both with regard to the capital market and regarding profitability. Moreover, through the implementation of ESG targets in the PPSP, company success is considered holistically.

Performance criteria		Relation to the business strategy/incentive effect
Annual bonus	<b>EBIT</b>	<ul style="list-style-type: none"> <li>– Consideration of one of the key performance measures and indicators for the operational financial performance</li> <li>– Incentivising of profitable growth to successfully manage an accelerated transformation into an all-electric future</li> </ul>
	<b>FCF IB</b>	<ul style="list-style-type: none"> <li>– Alignment to the comprehensive investment needs which arise as part of the Group transformation</li> <li>– Setting of incentives to optimise cash flow management</li> </ul>
	<b>Non-financial performance criteria</b>	<ul style="list-style-type: none"> <li>– Inclusion of important non-financial targets that are essential for the realisation of the corporate strategy</li> <li>– Focus on targets that are measured annually</li> </ul>
	<b>Transformation targets</b>	<ul style="list-style-type: none"> <li>– Focus on main future-oriented fields to continue to drive the transformation of the Group</li> </ul>
PPSP	<b>Relative return on sales</b>	<ul style="list-style-type: none"> <li>– Integration of one of the main internal key performance measures to ensure targeted sustainable and profitable growth</li> <li>– Comparison with relevant competitors and based on this inclusion of a relative performance measurement</li> </ul>
	<b>Relative share performance</b>	<ul style="list-style-type: none"> <li>– Strengthening the relation to the share price and the linkage of interests of the Board of Management and shareholders</li> <li>– Incentivising of long-term outperformance of relevant competitors at the capital market</li> </ul>
	<b>ESG targets</b>	<ul style="list-style-type: none"> <li>– Implementation of strategically important long-term ESG targets to emphasise the importance of sustainability for the Mercedes-Benz Group and to consider the company performance across the performance period holistically</li> <li>– Ensuring sustainable development of the Mercedes-Benz Group</li> </ul>

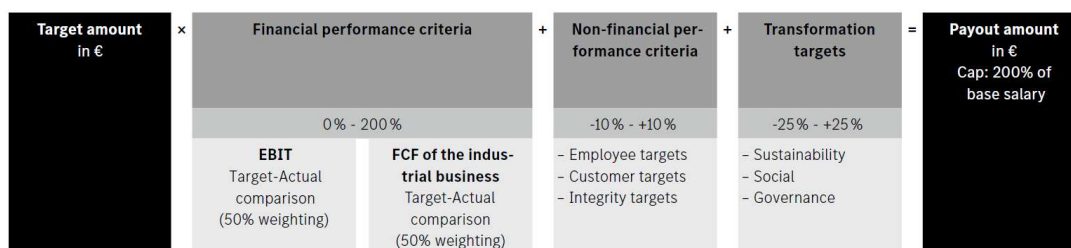
## 2.1. Annual bonus

### 2.1.1. Basic principles of the annual bonus

The annual bonus incentivises the implementation of operational targets whose achievement is of central importance for the long-term development of Mercedes-Benz Group. A particular focus here is on the future-proofing expansion of the business model as a vehicle manufacturer and a provider of mobility services. Against the background of the accelerated transformation to a fully electric and software-driven future, it is especially important to align the incentives in the remuneration system with the necessary investments for the future.

To this end, the Supervisory Board derives challenging and ambitious operational targets for the coming financial year from the Group's strategic goals. The target amount of the annual bonus, which is paid if target achievement is 100%, is currently set at 100% of the base salary. The payout is limited to 200% of the target amount and is calculated as follows:





The respectively determined payout amount of the annual bonus is paid out at the beginning of the following financial year.

### 2.1.2. Performance criteria for the annual bonus

#### a. Financial performance criteria

The financial performance criteria of the annual bonus consist of the operating result of the Mercedes-Benz Group (EBIT) and the free cash flow of the industrial business (FCF IB), each weighted at 50%. The EBIT and the FCF IB represent two of the most important financial performance indicators for the operating financial performance of the Mercedes-Benz Group.

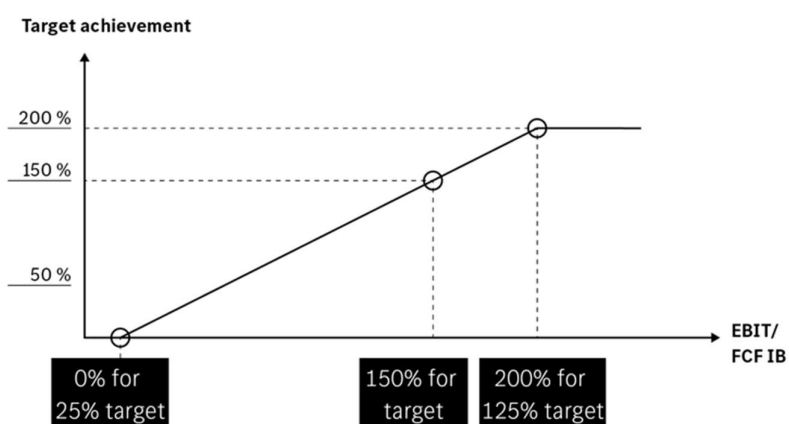
The measure of operating profit is EBIT. As earnings before interest and taxes, EBIT reflects the divisions' responsibility for their earnings. The EBIT target value for each financial year is derived from the ambitious and competitively-oriented medium-term return, which is set by the Supervisory Board, as well as derived from the growth targets. The starting point of the calculation is the revenue of the previous year.

The FCF IB, which comprises the cash flow of the automotive divisions, of interest, taxes, and other reconciliation items that cannot be allocated to the divisions, is of particular importance for the financial strength of the Mercedes-Benz Group. The target value for the FCF IB for the respective financial year is calculated on the defined EBIT target value of the segments of the automobile business (derived from the strategic growth and return on sales targets) as well as on a strategic target for the so-called cash conversion rate. The cash conversion rate is the proportion of the period's result that is scheduled to flow into the Group's liquidity after the payments for the necessary investments in research, development, tangible fixed assets and working capital are taken into account as part of the strategic growth target.

As part of the comparison of target and actual values, the actually achieved value used in determining the target achievement of the FCF IB is adjusted for certain factors that were already taken into account in the target achievement of the annual bonus in previous years. These factors may, for example, be accruals formed in previous years that have already impacted the Group earnings at the time they were recognized – and as a result the annual bonus.

The range of possible target achievement for the two financial performance criteria (EBIT and FCF IB) is between 0% and 200%. The lower limit of this range represents 25% of the target value; the upper limit 125% of the target value. If the actual value is at or below the lower limit of the range (25% of the target value), the target achievement degree is always 0%, so a total loss of the bonus is possible. If the actual value is at or above the upper limit of the range (125% of the target value), the target achievement degree is 200%, which is the maximum. Within the range, target achievement develops in a linear way.

For the calculation of target achievement, actual EBIT and FCF IB values are always adjusted by the impact from investments and divestments above a certain limit to ensure congruence of targets set and achieved.



For the financial performance criteria, the target values, the lower and upper range limit, and the actual target achievement are disclosed ex-post for the respective financial year.

#### b. Non-financial performance criteria

The non-financial performance criteria, which are oriented towards sustainability and cultural aspects, are currently assigned to three categories and apply uniformly to the entire Board of Management. These categories depict further components of our corporate strategy, such as integrity and employee satisfaction as indispensable parts of an agile, future-oriented corporate culture that is devoted to social values as well as quality as an essential precondition for customer satisfaction and our long-term and sustainable sales success. The non-financial targets are also based on measurable criteria that enable target achievement to be clearly determined after the conclusion of the financial year by means of a comparison of target and actual values. The methods used for this include employee and customer surveys. Furthermore, industry-typical statistical surveys are carried out, e.g., with regard to product or service quality

to determine target achievement. The degree of target achievement of the financial performance criteria may be increased or reduced by up to ten percentage points in total.

The Supervisory Board reserves the right to choose other categories than the ones specified as non-financial performance criteria if this appears to be required in view of the implementation of the corporate strategy. In this case, the non-financial performance criteria will come from one or more of the following categories:

<b>Criteria catalogue for the selection of non-financial performance criteria</b>			
Sustainability	Health & occupational safety	Integrity & compliance	Quality
Customer surveys	Employee satisfaction	Employee engagement	Corporate & leadership culture

The non-financial performance criteria are clearly defined for each financial year and disclosed in the Remuneration Report. The target achievement is also published ex-post.

#### c. Transformation targets

In order to take into account the implementation of the future-oriented measures for the technological and sustainable realignment of the Mercedes-Benz Group, performance indicators from the future-oriented fields are defined annually.

The topic clusters within the transformation targets are annually discussed by the Supervisory Board and determined for the upcoming financial year. When selecting the transformation targets or the respective performance criteria, it is ensured that they are in thematic accordance with the transformation of the Company, that they are measurable to the extent possible, and that it is possible to transparently determine the respective target achievement. The Supervisory Board has currently set the topic clusters “CO2”, “Safety Innovations” and “ESG Stakeholder Management” as relevant for the transformation targets.

Based on these target achievements for the transformation targets and the strategic, organisational and structural contribution of the Board of Management as a whole, the Supervisory Board derives a joint degree of target achievement for the Board of Management that takes into account the economic environment and the competitive environment and positioning of the Group. The degree of target achievement for the financial performance criteria of the annual bonus may be increased or reduced by up to 25 percentage points.

The targets determined at the beginning of the financial year and the target achievement are published ex-post in the Remuneration Report.

The total payout amount for the annual bonus is limited to 2 times the base salary of the respective financial year.

## 2.2. Performance Phantom Share Plan (PPSP)

### 2.2.1. Basic principles of the PPSP

The long-term variable remuneration is designed in the form of the Performance Phantom Share Plan (PPSP) with a term of four years.

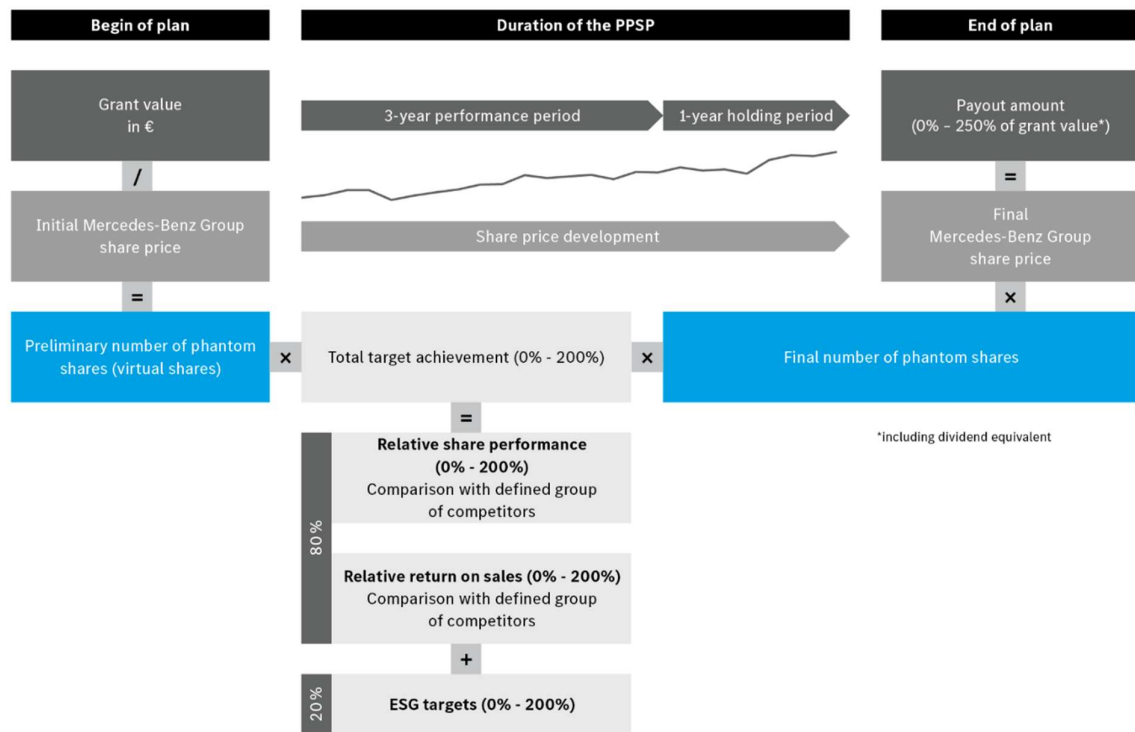
The Supervisory Board specifies a grant value in Euros for every financial year in the context of setting the individual total target remuneration. For this, the Board of Management members are granted a preliminary number of phantom shares as part of the PPSP. The number of the preliminarily granted phantom shares is calculated based on the individual grant value, which is divided by the relevant average Mercedes-Benz share price over a previously determined time period.

The inflows from the phantom shares depend on three performance criteria previously determined by the Supervisory Board, that are measured over a period of three years (performance period) – these are the relative return on sales, relative share performance and ESG targets – and on the performance of the Mercedes-Benz share. Depending on the overall target achievement of these performance criteria, the phantom shares that were preliminarily granted at the beginning of the plan are initially converted into the final number of phantom shares after the performance period has ended. The range of possible target achievement in the performance criteria is between 0% and 200%.

After another year has elapsed (holding period), the payout amount is calculated by multiplying the final number of phantom shares with the applicable average share price of the Mercedes-Benz share over a previously determined time period. The share price relevant for the payout of the plan is also relevant for the grant of the preliminary number of phantom shares for the newly issued plan in the respective year.

In addition to the payout amount at the end of the total four-year term, a dividend equivalent in the amount of the dividend distributed for the Mercedes-Benz share will be paid out during the duration of the plans for the preliminary and the final number of the phantom shares that have not yet been paid out. The resulting payout is limited to 250% of the individual grant value at the beginning of the plan. This maximum amount also contains the dividend equivalents paid out during the plan term.

The payout from the PPSP is made after the holding period has elapsed, thus more than four years after the start of the plan. Since the share of the PPSP in the sum of all variable remuneration components exceeds the share of the annual bonus, the majority of the variable remuneration is provided on a share-based basis as recommended by the DCGK. In addition, the Supervisory Board reserves the right to settle the payout amount in Mercedes-Benz AG shares instead of cash.



## 2.2.2. Performance criteria of the PPSP

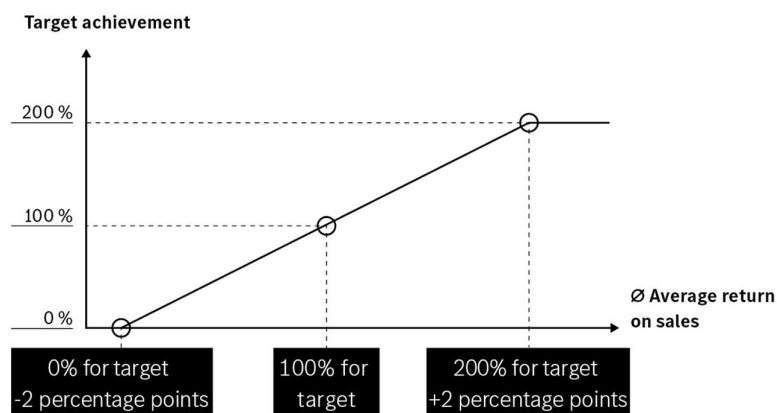
The overall PPSP target achievement is measured 80% based on the relative return on sales and the relative share performance and 20% based on ESG targets.

### a. Relative return on sales

The return on sales performance criterion is set in a three-year-comparison with a group of competitors comprising listed vehicle manufacturers with an automotive share of currently more than 70% by revenue and an investment-grade credit rating. By including the return on sales as a performance criterion, an incentive is created to ensure sustainable and profitable growth and to achieve an increase in efficiency. The relative performance measurement incentivises an outperformance of relevant competitors at the same time.

If the return on sales of the Mercedes-Benz Group corresponds to the average return on sales of its competitors over a three-year performance period (target value), the degree of target achievement is 100%. If the return on sales of the Mercedes-Benz Group is 2 percentage points below the target value, the degree of target achievement is 0%. If the return on sales of Mercedes-Benz Group is 2 percentage points above the target value, the degree of target

achievement is 200%. Within this 2-percentage point range above and below the target value, the degree of target achievement develops in a linear way.

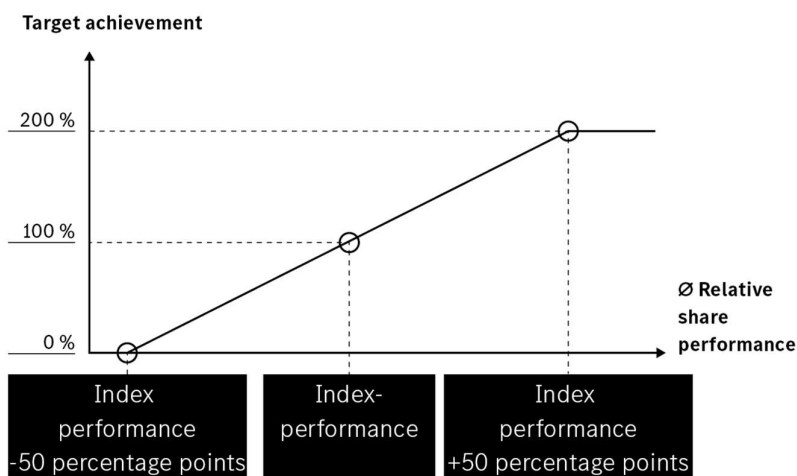


After the plan ends, the target achievement of the relative return on sales performance criterion is disclosed ex-post in the Remuneration Report.

#### b. Relative share performance

The relative share performance is measured based on the performance of the Mercedes-Benz share in a three-year comparison period with the performance of the group of competitors that is also used for measuring the return on sales target value achievement. By looking at the share performance, a performance criterion is used that very specifically represents the shareholder interests and incentivises an outperformance of relevant competitors at the capital market.

If the percentage performance of the Mercedes-Benz share corresponds to the percentage performance of the index, the degree of target achievement is 100%. If the percentage performance of the Mercedes-Benz share is 50 percentage points or more above the percentage performance of the index, the degree of target achievement is 200%. If the percentage performance of the Mercedes-Benz share is 50 percentage points or more below the percentage performance of the index, the degree of target achievement is 0%. Within this 50-percentage point range above and below the target value, the degree of target achievement develops in a linear way.



After the plan ends, the target achievement of the relative share performance criterion is disclosed ex-post in the Remuneration Report.

### c. ESG targets

As an integral part of the corporate strategy, ESG aspects are of great importance in the business activities of Mercedes-Benz Group. In view of this, the Supervisory Board has implemented ESG targets in the PPSP as an additional performance criterion for the Board of Management remuneration. The intention is to establish an even stronger incentive for a sustainable management to set standards for future sustainable mobility.

Before the start of the plan term, the Supervisory Board determines measurable and quantifiable ESG targets. The Supervisory Board generally chooses between one and up to four ESG targets for the plan term that it derives from the corporate strategy of the Mercedes-Benz Group and which are relevant for supporting and implementing of this. If multiple ESG targets are selected, the Supervisory Board will determine their respective weightings before the start of the plan term. The ESG targets come from one or more of the following categories:

<b>Criteria catalogue for the selection of ESG targets</b>			
Climate protection & air pollution control	Road safety	Diversity & equal opportunity	Integrity & compliance
Sustainable urban mobility & electro mobility	Customer orientation	Employee engagement	Data responsibility
Resource preservation	Training & education of employees	Health & occupational safety	Social commitment & stakeholder relations
Sustainable supply chains	Respect for human rights	Leadership culture	Sustainable corporate governance

For the PPSP tranche 2023 (granted at the beginning of the 2023 financial year and with a plan term ending at the end of financial year 2026), the Supervisory Board has selected ESG targets from the categories “Sustainable urban mobility & electro mobility”, “Upholding human rights” respectively “Sustainable supply chains” and “Diversity & equal opportunity”:

<b>ESG targets PPSP tranche 2023</b>			
<b>Category</b>	Sustainable urban mobility & electro mobility	Respect for human rights/ sustainable supply chains	Diversity & equal opportunity
<b>Target</b>	Share of plug-in hybrids and all-electric vehicles	Assessment of high-risk production materials	Approval rate in the employee survey on fair treatment

The Supervisory Board specifies a target value for each ESG target that corresponds to a target achievement of 100%, a lower limit that corresponds to a target achievement of 0% and an upper limit that corresponds to a target achievement of 200%. The degree of target achievement develops in a linear way between the upper and lower limits.

The ESG targets determined for the plan term are disclosed in the Remuneration Report for the first year of the performance period. The target values determined for every ESG target, the upper and lower limits, and the target achievement are disclosed in the Remuneration Report after the plan term has ended.

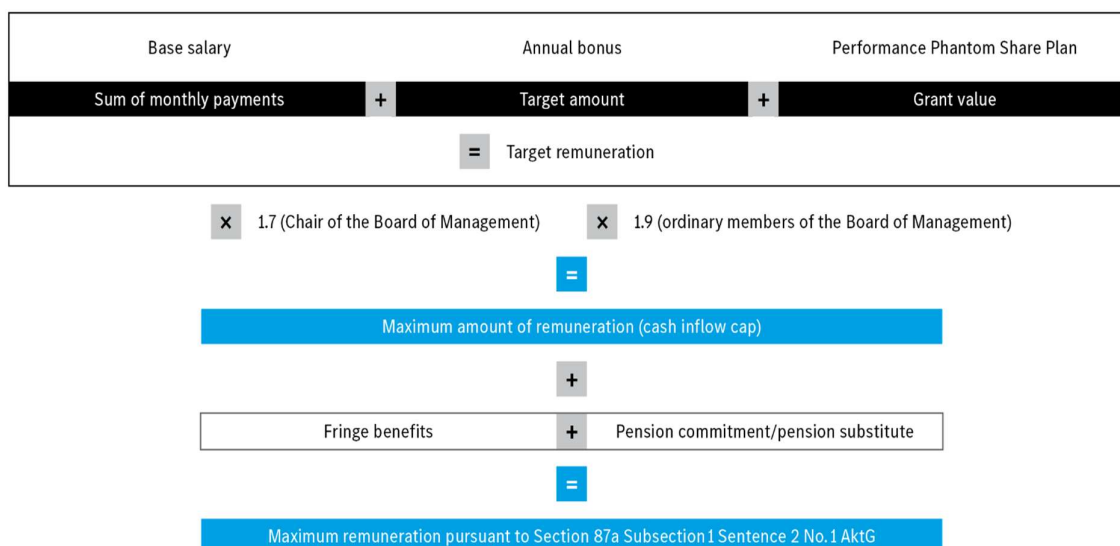


### 3. Maximum amounts of remuneration and maximum remuneration

In order to achieve a balanced opportunity-risk profile and create a corresponding incentive effect of the remuneration system, the variable remuneration components are structured in such a way that the amount paid out can be reduced to zero. On the other hand, maximum amounts (caps) have been set for both the annual bonus and the PPSP.

In order to limit the amount of cash inflow for a financial year, the Supervisory Board has defined a maximum amount (cash inflow cap) for the Board of Management members. For the Chairman of the Board of Management, this cap is 1.7 times and for the ordinary members of the Board of Management 1.9 times the sum of base salary, target amount annual bonus and grant value of the PPSP.

Pursuant to Section 87a Subsection 1 Sentence 2 No. 1 of the German Stock Corporation Act (AktG), the Supervisory Board has determined the appropriate maximum remuneration, including fringe benefits and pension expense/substitution, of the Board of Management members. The maximum remuneration achievable for a financial year is €12,000,000 for the Chair of the Board of Management and €7,200,000 for the ordinary members of the Board of Management. The possible cap on the amount exceeding the maximum remuneration occurs with the payout of the PPSP granted in the relevant financial year which is due for payout four years later.



#### 4. Stock Ownership Guidelines (SOG)

Stock Ownership Guidelines (SOG) are in place for the Board of Management members. These require the member of the Board of Management to acquire a significant number of Mercedes-Benz shares over a period of several years and to hold those shares until two years after the end of the service contract. The Stock Ownership Guidelines contribute to establishing and maintaining a long-term participation in the Company by the Board of Management members and closely link the financial interests of the Board of Management with those of the shareholders. The holding requirements beyond the duration of the service contract strengthens the Board of Management members' engagement and contributes to the long-term success of the Mercedes-Benz Group.

Depending on the function of the respective Board of Management member, the number of shares to be held is between 20,000 and 75,000. Generally, up to 25% of the actually paid out gross remuneration (i.e., the gross amount reduced by a cap, if applicable) from the PPSP is to be used to acquire shares in the Mercedes-Benz Group AG until the specified number of shares is reached. The shares may also be acquired in other ways. In special cases, the Supervisory Board may exempt a Board of Management member from the obligation to hold the shares until two years after the end of the service relationship.

#### 5. Malus and clawback provisions

So-called malus or clawback provisions are implemented in the contractual agreements.

According to these provisions, a violation in the capacity as a member of the Company's Board of Management of the obligations pursuant to Section 93 AktG, and in particular of the principles contained in the Company's Integrity Code may lead to the partial or complete reduction of the annual bonus. If it is not possible to deduct the reduction amount from bonuses not yet paid or from future bonuses, the Board of Management member in question will be required to pay back the amount of the bonus reduction from already paid bonuses. The Supervisory Board decides on bonus reductions.

The terms governing the PPSP include a provision that allows for the partial or complete reduction of the payout for any member of the Board of Management who demonstrably violates the principles laid down in the Company's Integrity Code or any other professional obligations prior to the payout of the plan proceeds. The Supervisory Board decides on bonus reductions.

## **V. Remuneration-related legal transactions**

### **1. Duration of Board of Management service contracts**

The service contracts of the Board of Management members are valid for the duration of their appointment and are each extended for the duration of their reappointment. When a member of the Board of Management is appointed for the first time, the term of appointment and service contract is three years. In the event of reappointment, the term of appointment and service contract is up to five years.

### **2. Joining or leaving the Board of Management during the financial year**

If a Board of Management member joins or leaves the Board during an ongoing financial year, the remuneration is prorated for the respective financial year (including the target amount of the annual bonus and the grant value of the PPSP) in accordance with the term of the service period in the relevant financial year.

### **3. Early termination of the service contract**

#### **3.1. Early termination of the service contract without good cause**

In the case of early termination of the service contract without good cause within the meaning of Section 626 of the German Civil Code (BGB), Board of Management service contracts include commitments to payment of the base salary and provision of a company car until the end of the original service period at a maximum. Such persons are only entitled to payment of the annual bonus pro rata for the period until the end of the appointment to the Board of Management. Entitlement to payment of PPSP tranches that have already been granted is determined by the conditions of the respective plans.

To the extent that the payments described above are subject to the provisions of the severance cap of the DCGK, their total including fringe benefits is limited to twice the value of the annual remuneration and may not exceed the total remuneration for the remaining period of the service contract.

In the event of an early or regular termination of the service contract, both the annual bonus and the proceeds from the PPSP are not paid out in advance but instead at the points in time agreed upon in the service contract or in the terms and conditions of the PPSP plan. There will be no early payout. The entitlements are inheritable.

### 3.2. Early termination of the service contract with good cause

If the appointment of a member of the Board of Management is revoked pursuant to Section 84, Subsection 4 AktG and there is good cause within the meaning of Section 626 BGB, the service contract shall also end at the time the revocation of the appointment takes effect. In this case, no payments will be made to the Board of Management member as of the date the revocation takes effect and all entitlements to payouts from the annual bonus or PPSP lapse without compensation.

### 4. No additional severance provisions

There are no assurances in the event of early termination of membership in the Board of Management due to a change of control, nor are there any assurances for compensation in the case of dismissal.

### 5. Sideline activities of Board of Management members

The members of the Board of Management should accept management board or supervisory board positions and/or any other administrative or honorary functions outside the Group only to a very limited extent. Furthermore, they require the consent of the Supervisory Board before commencing any sideline activities. Up to a certain amount, the remuneration for mandates in listed companies in which Mercedes-Benz Group AG holds a direct or indirect interest is not offset. If the remuneration exceeds this determined amount, it is partially offset against the Board of Management remuneration. When accepting mandates in companies in which Mercedes-Benz Group AG holds no direct or indirect interest, the remuneration for these mandates is generally not offset.

## **VI. Process for determining, reviewing and implementing the remuneration system and for determining and reviewing the individual total target remuneration**

### 1. Determining and reviewing the remuneration system

Pursuant to Section 87, Subsection 1 AktG, the remuneration is determined by the Supervisory Board. In this activity, the Supervisory Board is supported by the Presidential Committee. The Presidential Committee develops recommendations for the remuneration system for the Board of Management, taking into account the principles mentioned above and the recommendations of the DCGK in its applicable version. The recommendations of the Presidential Committee are

intensively discussed and resolved by the Supervisory Board. If necessary, the Presidential Committee and the Supervisory Board can make use of the advice of external remuneration experts, who are rotated from time to time. In doing so, their independence from the Board of Management and the Company is ensured and the submission of a confirmation of independence is required.

The remuneration system agreed upon by the Supervisory Board is submitted to the Annual General Meeting for approval.

Based on the preparation and recommendation of the Presidential Committee, the Supervisory Board regularly reviews the remuneration system for the Board of Management. The Supervisory Board makes any changes that are deemed necessary. If major changes are made to the remuneration system, but at least every four years, it is submitted to the Annual General Meeting for approval.

If the Annual General Meeting does not approve the remuneration system, a revised remuneration system has to be submitted for approval at the latest at the next ordinary Annual General Meeting.

## 2. Determination and appropriateness of the individual total target remuneration

Based on the remuneration system, the Supervisory Board determines the amount of the total target remuneration of the individual Board of Management members for the upcoming financial year. This is set in an adequate proportion to the responsibilities and performances of the Board of Management member and to the situation of the Group. In addition, the Supervisory Board makes sure that the total target remuneration is in line with the market. For this purpose, it uses a horizontal as well as a vertical comparison.

### 2.1. Horizontal comparison

Within the context of the horizontal comparison of the individual total target remuneration, various peer groups are considered that have a comparable market position to the Mercedes-Benz Group, especially with regard to country, size and industry. These are partly DAX companies and partly a group of national and international competitors.

## 2.2. Vertical comparison

The Supervisory Board considers the remuneration and employment conditions of the Mercedes-Benz Group employees when determining the individual total target remuneration. For this, the Supervisory Board conducts a vertical comparison of the average remuneration of the senior executive level with the average remuneration of the total workforce (employees paid under collective bargaining agreements and employees not paid under collective bargaining agreements, incl. senior executives) at the Mercedes-Benz Group in Germany. The Supervisory Board has defined the senior executive level as the two management levels below the Board of Management of Mercedes-Benz Group in Germany for this purpose.

In addition to looking at the relation between the Board of Management remuneration and that of peer groups, the Supervisory Board also considers how this relation has developed over the past years within the context of its review. Furthermore, the Supervisory Board compares the relation of the Board of Management remuneration with the remuneration of the total workforce with the respective relations at other DAX and comparable companies.

In the event of significant shifts in the relation between the remuneration of the Board of Management and of the peer groups, the Supervisory Board examines the causes, and if there are no objective reasons, adjusts the remuneration of the Board of Management if necessary.

In addition, the Supervisory Board ensures that the Board of Management remuneration system and the remuneration system of the executive level in particular with regard to the variable remuneration components, set consistent incentives and that the systems are aligned with each other as a result. For example, consistency of the remuneration system in terms of structure and methodology is an essential criterion in the Group remuneration strategy.

## 3. Measures to avoid conflicts of interest

In handling conflicts of interest of the Supervisory Board members, DCGK recommendations and the rules of procedure of the Supervisory Board and its committees are complied with when determining, reviewing and implementing the remuneration system. The members of the Supervisory Board are obligated to report any conflicts of interest without delay. In case of a conflict of interest, the affected Supervisory Board or committee member does not take part in the discussion or vote on that matter in the Supervisory Board respectively Presidential Committee. The Supervisory Board reports conflicts of interest and their handling to the Annual General Meeting.

## **VII. Temporary deviations from the remuneration system**

The Supervisory Board may temporarily deviate from the remuneration system pursuant to Section 87a, Subsection 2, Sentence 2 AktG if this is necessary in the interests of the Company's long-term welfare. The exceptional circumstances requiring a temporary deviation from the remuneration system may include severe corporate and economic crises. Generally, unfavourable market developments, however, do not justify a temporary deviation from the remuneration system. Even if there is a deviation, the remuneration must remain oriented towards the long-term and sustainable development of the Mercedes-Benz Group and be aligned with the success of the Company and the performance of the Board of Management member.

Any temporary deviation from the remuneration system is only permitted after a careful analysis of these exceptional circumstances, as well as based on a recommendation of the Presidential Committee stipulated by a corresponding resolution of the Supervisory Board that has additionally identified the unusual circumstances and the necessity of a deviation.

A temporary deviation from the remuneration system is possible if the respective preconditions are present with regard to the variable remuneration and the possible target achievement ranges of the individual variable remuneration components. If the incentive effect of the remuneration cannot be adequately restored by adjusting the existing remuneration components, the Supervisory Board has the right, if the preconditions for a temporary deviation from the remuneration system are present, to temporarily grant additional remuneration components or replace individual remuneration components with other components.

In the event of a temporary deviation from the remuneration system, disclosures must be made regarding the deviations in the Remuneration Report of the following year, including details on the necessity of the deviations and information on the specific components of the remuneration system where a deviation was made.

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## SECTION E

### **Remuneration Report for financial year 2022 (re. Agenda Item 9)**

According to the requirements of Section 162 of the German Stock Corporation Act (Aktiengesetz, AktG) the Remuneration Report explains the application of the remuneration system for the members of the Board of Management and the Supervisory Board of Mercedes-Benz Group AG and describes the amount and structure of the individual remuneration awarded and due for the current and former members of the Board of Management and Supervisory Board in financial year 2022. The remuneration system furthermore complies with the recommendations and suggestions of the German Corporate Governance Code (Deutsche Corporate Governance Kodex, DCGK), as amended on April 28, 2022.

The remuneration system for members of the Board of Management is aligned with the business strategy as well as the sustainable and long-term growth of the Company and was approved by the Annual Shareholders' Meeting according to Section 120a Subsection 1 AktG on July 8, 2020 with an approval rate of 95.33%. It can be accessed on the Company's website at <https://group.mercedes-benz.com/company/corporate-governance/board-of-management/remuneration/>. Remuneration of the Supervisory Board as well as the corresponding amendment to the Articles of Incorporation were approved at the Annual Shareholders' Meeting according to Section 113 Subsection 3 AktG on March 31, 2021, with an approval rate of 95.39%. The remuneration system of the Supervisory Board can be accessed on the Company's website at <https://group.mercedes-benz.com/company/corporate-governance/supervisory-board/remuneration.html>. The Remuneration Report 2021 was presented to the Annual Shareholders' Meeting for approval pursuant to Section 120a Subsection 4 AktG on April 29, 2022, and was approved with an approval rate of 90.24%.

The Remuneration Report 2022 was audited by KPMG AG Wirtschaftsprüfungsgesellschaft, exceeding the requirements of Section 162 Subsection 3 AktG according to both formal and substantial criteria. The auditor's opinion is enclosed with the Remuneration Report 2022.

#### **Review of the financial year 2022**

The concrete link between the remuneration of the members of the Board of Management and performance (pay for performance) is of great importance to the Supervisory Board. In addition to the strong financial performance by the Group as a whole and the achievement of strategic targets, this also includes responsibility for employees, the environment and society. Despite the global economic challenges resulting from the shortage of semiconductors, the Group was



able to continue on its profitable growth path in the financial year 2022 and achieve continued good financial performance.

In line with the pay for performance principle implemented in the remuneration system of the Board of Management, which is to take appropriate account of the performance of the members of the Board of Management by setting adequate and ambitious performance criteria within the variable remuneration components, the variable remuneration awarded and due in 2022 reflects, in the Supervisory Board's opinion, the good results of the past financial year. In addition to financial performance, the non-financial performance criteria and transformation targets achieved are also taken into account.

In the financial year 2022, the Mercedes-Benz brand continued to set the course for an all-electric future: by the end of the decade, Mercedes-Benz will be ready to go all-electric – wherever market conditions allow. With this strategic step from 'electric first' to 'electric only', Mercedes-Benz is accelerating the transformation to a zero-emission and software-driven future. This strategy is reflected in the targets for the Board of Management as well as for the executives.

The automotive industry continues to change profoundly and with strong momentum. Sustainability and climate protection in particular are among the most urgent challenges we now face. We are convinced that personal mobility will continue to be a fundamental need in the coming decades and that the market for sustainable luxury in the automotive sector will continue to grow. We also expect positive trends in the market for financial services and in the demand for fleet management as well as for digital mobility solutions. In implementing the Company's purpose of enabling mobility for people at a high level, we aim to:

- Make mobility more sustainable;
- Continue to grow the core business;
- Implement electric driving as a priority in all divisions;
- Initiate automated and autonomous driving and mobility services with a focus on customer value and profitability;
- Continue advancing digitalisation and leveraging its potential;
- Support this transformation with a culture that is practiced and further developed by the employees, making the Group more agile and faster while increasing the pace of innovation.

The focus of the activities is always on the customer and sustainability as integral components of the strategy. Achieving the financial targets, however, is a key condition in all the activities.

The Board of Management and Supervisory Board examined in detail the voting results from the Annual Shareholders' Meeting regarding the remuneration system and the Remuneration Report. The high level of agreement underpins the Supervisory Board in its approach of establishing a future-oriented remuneration system that reinforces the sustainable and long-term oriented development of Mercedes-Benz Group AG. Furthermore, the - in the view of the

Supervisory Board - transparent remuneration reporting, which goes beyond statutory requirements, is viewed positively and will continue in the established manner. However, due to the strategic realignment of Mercedes-Benz Group AG and taking into account voting results, insights from investor dialog as well as developments in the market in the financial year 2022, consideration was given to a revision of the Board of Management's remuneration system. The goal was to make it simpler and easier to understand and to increase the focus on sustainability and particularly the long-term integration of ESG targets. In the financial year 2022, the Supervisory Board therefore resolved upon adjustments to the remuneration system; the accordingly revised remuneration system will be presented to the Annual Shareholders' Meeting on May 3, 2023 and - subject to approval in the Annual Shareholders' Meeting - apply retroactively for all active members of the Board of Management and for all new and reappointments as of January 1, 2023.

### **Principles of Board of Management remuneration**

When determining the total remuneration of individual members of the Board of Management on the basis of the remuneration system approved by the Annual Shareholders' Meeting, the performance of the members of the Board of Management is taken into account in addition to the situation of the Company, the respective areas of activity and responsibility and customary market practice, considering the size, complexity and economic situation of the Company. This is done in line with legal requirements and with a clear focus on the competition. In the view of the Supervisory Board, a balanced combination of non-performance-related (fixed) and performance-related (variable) remuneration components that also takes into account suitably ambitious performance parameters and performance indicators provides the Board of Management with an incentive to implement the corporate strategy and ensure the Group's sustained success. In this way, the interests of all stakeholders, in particular those of the shareholders as the owners of the Company, those of the customers and those of the employees are to be reconciled.

There is a strong focus on making the remuneration system of the Board of Management consistent with that of the executives. This ensures that all of the decision-makers pursue uniform goals while taking the same financial and sustainability/environmental, social and governance (ESG) aspects into account and promoting the Company's cultural and organizational realignment.

The Supervisory Board generally observes the following guidelines when determining remuneration amounts and the remuneration system:

Remuneration guidelines
– The remuneration system as a whole contributes significantly to promoting the business strategy.
– The remuneration system and the performance criteria for its variable components incentivise the Group's long-term and sustainable development.
– The remuneration system is an important factor in linking the interests of the shareholders, customers, employees and other stakeholders.
– The performance of the Board of Management members is appropriately taken into account in the variable remuneration components by adequately and ambitiously set performance targets (pay for performance).

### **Review and determination of Board of Management remuneration**

For each upcoming financial year, the Presidential Committee prepares the review of the remuneration system and the individual remuneration amount set by the Supervisory Board and, where necessary, prepares suggestions for changes. In the process, the Presidential Committee and the Supervisory Board make use of the advice of external remuneration experts. This was also done in the reporting period. Based on the preparation and recommendation of the Presidential Committee, the Supervisory Board has resolved on changes to the remuneration system of the members of the Board of Management approved by the 2020 Annual Shareholders' Meeting for the financial year 2023. The revised remuneration system shall be proposed to the Annual Shareholders' Meeting on May 3, 2023, in accordance with Section 120a Subsection 1 AktG and is intended to more strongly reflect the strategic realignment of Mercedes-Benz Group AG. If the Annual Shareholders' Meeting does not approve the remuneration system, a revised remuneration system is to be submitted for approval to the next ordinary Annual Shareholders' Meeting at the latest.

Based on the approved remuneration system and the recommendations of the Presidential Committee, the Supervisory Board determines the amount of the target total remuneration of the individual members of the Board of Management for each upcoming financial year. It shall be set in an adequate proportion to the responsibilities and performance of each member of the Board of Management and to the situation of the Company. In addition, the Supervisory Board ensures that the target total remuneration is in line with the market. For this purpose, it uses a horizontal as well as a vertical comparison. For the horizontal – external – comparison of the target total remuneration, with regard to the market position of the Company (in particular sector, size and country), the DAX and a group of international competitors consisting of listed automotive manufacturers (in the reporting period: BMW, GM, Honda, Hyundai, Kia, Mazda, Nissan, Stellantis, Subaru, Suzuki, Toyota and VW) are used. The composition of the international comparison group for the horizontal comparison corresponds to the group of competitors considered for the performance criteria for the long-term variable remuneration component (Performance Phantom Share Plan (PPSP)).

In addition to the horizontal comparison, the Supervisory Board takes into account the development of the Board of Management remuneration in a vertical – internal – comparison with the remuneration of the senior executives and the total workforce (collective and non-collective pay-scale employees, including senior executives) of the Group in Germany. This is done by comparing the ratio of the remuneration of the Board of Management with the remuneration of the defined groups of employees, including its development. In addition, a market comparison is carried out of the ratio of the remuneration of the Board of Management to that of the total workforce compared with the DAX companies. For this purpose, the Supervisory Board has defined the group of senior executives as follows: It consists of the two management levels below the Board of Management at Mercedes-Benz Group AG within the Group in Germany. In the event of significant shifts in the horizontal comparison or significant changes of the ratio between the remuneration of the Board of Management and the vertical comparison groups, the Supervisory Board examines the causes and, in the absence of objective reasons, adjusts the remuneration of the Board of Management if necessary.

### **Overview of the components of the remuneration system**

The remuneration system (which was approved by the Annual Shareholders' Meeting in 2020 and applies to all remuneration components, except the Performance Phantom Share Plan, PPSP 2018) generally consists of fixed non-performance-related and variable performance-related remuneration components, the sum of which determines the total remuneration a member of the Board of Management receives. The fixed non-performance-related remuneration consists of the base salary, the fringe benefits (pecuniary benefits, mainly expenses assumed by the Company for security services and the provision of company cars), which may vary each year based on individual and certain events, and the annual amounts for pension commitments of each member of the Board of Management.

The variable performance-related remuneration is divided into a short- and medium-term variable remuneration (annual bonus with deferral) and a long-term variable remuneration (Performance Phantom Share Plan, PPSP). 50% of the annual bonus is paid out after the end of the financial year and 50% after the end of a further year (deferral), linked to relative share price performance. The amount to be paid out for the long-term variable remuneration component (PPSP) is determined and paid out after the end of the four-year plan period.

<b>Fixed remuneration</b>	Base salary	- A fixed contractually agreed remuneration that is paid in twelve monthly instalments	
	Fringe benefits	- Mainly expenses for security precautions and the provision of company cars	
	Pension commitment/pension compensation	<ul style="list-style-type: none"> <li>- An annual contribution in the amount of 15% of the sum of the base salary and the total annual bonus as determined at the end of the reporting period</li> <li>- Option to grant a pension compensation instead of a pension commitment</li> </ul>	
<b>Variable remuneration</b>	Short-term variable remuneration (annual bonus)	Type	- Annual bonus
		Performance criteria	<ul style="list-style-type: none"> <li>- Financial performance criteria <ul style="list-style-type: none"> <li>- 50% EBIT</li> <li>- 50% free cash flow (FCF) of the industrial business</li> </ul> </li> <li>- Range of possible target achievement: 0% - 200%</li> <li>- Non-financial performance criteria <ul style="list-style-type: none"> <li>- An addition to/deduction from the degree of target achievement of up to a total of 10 percentage points</li> </ul> </li> <li>- Transformation targets <ul style="list-style-type: none"> <li>- An addition to/deduction from the degree of target achievement of up to a total of 25 percentage points</li> </ul> </li> </ul>
		Cap	- 200 % of the target amount
		Payout	- After the financial year
	Long-term variable remuneration	Type	- Virtual performance share plan ("Performance Phantom Share Plan")
		Term	- Four years (three-year performance period and one-year holding period)
		Performance criteria	<ul style="list-style-type: none"> <li>- 50% relative return on sales</li> <li>- 50% relative share performance</li> </ul>
		Cap	- 250 % of the grant value
		Payout	- After three-year performance period and one-year holding period
	<b>Malus / Clawback</b>		- Reduction or complete abolishment/reclaim of the variable remuneration is possible
<b>Stock Ownership Guidelines (SOG)</b>		<ul style="list-style-type: none"> <li>- The number of the shares to be held up to two years after the end of service relationship is set between 20,000 and 75,000 shares</li> <li>- Up to 25% of the gross remuneration out of each PPSP is generally to be used to acquire ordinary shares</li> </ul>	

## Structure and term of the target remuneration

Target remuneration	in %	€ amounts in thousands	Term				
	approx. 40 %	CBM <sup>1</sup> : 2,200 OMBM <sup>1</sup> : 1,100	Performance Phantom Share Plan 3-year performance period			Performance Phantom Share Plan 1-year holding period	
	approx. 15 %	CBM: 832 OMBM: 416 – 425	Annual bonus 50 % deferral				
	approx. 15 %	CBM: 832 OMBM: 416 – 425	Annual bonus 50 % payout				
	approx. 30 %	CBM: 1,664 OMBM: 832 – 850	Base salary				
Payout, performance or commitment date		Fringe benefits					
		Pension commitment					
		Year 1	Year 2	Year 3	Year 4		

<sup>1</sup> CBM: Chair of the Board of Management; OMBM: Ordinary Member of the Board of Management

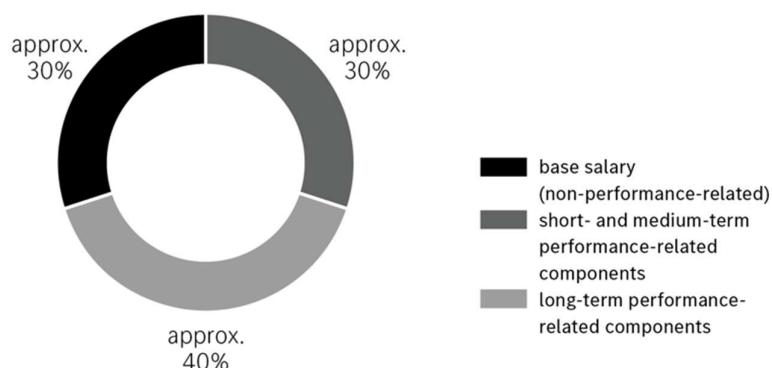
### Structure of the target total remuneration of the members of the Board of Management

The base salary and the short- and medium-term variable remuneration (annual bonus) each comprise approximately 30% of the target remuneration (excluding the pension commitments and fringe benefits), while the long-term variable remuneration (PPSP) makes up approximately 40% of the target remuneration. Thus, the long-term variable remuneration component exceeds the short-term variable component, so that the focus is on the long-term and sustainable development of the Company without neglecting the operational annual targets. Both the deferred payout of the portion of the annual bonus and the long-term variable remuneration from the PPSP with its link to additional, in the view of the Supervisory Board, ambitious comparative parameters and to the share price reflect the recommendations of the

DCGK, which stipulates that the variable remuneration that results from the achievement of mid- and long-term targets should exceed that from short-term targets.

### Remuneration structure

Target remuneration consists of non-performance-related and performance-related components:



The pension contribution to the respective pension commitment of the members of the Board of Management is currently calculated as 15% of the sum of the base salary and the total annual bonus as determined at the end of the reporting period.

### Target total remuneration of the members of the Board of Management for the financial year 2022

The Supervisory Board has set the following target total remuneration for members of the Board of Management in the financial year 2022, calculated from

- The 2022 base salary;
- The taxable non-cash benefits and other fringe benefits in the financial year 2022;
- The half of the annual bonus for 2022 payable in the financial year 2023 at the value for target achievement of 100% (one-year variable remuneration 2022);
- The half of the medium-term annual bonus for 2022 payable in the financial year 2024 at the value for target achievement of 100% (deferral 2022);
- The allocation value (this corresponds to the target value) of the long-term variable remuneration (PPSP tranche 2022-2025) at the time when granted in the financial year 2022 (payable in financial year 2026); and
- The pension expense in the financial year 2022 (service costs in the financial year 2022).

<b>Target remuneration</b>						
	<b>Ola Källenius</b> Chair of the Board of Management		<b>Dr. Jörg Burzer<sup>1</sup></b> Production & Supply Chain Management		<b>Renata Jungo Brüngger</b> Integrity & Legal Affairs	
	<b>2022</b>	2021	<b>2022</b>	2021	<b>2022</b>	2021
	in €k	in €k	in €k	in €k	in €k	in €k
Base salary	1,664	1,664	832	69	832	832
Taxable non-cash benefits and fringe benefits	70	96	261	3	93	94
<b>Sum fixed remuneration</b>	<b>1,734</b>	<b>1,760</b>	<b>1,093</b>	<b>72</b>	<b>925</b>	<b>926</b>
Short-term variable remuneration						
One-year variable remuneration 2022 (50% of annual bonus 2022)	832	-	416	-	416	-
One-year variable remuneration 2021 (50% of annual bonus 2021)	-	832	-	35	-	416
Mid-term variable remuneration						
Deferral 2022 (50% of annual bonus 2022)	832	-	416	-	416	-
Deferral 2021 (50% of annual bonus 2021)	-	832	-	35	-	416
Long-term variable remuneration						
PPSP tranche 2022	2,200	-	1,100	-	1,100	-
PPSP tranche 2021	-	2,200	-	-	-	1,100
<b>Sum variable remuneration</b>	<b>3,864</b>	<b>3,864</b>	<b>1,932</b>	<b>70</b>	<b>1,932</b>	<b>1,932</b>
Pension expense (service costs)						
	510	518	288	-	250	251
<b>Target total remuneration</b>	<b>6,108</b>	<b>6,142</b>	<b>3,313</b>	<b>142</b>	<b>3,107</b>	<b>3,109</b>

<sup>1</sup> Dr. Jörg Burzer was appointed to the Board of Management effective December 1, 2021. Fringe benefits accordingly include one-time expenses.



<b>Target remuneration</b>						
	<b>Sabine Kohleisen<sup>1</sup></b> Human Resources & Labor Director		<b>Markus Schäfer</b> Chief Technology Officer, Development & Purchasing		<b>Britta Seeger</b> Marketing & Sales	
	<b>2022</b>	2021	<b>2022</b>	2021	<b>2022</b>	2021
	in €k	in €k	in €k	in €k	in €k	in €k
Base salary	832	69	832	832	832	832
Taxable non-cash benefits and fringe benefits	194	4	91	88	75	87
<b>Sum fixed remuneration</b>	<b>1,026</b>	<b>73</b>	<b>923</b>	<b>920</b>	<b>907</b>	<b>919</b>
Short-term variable remuneration						
One-year variable remuneration 2022 (50% of annual bonus 2022)	416	-	416	-	416	-
One-year variable remuneration 2021 (50% of annual bonus 2021)	-	35	-	416	-	416
Mid-term variable remuneration						
Deferral 2022 (50% of annual bonus 2022)	416	-	416	-	416	-
Deferral 2021 (50% of annual bonus 2021)	-	35	-	416	-	416
Long-term variable remuneration						
PPSP tranche 2022	1,100	-	1,100	-	1,100	-
PPSP tranche 2021	-	-	-	1,100	-	1,100
<b>Sum variable remuneration</b>	<b>1,932</b>	<b>70</b>	<b>1,932</b>	<b>1,932</b>	<b>1,932</b>	<b>1,932</b>
Pension expense (service costs)						
	252	-	251	253	254	255
<b>Target total remuneration</b>	<b>3,210</b>	<b>143</b>	<b>3,106</b>	<b>3,105</b>	<b>3,093</b>	<b>3,106</b>
<sup>1</sup> Sabine Kohleisen was appointed to the Board of Management effective December 1, 2021. Fringe benefits accordingly include one-time expenses.						

<b>Target remuneration</b>				
	<b>Hubertus Troska<sup>1</sup></b> Greater China		<b>Harald Wilhelm</b> Finance & Controlling/ Mercedes-Benz Mobility	
	<b>2022</b>	2021	<b>2022</b>	2021
	in €k	in €k	in €k	in €k
Base salary	832	832	850	850
Taxable non-cash benefits and fringe benefits	562	728	65	59
<b>Sum fixed remuneration</b>	<b>1,394</b>	<b>1,560</b>	<b>915</b>	<b>909</b>
Short-term variable remuneration				
One-year variable remuneration 2022 (50% of annual bonus 2022)	416	-	425	-
One-year variable remuneration 2021 (50% of annual bonus 2021)	-	416	-	425
Mid-term variable remuneration				
Deferral 2022 (50% of annual bonus 2022)	416	-	425	-
Deferral 2021 (50% of annual bonus 2021)	-	416	-	425
Long-term variable remuneration				
PPSP tranche 2022	1,100	-	1,100	-
PPSP tranche 2021	-	1,100	-	1,100
<b>Sum variable remuneration</b>	<b>1,932</b>	<b>1,932</b>	<b>1,950</b>	<b>1,950</b>
Pension expense (service costs)				
	250	250	268	278
<b>Target total remuneration</b>	<b>3,576</b>	<b>3,742</b>	<b>3,133</b>	<b>3,137</b>
<sup>1</sup> Hubertus Troska: In connection with Mr. Troska's activities abroad, taxable non-cash benefits have accrued in arrears for previous years. In addition, costs were incurred with regard to Mr. Troska's deployment location.				

## Maximum amounts of remuneration and maximum total remuneration

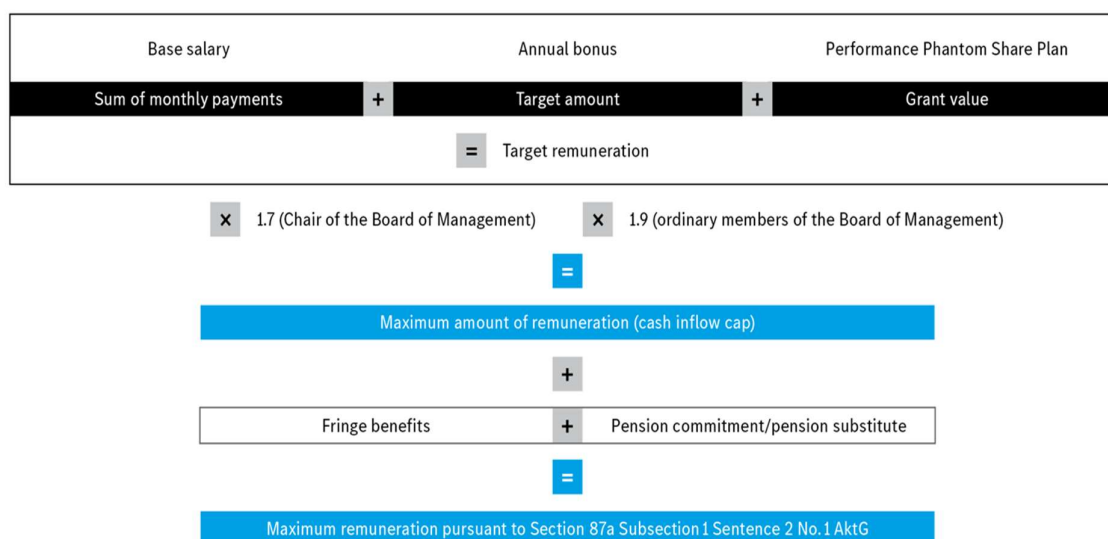
Pursuant to Section 87a Subsection 1 Sentence 2 No. 1 of the German Stock Corporation Act (AktG), the remuneration system for the Board of Management provides for a maximum remuneration (cap) for members of the Board of Management. The maximum remuneration achievable for a financial year, comprising base salary, variable remuneration components, pension expense and fringe benefits, is capped at €12,000,000 gross for the Chair of the Board of Management and at €7,200,000 gross for each ordinary member of the Board of Management (“maximum total remuneration”).

In addition to the maximum total remuneration, the remuneration of the members of the Board of Management also has already had caps on each of the variable remuneration components and a cap on the amount of the cash payments (cap of cash payments) for many years. For the Chair of the Board of Management, this maximum amount is set at 1.7 times, for the other members of the Board of Management at 1.9 times, the sum of the base salary, the target annual bonus and the PPSP value when granted.

The possible cap on the amount exceeding the maximum total remuneration and/or the maximum limit of the cash payments for financial year 2022 is determined with the payment of the PPSP issued in the relevant financial year, i.e., for the financial year 2022, with payment of the PPSP 2022 in the financial year 2026.

In the financial year 2022, the Supervisory Board ensured that the maximum amount of the cash payments were complied with. A final statement on compliance with the maximum total remuneration and the maximum amount of the cash payments for the financial year 2022 can only be made once the targets have been achieved and the PPSP issued in the financial year 2022 has been paid out in the financial year 2026.

### Calculation of the maximum amount of remuneration (cap of cash payments) and maximum total remuneration



## **Remuneration components of the Board of Management in financial year 2022 in detail**

The individual components of the Board of Management's remuneration in detail are as follows:

### **Fixed remuneration components**

#### **Base salary**

The base salary is fixed remuneration relating to the entire year, oriented on the area of responsibility and experience of each Board of Management member and paid out in twelve monthly instalments.

#### **Fringe benefits**

Fringe benefits are an additional component of the fixed remuneration. These mainly comprise expenses for security precautions and the provision of company cars. In addition, special location-based benefits can be provided for Board of Management members who work abroad. In connection with Hubertus Troska's activities abroad, for example, subsequent, taxable non-cash benefits for previous years were accrued.

In the reporting period, the members of the Board of Management were also included in a financial loss and liability insurance policy in an adequate amount for executive bodies and certain executives (Directors & Officers insurance) taken out by the Company in the interest of the Company with a corresponding deductible in accordance with Section 93 Subsection 2 AktG. The insurance premiums were paid by the Company.

#### **Retirement benefits**

In the financial year 2012, the Company introduced a new company retirement benefit plan for new entrants and new appointments both for employees paid in the area of collective bargaining agreements as well as for executives: the Daimler Pensions Plan (DPP). This retirement benefit system features the payment of annual contributions by the Company and is aligned with the capital market. The Company merely makes a commitment to guarantee the total of contributions paid, which are invested in the capital market according to a pension-oriented investment concept.

The Supervisory Board has approved the application of this retirement benefit plan for all members of the Board of Management newly appointed since 2012. The amount of the annual contributions results from a fixed percentage of the base salary and the total annual bonus for the respective financial year calculated as of the end of the reporting period. This percentage in the financial year 2022 is 15%. Contributions to the retirement benefit plan are granted until the age of 62. The benefit from the Daimler Pensions Plan is payable to living Board of Management members at the earliest at the age of 62, irrespective of an earlier termination of

the service relationship. If a member of the Board of Management terminates the service relationship due to the member being unfit for service, the benefit is paid as a limited capacity benefit, even before the age of 62.

Three options exist for the payout of the DPP retirement benefit system:

- As a one-time payment of a single amount;
- In twelve annual instalments, whereby interest accrues on each partial amount as of commencement of the insured event (at least 1% p.a., incl. any profit shares according to the insurance tariff defined in the pension commitment);
- Or as a pension with annual increases (at least 1% p.a., incl. any profit shares according to the insurance tariff defined in the pension commitment)

The service agreements of Board of Management members contain provisions, according to which in the event of the passing of the Board of Management member before retiring for reasons of age, the spouse/registered civil partner/named life partner or legally dependent children pursuant to Section 32 of the Income Tax Act (EStG) are entitled to receive the accumulated DPP credit amount plus an imputed amount for the remaining period until the calculated age of the Board of Management member would have reached 62.

If a Board of Management member passes away after retiring for reasons of age, the heirs are entitled to receive the benefits in the case of the payout option in twelve annual instalments. For the pension payout option with survivor benefits, the spouse/named life partner/registered civil partner are entitled to receive 60% of the actual pension amount.

The Pension Capital system, where a capital component was credited annually, was used from the beginning of 2006 until the end of 2011. The Board of Management members active in 2022 still have – in part – legacy commitments from this model that are payable. Pension capital is paid out, regardless of an early termination of service, at the earliest at the age of 60 (amount paid is the total of the capital components including interest). If the service relationship ends due to the member being unfit for service, the pension is paid out as a limited capacity benefit up to the age of 60. Payments under the Pension Capital retirement benefit system can also be made in three ways: As a one-time payment of a single amount; In twelve annual instalments, whereby interest accrues on each partial amount from the time payments commence until the payout is complete (Pension Capital: 6% or 5%); As an annuity with annual increases (Pension Capital: 3.5%).

Departing Board of Management members are furthermore provided with a company car, in some cases for a defined period.

Service costs for pension obligations to Board of Management members in office during the reporting period in accordance with IAS 19 amounted to €2.3 million in the financial year 2022 (2021: €2.1 million). The present value of the total defined benefit obligation according to IAS 19 amounted to €17.0 million as of December 31, 2022 (2021: €17.0 million). Taking age and

period of service into account, the following tables shows the resulting service costs and present values:

<b>Individual entitlements, service costs and present value for members of the Board of Management</b>			
in €k	Year	Service costs	Present value of obligations
Ola Källenius	<b>2022</b>	<b>510</b>	<b>4,767</b>
	2021	518	5,013
Dr. Jörg Burzer <sup>1</sup>	<b>2022</b>	<b>288</b>	<b>191</b>
	2021	-	16
Renata Jungo Brüngger	<b>2022</b>	<b>250</b>	<b>2,240</b>
	2021	251	2,211
Sabine Kohleisen <sup>1</sup>	<b>2022</b>	<b>252</b>	<b>158</b>
	2021	-	11
Markus Schäfer	<b>2022</b>	<b>251</b>	<b>2,716</b>
	2021	253	2,853
Britta Seeger	<b>2022</b>	<b>254</b>	<b>2,389</b>
	2021	255	2,520
Hubertus Troska	<b>2022</b>	<b>250</b>	<b>3,554</b>
	2021	250	3,724
Harald Wilhelm	<b>2022</b>	<b>268</b>	<b>951</b>
	2021	278	659

<sup>1</sup> Dr. Jörg Burzer and Sabine Kohleisen were appointed to the Board of Management effective on December 1, 2021. The table includes all Board of Management members active in 2022. The total amounts from the previous year may therefore vary somewhat.  
Note: These commitments are partially claims that were vested before the appointment to the Board of Management.

### **Variable remuneration components**

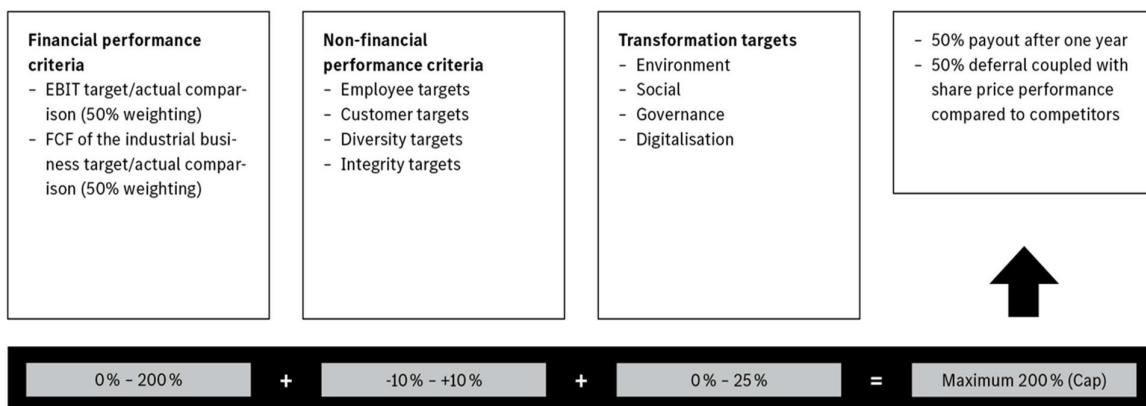
The variable remuneration is intended to provide the right incentives for the Board of Management to act in the interests of the corporate strategy, shareholders, customers, employees and other stakeholders. Annual operational targets of a financial and non-financial nature are derived from the long-term and sustainable development of the Company to ensure the implementation of the corporate strategy; the achievement of these targets is incentivized by means of the annual bonus as short- and medium-term variable remuneration. In addition, there is the long-term-oriented variable remuneration – the Performance Phantom Share Plan (PPSP) – which puts emphasis on the long-term success of the Company compared to competitors and the long-term performance of the Mercedes-Benz Group share price and thus also the sustainable return for the shareholders.

### **Annual bonus**

The annual bonus is a short- and medium-term variable remuneration component that provides an incentive for the contribution made in the financial year to the operational implementation of the corporate strategy, in particular the future-proof transformation through technological and sustainable realignment of the Group towards electro mobility and extensive digitalisation as automotive manufacturer and mobility service provider. With this in mind, the Supervisory Board derives ambitious operational targets from the strategic business objectives for each upcoming financial year. In addition to financial performance criteria, these also include non-financial performance criteria and transformation targets.

<b>Overview: Relation of the annual bonus to the business strategy</b>	
<b>Components of the annual bonus</b>	<b>Overview: Relation of the annual bonus to the business strateg</b>
<b>Financial performance criteria - EBIT</b>	Strong operational focus on strengthening the global core business and providing the financial means to achieve the corporate strategy objectives
<b>Financial performance criteria - FCF IB</b>	Alignment of remuneration with the extensive investment requirements arising from the Group transformation and incentivisation of further optimization of cash flow management
<b>Non-financial performance criteria</b>	Inclusion of important non-financial strategic targets and thus building blocks, such as 'strengthening the core business,' 'adjusting the corporate culture,' and 'strengthening the customer- and market-oriented structure'
<b>Transformation targets</b>	Clear focus of cluster/target criteria on defined future fields and sustainability and ESG aspects as part of the corporate strategy
<b>Deferral</b>	Extension of the performance period for half of the annual bonus through an additional share-based component and a competitor comparison, thereby promoting the sustainability aspect of the remuneration system
<b>Consideration of competitors</b>	Integration of a relative success measurement and creation of incentives for an outperformance of relative competitors

The target amount of the annual bonus, which is paid if target achievement is 100%, is currently set at 100% of the base salary. The total payout amount for the annual bonus is limited to 2 times the base salary of the respective financial year and is calculated as follows:





Up to 50% of the calculated annual bonus is paid out in March of the following financial year (one-year variable compensation). The second 50% (so-called deferral, medium-term oriented variable remuneration) will be paid out one year later.

### **Value at 100% target achievement (target annual bonus)**

In the financial year 2022, it corresponds to the respective base salary.

### **Maximum annual bonus**

The total payout amount for the annual bonus is limited to 2 times the base salary of the respective financial year.

### **Financial performance criteria**

The structure of the financial performance criteria is to promote the long-term development of the Company in terms of its financial ability to invest with its own funds in – for example – new technologies and business models. This is to effectively ensure the future viability of the Company.

The financial performance criteria are based on the operating result of the Group (EBIT) and the free cash flow of the industrial business (FCF IB), both weighted at 50%. Besides revenue, EBIT and FCF IB are the key financial performance indicators for the Group's operational financial performance.

Performance criteria in the financial year 2022:

- 50% comparison EBIT actual value 2022 to target value 2022;
- 50% comparison FCF IB actual value 2022 to target value 2022.

The measure of operating profit at the divisional level is EBIT. As earnings before interest and income taxes, EBIT reflects the divisions' responsibility for their earnings. The EBIT target value for each financial year is derived by the Supervisory Board based on the set medium-term return, which is ambitious and aligned with the competitive environment, and the growth targets. The starting point of the calculation is the revenue of the previous year.

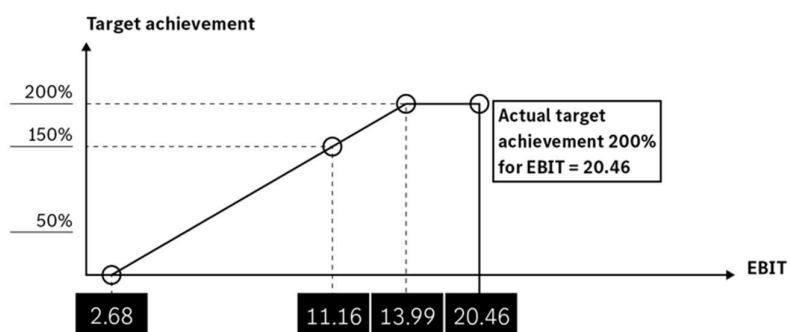
In addition to the cash flows of the automotive divisions, FCF IB also includes cash flows from taxes and other reconciliation items not attributable to the divisions and is of particular importance for the financial strength of the Group. The target value for FCF IB in the respective financial year is based on the defined EBIT target of the divisions of the automotive business as well as on a strategic target for the cash conversion rate. The cash conversion rate is the proportion of the period's result that is scheduled to flow into the Group's liquidity after the payments for the necessary investments in research and development, tangible fixed assets and working capital are taken into account in accordance with the strategic growth target. When comparing the target 2022 FCF IB to the actual one, adjustments are made for certain

factors that were taken into account in the target achievement of the annual bonus in the financial year 2021 or earlier.

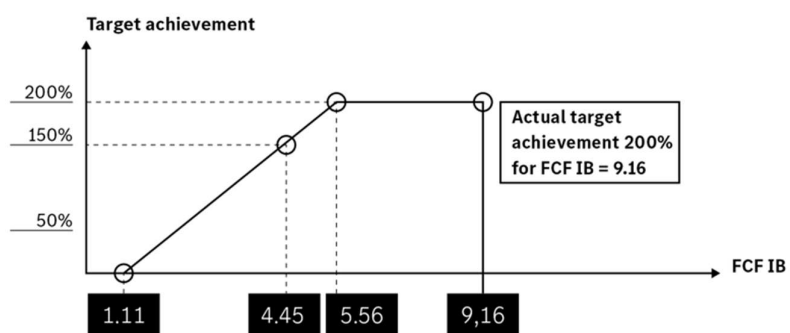
The range of possible target achievement for the two financial targets EBIT and FCF IB is between 0% and 200%. The lower limit of this range represents 25% of the target value; the upper limit 125% of the target value. If the value actually achieved is at or below the lower limit of the range, the degree of target achievement is always 0%. The total absence of a bonus is therefore possible. If the value actually achieved is at or above the upper limit of the range, the degree of target achievement is 200%, which is the maximum it can reach. Within the range, target achievement develops in a linear way.

For the financial year 2022, the Supervisory Board set the following financial targets, which were achieved as follows:

**Financial targets in the annual bonus: EBIT (in billions of euros)**



**Financial targets in the annual bonus: FCF IB (in billions of euros)**



## **Non-financial performance criteria**

The non-financial performance criteria, which focus on sustainability and cultural aspects, are assigned to four categories and, like the financial targets, apply uniformly to the entire Board of Management. These categories represent further building blocks of the corporate strategy and thus promote the sustainable and long-term development of the Company: for example, integrity, employee satisfaction and diversity as indispensable components of an agile, future-oriented corporate culture committed to social values, or quality as an indispensable prerequisite of customer satisfaction and long-term and sustainable sales success.

Each category is weighted equally and receives an addition or a deduction of up to 2.5 percentage points each to or from the degree of achievement of the financial performance criteria. Across all four categories, the non-financial performance criteria lead to an addition or deduction of up to 10 percentage points to the degree of target achievement for the financial performance criteria. The addition or deduction is calculated based on measurable criteria, allowing target achievement to be clearly determined on the basis of a target/actual comparison at the end of the financial year. This avoids a determination which is based on the discretion of the Supervisory Board. The total of the addition or deduction resulting from the non-financial targets is commercially rounded to two significant figures. For the 2022 financial year this results in an addition of 7.0 percentage points (rounded).

In detail:

<b>Overview: Relation of the annual bonus to the business strategy</b>		
<b>Non-financial performance criteria</b>	<b>Design</b>	<b>Target achievement 2022</b>
<b>Integrity</b>	<ul style="list-style-type: none"> <li>- Achievement of the Group-level targets regarding the further development and permanent establishment of the topic integrity was measured based on certain standardised questions in a global employee survey.</li> <li>- This measurement was based on the achieved approval rate of any question, on the one hand, and the average approval rate achieved across all questions (integrity indicator), on the other.</li> <li>- Target achievement is derived at Group level at the end of the financial year.</li> </ul>	2 %
<b>Customer targets/quality</b>	<ul style="list-style-type: none"> <li>- Quality and/or customer satisfaction targets (quality KPIs of all divisions) were defined by the individual divisions for the financial year.</li> <li>- With regard to vehicles, a comparison was carried out of the target number and the actual number of claims during a predefined period of time, MIS (Months in Service), and in terms of service based on a customer satisfaction index.</li> <li>- The level of target achievement at the Group level is derived as a weighted average of the individual divisional levels of target achievement at the end of the financial year.</li> </ul>	1 %
<b>Employee engagement</b>	<ul style="list-style-type: none"> <li>- Employee engagement to the Group was calculated based on their answers to certain standardized questions in our global employee survey.</li> <li>- These answers, together with the participation rate achieved in the employee survey, are used to derive a level of target achievement at the Group level at the end of the financial year for the maintenance and enhancement of a high level of satisfaction and motivation among the employees.</li> </ul>	2 %
<b>Diversity &amp; equal opportunity</b>	<ul style="list-style-type: none"> <li>- A target for the proportion of women in management positions was defined at the Group level for a period of several years based on the Company's in-house guidelines for the proportion of women in management positions (Gender Diversity Aspirational Guidelines), which go beyond the legally obligatory targets.</li> <li>- The level of target achievement is determined by way of a comparison of actual and target values, which is conducted at the end of the financial year.</li> </ul>	2 %

The following criteria are used for the evaluation:

<b>Integrity</b>				
<b>Degree of target achievement</b>	<b>Addition/deduction</b>	<b>Integrity Indicator</b>	<b>+</b>	<b>Approval rate of any question</b>
Excellent	2.5 %	> 80 %		> 74 %
Good	2.0 %	71-80 %		65-74 %
Average	1.0 %	61-70 %		60-64 %
Low	-2.5 %	≤ 60 %		≤ 59 %

<b>Customer targets/quality</b>		
<b>Degree of target achievement</b>	<b>Addition/deduction</b>	<b>Quality KPIs of all divisions</b>
Excellent	2.5 %	The addition/deduction depends on the respective target value of the respective division or product.
Good	2.0 %	
Average	1.0 %	
Low	-2.5 %	

<b>Employee engagement</b>				
<b>Degree of target achievement</b>	<b>Addition/deduction</b>	<b>Employee engagement</b>	<b>+</b>	<b>Participation rate</b>
Excellent	2.5 %	> 35 %		> 70 %
Good	2.0 %	31-35 %		66-70 %
Average	1.0 %	25-30 %		61-65 %
Low	-2.5 %	≤ 25 %		≤ 60 %

<b>Diversity &amp; equal opportunity</b>		
<b>Degree of target achievement</b>	<b>Addition/deduction</b>	<b>Guidelines on the percentage of women in management positions</b>
Excellent	2.5 %	Target overachieved ≥10 %
Good	2.0 %	Target overachieved <10 %
Average	1.0 %	Target achieved
Low	-2.5 %	Target not achieved

## **Transformation targets**

In order to take into account the implementation of the future-oriented measures for the technological and sustainable realignment of the Group, performance criteria and key performance indicators from the most important future-oriented fields were defined at the beginning of the financial year 2022. Here, as an integral component of the corporate strategy, sustainability/environmental, social and governance (ESG) aspects have an explicit significance for the business dealings of Mercedes-Benz Group AG.

The transformation targets represent both quantitative and qualitative aspects. They can add up to 25 percentage points to the degree to which the financial performance targets have been achieved.

For the financial year 2022, the Supervisory Board set transformation targets in the following topic areas of Environment / Social / Governance / Digitalisation. These include, among others, the following aspects:

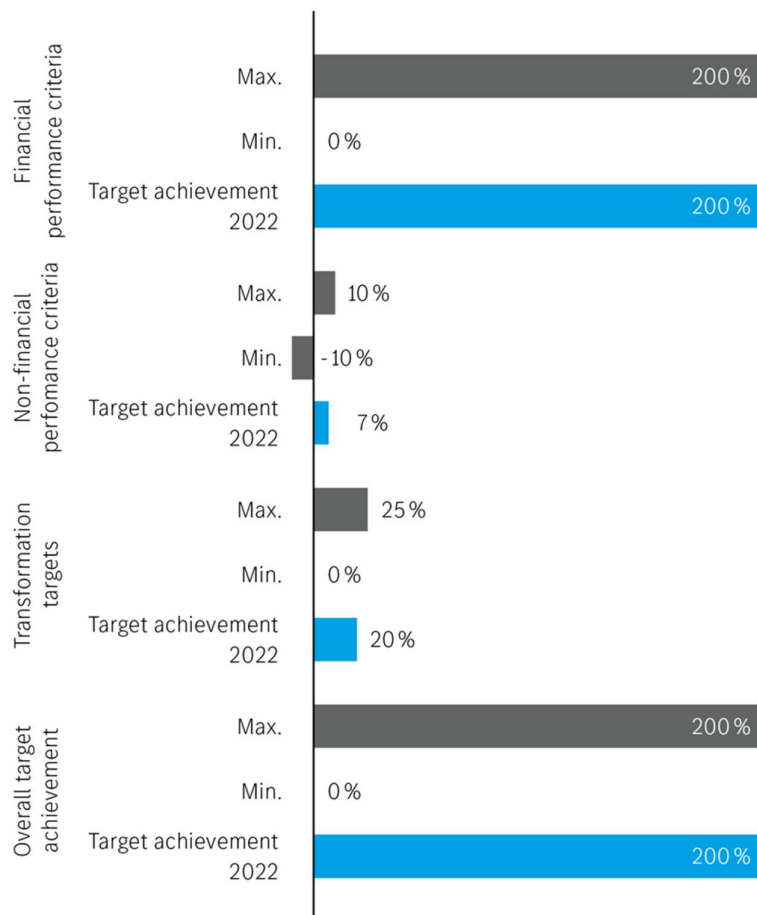
- CO2-emissions 'tank-to-wheel' and production;
- Progress of the Mercedes-Benz Group operating system;
- Adjustment of the supply chain, especially with regard to high-risk materials;
- Share of the online business;
- Safety innovation.

Based on the divisional levels of target achievement as well as the strategic, organizational and structural contribution of the Board of Management as a whole, the Supervisory Board derived a joint degree of target achievement for the Board of Management that takes into account the economic environment and the competitive situation and positioning of the Group. This leads to the addition of +20 percentage points to the degree of target achievement for the financial performance criteria for the financial year 2022.

This addition was debated and discussed in the Presidential Committee and in the Supervisory Board itself, and the evaluation of the qualitative and quantitative aspects of this category resulted in an addition of +20 percentage points. The transformation addition was exhaustively discussed from the perspective of the Presidential Committee and also from the perspective of the Supervisory Board, and again takes the current complex environment into account.

## **Overall target achievement for the annual bonus 2022**

The overall target achievement for the 2022 annual bonus is made up of the target achievements for the financial performance criteria, the non-financial performance criteria and the transformation targets, and amounts to 200% in the financial year 2022.



For the members of the Board of Management, this results in the following payout amount for the annual bonus 2022. Of this amount, 50% is to be paid out in March of the financial year 2023 and 50% (deferral) in the financial year 2024, depending on the relative share price performance.

<b>Total target achievement annual bonus 2022</b>						
	Target amount	Financial performance criteria	Non-financial performance criteria	Transformation targets	Overall target achievement <sup>1</sup>	Payout amount
	in €k	Target achievement in %	Target achievement in %	Target achievement in %	in %	in €k
Ola Källenius	1,664	200 %	7 %	20 %	200 %	<b>3,328</b>
Dr. Jörg Burzer	832					<b>1,664</b>
Renata Jungo Brüngger	832					<b>1,664</b>
Sabine Kohleisen	832					<b>1,664</b>
Markus Schäfer	832					<b>1,664</b>
Britta Seeger	832					<b>1,664</b>
Hubertus Troska	832					<b>1,664</b>
Harald Wilhelm	850					<b>1,700</b>
<sup>1</sup> Maximum target achievement 200%						

## Deferral

Only 50% of the annual bonus is paid out in March of the following financial year. The second 50% is paid out one year later (so-called deferral), depending on Mercedes-Benz share performance compared with an automotive index (STOXX Europe Auto Index). Mercedes-Benz Group AG uses this index as a benchmark for the relative share performance in one year starting from December 31. The relative Mercedes-Benz share performance is multiplied by the second 50% of the annual bonus after the end of the period under review and paid out.

In the financial year 2022, the deferral from the annual bonus 2020 was paid out. The relative share performance of the Company compared to the STOXX Europe Auto Index for the 2020 deferral was 112% for the period from December 31, 2020, to December 31, 2021.

If the target achievement of the annual bonus of a financial year is already 200%, the deferral is paid out at its nominal value.

## Performance Phantom Share Plan (PPSP)

The PPSP is a long-term variable remuneration component that is intended to put the focus on the long-term success of the Company compared to its competitors and the long-term performance of the Mercedes-Benz share, and thus also the sustainable return for



shareholders. The target achievement for the PPSP is measured based on two performance criteria that are weighted at 50% each.

- First, the 'relative return on sales' in a three-year comparison with competitors is used as a performance criterion that is to set incentives to ensure sustainable and profitable growth and enhance efficiency.
- Second, the 'relative share performance' is used, which links the interests of the Board of Management and shareholders.

The relevance of the share price and thus the alignment of the interests of the Board of Management and shareholders is further strengthened by the calculation of the payout amount only after the fourth year of the plan term at the share price then applicable.

<b>Overview: Relation of the Performance Phantom Share Plan (PPSP) to the business strategy</b>	
<b>PPSP components</b>	<b>Relation to the business strategy/incentive effect</b>
<b>Rel. return on sales</b>	Integrates a main internal key performance measure of the Group and ensures sustainable and profitable growth
<b>Rel. share performance</b>	Links the interests of the Board of Management and shareholders
<b>Consideration of competitors</b>	Integrates a relative measure of performance and thus creates incentive to outperform relevant competitors over the long run
<b>Four-year duration</b>	Ensures the sustainable and long-term growth of the Group
<b>Conversion into phantom shares</b>	Strengthens the relation to the share price and thus the linking of interests of the Board of Management and shareholders

At the beginning of the plan, the Supervisory Board sets a grant value in euro for every financial year in the context of setting the individual annual total target remuneration. This amount is divided by the relevant average Mercedes-Benz share price that was determined during a previously specified longer time period, which results in the number of the preliminary allocated phantom shares.

Also at the beginning of the plan, performance criteria are set for a period of three years (performance period). Depending on the achievement of these performance criteria with a

possible range of 0% to 200%, the phantom shares allocated at the beginning of the plan are then converted into the final number of phantom shares allocated after three years.

After another year has elapsed (retention period), the amount to be paid out is calculated from this final number of phantom shares multiplied by the applicable Mercedes-Benz share price at that time. The share price relevant for the payout under this plan is also relevant for the allocation of the preliminary number of phantom shares for the newly issued plan in the respective financial year.

A dividend equivalent is applied for each phantom share held if a dividend is paid out for Mercedes-Benz shares in the respective year. The amount of the dividend equivalent is based on the dividend that is paid out during the respective year for an actual share in the Company. During the performance period, it is granted for the preliminary number of phantom shares that have been allocated; in the year of the retention period, it is granted for the final number of phantom shares.

#### **Value when granted**

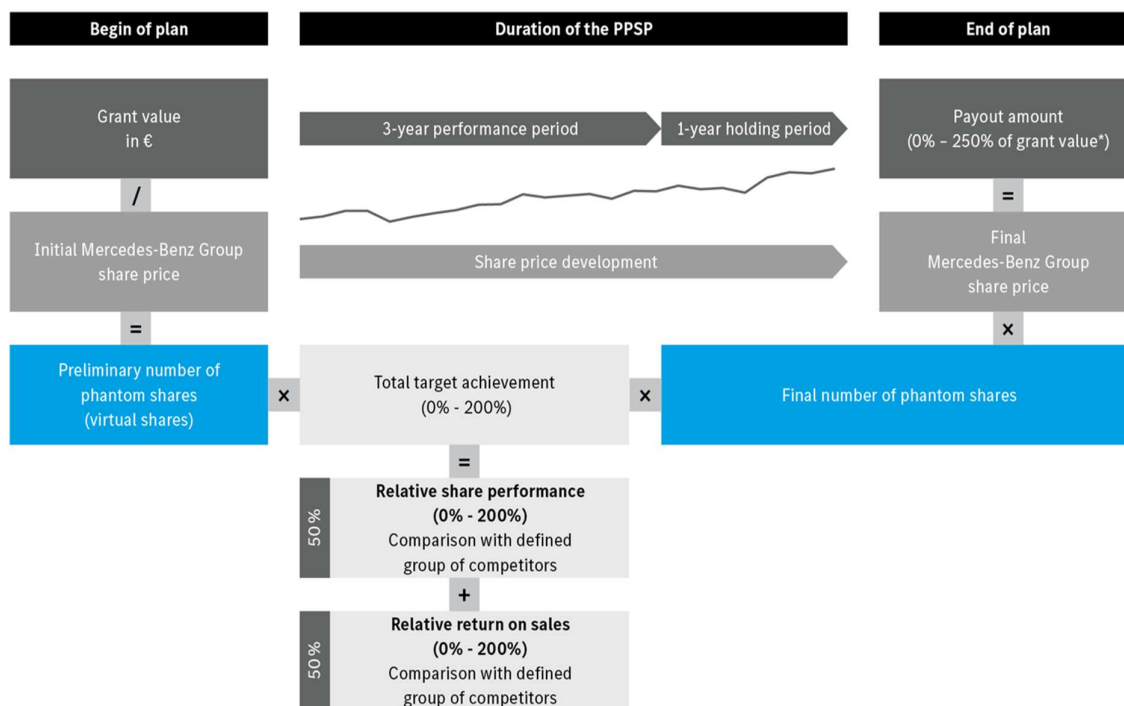
Determined annually by the Supervisory Board; for the financial year 2022, approximately 1.3 times the base salary.

#### **Range of possible target achievement**

0 to 200%, meaning that the plan is capped. It may also be zero.

#### **Value of the phantom shares at payout**

The value of the phantom shares to be paid out after the end of the plan period depends on the target achievement measured in accordance with the following performance criteria and the share price relevant for the payout. This share price is limited to 2.5 times the share price at the beginning of the plan. Furthermore, the final amount paid is limited to 2.5 times the value when granted at the beginning of the plan. This maximum amount also includes the dividend equivalent paid out during the four-year plan period. The dividend equivalent in the financial year 2022 amounts to €5 per virtual share, which was paid out for the 2019 to 2022 plans.



## Performance criteria for the PPSP 2022

### Relative return on sales (50%):

The achieved return on sales is determined in a three-year comparison with the competitive group consisting of listed vehicle manufacturers with an automotive component of more than 70% by revenue and an investment-grade credit rating (BMW, GM, Honda, Hyundai, Kia, Mazda, Nissan, Stellantis, Subaru, Suzuki, Toyota and VW). To measure the performance, the average return on sales of the competitors is calculated over three years. Target achievement occurs to the extent to which Mercedes-Benz Group AG's return on sales deviates by a maximum of +/-2 percentage points from 105% of the calculated average of the competitors.

- Target achievement of 100% only occurs when the average return on sales of the Group reaches 105% of the revenue-weighted average return on sales of the group of competitors. Maximum target achievement of 200% occurs if the return on sales of the Group exceeds 105% of the revenue-weighted average of the competitors by 2 percentage points or more. If a target achievement of between 195% and 200% occurs, the maximum target achievement calculated for the performance criterion of relative return on sales compared to the group of competitors will only be deemed to be 200% if the actual return on sales for the Group's automotive business reaches at least the strategic target for return on sales in the third year of the performance period. Otherwise, target achievement will be limited to 195%.

- Target achievement of 0% for this performance criterion occurs in the event of a downward deviation of 2 percentage points or more. In the deviation range of +/- 2 percentage points, target achievement develops in a linear way.

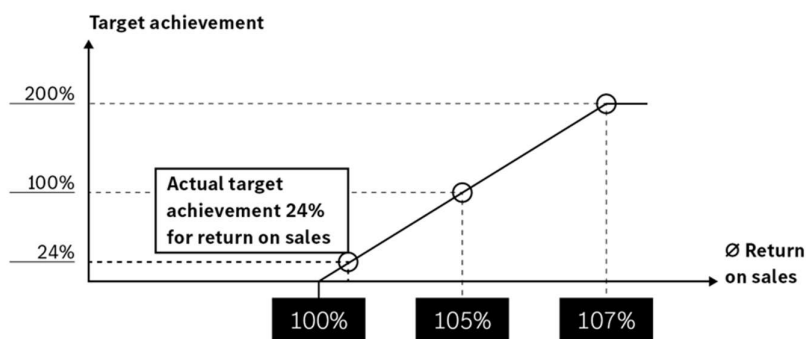
Relative share performance (50%):

Relative share performance is measured by the performance of the Mercedes-Benz share in a three-year comparison with the performance of the defined group of competitors. If the performance of the Mercedes-Benz share price (in %) is the same as that of the group of competitors (in %), target achievement is deemed to be 100%. If the performance of the share price (in %) is 50 percentage points or more above (below) the performance of the group of competitors, target achievement is deemed to be 200% (0%). In the deviation range of +/- 50 percentage points, target achievement develops in a linear way.

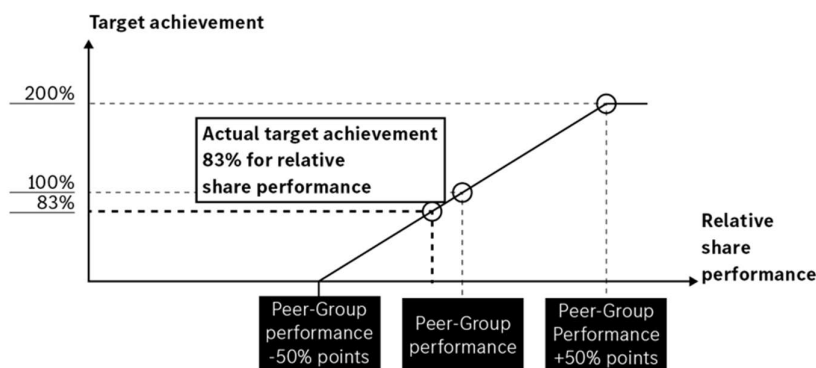
## Target achievement for the PPSP 2018

For the PPSP 2018, which was paid out in the financial year 2022 at the end of the four-year plan period, the following target achievement was calculated:

### Financial targets for PPSP: Return on sales



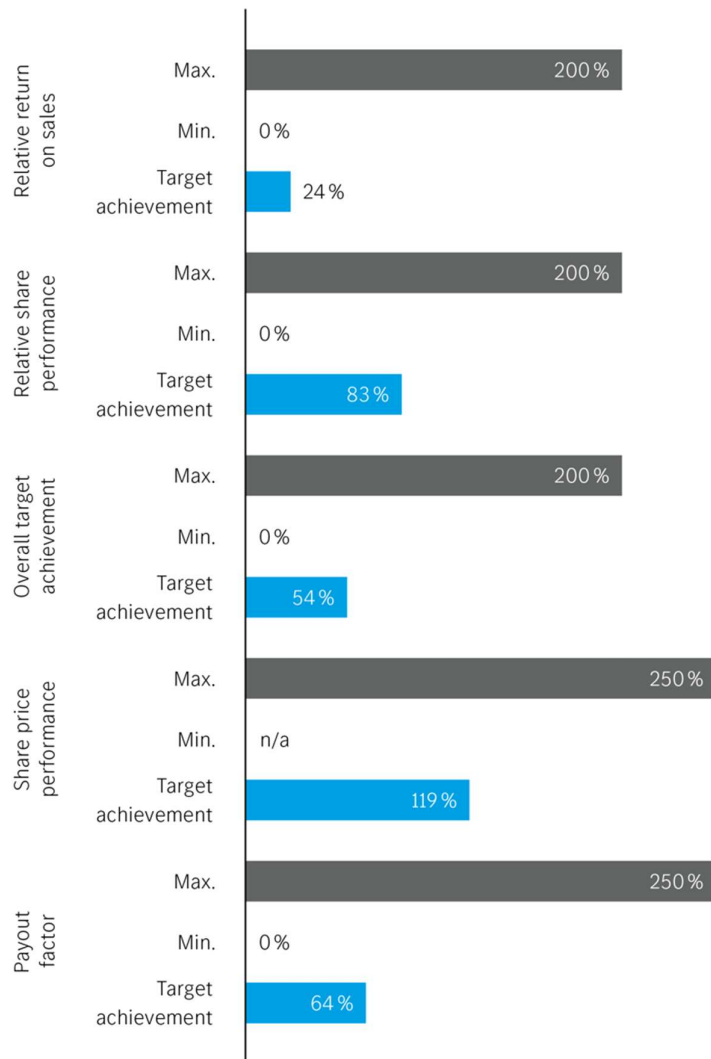
### Financial targets for PPSP: relative share performance



The spin-off of the commercial vehicle business, which was completed at the end of the financial year 2021, had an impact on the PPSP 2018. The payout of the PPSP 2018 was based on a combined closing price of the Daimler-/Mercedes-Benz Group share and the Daimler Truck share. The PPSPs 2019 to 2021 continued as Group-specific plans following the successful spin-off of the commercial vehicle business. On the basis of the allocation ratio of 1:2 defined for the shareholders and the share prices of Daimler AG and Daimler Truck Holding AG in the period from December 10 to December 31, 2021, a conversion factor of 1.2199 was determined for the phantom shares of Mercedes-Benz Group AG. This was applied to the previous number of phantom shares in order to continue the PPSP at the same value (to determine the adjusted number of preliminary phantom shares after the spin-off of the truck business took effect, a conversion factor of 1.2199 was applied to the PPSPs 2019-2021).

The maximum target achievement of the performance criteria of relative return on sales and relative share performance of 200% was not reached by the PPSP 2018. The cap on the share price relevant for the payout of 2.5 times the share price at the beginning of the plan, and the cap on the final amount to be paid out (including the dividend equivalents paid out during the four-year plan period) of 2.5 times the allocation value specified at the beginning of the plan (payout factor), were also not reached for the PPSP 2018.

The following figure shows the target achievements, the share price performance and the payout factor of the PPSP 2018 in total:



The following table shows the grant value per Board of Management member and the payout amount of the PPSP 2018 resulting from overall target achievement and share performance:

<b>Total target achievement PPSP 2018</b>								
	Value when granted	Share price when granted	Preliminary number of phantom shares		Overall target achievement	Final number of phantom shares	Share price at payout	Payout amount
	in €k	in €			in %		in €	In €k
Ola Källenius	1,100	73.85	14,896		54 %	8,044	88.23	<b>710</b>
Dr. Jörg Burzer <sup>1</sup>	125		1,693		59 %	999		<b>88</b>
Renata Jungo Brüngger	1,100		14,896		54 %	8,044		<b>710</b>
Sabine Kohleisen <sup>1</sup>	95		1,287		59 %	760		<b>67</b>
Markus Schäfer <sup>1</sup>	430		5,823		59 %	3,436		<b>303</b>
Britta Seeger	1,100		14,896		54 %	8,044		<b>710</b>
Hubertus Troska	1,100		14,896		54 %	8,044		<b>710</b>
<sup>1</sup> Allocation as a manager below the Board of Management. Plans for the level below the Board of Management differ in terms of target achievement. Plans assigned to the Board of Management have an increased level of target aspiration.								

### **Guidelines for share ownership**

As a supplement to the remuneration components of the Board of Management, stock ownership guidelines exist for the Board of Management (Stock Ownership Guidelines). These guidelines require members of the Board of Management to invest in Mercedes-Benz Group shares over a period of several years and to hold those shares until the end of their employment. Depending on the functional responsibility of the respective Board of Management member, the number of shares to be held is between 20,000 and 75,000. In fulfilment of the policies, up to 25% of the gross remuneration out of each Performance Phantom Share Plan is generally to be used to purchase shares in the Company, but the required shares can also be purchased in other ways.

As at December 31, 2022, the following status for the Stock Ownership Guidelines and their implementation resulted for the members of the Board of Management:

<b>Stock Ownership Guidelines</b>			
	SOG target	Status quo	
	Number	Number	in % of the SOG target
Ola Källenius	75,000	18,651	25 %
Dr. Jörg Burzer	20,000	1,909	10 %
Renata Jungo Brüngger	20,000	12,058	60 %
Sabine Kohleisen	20,000	593	3 %
Markus Schäfer	20,000	9,996	50 %
Britta Seeger	20,000	6,484	32 %
Hubertus Troska	20,000	20,000	100 %
Harald Wilhelm <sup>1</sup>	25,000	-	-
<sup>1</sup> Harald Wilhelm did not receive any payout from PPSP up to the end of the financial year 2022. The first tranche (grant 2019) is due in 2023.			

### **Malus/Clawback**

Malus and clawback provisions are implemented in the service contracts and the PPSP plan conditions.

These provisions allow for the partial or complete reduction of the annual bonus for any Board of Management member who violates the duties pursuant to Section 93 AktG and, in particular, the principles laid down in the Company's Integrity Code. If it is not possible to reduce a future bonus payment or a payment that has yet to be made, the Board of Management member in question will be required to pay back the amount of the bonus reduction from already paid bonuses. The Supervisory Board decides on such bonus reductions.

The terms governing the PPSP include a provision that allows for the partial or complete reduction of the payout for any member of the Board of Management who clearly violates the principles laid down in the Company's Integrity Code or any other professional obligations prior to the payout of the plan proceeds. The Supervisory Board decides on such bonus reductions.

There were no reasons for applying the malus or clawback provisions in the financial year 2022, which is why there were no reductions or repayments.



## **Early termination of service**

The durations of the service contracts of the members of the Board of Management correspond to their terms of appointment. If the appointment of a member of the Board of Management is revoked pursuant to Section 84 Subsection 3 of the German Stock Corporation Act (AktG) and there is good cause as defined in Section 626 of the German Civil Code (Bürgerliches Gesetzbuch, BGB), the service contract shall also end at the time the revocation of the appointment takes effect. In this case, no payments are made to the Board of Management member for the period from the effective date of the revocation.

In the case of early termination of the service contract without good cause within the meaning of Section 626 of the BGB, Board of Management service contracts include commitments to payment of the base salary and provision of a company car until the end of the original service period at a maximum. Such persons are only entitled to payment of the annual bonus pro rata for the period until the end of the membership in the Board of Management. Entitlement to payment of the performance-based components of remuneration with a long-term incentive effect (PPSP) that has already been allocated is determined by the conditions of the respective plans. In the event of retirement for age reasons, for example, or if mutually agreed, the plans are paid out in arrears. Already allocated plans are lost in the event of a unilateral resignation from the Board of Management position.

To the extent that the payments described above are subject to the provisions of the severance cap of the German Corporate Governance Code (DCGK), their total including fringe benefits is limited to twice the value of the annual remuneration and may not exceed the total remuneration for the remaining period of the service contract.

In the event of an early or regular termination of the service contract, both the short-term and the delayed medium-term component (deferral) of the annual bonus and the proceeds from the long-term PPSP are not paid out in advance but instead at the points in time agreed upon in the service contract or in the terms and conditions of the PPSP plan. The entitlements are inheritable.

A post-contractual non-competition clause is not included in the contracts of the Board of Management members. There are likewise no commitments in the event of early termination of Board of Management membership due to a change of control, nor are there any commitments regarding severance payments.

Information on benefits in the event of regular termination of employment can be found in the section 'Retirement benefits.'

## **Secondary activities of Board of Management members**

The members of the Board of Management should accept management board or supervisory board positions and/or any other administrative or honorary functions outside the Group only

to a limited extent. Furthermore, they require the consent of the Supervisory Board before commencing any sideline activities. This ensures that neither the time required nor the remuneration paid for such activities leads to any conflict with the members' duties to the Group. Insofar as such secondary activities are memberships of statutory supervisory boards or comparable boards of business enterprises, they are disclosed in the notes to the annual financial statements of Mercedes-Benz Group AG, which are published on the website. Up to a certain amount, the remuneration for mandates in listed companies in which Mercedes-Benz Group holds a direct or indirect interest is not offset. If the remuneration exceeds this set amount, it is partially offset against the Board of Management remuneration. When accepting mandates in companies in which Mercedes-Benz Group AG holds no direct or indirect interest, the remuneration for these mandates is not offset. In the financial year 2022, Renata Jungo Brüngger and Harald Wilhelm were members of the Supervisory Board of Daimler Truck Holding AG. The remuneration due by Daimler Truck Holding AG (payout in 2023) will be offset pro rata against the annual bonus for 2022 (payout also in 2023) in accordance with the applicable provisions. The approach is also described in the table 'Remuneration awarded and due.'

### **Remuneration from third parties**

No remuneration was paid to members of the Board of Management by third parties with regard to their activities on the Board of Management in the financial year 2022.

### **Remuneration of the members of the Board of Management in office in the financial year 2022**

The following tables show the remuneration awarded and due for each individual member of the Mercedes-Benz Group AG Board of Management in the financial year 2022 in accordance with Section 162 Subsection 1 Sentence 1 AktG, including the respective relative proportions of their components.

The disclosure corresponds to the disclosure already made in the past in accordance with the model table ('Benefits received') of the German Corporate Governance Code (DCGK) in its version of February 7, 2017, and thus ensures a consistently transparent and comparable presentation of the individual remuneration of the members of the Board of Management of Mercedes-Benz Group AG. For this purpose, clusters were defined for the respective remuneration components, based on the disclosure logic described below:

The one-year variable remuneration 2022 is disclosed in accordance with a vesting-oriented interpretation. This means that the one-year variable remuneration is disclosed for the financial year in which the performance measurement is completed and is therefore vested. The one-year variable remuneration is therefore disclosed for the financial year 2022, although the actual payout will not take place until the financial year 2023. For the deferral and the PPSP, on the other hand, a disclosure logic is chosen that corresponds to a payout-oriented

interpretation. This ensures that all conditions subsequent or conditions precedent of the medium- and long-term oriented variable remuneration have lapsed or have been fulfilled and that the actual amount of the remuneration components can be disclosed in accordance with the actual payout.

The total remuneration awarded and due in the financial year 2022 is calculated as the total of:

- The 2022 base salary;
- The taxable non-cash benefits and other fringe benefits in the financial year 2022;
- The half share of the annual bonus 2022 determined for the financial year 2022 and paid in the financial year 2023 (one-year variable remuneration 2022);
- The half share of the medium-term-oriented component of the annual bonus 2020 (deferral 2020) ending at the end of the financial year 2021 and paid in the financial year 2022;
- The value of the long-term share-based remuneration (PPSP 2018) paid in the financial year 2022;
- The dividend equivalents of the current PPSP (2019, 2020, 2021 and 2022) paid in the financial year 2022.

Furthermore, the pension expense in the financial year 2022 (service costs in the financial year 2022) is shown.

Remuneration awarded and due								
	Ola Källenius Chair of the Board of Management				Dr. Jörg Burzer Production & Supply Chain Management			
	2022		2021		2022		2021	
	in €k	in %	in €k	in %	in €k	in %	in €k	in %
Base salary	1,664	25 %	1,664	39 %	832	37 %	69	49 %
Taxable non-cash benefits and fringe benefits	70	1 %	96	2 %	261	11 %	3	2 %
<b>Sum fixed remuneration</b>	<b>1,734</b>		<b>1,760</b>		<b>1,093</b>		<b>72</b>	
Short-term variable remuneration								
One-year variable remuneration 2022 (50% of annual bonus 2022) <sup>1</sup>	1,664	25 %	-	-	832	37 %	-	-
One-year variable remuneration 2021 (50% of annual bonus 2021)	-	-	1,664	39 %	-	-	69	49 %
Offsets from mandate remuneration	-	-	-	-	-	-	-	-
Mid-term variable remuneration <sup>2</sup>								
Deferral 2020 (50 % of annual bonus 2020)	1,379	23 %	-	-	-	-	-	-
Deferral 2019 (50 % of annual bonus 2019)	-	-	189	4 %	-	-	-	-
Long-term variable remuneration								
PPSP 2018	710	11 %	-	-	88	4 %	-	-
PPSP 2017	-	-	495	13 %	-	-	-	-
Dividend equivalent PPSP 2022	153	2 %	-	-	76	3 %	-	-
Dividend equivalent PPSP 2021	230	3 %	51	1 %	52	2 %	-	-
Dividend equivalent PPSP 2020	291	4 %	64	1 %	66	3 %	-	-
Dividend equivalent PPSP 2019	420	6 %	50	1 %	58	3 %	-	-
Dividend equivalent PPSP 2018	-	-	11	0 %	-	-	-	-
<b>Sum variable remuneration</b>	<b>4,847</b>		<b>2,524</b>		<b>1,172</b>		<b>69</b>	
<b>Total remuneration in terms of Sect. 162 AktG</b>								
	<b>6,581</b>	<b>100 %</b>	<b>4,284</b>	<b>100 %</b>	<b>2,265</b>	<b>100 %</b>	<b>141</b>	<b>100 %</b>
Pension expense (service costs)								
	510	-	518	-	288	-	-	-
<b>Total remuneration (incl. service costs)</b>								
	<b>7,091</b>		<b>4,802</b>		<b>2,553</b>		<b>141</b>	

<sup>1</sup> Only 50% of the annual bonus is paid out in March of the following financial year. The second 50% is paid out one year later (so-called deferral), depending on Mercedes-Benz share performance compared with an automotive index (STOXX Europe Auto Index). The disclosure corresponds to the disclosure already made in the past in accordance with the model table ('Benefits received') of the German Corporate Governance Code (DCGK) in its version of February 7, 2017 and thus ensures a consistently transparent and comparable presentation of the individual remuneration of the members of the Board of Management. The one-year variable remuneration is therefore disclosed for the financial year 2022, although the actual payout will not take place until the financial year 2023. For the deferral (Mid-Term Incentive) and the PPSP (Long-Term Incentive), on the other hand, a disclosure logic is chosen that corresponds to a payout-oriented interpretation.

<sup>2</sup> In addition to the deferrals paid out from the annual bonus 2019 and 2020 shown in the table, further deferrals are outstanding. These are the deferral 2021 with a deferred amount of k€1,664 and k€69, respectively, for Ola Källenius und Dr. Jörg Burzer, and the Deferral 2022 with a deferred amount of k€1,664 for Ola Källenius and k€832 for Dr. Jörg Burzer.

<sup>3</sup> Dr. Jörg Burzer: the PPSP grants for 2021 and earlier were awarded prior to his appointment to the Board of Management.

Remuneration awarded and due								
	Renata Jungo Brünnger Integrity & Legal Affairs				Sabine Kohleisen Human Resources & Labor Director			
	2022		2021		2022		2021	
	in €k	in %	in €k	in %	in €k	in %	in €k	in %
Base salary	832	23 %	832	34 %	832	39 %	69	49 %
Taxable non-cash benefits and fringe benefits	93	3 %	94	4 %	194	9 %	4	2 %
<b>Sum fixed remuneration</b>	<b>925</b>		<b>926</b>		<b>1,026</b>		<b>73</b>	
Short-term variable remuneration								
One-year variable remuneration 2022 (50% of annual bonus 2022) <sup>1</sup>	832	23 %	-	-	832	39 %	-	-
One-year variable remuneration 2021 (50% of annual bonus 2021)	-	-	832	34 %	-	-	69	49 %
Offsets from mandate remuneration	-51	-1 %	-	-	-	-	-	-
Mid-term variable remuneration <sup>2</sup>								
Deferral 2020 (50 % of annual bonus 2020)	690	19 %	-	-	-	-	-	-
Deferral 2019 (50 % of annual bonus 2019)	-	-	118	5 %	-	-	-	-
Long-term variable remuneration								
PPSP 2018	710	17 %	-	-	67	3 %	-	-
PPSP 2017	-	-	495	20 %	-	-	-	-
Dividend equivalent PPSP 2022	76	2 %	-	-	76	4 %	-	-
Dividend equivalent PPSP 2021	115	3 %	25	1 %	42	2 %	-	-
Dividend equivalent PPSP 2020	145	4 %	32	1 %	40	2 %	-	-
Dividend equivalent PPSP 2019	252	7 %	30	1 %	32	2 %	-	-
Dividend equivalent PPSP 2018	-	-	11	0 %	-	-	-	-
<b>Sum variable remuneration</b>	<b>2,769</b>		<b>1,543</b>		<b>1,089</b>		<b>69</b>	
<b>Total remuneration in terms of Sect. 162 AktG</b>								
	<b>3,694</b>	<b>100 %</b>	<b>2,469</b>	<b>100 %</b>	<b>2,115</b>	<b>100 %</b>	<b>142</b>	<b>100 %</b>
Pension expense (service costs)								
	250	-	251	-	252	-	-	-
<b>Total remuneration (incl. service costs)</b>								
	<b>3,944</b>		<b>2,720</b>		<b>2,367</b>		<b>142</b>	

- 1 Only 50% of the annual bonus is paid out in March of the following financial year. The second 50% is paid out one year later (so-called deferral), depending on Mercedes-Benz share performance compared with an automotive index (STOXX Europe Auto Index). The disclosure corresponds to the disclosure already made in the past in accordance with the model table ('Benefits received') of the German Corporate Governance Code (DCGK) in its version of February 7, 2017 and thus ensures a consistently transparent and comparable presentation of the individual remuneration of the members of the Board of Management. The one-year variable remuneration is therefore disclosed for the financial year 2022, although the actual payout will not take place until the financial year 2023. For the deferral (Mid-Term Incentive) and the PPSP (Long-Term Incentive), on the other hand, a disclosure logic is chosen that corresponds to a payout--oriented interpretation.
- 2 In addition to the deferrals paid out from the annual bonus 2019 and 2020 shown in the table, further deferrals are outstanding. These are the deferral 2021 for Renata Jungo Brüngger und Sabine Kohleisen with a deferred amount of k€832 and k€69, respectively, and the deferral 2022 with a deferred amount of k€832 each.
- 3 Sabine Kohleisen: the PPSP grants for 2021 and earlier were awarded prior to her appointment to the Board of Management.

Remuneration awarded and due								
	Markus Schäfer Chief Technology Officer, Development & Purchasing				Britta Seeger Marketing & Sales			
	2022		2021		2022		2021	
	in €k	in %	in €k	in %	in €k	in %	in €k	in %
Base salary	832	25 %	832	40 %	832	22 %	832	34 %
Taxable non-cash benefits and fringe benefits	91	3 %	88	4 %	75	2 %	87	4 %
<b>Sum fixed remuneration</b>	<b>923</b>		<b>920</b>		<b>907</b>		<b>919</b>	
Short-term variable remuneration								
One-year variable remuneration 2022 (50% of annual bonus 2022) <sup>1</sup>	832	25 %	-	-	832	22 %	-	-
One-year variable remuneration 2021 (50% of annual bonus 2021)	-	-	832	40 %	-	-	832	34 %
Offsets from mandate remuneration	-	-	-	-	-	-	-	-
Mid-term variable remuneration <sup>2</sup>								
Deferral 2020 (50 % of annual bonus 2020)	690	22 %	-	-	690	19 %	-	-
Deferral 2019 (50 % of annual bonus 2019)	-	-	72	3 %	-	-	118	5 %
Long-term variable remuneration								
PPSP 2018	303	9 %	-	-	710	19 %	-	-
PPSP 2017	-	-	190	8 %	-	-	495	20 %
Dividend equivalent PPSP 2022	76	2 %	-	-	76	2 %	-	-
Dividend equivalent PPSP 2021	115	4 %	25	1 %	115	3 %	25	1 %
Dividend equivalent PPSP 2020	145	4 %	32	2 %	145	4 %	32	1 %
Dividend equivalent PPSP 2019	201	6 %	24	1 %	252	7 %	30	1 %
Dividend equivalent PPSP 2018	-	-	5	0 %	-	-	11	0 %
<b>Sum variable remuneration</b>	<b>2,362</b>		<b>1,180</b>		<b>2,820</b>		<b>1,543</b>	
<b>Total remuneration in terms of Sect. 162 AktG</b>								
	<b>3,285</b>	100 %	<b>2,100</b>	100 %	<b>3,727</b>	100 %	<b>2,462</b>	100 %
Pension expense (service costs)								
	251	-	253	-	254	-	255	-
<b>Total remuneration (incl. service costs)</b>	<b>3,536</b>		<b>2,353</b>		<b>3,981</b>		<b>2,717</b>	



<sup>1</sup> Only 50% of the annual bonus is paid out in March of the following financial year. The second 50% is paid out one year later (so-called deferral), depending on Mercedes-Benz share performance compared with an automotive index (STOXX Europe Auto Index). The disclosure corresponds to the disclosure already made in the past in accordance with the model table ('Benefits received') of the German Corporate Governance Code (DCGK) in its version of February 7, 2017 and thus ensures a consistently transparent and comparable presentation of the individual remuneration of the members of the Board of Management. The one-year variable remuneration is therefore disclosed for the financial year 2022, although the actual payout will not take place until the financial year 2023. For the deferral (Mid-Term Incentive) and the PPSP (Long-Term Incentive), on the other hand, a disclosure logic is chosen that corresponds to a payout-oriented interpretation.

<sup>2</sup> In addition to the deferrals paid out from the annual bonus 2019 and 2020 shown in the table, further deferrals are outstanding. These are the deferral 2021 for Markus Schäfer and Britta Seeger with a deferred amount of k€832 each, and the deferral 2022 with a deferred amount of k€832 each.

<sup>3</sup> Markus Schäfer: the PPSP grants for 2017 and 2018 were awarded prior to his appointment to the Board of Management.

Remuneration awarded and due								
	Hubertus Troska Greater China				Harald Wilhelm Finance & Controlling / Mercedes-Benz Mobility			
	2022		2021		2022		2021	
	in €k	in %	in €k	in %	in €k	in %	in €k	in %
Base salary	832	20 %	832	27 %	850	29 %	850	44 %
Taxable non-cash benefits and fringe benefits	562	13 %	728	23 %	65	2 %	59	3 %
<b>Sum fixed remuneration</b>	<b>1,394</b>		<b>1,560</b>		<b>915</b>		<b>909</b>	
Short-term variable remuneration								
One-year variable remuneration 2022 (50% of annual bonus 2022) <sup>1</sup>	832	20 %	-	-	850	29 %	-	-
One-year variable remuneration 2021 (50% of annual bonus 2021)	-	-	832	27 %	-	-	850	44 %
Offsets from mandate remuneration	-	-	-	-	-71	-2 %	-	-
Mid-term variable remuneration <sup>2</sup>								
Deferral 2020 (50 % of annual bonus 2020)	690	16 %	-	-	704	24 %	-	-
Deferral 2019 (50 % of annual bonus 2019)	-	-	118	4 %	-	-	90	5 %
Long-term variable remuneration								
PPSP 2018	710	17 %	-	-	-	-	-	-
PPSP 2017	-	-	495	16 %	-	-	-	-
Dividend equivalent PPSP 2022	76	2 %	-	-	76	3 %	-	-
Dividend equivalent PPSP 2021	115	3 %	25	1 %	115	4 %	25	1 %
Dividend equivalent PPSP 2020	145	3 %	32	1 %	145	5 %	32	2 %
Dividend equivalent PPSP 2019	252	6 %	30	1 %	189	6 %	22	1 %
Dividend equivalent PPSP 2018	-	-	11	0 %	-	-	-	-
<b>Sum variable remuneration</b>	<b>2,820</b>		<b>1,543</b>		<b>2,008</b>		<b>1,019</b>	
<b>Total remuneration in terms of Sect. 162 AktG</b>	<b>4,214</b>	100 %	<b>3,103</b>	100 %	<b>2,923</b>	100 %	<b>1,928</b>	100 %
Pension expense (service costs)	250	-	250	-	268	-	278	-
<b>Total remuneration (incl. service costs)</b>	<b>4,464</b>		<b>3,353</b>		<b>3,191</b>		<b>2,206</b>	

- <sup>1</sup> Hubertus Troska: In connection with Hubertus Troska's activities abroad, there are still ongoing taxable non-cash benefits for previous years.
- <sup>2</sup> Only 50% of the annual bonus is paid out in March of the following financial year. The second 50% is paid out one year later (so-called deferral), depending on Mercedes-Benz share performance compared with an automotive index (STOXX Europe Auto Index). The disclosure corresponds to the disclosure already made in the past in accordance with the model table ('Benefits received') of the German Corporate Governance Code (DCGK) in its version of February 7, 2017 and thus ensures a consistently transparent and comparable presentation of the individual remuneration of the members of the Board of Management. The one-year variable remuneration is therefore disclosed for the financial year 2022, although the actual payout will not take place until the financial year 2023. For the deferral (Mid-Term Incentive) and the PPSP (Long-Term Incentive), on the other hand, a disclosure logic is chosen that corresponds to a payout-oriented interpretation.
- <sup>3</sup> In addition to the deferrals paid out from the annual bonus 2019 and 2020 shown in the table, further deferrals are outstanding. These are the deferral 2021 with a deferred amount of k€832 for Hubertus Troska and k€850 for Harald Wilhelm and the deferral 2022 with a deferred amount of k€832 for Hubertus Troska and k€850 for Harald Wilhelm.

### **Remuneration of former Board of Management members in the financial year 2022**

Dr. Manfred Bischoff received pension payments in the amount of €764,524 in the financial year 2022. In addition, Dr. Manfred Bischoff received fringe benefit payments in the amount of €22,450. The fixed remuneration components therefore account for 100% of the remuneration.

Wilfried Porth resigned from the Board of Management, responsible for Human Resources and Labor Director, at the close of November 30, 2021. His service contract ended at the close of April 30, 2022. During the remaining term of his service contract, Wilfried Porth received the contractually agreed remuneration. For the remainder of the financial year 2022 following his resignation (January 1, 2022, to April 30, 2022), this was the mid-term variable remuneration (deferral) from the annual bonus 2020 in the amount of €689,742 which was paid out in full. In addition, he received payments from the PPSP 2018 in the amount of €742,014, dividend equivalents in the amount of €562,015 from the current PPSP (2019-2022) and base salary/pension payments in the amount of €381,240. In addition, Wilfried Porth received fringe benefit payments in the amount of €31,265. The fixed remuneration components accordingly account for 17% and the variable remuneration components for 83% of the remuneration.

Martin Daum resigned from the Board of Management, as responsible for the then Trucks & Buses division, at the close of December 9, 2021. His service contract had already ended at the close of November 30, 2021. For the period between December 1 and December 9, 2021 Mr. Daum waived his remuneration from the former Daimler AG. For the remainder of the financial year 2021 (January 1, 2021, to November 30, 2021), Mr. Daum received the mid-term variable remuneration (deferral) from the annual bonus 2020 in the amount of €689,742 which was paid out in 2022. The fixed remuneration components accordingly account for 0% and the variable remuneration components for 100% of the remuneration.

In financial year 2022, Bodo Uebber received payments from the PPSP 2018 in the amount of €848,420, dividend equivalents in the amount of €300,670 from the current PPSP 2019 and pension payments in the amount of €294,672. Furthermore, Bodo Uebber received a payment in the amount of €1,188,282 from the company pension plan. In addition, he received fringe benefit payments in the amount of €19,753. The fixed remuneration components accordingly account for 57% and the variable remuneration components for 43% of the remuneration.

Prof. Dr. Thomas Weber received pension payments in the amount of €356,415 in the financial year 2022. Furthermore, Prof. Dr. Thomas Weber received a payment in the amount of €465,353 from the company pension plans. In addition, he received fringe benefit payments in the amount of €13,386. The fixed remuneration components therefore account for 100% of the remuneration.

Andreas Renschler received pension payments in the amount of €71,022 in the financial year 2022. The fixed remuneration components therefore account for 100% of the remuneration.

In the financial year 2022, Dr. Dieter Zetsche received payments from the PPSP 2018 in the amount of €1,806,509, dividend equivalents in the amount of €640,195 from the current PPSP 2019 and pension payments in the amount of €1,119,461. Furthermore, Dr. Zetsche received a payment in the amount of €800,480 from the company pension plan. In addition, Dr. Dieter Zetsche received fringe benefit payments in the amount of €27,585. The fixed remuneration components accordingly account for 44% and the variable remuneration components for 56% of the remuneration.

The remuneration awarded and due in the financial year 2022 to the former members of the Board of Management of Mercedes-Benz Group AG, who resigned more than 10 years ago, amounted to €11.8 million (prev. year: €15.2 million) in total.

## **Remuneration of the Supervisory Board**

### **Principles of Supervisory Board remuneration**

Pursuant to Section 113 Subsection 3 AktG, the Annual Shareholders' Meeting of Mercedes-Benz Group AG must resolve upon the remuneration of the members of the Supervisory Board at least every four years. This resolution was adopted by the 2021 Annual Shareholders' Meeting with an approval rate of 95.39%. Article 10 of the Articles of Incorporation of Mercedes-Benz Group AG was adjusted. The remuneration of the members and the Chair of the Legal Affairs Committee was increased; in all other respects, the level of Supervisory Board remuneration remained unchanged. The new rules for Supervisory Board remuneration were applicable for the first time for the financial year 2021.

The remuneration of the Supervisory Board members is set, in the view of the Company, in an appropriate relationship to their responsibilities and to the situation of the Company and takes into account the recommendations of the German Corporate Governance Code (DCGK) as well as the remuneration of the supervisory boards of other large, listed companies. An appropriate and relevant remuneration makes an important contribution to the competition for outstanding talent for composition of the Supervisory Board and as a result for the best possible supervision and advice of the Board of Management. This in turn is a precondition for the long-term success of the Company.

The members of the Supervisory Board receive a function-related, fixed remuneration without variable components, to strengthen their independence in the performance of monitoring and advisory duties and in personnel and remuneration decisions. In addition, especially in economically strained situations in which variable remuneration components generally decrease, there is a need to more intensively monitor and advise the Board of Management, accompanied by an increased workload and increased liability risk for Supervisory Board members.

## Remuneration amount

Taking into account the higher time requirements of the Chair, the Deputy Chair of the Supervisory Board as well as the Chairs and members of committees, the members of the Supervisory Board receive fixed annual remuneration of €144,000. The Chair of the Supervisory Board receives an additional €288,000; the Deputy Chair of the Supervisory Board receives an additional €144,000.

Fixed remuneration						
Chairman		Deputy Chairman		Member		
€432,000		€288,000		€144,0000		
Committee remuneration						
Audit committee		Legal Affairs Committee		Presidential Committee	Mediation Committee	Nomination Committee
Chair	Member	Chair	Member	Member		
€144,000	€72,000	€115,200	€57,600	€57,600	€28,800	€28,800
Attendance fee						
€1,100						

### Committee remuneration

- Members and chairs of the Audit Committee are remunerated with an additional €72,000 and €144,000, respectively.
- Membership of the Presidential Committee is remunerated with an additional €57,600. No additional remuneration is paid for the Chair of the Presidential Committee, as this activity is generally included in the remuneration of the Chair of the Supervisory Board, who chairs the Presidential Committee by virtue of the Rules of Procedure of the Supervisory Board and its committees.
- Membership of other Supervisory Board committees is remunerated with an additional €28,800.

- No additional remuneration is paid for the Chair of the Mediation Committee and the Nominating Committee, as this activity is generally included in the remuneration of the Chair of the Supervisory Board, who chairs the Mediation Committee and the Nominating Committee according to legal provisions or by virtue of the Rules of Procedure of the Supervisory Board and its committees.
- With effect from January 1, 2021, the expansion of duties and the associated increased time commitment of the members and the Chair of the Legal Affairs Committee were taken into account by means of additional function-related remuneration of €57,600 and €115,200, respectively.

Functions on committees shall only be taken into account for a maximum of three committees; if a member of the Supervisory Board has functions in more than three such committees, the three highest-paid committee functions shall be relevant. Members of a Supervisory Board committee are only entitled to remuneration for such membership in a financial year if the committee has held at least one meeting to fulfil its duties in this period.

### **Attendance fee**

The members of the Supervisory Board and its committees receive an attendance fee of €1,100 for each meeting of the Supervisory Board and its committees that they attend as a member, with attendance by telephone or video conference or using other comparable customary means of telecommunication also entitling them to an attendance fee. The attendance fee is paid only once if several meetings of the Supervisory Board and/or its committees are held on the same calendar day.

Furthermore, the members of the Supervisory Board are reimbursed for the value-added tax and expenses incurred for Supervisory Board activities.

### **Share ownership**

All members of the Supervisory Board have made a commitment to acquire Company shares in the amount of 20% of their gross annual remuneration (excluding committee remuneration and the attendance fee) every year and to hold these shares until the end of one year after they have left the Company's Supervisory Board (voluntary obligation based on the 'comply or explain' principle). This does not apply to Supervisory Board members whose Supervisory Board remuneration is subject in a mandatory or voluntary manner to the guidelines of the German Trade Union Confederation on the transfer of supervisory board remuneration to the Hans Böckler Foundation, or which is subject to the same extent to a transfer to the employer or credited against a claim to payment due to a service or employment contract. In the event that a lower amount of the Supervisory Board remuneration is transferred or offset, the respective rules provide that the voluntary commitment applies to 20% of the amount not

transferred or offset. With this voluntary commitment, the members of the Supervisory Board are expressing their focus on and commitment to the long-term, sustainable success of the Company.

### **Additional benefits**

No remuneration was paid in the financial year 2022 for services provided personally beyond the aforementioned board and committee activities, in particular for advisory or agency services, except for the remuneration paid to the members of the Supervisory Board representing the employees in accordance with their contracts of employment.

The members of the Supervisory Board were also covered in the year under review by a financial loss and liability insurance policy for executive bodies and certain executives (Directors & Officers insurance) taken out by and in the interest of the Company. The insurance premiums were paid by the Company. This approach is in line with market practice and appropriate, in the view of the Company.

### **Remuneration of Supervisory Board members in the financial year 2022**

The individual remuneration awarded and due to Supervisory Board members, which consists of 100% fixed remuneration components, is shown in the table below as vested remuneration for 2022 because the underlying activities have been fully performed.

The total remuneration for the activities of the members of the Supervisory Board of Mercedes-Benz Group AG in the financial year 2022 amounted to €6.6 million (prev. year: €5.0 million).



<b>Supervisory Board remuneration</b>								
	Fixed remuneration		Committee remuneration		Attendance fee		Total remuneration	
	2022	2021	2022	2021	2022	2021	2022	2021
in €k								
Dr. Bernd Pischetsrieder (Chair) <sup>1</sup>	432	362	86	72	13	15	532	449
Ergun Lümali (Deputy Chair) <sup>2</sup>	241	144	169	96	19	15	429	255
Bader M. Al Saad (until 29.04.2022) <sup>3</sup>	47	144	0	0	3	10	50	154
Sari Baldauf <sup>4</sup>	144	144	29	68	9	15	182	227
Michael Bettag <sup>5</sup>	144	144	0	0	8	10	152	154
Ben van Beurden <sup>6</sup>	144	109	86	65	10	12	240	186
Dr. Clemens Börsig (until 29.04.2022) <sup>3</sup>	47	144	85	259	6	17	137	420
Nadine Boguslawski <sup>7</sup>	144	60	0	0	7	3	151	63
Michael Brecht	191	288	110	187	15	19	316	494
Dr. Martin Bruder Müller <sup>4</sup>	144	109	0	0	7	7	151	116
Elizabeth Centoni <sup>8</sup>	144	109	58	0	8	8	209	117
Dame Polly Courtice (since 29.04.2022) <sup>9</sup>	97	0	39	0	7	0	143	0
Marco Gobetti (since 29.04.2022) <sup>9</sup>	97	0	0	0	4	0	102	0
Michael Häberle <sup>10</sup>	144	144	58	58	11	14	213	216
Timotheus Höttges <sup>4</sup>	144	144	49	0	11	10	204	154
Olaf Koch <sup>10</sup>	144	36	217	33	17	6	378	75
Roman Romanowski <sup>10</sup>	144	46	39	0	10	3	193	49
Prof. Dr. Helene Svahn <sup>10</sup>	144	36	0	0	8	3	152	39
Monika Tielsch <sup>11</sup>	144	9	0	0	8	0	152	9
Elke Tönjes-Werner	144	144	0	0	8	10	152	154
Dr. Frank Weber <sup>11</sup>	144	144	0	0	8	10	152	154
Roman Zitzelsberger	144	144	58	58	9	14	210	216
<sup>1</sup> Additionally from Mercedes-Benz AG in 2022 EUR: 311,200 <sup>2</sup> Additionally from Mercedes-Benz AG in 2022 EUR: 224,800 <sup>3</sup> Additionally from Mercedes-Benz AG in 2022 EUR: 31,469 <sup>4</sup> Additionally from Mercedes-Benz AG in 2022 EUR: 91,900 <sup>5</sup> Additionally from Mercedes-Benz AG in 2022 EUR: 83,768 <sup>6</sup> Additionally from Mercedes-Benz AG in 2022 EUR: 136,200 <sup>7</sup> Additionally from Mercedes-Benz AG in 2022 EUR: 137,300 <sup>8</sup> Additionally from Mercedes-Benz AG in 2022 EUR: 90,800 <sup>9</sup> Additionally from Mercedes-Benz AG in 2022 EUR: 61,768								

<sup>10</sup> Additionally from Mercedes-Benz AG in 2022 EUR: 93,000

<sup>11</sup> Additionally from Mercedes-Benz AG in 2022 EUR: 53,956

Note: The table shows the Supervisory Board members active in 2022.

### **Comparative presentation of remuneration and Company performance**

The following table provides an overview of the Company's earnings performance, the development of average employee remuneration and the remuneration of the members of the Board of Management and Supervisory Board of the previous five financial years. The Company's earnings performance is presented based on the financial indicators of net income of the Company in accordance with HGB and EBIT and FCF IB of the Group. The average remuneration of employees takes into account the annual personnel expenses in relation to the number of employees on a full-time equivalent (FTE) basis at Mercedes-Benz Group AG. In addition, the remuneration awarded and due to current and former members of the Board of Management and Supervisory Board in the financial year and the previous year is shown in its development.

<b>Comparative presentation</b>									
	2022	2021	Change 2022/ 2021	2020	Change 2021/ 2020	2019	Change 2020/ 2019	2018	Change 2019/ 2018
	in €k	in €k	in %	in €k	in %	in €k	in %	in €k	in %
<b>Earnings performance</b>									
Net income of the Company (HGB) in € million	8,877	9,538	-7 %	2,133	347 %	-1,678	-227 %	5,022	-133 %
EBIT of the Group in € million <sup>1</sup>	20,458	29,069	-30 %	6,603	340 %	4,313	53 %	11,132	-61 %
FCF IB of the Group in €million	9,156	8,606	6 %	8,259	4 %	1,368	504 %	2,898	-53 %
<b>Employees</b>									
Relative change of remuneration of employees of Mercedes-Benz Group AG <sup>2</sup>	-	-	5%	-	6 %	-	-	-	-

<b>Members of the Board of Management active in the financial year<sup>3</sup></b>									
Ola Källenius	6,581	4,284	54 %	3,623	18 %	3,335	9 %	2,405	39 %
Dr. Jörg Burzer	2,265	141	1506 %	-	-	-	-	-	-
Renata Jungo Brüngger	3,694	2,469	50 %	2,288	8 %	2,089	10 %	2,097	0 %
Sabine Kohleisen	2,115	142	1389 %	-	-	-	-	-	-
Markus Schäfer <sup>4</sup>	3,285	2,100	56 %	1,649	27 %	736	124%	-	-
Britta Seeger <sup>4</sup>	3,727	2,462	51 %	1,772	39 %	1,969	-10 %	1,431	38 %
Hubertus Troska	4,214	3,103	35 %	2,940	6 %	3,019	-3 %	3,721	-19 %
Harald Wilhelm	2,923	1,928	52 %	1,465	32 %	834	76%	-	-
<b>Average</b>	<b>3,601</b>	<b>2,079</b>	<b>73 %</b>	<b>2,290</b>	<b>-9 %</b>	<b>1,997</b>	<b>15 %</b>	<b>2,414</b>	<b>-17 %</b>

<b>Former members of the Board of Management</b>									
Dr. Manfred Bischoff (until 16.12.2003)	787	814	-3 %	828	-2 %	797	4 %	764	4 %
Wilfried Porth (until 30.11.2021)	2,406	2,399	0 %	2,309	4 %	2,756	-16 %	3,389	-19 %
Martin Daum (until 9.12.2021)	690	2,328	-70 %	1,967	18 %	2,126	-7 %	1,875	13 %
Bodo Uebber (until 22.05.2019) <sup>5</sup>	2,652	1,087	144 %	9,834	-89 %	3,135	214 %	3,982	-21 %
Prof. Dr. Thomas Weber (until 31.12.2016) <sup>6</sup>	835	798	5 %	763	5 %	1,175	-35 %	2,453	-52 %
Andreas Renschler (until 28.1.2014)	71	-	-	-	-	-	-	-	-
Dr. Dieter Zetsche (until 22.05.2019) <sup>7</sup>	4,394	3,539	24 %	3,878	-9 %	6,580	-41 %	8,264	-20 %
Sum of other former members of the Board of Management (left more than 10 years ago)	11,752	15,266	-23 %	15,065	1 %	15,419	-2 %	15,148	2 %
<b>Average</b>	<b>1,123</b>	<b>744</b>	<b>51 %</b>	<b>1,047</b>	<b>-29 %</b>	<b>904</b>	<b>-16%</b>	<b>1,093</b>	<b>-17 %</b>

<b>Members of the Supervisory Board active in the financial year<sup>8</sup></b>									
Dr. Bernd Pischetsrieder (Chair)	532	449	19 %	144	212 %	176	-18 %	154	14 %
Ergun Lümali (Deputy Chair)	429	255	68 %	197	29 %	280	-30 %	230	21 %
Bader M. Al Saad (until 29.04.2022)	50	154	-67 %	128	20 %	165	-22 %	153	8 %
Sari Baldauf	182	227	-20 %	154	47 %	195	-21 %	185	5 %
Michael Bettag	152	154	-1 %	132	16 %	153	-14 %	154	-1 %
Ben van Beurden	240	186	29 %	-	-	-	-	-	-
Dr. Clemens Börsig (until 29.04.2022)	137	420	-67 %	284	48 %	331	-14 %	302	10 %
Nadine Boguslawski	151	63	138 %	-	-	-	-	-	-
Michael Brecht	316	494	-36 %	398	24 %	499	-20 %	435	15 %
Dr. Martin Brudermüller	151	116	29 %	-	-	-	-	-	-
Elizabeth Centoni	209	117	80 %	-	-	-	-	-	-
Dame Polly Courtice (since 29.04.2022)	143	-	-	-	-	-	-	-	-
Marco Gobetti (since 29.04.2022)	102	-	-	-	-	-	-	-	-
Michael Häberle	213	216	-2 %	158	37 %	185	-15 %	-	-
Timotheus Höttges	204	154	32 %	62	148 %	-	-	-	-
Olaf Koch	378	75	401 %	-	-	-	-	-	-
Roman Romanowski	193	49	290 %	-	-	-	-	-	-
Prof. Dr. Helene Svahn	152	39	293 %	-	-	-	-	-	-
Monika Tielsch	152	9	1,572 %	-	-	-	-	-	-
Elke Tönjes-Werner	152	154	-1 %	132	17 %	153	-14 %	154	-1 %
Dr. Frank Weber	152	154	-1 %	132	16 %	168	-21 %	154	9 %
Roman Zitzelsberger	210	216	-3 %	183	18 %	236	-22 %	214	11 %
<b>Average</b>	<b>209</b>	<b>185</b>	<b>13 %</b>	<b>175</b>	<b>5 %</b>	<b>231</b>	<b>-24 %</b>	<b>213</b>	<b>8 %</b>

<sup>1</sup> EBIT and FCF IB 2021: incl. discontinued operations.  
<sup>2</sup> Remuneration of employees of the Company: adjusted for special items and without Long-Term Incentive.  
<sup>3</sup> 2020: Taking into account the voluntary waiver of the Board of Management of 20% of the base salary for the period April 1 to December 31, 2020.  
<sup>4</sup> 2020: The payments from the long-term-oriented variable remuneration also include amounts issued before the appointment as a member of the Board of Management.  
<sup>5</sup> 2020: includes one-time payments from pension commitments. From 1.1.2019-22.5.2019 payments out of active duty, from 23.5.2019 onwards payments out of pension agreements as well as ongoing payments.  
<sup>6</sup> Payments from pension agreements as well as ongoing payments.  
<sup>7</sup> From 1.1.2019 - 22.5.2019 payments out of active duty, from 23.5.2019 onwards payments out of pension agreements as well as ongoing payments.  
<sup>8</sup> 2020: Taking into account the voluntary waiver of the Supervisory Board of 20% of the fixed remuneration for the period April 1 to December 31, 2020.  
Supervisory Board: in general not including remuneration of subsidiaries. 2019: incl. remuneration of subsidiaries.  
Note: In addition to his activities as member of the Board of Management, Dr. Manfred Bischoff was also Chair of the Supervisory Board.

For the Board of  
Management

**Ola Källenius**  
Chairman of the  
Board of Management

**Harald Wilhelm**  
Finance & Controlling  
Mercedes-Benz Mobility

For the Supervisory Board

**Dr. Bernd Pischetsrieder**  
Chairman of the  
Supervisory Board

## Independent Auditor's Report

To Mercedes-Benz Group AG, Stuttgart

### Report on the audit of the remuneration report

We have audited the attached remuneration report of Mercedes-Benz Group AG, Stuttgart, for the financial year from January 1 to December 31, 2022, including the related disclosures, prepared to meet the requirements of Section 162 AktG [Aktiengesetz: German Stock Corporation Act].

### Responsibilities of Management and the Supervisory Board

The management and the Supervisory Board of Mercedes-Benz Group AG are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

### Auditor's responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts, including the related disclosures, in the remuneration report. The procedures selected depend on the auditor's professional judgement. This includes an assessment of the risks of material misstatement, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor considers the internal control system relevant for the preparation of the remuneration report, including the related disclosures. The objective is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of accounting estimates made by management and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report, including the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the financial year from January 1 to December 31, 2022, including the related disclosures, complies in all material respects with the financial reporting requirements of Section 162 AktG.

### **Other matter – formal examination of the remuneration report**

The substantive audit of the remuneration report described in this independent auditor's report includes the formal examination of the remuneration report required by Section 162 (3) AktG, including issuing an assurance report on this examination. As we have issued an unqualified opinion on the substantive audit of the remuneration report, this opinion includes the conclusion that the disclosures pursuant to Section 162 (1) and (2) AktG have been made, in all material respects, in the remuneration report.

### **Limitation of liability**

The terms governing this engagement, which we fulfilled by rendering the aforesaid services to Mercedes-Benz Group AG are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as amended on 1 January 2017. By taking note of and using the information as contained in this auditor's report, each recipient confirms to have taken note of the terms and conditions laid down therein (including the limitation of liability of EUR 4 million for negligence under Clause 9 of the General Engagement Terms) and acknowledges their validity in relation to us.

Stuttgart, March 13, 2023

KPMG AG Wirtschaftsprüfungsgesellschaft  
[Original German version signed by]

Bock	Engelmann
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

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## Section F

### Report by the Board of Management (re. Agenda Item 10)

**concerning the exclusion of subscription rights in the event of the use of Approved Capital 2023 pursuant to Section 203 Subsection 1 and 2 Sentence 2 in conjunction with Section 186 Subsection 4 Sentence 2 and Section 186 Subsection 3 Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*)**

#### *Overview*

Under Agenda Item 10, the Board of Management and Supervisory Board propose to the General Meeting that the Approved Capital 2018 expiring on April 4, 2023 be replaced by a new Approved Capital 2023.

By resolution of the Annual General Meeting on April 5, 2018, the Board of Management of the Company was authorized, with the approval of the Supervisory Board, to increase the share capital of the Company in whole or in part, on one or more occasions, by up to a total of €1,000,000,000.00 by April 4, 2023 by issuing new registered no-par value shares in return for cash contributions and/or contributions in kind and, in this context, to also exclude shareholders' statutory subscription rights in certain cases (Approved Capital 2018, Art. 3(2) of the Articles of Incorporation). To date, this authorization has not been used.

At present, there is no further approved capital. However, the Company has conditional capital in the amount of €500,000,000.00 (Conditional Capital 2020, see Art. 3(3) of the Company's Articles of Incorporation). The Conditional Capital 2020 serves the purpose of granting holders or creditors of convertible bonds and/or option bonds issued by the Company or any of its affiliated companies under the authorization granted by the Annual Meeting of July 8, 2020 and limited until July 7, 2025 new registered shares if and to the extent they exercise their conversion or option right or satisfy corresponding conversion or option obligations or shares are tendered and no other forms of settlement are used for servicing. To date, this authorization has not been used, either. If fully utilized, the Conditional Capital 2020 would correspond to an increase in the present share capital of around 16.3%.

The authorization period of the Approved Capital 2018 ends before the Annual General Meeting scheduled for May 3, 2023. It is to be replaced by a new Approved Capital 2023 with unchanged content and a five-year term until May 2, 2028, insofar as no use was made of the Approved Capital 2018 before the end of its term.



### ***Approved Capital 2023***

The entire automotive industry is currently undergoing fundamental changes. The proposed Approved Capital 2023 is intended to ensure that the Company is in a position, at any time, to seize market opportunities quickly and flexibly and to cover any future capital requirement at very short notice, if necessary. As decisions on covering capital requirements or exercising strategic options generally have to be made at short notice, it is essential that the Company is capable of acting without undue delay and is not dependent on the interval of annual general meetings or the convening of an extraordinary general meeting. This need is reflected in German company law by the instrument of approved capital, which can have a total volume of up to 50% of the share capital. If fully utilized, the proposed volume of the Approved Capital 2023 of up to € 1,000,000,000.00, which has not been changed compared to the Approved Capital 2018, would correspond to an increase in the current share capital of approximately 32.6%.

In connection with the utilization of the Approved Capital 2023, the shareholders generally have a subscription right. The new shares from a cash capital increase can also be acquired by banks or companies pursuant to Section 186, Subsection 5, Sentence 1 of the German Stock Corporation Act (*Aktiengesetz*) with the obligation to offer them to the shareholders for subscription (“indirect subscription right”).

However, the Board of Management is to be authorized with the consent of the Supervisory Board to exclude shareholders’ subscription rights in the following cases:

#### ***Exclusion of subscription rights in the case of residual or fractional amounts***

The authorization to exclude subscription rights in the case of residual or fractional amounts serves to obtain a practicable subscription ratio with regard to the amount of the relevant capital increase. Without excluding subscription rights for residual or fractional amounts, the technicalities of a capital increase would be made more difficult, especially with a capital increase in a round number. The residual numbers of shares excluded from shareholders’ subscription rights will be either sold on the stock exchange or disposed of in another way to achieve the best possible proceeds for the Company. The Board of Management and the Supervisory Board therefore regard this authorization to exclude subscription rights as appropriate.

#### ***Exclusion of subscription rights in the case of capital increases in exchange for non-cash contributions***

The Board of Management shall have the option, with the consent of the Supervisory Board, to exclude shareholder subscription rights in the case of capital increases in exchange for non-cash contributions, provided this serves the purpose of (also indirectly) acquiring entities, parts of entities, equity interests in entities or other assets or claims to the acquisition of assets, including receivables from the Company or its group companies, for example for the purpose of implementing a share dividend in which the shareholders are offered the option of

contributing their dividend entitlement to the Company in whole or in part as a contribution in kind against the granting of new shares from Approved Capital 2023.

Given the current fundamental changes in the automotive industry, the Company is exposed, to a particular degree, to global competition with other companies, including companies in the IT sector, and must therefore be in a position at any time to act quickly and flexibly in international and regional markets in the interests of its shareholders. This includes being able to acquire other companies, parts of companies such as divisions, participating interests in companies, but also individual legal positions or other assets or claims to the acquisition of assets in order to improve its competitiveness. In light of the increasing consolidation also of those markets in which the Company is active, and the dynamics of technological progress, the Board of Management's ability to react flexibly and in the short term is particularly important, which is why, as a rule, it is not possible to wait for a general meeting in such cases. Owners of attractive acquisition targets often demand voting shares in return for the sale in order to participate in, and be able to influence, the value to be added by the acquisition. Furthermore, issuing shares can be useful or even required in order to protect the Company's liquidity.

In the case of exercising the authorization, the management will carefully review whether there is a reasonable relationship at the time between the value of the new shares and the value of the consideration. The reduction in each shareholder's relative proportion of the Company's share capital and relative proportion of the voting rights caused by the exclusion of subscription rights in connection with a capital increase in exchange for non-cash contributions is therefore offset by the fact that the Group's expansion by way of a strengthened equity base is financed by third parties, and the existing shareholders – though with a lower proportionate share than before – participate in corporate growth that they would have to finance themselves if subscription rights were granted. Due to the Company's stock exchange listing, it is also generally possible for each shareholder to increase their proportionate share of the Company's equity by purchasing additional shares on the stock market.

In the case of a scrip dividend, shareholders are offered to contribute, in whole or in part as a contribution in kind into the Company, their right to receive payment of a dividend created by the Annual General Meeting's resolution on the appropriation of profits, receiving new shares in the Company in return. A scrip dividend can be distributed as a genuine share issue with subscription rights in accordance with, in particular, the provisions of Section 186 Subsection 1 German Stock Corporation Act (*Aktiengesetz*) (minimum subscription period of two weeks) and Section 186 Subsection 2 German Stock Corporation Act (*Aktiengesetz*) (announcement of the issue amount no later than three days before the expiry of the subscription period). In individual cases, depending on the situation on the capital markets, it may be preferable to design the distribution of a scrip dividend such that the Board of Management, in accordance with the general principle of equal treatment (Section 53a German Stock Corporation Act (*Aktiengesetz*)), offers all shareholders entitled to dividends new shares in return for the contribution of their dividend entitlements and thus grants shareholders a subscription right in

economic terms, but legally excludes shareholder subscription rights to such new shares in their entirety. Excluding subscription rights may also be required where not all shareholders are entitled to dividends for a specific financial year. Such exclusion of subscription rights allows distributing the scrip dividend without the aforementioned restrictions under Section 186 Subsection 1 and Subsection 2 German Stock Corporation Act (*Aktiengesetz*) and hence on more flexible terms. In view of the fact that new shares are offered to all shareholders and fractional dividend amounts will be settled by cash payment of the dividend, excluding subscription rights appears to be reasonable and justified in such cases.

***Exclusion of the subscription right for outstanding options and convertible bonds***

Furthermore, the Board of Management is to be authorized, with the approval of the Supervisory Board, to exclude subscription rights to the extent necessary to grant holders of bonds with conversion or option rights/conversion or option obligations that were or will be issued by the Company or its direct or indirect subsidiaries a right to subscribe for new registered no-par value shares of the Company in the amount to which they would be entitled as shareholders after exercising the conversion or option rights/after fulfillment of the conversion or option obligations.

In order to place bonds more easily on the capital market, their issue conditions usually allow for protection against dilution. One way of protecting against dilution is that in a share issue in which the shareholders have subscription rights, the owners of bonds with conversion or option rights/conversion or option obligations also have the right to subscribe for the new shares. They are thus put into a position as if they had already made use of their option or conversion rights or as if their conversion or option obligations had already been fulfilled. As in this case, protection against dilution does not have to be secured by reducing the option or conversion price, a higher issue price can be achieved for the registered no-par value shares to be issued upon exercise of conversion or option rights. This procedure is only possible, however, if the shareholders' subscription rights are excluded to that degree. As the placement of bonds with conversion or option rights/conversion or option obligations is facilitated by granting appropriate protection against dilution, the exclusion of shareholders' subscription rights serves the shareholders' interests in obtaining an optimal finance structure for their company.

***Exclusion of subscription rights in the case of capital increases in exchange for a cash contribution***

Finally, the intention is to enable shareholder subscription rights to be excluded pursuant to Sections 203 Subsection 1 in conjunction with Section 186 Subsection 3 Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*) in the case of capital increases in exchange for cash contributions, if the issue price of the new shares is not significantly lower than the stock market price at the time the issue price is definitively set and the computational part of the shares issued with the exclusion of subscription rights pursuant to Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*) in the share capital does not

exceed 10% of the share capital – neither at the time when this authorization takes effect nor when it is exercised.

This option for excluding shareholders' subscription rights is intended to enable the management to cover its needs for equity capital quickly and flexibly. By avoiding the subscription-rights procedure, which is both cost-intensive and time-consuming, the Board of Management is able to react to favorable market situations at short notice. Experience shows that such capital increases lead to higher flows of funds than a comparable capital increase with subscription rights for shareholders due to the ability to act faster, and also allow to attract new shareholder groups in Germany and abroad. When utilizing the authorization, the Board of Management will keep the discount as low as possible in accordance with the market conditions prevailing at the time of the placement. The divergence from the stock market price at the time of utilizing the Approved Capital 2023 will, in no case, exceed 5% of the stock market price at that time.

The volume of a capital increase for cash contributions with the exclusion of the shareholders' subscription rights pursuant to Section 203, Subsection 1 in conjunction with Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*) is also limited to 10% of the share capital at the time when the authorization takes effect or, if lower, at the time when the authorization is exercised for excluding subscription rights. The proposed resolution calls for this 10% limit to include shares issued or sold during the period of this authorization with the exclusion of subscription rights under direct or indirect application of Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*). Further, this limit of 10% is to include also the shares that are issued or may be or have to be issued to honor bonds with conversion or option rights/conversion or option obligations if the bonds are issued with the exclusion of the shareholders' subscription rights after this authorization takes effect pursuant to Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*).

This imputation mechanism, in accordance with the provisions of Section 203, Subsection 1 in conjunction with Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*), reflects the shareholders' need for protection against dilution, by as far as possible also maintaining their proportionate share of the Company's share capital with a combination of capital measures and the sale of treasury shares and/or the issue of bonds. As the issue price for the new shares to be issued with simplified exclusion of subscription rights must be oriented towards the stock market price and the authorization is only of limited scope, the shareholders are also able to maintain their proportionate share of the Company's share capital and their proportionate voting rights by purchasing shares on the stock exchange. This therefore ensures that, in accordance with the legal rationale of Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*), both the property rights and the voting rights are appropriately maintained when the approved capital is utilized with the

exclusion of subscription rights, while the Company is provided with additional scope for action in the interests of all shareholders.

***Limitation of the total scope of capital increases upon exclusion of the subscription right***

The computational part of the sum of shares issued when utilizing the Approved Capital 2023, and excluding the shareholders' subscription right in exchange for cash and/or non-cash contributions, must not exceed 10% of the share capital at the time when this authorization takes effect. This limit includes shares (i) that are issued or sold during the period of this authorization with the exclusion of subscription rights under direct or indirect application of Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (Aktiengesetz), or (ii) that are issued or may be or have to be issued to honor bonds with conversion or option rights/conversion or option obligations if the bonds are issued with the exclusion of the shareholders' subscription right after this authorization takes effect pursuant to Section 186, Subsection 3, Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*).

***Utilization of the Approved Capital 2023***

Currently, there are no plans for the utilization of the Approved Capital 2023. The Board of Management will carefully examine in each individual case whether or not to make use of the authorization to carry out a capital increase with the exclusion of the shareholders' subscription rights. It will only do so, and the Supervisory Board will only grant its consent if, following a careful review, the boards deem it to be in the interests of the Company and its shareholders to do so.

The Board of Management will inform the next General Meeting about any utilization of the Approved Capital 2023.

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## **SECTION G**

### **Additional Information**

**1. Total number of shares and voting rights**

At the time of convening the General Meeting, the Company's share capital is divided into 1,069,837,447 no-par value registered shares, each of which confers one vote to its holder. The total number of voting rights thus amounts to 1,069,837,447.

## 2. General Meeting held as a virtual meeting

The transitional provision of Section 26n, Subsection 1 of the Introductory Act to the German Stock Corporation Act (*Einführungsgesetz zum Aktiengesetz*) provides that, for general meetings convened up to and including August 31, 2023, the Board of Management may decide, with the consent of the Supervisory Board, to hold the general meeting as a virtual general meeting in accordance with Section 118a of the German Stock Corporation Act (*Aktiengesetz*). Section 118a of the German Stock Corporation Act (*Aktiengesetz*) and the other new statutory provisions on the holding of a virtual general meeting were introduced by the Act on the Introduction of Virtual Shareholders' Meetings of Stock Corporations and the Amendment of Cooperative and Insolvency and Restructuring Law Provisions (Federal Law Gazette I No. 27 2022, p. 1166 et seq.) (*Gesetz zur Einführung virtueller Hauptversammlungen von Aktiengesellschaften und Änderung genossenschafts- sowie insolvenz- und restrukturierungsrechtlicher Vorschriften*) and came into force on July 27, 2022.

The Board of Management of Mercedes-Benz Group AG has resolved, with the consent of the Supervisory Board, to hold the Annual General Meeting 2023 as a virtual general meeting without the physical presence of the shareholders or their proxies at the venue of the General Meeting in accordance with Section 118a of the German Stock Corporation Act (*Aktiengesetz*) in conjunction with Section 26n, Subsection 1 of the Introductory Act to the German Stock Corporation Act (*Einführungsgesetz zum Aktiengesetz*). Physical presence of the shareholders and their proxies (with the exception of the proxies appointed by the Company) at the venue of the General Meeting is therefore excluded.

**The holding of the General Meeting as a virtual general meeting in accordance with the new statutory provision in Section 118a of the German Stock Corporation Act (*Aktiengesetz*) leads to some modifications in the conduct of the meeting and the exercise of shareholders' rights both compared with a physical general meeting and compared with the last virtual general meeting held in accordance with the special legislation in connection with the COVID 19 pandemic. We therefore request that you pay particular attention to the following information, especially regarding the possibility of following the General Meeting in video and audio, regarding the exercise of voting rights, the right to submit statements, the right to make motions, the right to speak, the right of access to information, and the right to object.**

For shareholders entered in the share register and their proxies, the entire General Meeting will be audio-visually broadcast via the InvestorPortal at

[group.mercedes-benz.com/investorportal](https://group.mercedes-benz.com/investorportal)

as from 10:00 a.m. (CEST) on May 3, 2023. The section “Access to the InvestorPortal and electronic connection to the General Meeting” below describes how shareholders and their proxies can access the InvestorPortal. Shareholders or their proxies may exercise their voting rights exclusively by absentee voting (also by way of electronic communication) or by granting power of attorney as specified in more detail below.

### **3. Access to the InvestorPortal and electronic connection to the General Meeting**

The Company has set up an InvestorPortal. Shareholders who have duly registered for the General Meeting or their proxies can connect to the General Meeting electronically via the access-protected InvestorPortal and in this way exercise their shareholder rights and follow the entire General Meeting live in sound and vision by means of electronic communications. For intermediaries (such as credit institutions), shareholders' associations, proxy advisors and persons who offer to exercise voting rights at the General Meeting on a professional basis, special rules apply with regard to the use of the InvestorPortal.

You can reach the InvestorPortal at [group.mercedes-benz.com/investorportal](https://group.mercedes-benz.com/investorportal). Shareholders can access the InvestorPortal by entering their shareholder number and the associated password, which they can find in the documents sent to them. Shareholders who have registered for their invitation to the General Meeting to be sent electronically with a self-assigned password must use this self-assigned password

Shareholders who will only be entered in the share register after the beginning of April 12, 2023 will not be sent any invitation documents and will therefore not receive any access data to the InvestorPortal in accordance with the statutory requirements without a request. However, they can request the invitation documents via the registration address stated below in the section “Registration” using the required shareholder number and the associated password. Proxies will receive their own access data to the InvestorPortal (as described in more detail in the section “Procedure for voting by other proxies”).

Shareholders entered in the share register who are not registered for the General Meeting also have access to the InvestorPortal. However, without proper registration for the meeting, shareholders cannot join the General Meeting electronically and cannot exercise any shareholder rights at the General Meeting. Shareholders who have not properly registered for the General Meeting can therefore follow the meeting live in sound and vision as spectators only.

#### 4. Registration

Shareholders are entitled, themselves or through proxies, to connect electronically to the General Meeting and to exercise their shareholder rights, in particular voting rights, if they are listed as shareholders in the Company's share register on the day of the General Meeting and have registered for the General Meeting in good time.

Their registration must be received by the Company no later than

**24:00 hours (CEST) on Friday, April 28, 2023.**

Shareholders entered in the share register can register for the General Meeting in text form, in German or English, at

Mercedes-Benz Group AG  
c/o Computershare Operations Center  
Aktionärsservice  
80249 Munich, Germany

E-Mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

or, as from April 5, 2023, by using the access-protected InvestorPortal on the internet at

[group.mercedes-benz.com/investorportal](https://group.mercedes-benz.com/investorportal).

For access to the InvestorPortal, please refer to the information in the section "Access to the InvestorPortal and electronic connection to the General Meeting" above. A reply form which can be used both for registration in text form and for granting a power of attorney and for absentee voting will be sent together with the General Meeting notice. A sample answer sheet is also available at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023).

The notice of convocation of the virtual Annual General Meeting on May 3, 2023 with the information pursuant to Section 125, Subsection 5 of the German Stock Corporation Act (*Aktiengesetz*) in conjunction with Implementing Regulation (EU) 2018/1212 is sent by regular mail to all shareholders entered in the share register who have not yet agreed to have it sent by email, have objected to the Company's request in text form for their consent within a reasonable period, or have revoked a consent or a consent deemed to have been given at a later point in time. Shareholders who have expressly agreed to have the General Meeting documentation sent by email or who have not objected to the Company's corresponding request in text form within a reasonable period will receive the notice of convocation of the General Meeting by email with a link to the convocation



notice as well as another link to the InvestorPortal to the email address they have designated for this purpose.

Upon or after registration, you can choose whether you wish to cast your vote via absentee voting or to authorize the proxies appointed by the Company or other proxies – for example, an intermediary (such as a credit institution), a shareholders' association, a proxy advisor or a person offering to exercise voting rights for shareholders at the General Meeting on a professional basis. Intermediaries (such as credit institutions), shareholders' associations, proxy advisors and persons offering to exercise voting rights for shareholders at the General Meeting on a professional basis may only exercise voting rights for shares not belonging to them, but for which they are entered in the share register as the holder, on the basis of authorization. Details of these options are discussed in more detail in the following sections.

### **Free availability of the shares**

Shares will not be blocked as a result of shareholders' registration. Shareholders can also dispose of their shares after registration for the General Meeting. The number of shares entered in the share register on the day of the General Meeting is decisive for the exercise of shareholders' rights, particularly voting rights - irrespective of any deposit holdings. This number of shares will correspond to the number of shares as at the registration deadline of 24:00 hours (CEST) on Friday, April 28, 2023, as no changes to the share register will be made for technical reasons from the end of day on April 28, 2023 (CEST) until the close of the General Meeting on May 3, 2023. Accordingly, the technically relevant date regarding the number of shares (referred to as the technical record date) is the end of day on April 28, 2023 (CEST).

## **5. Procedure for absentee voting**

Shareholders who are listed as shareholders in the share register and timely register for the General Meeting can cast absentee votes. Proxies, including authorized intermediaries (such as credit institutions), shareholders' associations, proxy advisors and persons offering to exercise voting rights for shareholders at the General Meeting on a professional basis, may also utilize absentee voting. Votes may be cast as absentee votes either via the InvestorPortal mentioned above in the section "Access to the InvestorPortal and electronic connection to the General Meeting" no later than the time specified by the chairperson of the meeting in the context of voting on the day of the General Meeting or by letter or email. For organizational reasons, votes cast by letter or email should be received by the Company no later than May 2, 2023, 24:00 hours (CEST) at the address set out in the section "Registration" above.

Shareholders not using the InvestorPortal to cast their absentee votes are requested to use the reply form enclosed with the notice of convocation of the General Meeting. A sample answer sheet is also available at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023).

For the possibility of revoking and amending the absentee ballot, please see the instructions in the section “Last possible time for casting, changing and revoking absentee ballots or powers of attorney and instructions issued” below.

## **6. Procedure for voting by proxies appointed by the Company**

We also give you the option to authorize proxies appointed by the Company to vote in accordance with your instructions at the virtual General Meeting. Here again, shareholders must take care to timely register for the General Meeting (see the section “Registration” above). Proxies, including authorized intermediaries (such as credit institutions), shareholders’ associations, proxy advisors and persons offering to exercise voting rights for shareholders at the General Meeting on a professional basis, may also be represented by the proxies appointed by the Company in exercising voting rights in accordance with their instructions, subject to any provisions to the contrary on the part of the person represented.

The granting of the power of attorney to the proxy, its revocation, the proof of authorization to the Company and the voting instructions are made either via the InvestorPortal mentioned above in the section “Access to the InvestorPortal and electronic connection to the General Meeting” no later than the time specified by the chairperson of the meeting in the context of voting on the day of the General Meeting or by letter or email. If letter or e-mail is used, for organizational reasons the proxy, its revocation, the proof of authorization and the issuance of instructions should be received by the Company no later than May 2, 2023, 24:00 hours (CEST) at the address set out in the section “Registration” above.

Use of the InvestorPortal or return of the reply form also constitutes proof of authorization vis-à-vis Mercedes-Benz Group AG.

Shareholders not using the InvestorPortal to grant the power of attorney and issue instructions to the proxies appointed by the Company are requested to use the reply form enclosed with the notice of convocation of the General Meeting. A sample answer sheet is also available at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023).

For the possibility of revoking or changing the power of attorney and the instructions to the proxies appointed by the Company, please see the instructions in the section “Last

possible time for casting, changing and revoking absentee ballots or powers of attorney and instructions issued” below.

Please note that the proxies appointed by the Company may only exercise voting rights with regard to the items of the agenda, motions and election proposals for which you issue instructions and that they do not exercise the voting right in their own discretion. The proxies do not accept instructions regarding requests to speak and requests for information, the making of motions and election proposals, requests for the inclusion of questions in the record, or the lodging of objections to resolutions of the General Meeting.

## **7. Procedure for voting by other proxies**

Shareholders who are registered in the share register on the day of the General Meeting may also authorize other proxies – for example, an intermediary (such as a credit institution), a shareholders’ association, a proxy advisor, a person to exercise voting rights for shareholders at the General Meeting on a professional basis, or another third party – to exercise their shareholder rights, in particular their voting rights, at the virtual General Meeting. Here, too, shareholders must ensure that they register for the Annual Meeting in good time (see the section “Registration” above). If a shareholder authorizes more than one proxy, the Company may reject one or more of those proxies.

A power of attorney that is not granted to an intermediary or equivalent representative pursuant to Section 135, Subsection 8 of the German Stock Corporation Act (*Aktiengesetz*), its revocation, proof of authorization vis-à-vis the Company must be made in text form. They are submitted either via the InvestorPortal mentioned in the section “Access to the InvestorPortal and electronic connection to the General Meeting” above or by letter or email. If letter or e-mail is used, for organizational reasons the proxy, its revocation, the proof of authorization should be received by the Company no later than May 2, 2023, 24:00 hours (CEST) at the address set out in the section “Registration” above. Use of the InvestorPortal or return of the reply form also constitutes proof of authorization vis-à-vis Mercedes-Benz Group AG. Shareholders not using the InvestorPortal to grant a power of attorney are requested to use the reply form enclosed with the notice of convocation of the General Meeting. A sample answer sheet is also available at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023). For the possibility of revoking or changing the power of attorney and the instructions to proxies other than the proxies appointed by the Company, please see the instructions in the section “Last possible time for casting, changing and revoking absentee ballots or powers of attorney and instructions issued” below.

Section 135, Subsections 1 to 7 of the German Stock Corporation Act (*Aktiengesetz*) apply to the authorization of intermediaries (such as credit institutions). In particular, the declaration of a power of attorney must be recorded by the proxy in a verifiable manner; it must also be complete and may only contain declarations associated with the exercise of voting rights. Intermediaries may provide their own regulations on the procedure for their authorization. The same applies to shareholders' associations, proxy advisors and persons offering to exercise voting rights for shareholders at the General Meeting on a professional basis, unless the person wishing to exercise the voting right is the legal representative, spouse or partner of the shareholder or is related to the shareholder by blood or marriage up to the fourth degree. In such cases, shareholders should consult with the intended proxy on the form of the power of attorney. Just like shareholders, proxies (with the exception of the proxies appointed by the Company) cannot be physically present in the virtual General Meeting. They may only exercise voting rights for shareholders they represent by absentee voting (including by means of electronic communication) or by granting (sub)powers of attorney to the proxies appointed by the Company. The above information applies accordingly in this respect.

After timely registration by the shareholder, the proxies will be sent access data for the use of the InvestorPortal, which will enable them to exercise rights by means of electronic communication via the InvestorPortal. Authorization should therefore be given as early as possible to enable proxies to receive the access data in a timely manner.

**8. Last possible time for casting, changing and revoking absentee ballots or powers of attorney and instructions issued**

Once you have registered for the General Meeting in good time, changes to your absentee ballot or grant of power of attorney and instructions to the proxies appointed by the Company or third parties, including a switch between these options, are still possible as follows: They may be made via the InvestorPortal by the time specified by the chairperson of the meeting in the context of voting on the day of the General Meeting or by letter or email. If letter or e-mail is used, for organizational reasons they should be received by the Company no later than May 2, 2023, 24:00 hours (CEST) at the address set out in the section "Registration" above. The priority rules in the section "Additional information on exercising voting rights" shall apply.

**9. Additional information on exercising voting rights**

Please note that absentee voting or granting a power of attorney and issuing instructions to the proxies appointed by the Company or third parties or a revocation or amendment thereof via the InvestorPortal is always considered to have priority and that any

absentee ballot, grant of a power of attorney and issuance of instructions or revocation or amendment thereof additionally received via another permissible means of transmission with the same shareholder number is invalid regardless of the time of receipt.

Several declarations of this type made outside the InvestorPortal in due form and time will be considered in the following order of priority, irrespective of the chronological order in which they are received:

1. pursuant to Section 67c, Subsection 1 and Subsection 2 Sentence 3 of the German Stock Corporation Act (*Aktiengesetz*) in conjunction with Article 2(1) and (3) and Article 9(4) of Implementing Regulation (EU) 2018/1212;
2. by email;
3. by letter.

If declarations are received in the same way outside the InvestorPortal that provide for more than one way in which voting rights are to be exercised, the following applies: Absentee votes take precedence over granting a power of attorney and giving instructions to the proxies appointed by the Company, and the latter take precedence over granting power of attorney and giving instructions to an intermediary, a shareholders' association, a share voting consultant pursuant to Section 134a of the German Stock Corporation Act (*Aktiengesetz*) or a person treated as such pursuant to Section 135, Subsection 8 of the German Stock Corporation Act (*Aktiengesetz*).

If an intermediary, a shareholders' association, a share voting consultant pursuant to Section 134a of the German Stock Corporation Act (*Aktiengesetz*) or a person treated as such pursuant to Section 135, Subsection 8 of the German Stock Corporation Act (*Aktiengesetz*) is not willing to act as a proxy, the proxies appointed by the Company are authorized to act as proxies according to the instructions given.

If, instead of a collective/global vote, an individual vote is taken on an agenda item, the absentee vote or instruction given on this item applies accordingly to each point of the individual vote.

The absentee votes or powers of attorney granted and, as appropriate, instructions given on agenda item 2 (Appropriation of distributable profit) will also remain valid if the proposal on the appropriation of profit is amended as a result of a change in the number of shares carrying dividend rights.

- 10. Motions, election proposals, statements, right to speak, requests for information, objections (information on shareholders' rights pursuant to Section 122, Subsection 2, Section 126, Subsections 1 and 4, Section 127, Section 130a, Section 131, Subsection 1, Section 118a, Subsection 1 Sentence 2 no. 8 in conjunction with Section 245 of the German Stock Corporation Act (*Aktiengesetz*))**
- 10.1 Requests for additions to the Agenda pursuant to Section 122, Subsection 2 of the German Stock Corporation Act (*Aktiengesetz*)**

Shareholders whose combined shareholdings add up to five per cent of the share capital of Mercedes-Benz Group AG or the proportionate amount of €500,000 (the latter corresponding to 174,260 shares) can request that items be placed on the Agenda and announced as such. Pursuant to Section 122, Subsection 2 in conjunction with Subsection 1 of the German Stock Corporation Act (*Aktiengesetz*), shareholders making such motions must prove that they have held the required number of shares for at least 90 days prior to the day the request is received and that they will hold the shares until the Board of Management decides on the motion. Section 70 of the German Stock Corporation Act (*Aktiengesetz*) is to be applied to the calculation of the period of ownership of the shares. Section 121, Subsection 7 of the German Stock Corporation Act (*Aktiengesetz*) is to be applied accordingly to the calculation of the period. The day of receipt of the request shall not be included in this calculation. A transfer from a Sunday, a Saturday or a public holiday to a preceding or following working day shall not be considered. Sections 187 to 193 of the German Civil Code (BGB) do not apply accordingly.

A statement of reasons or a proposal for a resolution must be provided together with each new item to be added. Such requests are to be addressed in writing to the Board of Management of Mercedes-Benz Group AG and, pursuant to Section 122, Subsection 2 of the German Stock Corporation Act (*Aktiengesetz*), must be received by the Company at least 30 days before the General Meeting, i.e., at the latest by **24:00 hours (CEST) on Sunday, April 2, 2023**. Please send any such requests to the following address:

Mercedes-Benz Group AG  
Vorstand  
Attn. Dr. Michael Hörting, COB/CO  
HPC 096 - F600  
70546 Stuttgart, Germany

Unless this is already done in the General Meeting notice, any additions to the Agenda that are required to be announced shall be announced in the Federal Gazette (*Bundesanzeiger*), including the name and place of residence or registered office of the

requesting shareholder, without delay after receipt of the relevant request. They will also be published on the internet at

[group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023)

and communicated to the shareholders entered in the share register.

**10.2 Countermotions and election proposals pursuant to Section 126, Subsections 1 and 4, Section 127, Section 130a, Subsection 5 Sentence 3, Section 118a, Subsection 1 Sentence 2 no. 3 of the German Stock Corporation Act (Aktiengesetz)**

Shareholders may send to the Company any countermotions to proposals by the Board of Management and/or Supervisory Board concerning specific items on the Agenda and proposals for the election of Supervisory Board members or auditors. Any countermotions (including reasons therefor) and election proposals that are to be made accessible prior to the General Meeting are to be sent exclusively to:

Mercedes-Benz Group AG  
Investor Relations  
HPC 096 - F342  
70546 Stuttgart, Germany

or by email to:

[hv2023-gegenantrag@mercedes-benz.com](mailto:hv2023-gegenantrag@mercedes-benz.com)

Countermotions and election proposals from shareholders to be made accessible which are received at the address specified in the above paragraph by no later than 14 days prior to the General Meeting, i.e., by **24:00 hours (CEST) on Tuesday, April 18, 2023**, will be published without delay upon receipt, including the name and place of residence or registered office of the shareholder as well as the reasons to be made available - if necessary with the content to be supplemented in accordance with Section 127 Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*) - on the internet at

[group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023).

Any statements of position by the management will also be published at that internet address.

Countermotions and election proposals as well as the reason for countermotions need not be made accessible in the cases stipulated in Section 126, Subsection 2 of the German Stock Corporation Act (*Aktiengesetz*). An election proposal also does not need

to be made accessible if it does not contain the proposed person's name, current profession and place of residence and, in the case of proposals for the election of Supervisory Board members, details of the proposed candidate's memberships in other statutory supervisory boards as defined by Section 125, Subsection 1 Sentence 5 of the German Stock Corporation Act (*Aktiengesetz*).

Counter motions and election proposals by shareholders which are to be made accessible pursuant to Section 126 or Section 127 of the German Stock Corporation Act (*Aktiengesetz*) shall be deemed to have been made at the time they are made accessible pursuant to Section 126, Subsection 4 of the German Stock Corporation Act (*Aktiengesetz*). Voting rights may be exercised regarding such counter motions and election proposals after timely registration by the means described above (see sections G.4 to G.9 above). This does not affect the right of the chairperson of the meeting to put the management's resolution proposals to vote first. If the shareholder who has made the request is not entered in the share register as a shareholder of the Company and has not duly registered for the General Meeting, the motion does not have to be dealt with at the General Meeting.

### **10.3 Right to submit statements pursuant to Section 130a, Subsections 1 to 4 of the German Stock Corporation Act (*Aktiengesetz*)**

Prior to the virtual General Meeting, shareholders entered in the share register irrespective of their registration for the General Meeting may submit statements by way of electronic communication on the items on the agenda of the General Meeting in text form or as a video message. Such statements must be submitted no later than **24:00 hours (CEST, receipt) on Thursday, April 27, 2023.**

Statements in text form must be submitted in PDF format exclusively via email to

[hv2023-stellungnahme@mercedes-benz.com](mailto:hv2023-stellungnahme@mercedes-benz.com)

Statements in the form of a video message are only admissible if a shareholder entered in the share register appears himself or a person provably authorized by him/her. Statements in the form of a video message are to be notified via email at

[hv2023-stellungnahme@mercedes-benz.com](mailto:hv2023-stellungnahme@mercedes-benz.com)

and, subsequently, to be uploaded via a link no later than **24:00 hours (CEST) on Thursday, April 27, 2023.** Information on technical and legal requirements on filing statements in the form of a video message are available on the internet at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023).



We ask that the size/scope of statements be kept to a reasonable level. A length of 10,000 characters (including spaces) or, in the case of video messages, a duration of three minutes should serve as orientation.

Statements by shareholders to be made available, including the name and place of residence or registered office of the submitting shareholder, will be published on the internet at

[group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023)

**no later than 24:00 hours (CEST) on Friday, April 28, 2023.** Under the requirements of Section 130a, Subsection 3 Sentence 4 of the German Stock Corporation Act (*Aktiengesetz*), statements by shareholders do not have to be made available. Any statements by the management on the shareholders' statements will also be published at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023).

The opportunity to submit statements does not constitute an opportunity to submit questions in advance pursuant to Section 131, Subsection 1a of the German Stock Corporation Act (*Aktiengesetz*). Any questions contained in statements will therefore not be answered in the virtual General Meeting unless they are asked by way of video communication in the General Meeting. Motions, election proposals and objections to resolutions of the General Meeting contained in statements will not be considered either. These must be submitted or made or declared exclusively by the means specified separately in this notice of convocation of the General Meeting.

#### **10.4 Right to speak pursuant to Section 118a, Subsection 1 Sentence 2 no. 7, Section 130a, Subsections 5 and 6 of the German Stock Corporation Act (*Aktiengesetz*)**

Shareholders who have duly registered for the General Meeting or their proxies who are connected electronically to the virtual General Meeting have the right to speak via video communication. Motions and election proposals pursuant to Section 118a, Subsection 1 Sentence 2 no. 3 of the German Stock Corporation Act (*Aktiengesetz*) and all types of requests for information pursuant to Section 131 of the German Stock Corporation Act (*Aktiengesetz*) may form part of such speeches. The intention to speak shall be notified via the InvestorPortal at [group.mercedes-benz.com/investorportal](https://group.mercedes-benz.com/investorportal) during the General Meeting upon request by the chairperson of the meeting. For access to the InvestorPortal, please refer to the information above in the section "Access to the InvestorPortal and electronic connection to the General Meeting".

The chairperson of the meeting will explain in more detail the procedure for requesting and speaking at the General Meeting. Pursuant to Article 15(3) of the Company's Articles of Incorporation, the chairperson of the meeting may impose reasonable time limits on the shareholders' right to ask questions and to speak. In particular, he is entitled, at the beginning of or during the General Meeting, to set an appropriate time frame for the entire course of the General Meeting, for the discussion of individual agenda items and for individual speeches or questions. Furthermore, the chairperson may order the end of the debate to the extent that this is necessary for an orderly conduct of the General Meeting.

The Company reserves the right to check the functionality of the video communication between the shareholder and the Company at the General Meeting and prior to the speech and to reject the shareholder's speech if such functionality is not ensured. The minimum technical requirements for live video communication are therefore an internet-capable terminal device with camera and microphone and a stable internet connection. Recommendations for optimum video communication functionality and notes on technical testing are available at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023).

#### **10.5 Right to obtain information pursuant to Section 118a, Subsection 1 Sentence 2 no. 4, Section 131, Subsection 1 of the German Stock Corporation Act (*Aktiengesetz*)**

At the General Meeting, each duly registered shareholder or proxy who is connected electronically to the virtual General Meeting may, in accordance with Section 131, Subsection 1 of the German Stock Corporation Act (*Aktiengesetz*), request information from the Board of Management concerning the affairs of the Company and the legal and business relations of the Company with its subsidiaries, as well as on the situation of the Group and the companies included in the consolidated financial statements, provided that such information is necessary to enable a proper appraisal of a subject matter included in the Agenda, and provided that the Board of Management does not have a right to refuse the provision of information. It is intended that the chairperson of the meeting, in accordance with Section 131, Subsection 1f of the German Stock Corporation Act (*Aktiengesetz*), shall order that all types of information requests pursuant to Section 131 of the German Stock Corporation Act (*Aktiengesetz*) may be exercised at the General Meeting exclusively by way of video communication as part of a speech via the InvestorPortal. No other submission of questions by electronic or other means of communication is envisaged either before or during the General Meeting.

## **10.6 Objection to be recorded to resolutions of the General Meeting pursuant to Section 118a, Subsection 1 Sentence 2 no. 8 in conjunction with Section 245 of the German Stock Corporation Act (*Aktiengesetz*)**

Shareholders who have duly registered for the General Meeting and are electronically connected to the General Meeting and their proxies have the right to object to resolutions of the General Meeting by means of electronic communication. Such an objection may be declared via the InvestorPortal at [group.mercedes-benz.com/investorportal](https://group.mercedes-benz.com/investorportal) from the beginning of the General Meeting until its conclusion by the chairperson of the meeting. The notary public recording the General Meeting has authorized the Company to receive objections via the InvestorPortal and has himself/herself access to the objections received there.

For access to the InvestorPortal, please see the information above in the section “Access to the InvestorPortal and electronic connection to the General Meeting”.

## **11. Further explanations**

**Rights of the shareholders** Further explanations of shareholders’ rights under Section 122, Subsection 2, Section 126, Subsections 1 and 4, Section 127, Section 130a, Section 131, Subsection 1 and Section 118a, Subsection 1 Sentence 2 no. 8 in conjunction with Section 245 of the German Stock Corporation Act (*Aktiengesetz*) are available at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023).

**Live broadcast of the General Meeting, report by the Chairman of the Board of Management and the Chairman of the Supervisory Board.** For shareholders entered in the share register and their proxies, the entire General Meeting will be audio-visually broadcast live via [group.mercedes-benz.com/investorportal](https://group.mercedes-benz.com/investorportal) on the InvestorPortal **as from 10:00 a.m. (CEST) on Wednesday, May 3, 2023**. For access to the InvestorPortal, please refer to the information above in the section “Access to the InvestorPortal and electronic connection to the General Meeting”. The opening of the General Meeting and the speeches by the Chairman of the Supervisory Board and the Chairman of the Board of Management can also be followed live on the internet by other interested parties at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023). Following the General Meeting via this channel does not mean being enabled to exercise any shareholder rights at the General Meeting, in particular voting rights. A recording of these speeches, but not of the entire General Meeting, will also be available at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023) after the General Meeting. It is expected that the main content of the speeches by the Chairman of the Board of Management and the Chairman of the Supervisory Board will also be available

at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023) as from April 28, 2023, even though there is no legal obligation for such advance publication, as no use is made of the option to submit questions in advance. The right to make amendments for the day of the General Meeting remains reserved.

**Website where the information pursuant to Section 124a of the German Stock Corporation Act (*Aktiengesetz*) can be accessed.** The notice of convocation of the General Meeting, together with the further information and explanations required by law, is also available at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023). The information pursuant to Section 124a of the German Stock Corporation Act (*Aktiengesetz*), the information pursuant to Section 125 of the German Stock Corporation Act (*Aktiengesetz*) in conjunction with the Implementing Regulation (EU) 2018/1212, the documents relating to Agenda Items 1, 6, 7a) and 8 to 10, the currently valid version of the Company's Articles of Incorporation together with a synopsis of the proposed amendments to the Articles of Incorporation and, following the General Meeting, the voting results are available there as well. In the access-protected InvestorPortal at [group.mercedes-benz.com/investorportal](https://group.mercedes-benz.com/investorportal), the list of participants will be accessible to all shareholders and their proxies who have duly registered for the General Meeting and are electronically connected to the General Meeting during the virtual General Meeting prior to the first vote. For access to the InvestorPortal, please refer to the information above in the section "Access to the InvestorPortal and electronic connection to the General Meeting".

**UTC times.** All specified times are stated in the time standard relevant for Germany during the period in question, Central European Summer Time (CEST). In relation to coordinated universal time (UTC), this means UTC = CEST minus two hours.

**Information on data protection.** In connection with the preparation, implementation and follow-up of the virtual General Meeting, in particular when you and/or your proxies register for the virtual General Meeting, grant a power of attorney, use the InvestorPortal, follow the audio-visual broadcast of the virtual General Meeting, wish to speak at the General Meeting, or exercise your other shareholder rights, we process personal data about you and/or your proxy or proxies (e.g., surname and given name, address, email address, phone number, number of shares, type of share ownership, and personal access data for using the InvestorPortal). This is done to enable you and your proxy to exercise your rights in connection with the virtual General Meeting and to pursue it. We also process your personal data to fulfill our legal obligations in connection with the virtual General Meeting. Mercedes-Benz Group AG, Mercedesstraße 120, 70372 Stuttgart, Germany, [dialog@mercedes-benz.com](mailto:dialog@mercedes-benz.com) processes your personal data as the data controller. To the extent that we use service providers to conduct the virtual General Meeting, they process your personal data only on our behalf. Where the legal requirements of the EU General Data Protection Regulation (GDPR) are met, every data

subject has the right of information, rectification, restriction, erasure and, as appropriate, objection regarding the processing of their personal data at any time, as well as the right to data transmission and the right to complain to a competent supervisory authority. More information about the handling of your personal data and your rights under the GDPR in connection with the General Meeting and the share register is available on the internet at [group.mercedes-benz.com/am-2023](https://group.mercedes-benz.com/am-2023) or can be requested from the data controller at the contact details set out above.

Stuttgart, March 2023

Mercedes-Benz Group AG  
The Board of Management