



Mercedes-Benz

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.