



Mercedes-Benz

Annual General Meeting 2026

Position of the management on the counter motions*

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

Labour and human rights

At Mercedes-Benz, we fully recognize the right of our employees to form employee representative bodies. With our Principles of Social Responsibility and Human Rights, which were updated in December 2025, the Board of Management, the General Works Council and the World Employee Committee jointly reaffirm our commitment to respecting human and labour rights in all our Group companies. The declaration applies to all employees worldwide.

The employees of Mercedes-Benz U.S. International, Inc. (MBUSI) voted against representation by the UAW by a majority in a secret ballot election held in May 2024 under the supervision of the NLRB.

The allegations referred to were made by the US trade union United Auto Workers (UAW) against MBUSI. These allegations have been known for some time and have been intensively scrutinized. In the course of the investigations by the US National Labor Relations Board (NLRB), most of the allegations were withdrawn or dismissed. MBUSI agreed to a settlement with the NLRB in March 2026 without admitting violations on its part.

The 2026 works council elections in Germany showed a high voter turnout. This confirms the employees' trust in the representation of their interests.

At Mercedes-Benz, we are in continuous dialogue with our employee representative bodies and maintain a constructive cooperation on the basis of the statutory co-determination. Our focus is on working with all stakeholders to ensure a stable and respectful framework for the representation of interests within the company.

Election to the Supervisory Board

The Supervisory Board candidates proposed for election by the Supervisory Board on the recommendation of the Nomination Committee are internationally recognized leaders with decades of emphatically proven outstanding expertise in our key areas of business and fields vital for the company's future success. They are a valuable addition to the current composition of the Supervisory Board thanks to their academic backgrounds and operational experience in their respective areas of expertise.

* Convenience translation; German version is legally binding

Candidates were selected on the basis of a structured procedure. In accordance with the competence profile of the Supervisory Board, particular consideration was given to professional qualifications, international and operational experience, independence and diversity aspects.

The Supervisory Board is convinced that the proposed candidates will maintain, supplement and strengthen the expertise of the Board as a whole in a balanced manner. The Supervisory Board therefore stands by its election proposals.

Appointment of the auditor for the Sustainability Report

The sustainability reporting for the 2025 financial year was subjected to a limited assurance engagement by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC). This audit concept is to be continued for the 2026 financial year.

With the implementation of the Corporate Sustainability Reporting Directive (CSRD), the Sustainability Report is now an integral part of the Management Report. From the company's perspective, this speaks in favour of engaging the same auditing firm to audit financial and sustainability information. This enables synergies to be utilized, duplication of work to be avoided and consistency between financial and non-financial information to be strengthened. Having audited the Annual and Consolidated Financial Statements and the Combined Management Report for the company and the Group, PwC has an in-depth understanding of the business model, the internal control systems and the relevant processes, which flows directly into the audit of the sustainability reporting.

The integrated audit also supports a holistic view of the company in terms of the CSRD and contributes to the efficiency, quality and timely completion of the audits. In view of this background, the company stands by its proposal to appoint PwC as the auditor of the Sustainability Report for the 2026 financial year.

Dividend policy

The Mercedes-Benz Group pursues a clearly defined capital allocation policy, according to which the cash flow from the industrial business after investment and possible smaller M&A transactions is to be used for dividends and share buybacks. The capital allocation policy sets clear priorities: firstly, we finance investment in the long-term competitiveness and the transformation of the company; building on this, we return capital to the shareholders in a disciplined and sustainable manner.

In the 2025 financial year, the cash flow from the industrial business totalled €5.4 billion. After dividends and share buybacks, the Mercedes-Benz Group was even able to further increase the net liquidity of the industrial business to €32.2 billion in the course of the 2025 financial year. In this way, we are guaranteeing our financial room for manoeuvre in times of transformation.

For Mercedes-Benz Cars, the 2025 financial year represented the peak of investment activity, with expenditure on research & development and investment in property, plant and equipment totalling €12.7 billion. We are thus driving forward the current product offensive

with over 40 new or revised models in the period from 2025 to 2027, accompanied by extensive investment in future technologies such as the Mercedes-Benz Operating System (MB.OS)—which was developed in-house—advanced driver assistance functions and artificial intelligence.

The 2025 financial year was influenced by one-time effects, particularly from restructuring expenses. In line with a sustainable dividend policy, the Board of Management and the Supervisory Board propose distributing a dividend for the 2025 financial year of €3.50 per no-par-value share entitled to a dividend. The Board of Management and the Supervisory Board consider both the distribution ratio and the absolute dividend amount to be appropriate.

Product and technology strategy

For 140 years, the Mercedes-Benz brand has stood for automotive excellence. As pioneers in automotive engineering, we aim to pave the way to a sustainable and innovative future and continually redefine mobility for generations to come.

In doing so, we are creating the necessary conditions to become all-electric. The pace of the transformation is determined by market conditions and the wishes of our customers. We are currently seeing that demand for electric vehicles in key markets is developing more slowly and heterogeneously than previously thought. Accordingly, the transformation could take longer. For this reason, we are prepared for all market scenarios. Both electric cars and highly efficient, electrified combustion engines will exist in the coming years. In order to reflect these developments, we have structured our production to be flexible in terms of drive systems and we sustainably utilize efficiencies between new and existing model series.

At the same time, the company is taking a disciplined approach to efficiency and optimizing its global production network. Mercedes-Benz explicitly shares the goal of resilient, climate-friendly and competitive production. In this context, key measures that have already been implemented or are specifically planned relate to energy supply, emissions reduction and the sustainable transformation of production.

The Group is expanding renewable energies both through its own photovoltaic generation and through long-term power purchase agreements for electricity from wind farms. The wind farms in Papenburg (onshore) and Windanker (offshore) will each secure up to 140 MW of renewable generation capacity from 2027. With this consistent strategy, Mercedes-Benz is taking on a leading role within the automotive industry. Securing large additional generation capacities at an early stage strengthens security of supply, reduces dependencies on volatile energy markets and makes a significant contribution to reducing carbon emissions from production sites.

Mercedes-Benz is also consciously focussing on the continuous improvement of existing systems and processes through the use of key performance indicators. This includes the gradual modernization of building technology, the use of energy-efficient systems and the switch to climate-friendly refrigerants.

Mercedes-Benz Cars' goal is to produce the most desirable vehicles in the world. Last year, we launched the largest product offensive in our history, which is supported by the Group's digital transformation.

To celebrate the 140th anniversary of the invention of the automobile by Carl Benz in 1886, we presented the new S-Class. It sets standards with a state-of-the-art supercomputer and 27 sensors as standard, enabling around 20 advanced new or improved functions. Over-the-air updates keep the S-Class constantly up to date. Our state-of-the-art MB.OS architecture is ready for next-generation partial driving automation. It is prepared for hands-free driving on motorways so that the driver can take their hands off the steering wheel. The prerequisite for this is that the driver's view is directed towards the road. The new S-Class also offers relaxed navigation through dense city traffic thanks to steering and braking assistance. We call this inner-city Level 2 Point-To-Point Assistance (L2++). It will be available from market launch in China. The offering in the United States will follow somewhat later, while other markets such as Europe will receive this feature as soon as regulations allow.

We are pausing the Level 3 system available in Germany and the US states of California and Nevada for the launch of the new S-Class. A new, improved, faster and even more powerful version is expected in the coming years. We are currently preparing the new S-Class to be the world's first luxury-segment vehicle to be ready for SAE Level 4. The first pilot projects will start this year, in 2026.

Recall actions

The number of recalls has been decreasing for several years. Mercedes-Benz vehicles have always stood for safety and quality. This customer promise is firmly anchored in our corporate values and determines our daily actions. Top rankings in independent statistics and studies such as the TÜV report and the ADAC breakdown statistics also confirm the long-term quality of our vehicles.

Our constant product monitoring, supported by advancing digitalization, enables us to detect the smallest deviations at an early stage. We can also promptly analyse and implement relevant product updates for vehicles that are already in customer hands. These measures are first and foremost a sign of our precautionary and stringent action.

We consistently apply the highest standards in this area—regardless of whether this leads to the recall of a single vehicle or affects a large number of vehicles. Even issues that are not categorized as safety-relevant, but where, for example, only deviations in the documentation need to be adjusted, can result in a recall, depending on the regulatory framework in the countries concerned.

We are aware that every such measure can lead to an unscheduled workshop visit for our customers. We very much regret the resulting inconvenience—but we see it as our duty to act consistently in line with our brand promise.

Remuneration of the Board of Management

The remuneration of the members of the Board of Management is based on the remuneration system approved by a large majority at the Annual General Meeting and the contracts based on this system. In the view of the Supervisory Board, it is geared towards promoting the business strategy and the sustainable and long-term development of the company and complies with the requirements of corporate law and the recommendations of the German Corporate Governance Code.

The Supervisory Board ensures that the Board of Management remuneration is appropriate and conforms to market practice by means of a horizontal and vertical comparison. This takes into account both the remuneration of the entire workforce of the Group in Germany and a comparison with other DAX companies. The remuneration system ensures the setting of appropriate and ambitious targets and a consistent incentive effect across all management levels.

The target remuneration was last adjusted in 2023; it was not increased last year. The Remuneration Report 2025 reflects the challenging business environment, which was characterized in particular by technological changes, regulatory requirements and geopolitical developments.

Sales, dealer network and quality

The Mercedes-Benz Group manages its own sales operations through direct sales channels and online platforms. Simultaneously, vehicles are sold through a network of authorized dealers, agents, and service partners who offer comprehensive vehicle services in addition to sales. This approach aims to provide a premium brand experience and comprehensive support before, during, and after purchase.

The quality of our authorized service partners is a central component of the Mercedes-Benz brand promise. Accordingly, we regularly record customer satisfaction via various studies (e.g. 5 Star Rater)—in some cases down to retailer level—and initiate targeted countermeasures in the event of deviations. We use key performance indicators to consistently manage the performance of our service partners. We ensure this quality through clear standards, mandatory training courses and a comprehensive training programme, thereby guaranteeing sustainable and continuous quality improvement in our global service network.

Virtual Annual General Meeting

With a majority of 80.82%, the Annual General Meeting 2025 authorized the Board of Management to hold the Annual General Meeting as a virtual General Meeting without the physical presence of the shareholders or their proxies at the venue of the General Meeting until 24 July 2027, two years after the entry of the corresponding provision in the Articles of Association in the commercial register. With the involvement of the Chairman of the Supervisory Board as the Chairman of the Annual General Meeting in accordance with the

Articles of Association, the Board of Management has made use of this authorization for the 2026 Annual General Meeting.

The shareholders' rights are fully safeguarded in the virtual format. The format also enables international shareholders and shareholders who are unable to travel to an in-person event for health or logistical reasons to participate, i.e. to join the Annual General Meeting electronically and exercise the shareholder rights linked to their participation. Furthermore, shareholders do not incur any travel expenses. The advantages of the virtual format are also reflected in the participation rates. The attendance at our virtual Annual General Meetings shows a greater representation of the share capital compared to our last physical Annual General Meeting.

In addition to sustainability considerations, cost and organizational efficiency also speak in favour of virtual implementation and against physical implementation. The costs and organizational effort of a physical General Meeting far exceed the costs and effort of a virtual General Meeting.

After careful consideration, the Board of Management does not consider a hybrid Annual General Meeting to be an appropriate alternative. The hybrid format is associated with significantly higher organizational and financial costs, as the requirements of both a face-to-face event and a virtual Annual General Meeting must be met in full. This would lead to significant additional costs. In view of the company's current situation and our ongoing cost-cutting measures, a hybrid Annual General Meeting does not seem appropriate at this time.

The reference to hybrid general meetings abroad is not convincing, as different legal frameworks apply there. Furthermore, the decision in favour of a particular Annual General Meeting format depends on the individual circumstances and considerations of each company.

Board of Management remuneration is based on the remuneration system approved by a large majority at the Annual General Meeting and the contracts concluded on this basis. It fulfils the legal requirements and the recommendations of the German Corporate Governance Code and is appropriately structured. It cannot be used to cross-finance the considerable additional costs of a hybrid Annual General Meeting.
