Mercedes-Benz

Annual General Meeting 2023

Countermotions and election proposals from shareholders

As follows, you will find the countermotions and election proposals from shareholders as defined by Sections 126 and 127 of the German Stock Corporation Act (AktG) on the Items of the Agenda of the virtual Annual General Meeting of Mercedes-Benz Group AG to be held on 3 May 2023.

Dear Shareholders,

A countermotion or election proposal to be made accessible in accordance with Sections 126 and 127 of the German Stock Corporation Act that is received before midnight (CEST) on 18 April 2023 shall be deemed to have been made at the time it is made accessible. Voting rights may be exercised regarding such countermotions and election proposals after timely registration by the means described in the convocation. This does not affect the right of the chairperson of the meeting to put the management's resolution proposals to the 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. Please find below, in the chronological order in which they were received, the countermotions and election proposals that have been sent to us and that are to be made accessible, as well as any further motions from shareholders that we have made accessible. Motions and election proposals that do not consist solely of the rejection of a management proposal are marked with capital letters.

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

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

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

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Klaus-Peter Ersel, Berlin

Regarding Item 11 of the Agenda:

Rejection of the amendment of Art. 11 of the Articles of Incorporation.

I would ask all shareholders to support my countermotion and thus necessarily to vote NO to Item 11.

Brief introduction:
I am a private shareholder and have held Mercedes or formerly Daimler shares for many years.

Reasons:

Holding the AGM in a purely virtual form from 2020 to 2022 was mandatory and unavoidable due to the special situation caused by the coronavirus pandemic and the extensive, but clearly time-limited legal restrictions that had to be observed.

In many respects, these virtual AGMs, which were based on the Covid-19 emergency legislation in force until the end of August 2022, represented a drastic loss of essential interaction opportunities for probably all shareholders, especially private shareholders, in felt and/or real terms, combined with restrictions to our shareholder rights.

In a remarkable “fast-track procedure” and presumably also driven by lobbies, the legislator passed the Act on the Introduction of Virtual General Meetings of Stock Corporations (Gesetz zur Einführung virtueller Hauptversammlungen von Aktiengesellschaften) in July 2022 in order to perpetuate the “stop-gap virtual general meeting”. Even if there are some improvements in the design of the virtual AGM, virtual AGMs are anything but an equivalent alternative to the face-to-face AGM for the shareholder.

The mantra-like counter-assertion of lobbyists and politicians cannot begin to fill this gap, not even by constant repetition.

Now that the coronavirus pandemic is over, the virtual AGM is a “dead horse” and one has to get off such a horse and not ride it any further. This is especially the case now that life has returned to normal with the end of the coronavirus restrictions.

It was now not only possible, but in my opinion would have been absolutely appropriate, to return to the face-to-face AGM in 2023.

But what are the Board of Management and Supervisory Board doing?

This year’s AGM was scheduled by the Board of Management with the approval of the Supervisory Board — possibly bypassing the majority will of the shareholders (?) — once again and this time without necessity only as a virtual AGM. In doing so, the Board of Management and Supervisory Board took advantage of a limited, merely optional provision of Section 26n of the Introductory Act to the German Stock Corporation Act in conjunction with Section 118a of the German Stock Corporation Act!

Can the intended and achieved “advantage” of the virtual AGM on the part of the Board of Management and Supervisory Board be the yardstick for the shareholders’ evaluation of such an action?

Certainly not!

Is the associated sterile, anaemic and, moreover, completely “distanced” “participation” of shareholders on “the level of artificial suspended animation” really in our interest or predominantly detrimental?

Moreover,

in my opinion, it is also especially “fishy” that the Board of Management and the Supervisory Board intend to amend Art. 11 of the Articles of Incorporation to the effect that the Board of Management will be “authorized” to determine whether the AGM should be held as a virtual event in the future.

That’s because this authorization is to be obtained quasi under the radar during the current AGM, which is purely virtual.

Why is such a far-reaching authorization not being discussed, debated and then voted on in a fair or proper manner, at least initially in a face-to-face General Meeting for that purpose, which would, at least ensure maximum “publicity”?

Is it possible that this is precisely what the Board of Management and Supervisory Board would rather not risk, because the outcome would be much more doubtful?

That’s because shareholders presumably know very well, or, if necessary, should find out, since it is in their own interest, what advantages a physical AGM has for them and what disadvantages a virtual AGM has for them — in contrast to the advantages and disadvantages for the Board of Management and the Supervisory Board.

There are already informative descriptions of these advantages and disadvantages on the Internet.

Due to space constraints, I only refer to a few of them:

https://www.bmj.de/SharedDocs/Gesetzgebungsverfahren/Stellungnahmen/2022/Downloads/0310_Stellungnahme_RA_Hoereth_virtuelle_Hauptversammlung.pdf;jsessionid=7BB0E05433C5C85C0C6BE79EB0BC93AF.2_cid334?__blob=publicationFile&v=2

https://www.goingpublic.de/wp-content/uploads/epaper/epaper-HV_Magazin_01-2023/#0

HV-Magazin-01-2023.pdf, specifically page 20: “Warum die Präsenzversammlung doch die bessere Option darstellt” (“Why the face-to-face meeting is the better option after all”)

In summary:

For the above reasons, I ask all shareholders to prevent future virtual AGMs and thus vote NO on Item 11 of the Agenda.

Let’s show the Board of Management and the Supervisory Board the “RED CARD”!

In order to make this particularly clear, i.e. for a tangible and lasting “shot across the bow” and in order to TEACH the Board of Management and Supervisory Board a LESSON that is obviously required in this context, I recommend that all shareholders also vote NO on items 12, 3, 4, 7 and 8 of the Agenda:

No ratification of the actions of the Board of Management and Supervisory Board, no increase in Board of Management and Supervisory Board compensation.

To all shareholders: Thank you for your interest and time.

Regarding Item 10 of the Agenda:

Rejection of the amendment of Art. 3 of the Articles of Incorporation.

I would ask all shareholders to support my countermotion and thus necessarily to vote NO to Item 10.

Reasons:

The approval of my countermotion and a necessary rejection of Item 10 of the Agenda eliminates the amendment of the Articles of Incorporation and thus the creation of a new Approved Capital 2023 (AC 23) as successor to the expired Approved Capital 2018 (AC 18) in the same but naturally enormous amount of €1 billion for the issue of new, i.e. additional shares, for which the subscription rights of existing shareholders may also be excluded.

For this new AC 23, which according to the Board of Management already accounts for around 32.6% of the share capital (of 3.07 billion), the Board of Management and Supervisory Board would like a kind of "universal or general power of attorney" from us shareholders, "limited" only by the promise or the "sacred oath" (?) of the Board of Management and Supervisory Board that the use of the authorization for the capital increase will be "carefully examined" in each individual case.

Under SECTION F, concerning Agenda Item 10, the Board of Management explains the necessity of creating AC 23, this in particular, but only in a generalized way, with the desired or supposedly unavoidable flexibility to take advantage of market opportunities.

This explanation is not convincing.

And even more disconcerting: the Board of Management does not even address, let alone explain, the other "innovations" envisaged in this context (e.g. on the determination of the issue price and in particular on the planned, rather "unorthodox" profit participation of the new shares).

An AC 23 and certainly a general power of attorney are not required for this and are therefore to be rejected. It is neither in the interest nor for the benefit of the shareholders. On the contrary. It should be clear to every shareholder that this would most likely result in a considerable dilution of his shareholding, with (possibly very) negative effects on the share price, which has never gone at least halfway "through the roof like a rocket" even without this, and of course also with negative effects on the amount of his dividend. Can this be in our interest? No, of course not.

Without the AC 23, are we tying the hands of the Board of Management in an entrepreneurially and economically irresponsible way, or is liquidity at risk as a result? This isn't the case either, of course. Our company has sufficient liquidity and can obtain more through bonds and, if necessary, also through bank financing for larger acquisitions, in any case in the short to medium term until a general meeting to be convened for this purpose has approved the transaction.

To service convertible bonds and/or bonds with warrants, our Company can, instead of issuing new shares, use existing liquidity to buy shares on the market itself, with the positive

consequence that the share price is not diluted, i.e. does not fall to the detriment of shareholders, but rises.

In addition, according to the Board of Management, our Company already has conditional capital of €500 million at its disposal (Conditional Capital 2020), which when used would by itself lead to an increase in share capital of around 16.3%.

The need for an AC 23 is also extremely doubtful because no use has been made of AC 18. But just because it is true that "it always worked before" does not mean that we shareholders should again take on or remain subject to this unsecured risk.

And how adventures such as "World LLC" Daimler — after the Chrysler merger/acquisition, where of course everything was "very carefully checked" in advance — can quickly end in a fiasco is certainly still very painfully remembered by long-term shareholders.

For this and other inglorious examples show that it is by no means certain that the equivalent value (in the form of an actual increase in goodwill as a result of acquisitions, for example) for the Company and ultimately for us shareholders at least compensates for the issuance of new stock and the disadvantages we incur as a result (see above).

This is all the more true since takeovers usually take place in times of unrealistic hype, when companies mutually try to outbid one another at inflated levels involving completely abstruse "company valuations" and prices that are not justified by anything in real terms and can also never be realized again later. The Board of Management does not eliminate this uncertainty by issuing a terse explanation as a "chill pill," claiming that this will certainly be the case.

In summary:

I ask all shareholders to prevent the Approved Capital 2023 and to this end to support my countermotion and thus necessarily to vote NO on Item 10.

To all shareholders: Thank you for your interest and time.

Regarding Item 3 of the Agenda:

Rejection of the resolution on the ratification of Board of Management members' actions.

I would ask all shareholders to support my countermotion and thus necessarily to vote NO on the Board of Management proposal regarding Item 3 of the Agenda.

Reasons:

In principle, there are various reasons for refusing to ratify the actions of a Board of Management: economic or other. In the present case, a ratification of the actions would not be denied for economic reasons — on the contrary. In an environment that remains difficult, indeed challenging, characterized by fundamental technological change and a wide range of external risks and pressures, our company, strategically well managed by the Board of Management and with the drive and extensive expertise of its qualified and committed employees, once again demonstrated its resilience and very good, above-average earning power. The Board of Management and all employees of the Mercedes-Benz Group deserve special recognition and thanks for this.

However, there is another reason, which unfortunately cannot be neglected and is probably perceived by many shareholders as an "unpleasant act," which in my opinion makes it

(exceptionally) necessary to demonstratively refuse to ratify the actions of the Board of Management.

This other reason is the quasi “coup-like” and, moreover, completely unnecessary rescheduling of the Annual General Meeting 2023 again as only virtual and, in addition, the attempt, therein also at the same time, quasi under the radar of the shareholders who are just not physically present, to immediately also approve this by way of an amendment to Art. 11 of the Articles of Incorporation in Item 11 of the Agenda. Future virtual general meetings would thus be surreptitiously approved in passing at a point in time when many shareholders who initially connected to the AGM have probably switched off or fallen asleep.

This is not meant in a disrespectful way, and from a purely formal legal point of view, such a procedure (as an optional provision, not a mandatory provision!) is admittedly permissible. But what does this mean? Should it also be done in this offhand way and the legislation, which is not necessarily advantageous for shareholders, be exploited to the full, or would it be better for the Board of Management to think about how shareholders see or could see this, and what might more fairly be better resolved in a different way?

By more fairly, I and probably many other shareholders mean that, after the tiresome three years of AGMs that have had to be held purely virtually due to the coronavirus situation and the corresponding emergency legislation that had to be observed, a face-to-face general meeting must be held in 2023. One of the reasons for this, but by no means the only one, is that the decision on an amendment to the Articles of Incorporation for a future purely virtual AGM should, in my opinion and for reasons of fairness, only be put to the vote in a face-to-face AGM.

The Board of Management saw things differently — possibly because it was advantageous for them — and created a fait accompli. But we don’t have to go along with it.

For this reason, I have already submitted a countermotion to Item 11 on the issue of this amendment to the Articles of Incorporation, i.e. the resolution on Agenda Item 11, for which I ask all shareholders who share this view for their support, and regarding which I hereby refer to the supplementary explanatory statement.

In summary:

In my opinion, the actions of the Board of Management in this matter are an affront that we shareholders should not simply accept with resignation and ignore. Let’s demonstratively show the Board of Management the “RED CARD” for this! In order to get the Board of Management to rethink and to sensitize it more strongly in the future to the interests and concerns of us shareholders, which must be taken into account comprehensively, the Board of Management obviously and unfortunately needs to be given a noticeable and sustained shot across the bow and TAUGHT A LESSON. We can do this together. In my opinion, it is necessary, appropriate, suitable and helpful in this respect to refuse to ratify the Board of Management’s actions.

I would ask all shareholders to support my countermotion to Item 3 and thus necessarily to vote NO on Item 3.

To all shareholders: Thank you for your interest and time.

Regarding Item 4 of the Agenda:

Rejection of the resolution on the ratification of Supervisory Board members' actions

I would ask all shareholders to support my countermotion and thus necessarily to vote NO on the Board of Management proposal regarding Item 4 of the Agenda.

Reasons:

I refer to my analogous countermotion to Item 3 of the Agenda and the reasons already stated therein for not ratifying the actions of the Board of Management as sought therein. The reasons given there equally apply to the Supervisory Board. This is for the following reasons: The circumstances criticized there were created by the Board of Management and the Supervisory Board together and by mutual agreement. The Board of Management and the Supervisory Board are therefore jointly and equally responsible to us, the shareholders, for these circumstances.

The relevant provision and evidence of this is Section 26n (1) Transitional Provision to the Act on the Introduction of Virtual General Meetings of Stock Corporations...: "(1) For general meetings convened up to and including 31 August 2023, the Board of Management **may** decide, **with the consent of the Supervisory Board**, that the meeting shall be held as a virtual general meeting pursuant to Section 118a of the German Stock Corporation Act." The Board of Management and the Supervisory Board have jointly created a fait accompli. We should therefore (also) respond accordingly to the Supervisory Board.

For details, please refer to the explanatory statement regarding my countermotion to Item 3 of the Agenda. Regarding the problematic nature of the amendment of the Articles of Incorporation, i.e. the resolution on Agenda Item 11, I have already submitted a countermotion to Item 11, for which I ask all shareholders who share this view for their support, and regarding which I hereby also refer to the supplementary explanatory statement.

In summary:

In my opinion, the actions of the (Board of Management and) Supervisory Board in this matter are an affront that we shareholders should not simply accept with resignation and ignore. Let's (also) demonstratively show the Supervisory Board the "RED CARD" for this! In order to also get the Supervisory Board to rethink and to sensitize it more strongly in the future to the interests and concerns of us shareholders, which must be taken into account comprehensively, the Supervisory Board obviously and unfortunately (also) needs to be given a noticeable and sustained shot across the bow and TAUGHT A LESSON. We can do this together. In my opinion, it is necessary, appropriate, suitable and helpful in this respect to refuse to ratify the Supervisory Board's actions (as well).

I would ask all shareholders to support my countermotion to Item 4 and thus necessarily to vote NO on Item 4.

To all shareholders: Thank you for your interest and time.

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Association of Ethical Shareholders, Cologne

Regarding Item 2 of the Agenda: Allocation of distributable profit
The Association of Ethical Shareholders requests that the allocation of distributable profit proposed by the Board of Management and the Supervisory Board be rejected.

Reasons:
The proposed dividend of €5.20 per share is too high. Instead, a significant reduction would be reasonable given the need for investment in electric mobility.

Regarding Item 3 of the Agenda: Ratification of Board of Management members' actions
The Association of Ethical Shareholders proposes that the actions of the members of the Board of Management for the financial year 2022 are not to be ratified.

Reasons:
The Board of Management of Mercedes-Benz Group AG is not fulfilling its responsibility to take more effective measures for mitigating climate change and upholding human rights, and it is not adequately addressing the major social challenges.

An inhuman luxury strategy
According to Mercedes managers, they will focus in the future on the three product categories "Top-End Luxury," "Core Luxury" and "Entry Luxury." With its luxury strategy, the company is focusing entirely on the customer group of the rich; normal wage earners and poorer sections of the population are no longer important to the managers in Stuttgart. "By focusing on the luxury segment, you don't have to focus on the big social challenges. This is a bet on the luxury automobile and no longer focusses on small, economical cars at all. Huge amounts of electricity are needed, insane amounts of resources are used for batteries," criticizes Weert Canzler of the WZB Berlin Social Science Center.

China: Completely inadequate consequences resulting from forced labour risks
China is considered to be an especially lucrative sales market. Human rights violations in this authoritarian state appear to be of secondary importance to Mercedes-Benz' management. In December 2022, Sheffield University published an extensive report demonstrating the widespread use of Uyghur forced labour in China — including at quite a few Mercedes-Benz suppliers.
Throughout the East Turkistan region, millions of Uyghurs are held in internment camps under the most horrific conditions and hundreds of thousands of them are subjected to forced labour. The UN Office of the High Commissioner for Human Rights (OHCHR) expressed grave concern about the consequences of the so-called "poverty reduction policy" for the Uyghur population. According to OHCHR, the Chinese government's crimes against the Uyghurs and other Turkic peoples could constitute crimes against humanity. Increasingly, factories are being built next to these camps, where detainees have to carry out forced labour at cheap wages. The Chinese government has deliberately moved the mining and processing of raw materials and the production of auto parts to East Turkestan/Xinjiang.
We cannot understand how Mercedes-Benz can sufficiently comply with the requirements of the Supply Chain Sourcing Obligations Act (LkSG). These requirements include taking preventive measures against human rights violations in the supply chain. The Ethical Trading Initiative (ETI) rules out independent verification of working conditions due to widespread

repression. German auditing companies such as TÜV Süd also withdrew from the region in 2020 because workers cannot speak freely about the human rights situation.

Unambitious climate goals
Although Mercedes-Benz AG is a founding member of the climate protection initiative Transform to Net Zero, it does too little to mitigate climate change. The entire supply chain must be considered for the CO2 footprint: the extraction of raw materials, the actual production of the vehicles, the use phase of the vehicles and their recycling. Why does the automotive group only want to become net CO_2-neutral in its entire new vehicle fleet across all stages of the value chain and throughout the entire life cycle by 2039?

A wrong vehicle model policy
A balanced model policy would also include electric models in the A-Class and B-Class. Instead, Mercedes-Benz CEO Ola Källenius boasts that two electric SUVs have been added to the electric portfolio. Sales of electric vans have also increased significantly. Källenius wrote the following to the shareholders: “We have further weatherproofed our company in the past year, and taken important strategic decisions.” May this sentence not be a bad omen in view of the climate change taking place.

Plug-in hybrids were a mistake
Without massive subsidies, plug-in hybrid vehicles are unsaleable. They are too expensive and have too little range. Mercedes-Benz (but also VW and BMW) have miscalculated with their partially electric models. Sales are faltering, especially in China.

Exhaust gas scandal still far from over
Following a ruling by the European Court of Justice in March, diesel car owners can more easily claim damages if an inadmissible exhaust technology has been installed. This specific case concerned a Mercedes-Benz, but other manufacturers are now also threatened with lawsuits. The European Court of Justice (ECJ) has lowered the hurdles for diesel car buyers to sue for damages in cases of improper exhaust technology. The carmakers could be liable even if they had simply acted negligently without intent to defraud, the Luxembourg judges ruled in the Mercedes case.

Regarding Item 4 of the Agenda: Ratification of Supervisory Board members’ actions
The Association of Ethical Shareholders proposes that the actions of the members of the Supervisory Board for the financial year 2022 are not to be ratified.

Reasons:
The Supervisory Board did not adequately fulfil its role as a supervisory body of the Board of Management. It has failed to work to remedy glaring deficiencies with respect to human rights due diligence in direct business relationships and to work to preserve jobs within the company.

Doubtful link between luxury and sustainability
In his letter to shareholders, Bernd Pischetsrieder, Chairman of the Supervisory Board of Mercedes-Benz, describes the strategy of the automotive group as follows: “In 2022, we decided that we would focus even more strongly on the luxury segment, continue to elevate our product portfolio, accelerate on our path to a fully electric future and target structurally

higher profitability. The link between luxury and sustainability would be underscored by our decision to become all-electric by 2030, wherever market conditions allow."
Due to increased resource consumption for large-sized luxury vehicles, we must assume that sustainability will fall by the wayside in Mercedes-Benz's strategy.

Prioritize jobs instead of shareholder value
Once before, a CEO of the "Group with the Star" declared shareholder value to be the most important business objective: His name was Jürgen Schrempp and the company was called Daimler-Benz in the 1990s; after the 1998 merger with the US car company Chrysler ("a match made in heaven"), the company was called "DaimlerChrysler" for a few years. The one-sided focus on shareholder value and the merger proved to be mistakes; Schrempp had steered the car company into a crisis.

Schrempp's successor's successor, Ola Källenius, is also doing everything he can to increase the value of the company, especially for shareholders. This includes reducing costs by cutting jobs. Since 2019, 6,800 jobs have been cut at "Mercedes Cars" alone, i.e. the car division of the former Daimler AG. What happened to the jobs?

Certainly the ramp-up of electric mobility will be accompanied by job cuts, but at present, Mercedes-Benz is still producing significantly more cars with combustion engines, despite expanding its own electric car range. That is why there is currently still full employment in the powertrain plants, as the combustion engine still accounts for a large share of production, according to Mercedes HR Head Sabine Kohleisen.

Mercedes-Benz Supervisory Board Chairman Pischetsrieder, formerly Chairman of the Board of Management of BMW, would now need to turn the wheel resolutely to get the lurching Mercedes car back on the right track.

Mercedes-Benz donation leaves an aftertaste ("Gschmäckle")
The website "Mercedes-Fans — Das Online-Magazin mit Stern" (Mercedes fans — the online magazine with the star) reports on a possibly disreputable donation by the car company in favour of an aid campaign by the Südwest-Rundfunk (SWR) public broadcasting company. "Like Mercedes-Benz, the word "Geschmäckle" has its roots in Swabia. According to the Duden dictionary, Geschmäckle is a diminutive of the word Geschmack (taste) and means "aftertaste, slightly fishy." A possible fishiness in connection with the TV appearance of Mercedes-Benz CEO Ola Källenius on SWR was the subject of the print edition of the *Stuttgarter Zeitung* of 7 February 2023. There it says literally: "Fuss about donation shortly after SWR appearance — at the end of December, SWR dedicated a TV evening to Mercedes-Benz, only one day later the car company donated half a million euros to an SWR aid campaign. The two have nothing to do with each other, they say. However, the seemingly negative impression has occupied minds ever since." (Excerpt from: Mathias Ebeling, Mercedes donates €500,000 to SWR aid campaign one day after Källenius interview, www.mercedes-Fans.de) It is possible that the Supervisory Board of Mercedes-Benz AG also did not fulfil its duty to monitor the Board of Management in this case.

Regarding Item 11 of the Agenda: Resolution to amend Art. 11 of the Articles of Incorporation to authorize the Board of Management to hold a virtual Annual General Meeting

The Association of Ethical Shareholders requests that the resolution proposed by the Supervisory Board and the Board of Management to authorize the Board of Management to decide whether to hold a virtual general meeting be rejected.

Reasons:
The format and manner in which a general meeting is conducted affect elementary shareholder rights. Therefore, the Annual General Meeting, and not the Board of Management, should decide on the conditions or format of future general meetings. In addition, the Annual General Meeting should also be allowed to decide whether a hybrid format should be implemented as a further option, combining the advantages of a face-to-face AGM with those of a purely virtual event.

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