



Mercedes-Benz

Annual General Meeting 2024

Counter motions and election proposals from shareholders

As follows, you will find the counter motions 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 8 May 2024.

Dear Shareholders,

A counter motion 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 23 April 2024 shall be deemed to have been made at the time it is made accessible. Voting rights may be exercised regarding such counter motions 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 or election proposal does not have to be dealt with at the General Meeting. Please find below, in the chronological order in which they were received, the counter motions 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, you can 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 or the shareholder who has made the counter motion or election proposal is not entered in the share register of the Company and has not duly registered for the General Meeting, please do not fail to vote on the corresponding agenda item, too.

Counter motions 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.

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.

Mr. Horst Schilling, Rödental

Counter-motion at the Mercedes-Benz Group AG Annual General Meeting.

as defined by Sections 126 (1) and 127 of the German Stock Corporation Act (AktG) on the Items of the Agenda of the Annual General Meeting of Mercedes-Benz Group AG to be held on 8 May 2024.

2. General Meeting held as a virtual meeting

Holding an “ordinary virtual Annual General Meeting without the physical presence of the shareholders is an ‘indictment’ of the shareholder culture.”

While shareholders accepted this approach during the pandemic, it should actually be a thing of the past now that the situation has returned to normal.

Upon inquiry, the reinsurance giant Munich Re has confirmed that it will hold its Annual General Meeting on 25 April 2024 as an in-person event.

In 2023, 28 of the 38 German companies listed in the DAX opted for a virtual annual general meeting. As the Deutsche Schutzvereinigung für Wertpapierbesitz (DSW) found in its AGM Report 2023, the technology did not always function smoothly. This shareholder protection organization recorded numerous video and audio disruptions, which meant that some annual general meetings took a very long time. For example, multiple interruptions caused the digital AGM of Convestro AG to drag on for around nine and a half hours. According to the DSW, virtual annual general meetings have not resulted in more shareholders exercising their right to have their say. The number of participants has been falling since the start of the coronavirus measures. Unlike the large German stock corporations, most companies in the MDax and SDax did not hold their annual general meetings virtually in 2023, but in person as usual.

Janne Werning, Head of ESG Capital Markets & Stewardship at the fund management company Union Investment expressed the following fear:

Once the coronavirus pandemic is over, the wheat will be sorted from the chaff among companies. Shareholder-friendly companies would once again allow a “general debate with the physical presence of shareholders.”

“The other companies will retreat to anaemic, purely virtual formats with little potential for conflict.”

Experts believe that this could lead to a weakening of the important role of shareholders as a corrective to the actions of the Board of Management and Supervisory Board.

Does holding an “ordinary virtual Annual General Meeting without the physical presence of the shareholders” reflect the respect of the Board of Management and Supervisory Board of Mercedes-Benz Group AG for its shareholders?

As Janne Werning, Head of ESG Capital Markets & Stewardship at the fund management company Union Investment, so aptly put it — and I quote:

“The other companies will retreat to anaemic, purely virtual formats with little potential for conflict.”

Rejection of the ratification of the Supervisory Board members’ actions.

Reasons:

The Supervisory Board has the duty to monitor the Board of Management in the interests of the shareholders and the Company. (Shareholder-friendly companies would once again allow a “general debate with the physical presence of shareholders”). The Supervisory Board does not fulfil this duty.

I ask the shareholders of Mercedes-Benz Group AG, especially employee shareholders, who are committed to sustainability and the long-term success of the Company, and above all the Deutsche Schutzvereinigung für Wertpapierbesitz (DWS) and the fund management company Union Investment, to support the motion in the interests of their customers.

I ask the executive bodies of the AG to make my countermotions submitted in due time accessible in accordance with Sections 126, 127 et seq. of the German Stock Corporation Act (AktG).

Mr. **Savvas Georgiadis**, Nuremberg

Motion A

Dear Mercedes Benz Group AG,

I would like to propose myself for election to the Supervisory Board at the upcoming Annual General Meeting on 8 May 2024 (Agenda Item 6). I hereby give my consent to the publication of the election proposal. Furthermore, I request a vote in accordance with Section 137 of the German Stock Corporation Act (AktG).

My election proposal contains the following information:

“Surname, first name: Georgiadis, Savvas

Profession: electrical engineer (Dipl.-Ing. (FH)), managing partner

Place of residence: Nuremberg

Year of birth: 1979

Place of birth: Cologne

Nationality: German, Greek

Professional career: Managing Partner of IngSG GmbH, Nuremberg since 2008

Education: Course of study in electrical engineering, specifically vehicle electronics, at Cologne University of Applied Sciences (FH Köln)

Honorary positions: honorary judge, Nuremberg Fiscal Court; member of the IHK (Chamber of Commerce and Industry) expert committee for trade and services; member of the IHK expert committee for securing skilled labour

Memberships of statutory supervisory boards of German commercial enterprises: -

Memberships in comparable German and foreign supervisory bodies of commercial enterprises: -"

I have sufficient capacity to exercise the office. You can count on my independence, as I have not been active on the Supervisory Board for more than 10 years.

I also request a compliance check for the election proposal with feedback to me as soon as the result of the check is available.

I would like to thank you in advance.

Kind regards,

Dipl.-Ing. (FH) Savvas Georgiadis

Pursuant to Section 127 Sentence 4 of the German Stock Corporation Act (AktG), statement by the Board of Management of Mercedes-Benz Group AG concerning the proposal for election of the shareholder Savvas Georgiadis:

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 of Mercedes-Benz Group AG 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 fulfilment 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 2024 Annual General Meeting.

At the time of publication of the notice of convocation of the Annual General Meeting and at the time of publication of the election proposal by shareholder Savvas Georgiadis, the Supervisory Board had a total of six female members, of whom three were shareholder representatives and three were on the employee representatives.

Association of Ethical Shareholders, Cologne

Motion B

Counter-motion to Agenda Item 2, Resolution on the appropriation of distributable profit

The Association of Ethical Shareholders proposes that the allocation of distributable profits be rejected.

Reasons:

A significant reduction in the dividend is necessary in view of the need to invest in climate change mitigation and environmental protection measures as well as in sustainable electric mobility. As a result, the Association calls for a dividend of €0.10 per share to be distributed instead of a dividend of €5.30 per dividend-entitled no-par-value share.

Counter-motion to Agenda Item 3: Resolution on the ratification of Board of Management members' actions

The Association of Ethical Shareholders proposes that the actions of the members of the Board of Management of Mercedes-Benz AG for the financial year 2023 are not to be ratified.

Reasons:

Emissions scandal still not over, customers continue to wait for justice to be served

The diesel emissions scandal is still not over for the Mercedes-Benz Group. A large number of customers are still waiting to finally get justice. In 2021, the Federation of German Consumer Organizations (vzbv) filed a model declaratory judgment (Musterfeststellungsklage) against Mercedes-Benz, which has since been decided by the Stuttgart Higher Regional Court (OLG) in favour of the consumers. The Court confirmed that Mercedes had used unlawful defeat devices in the vehicles in question. Consumers now have the right to choose: They can either demand the rescission of the purchase contract or the reimbursement of so-called "differential damages". This case concerned Mercedes GLC and GLK models equipped with the OM 651 engine type.

In addition, three defeat devices were documented last year by the Federal Motor Transport Authority (KBA) during investigations into the engine control software of a Mercedes E-Class 350 Blue TEC with a Euro 6 engine (OM642). The KBA rates these as "critical or inadmissible".

It is not yet clear what impact the landmark ruling of the European Court of Justice (ECJ) will have on Mercedes-Benz. In March 2023, the ECJ ruled that illegal manipulation of the emission cleaning system in diesel engines in principle entitles the owner to compensation. This could result in numerous individual lawsuits against illegal temperature windows.

Despite everything, Mercedes-Benz continues to assert that the Group has not cheated on the emissions of its diesel vehicles; these assurances were and are obviously false and either suggest a lack of supervision of the Group's Board of Management or were and are intentionally false statements.

Consumption figures for plug-in hybrids embellish result

The current CO₂ fleet limits are complied with in Europe. This is due, in part, to the large number of plug-in hybrids sold (134,230), which is still well ahead of the number of all-electric vehicles (119,808). The Group continues to provide customers with inadequate information about actual fuel consumption, which has had to be read from the vehicles and transmitted to the EU Commission for several years, but is still not made usable to customers. Standard and real values differ widely, especially for plug-in hybrids. Recently published figures from the European Environment Agency for the year 2022 show that the average real consumption of a plug-in hybrid is 5.94 litres per 100 kilometres, which is 251.9% higher than the figures according to the official WLTP test cycle. Even if this figure cannot be applied one-to-one to Mercedes-Benz, it clearly shows the problem of plug-in hybrids with regard to official consumption figures and therefore also CO₂ values. Things are still not going optimally for a premium brand in the USA and China, where credits again have to be purchased from other manufacturers in order to avoid penalties. In the USA, this applies to vans and SUVs, while passenger cars and Sprinters are now meeting their targets. In China, only the average consumption of all vehicles sold is given, which has been continuously increasing instead of decreasing since 2020. Here, the Board of Management must formulate clearly and bindingly that the CO₂ targets not only in the EU but also worldwide will be achieved by the Group with its own efforts and without purchasing pollution certificates.

Electric car targets missed — turning away from all-electric strategy sends the wrong signal

According to its own statements, Mercedes-Benz wanted all-electric cars to account for more than 20% of its unit sales in 2023. In reality, however, the share was only 12%. But instead of facing up to the challenge and changing structures, the Group is taking the easy way out and abandoning the goals it set itself.

Without any necessity, the Chairman of the Board of Management, Ola Källenius, has questioned all electric in a very publicly effective manner and thus unsettled customers and suppliers. “Strategic flexibility” is nothing more than the concession that the Group management itself does not know where the Group is heading. After all, ‘net climate neutrality’ is no substitute for real reductions in the energy requirements and greenhouse gas emissions of the Group and in the operation of its vehicles.

Counter-motion to Agenda Item 4: Resolution on the ratification of Supervisory Board members’ actions

The Association of Ethical Shareholders proposes that the actions of the members of the Supervisory Board of Mercedes-Benz AG for the financial year 2023 are not to be ratified.

Reasons:

The Supervisory Board of the Mercedes-Benz Group has failed to monitor the Board of Management with regard to compliance with human rights due diligence obligations along its “own automotive value chain” and to hold it accountable for the consequences of producing vehicles that are not environmentally friendly.

Mercedes-Benz is not critical of the human rights situation in China

Alongside other business representatives, the Chairman of the Board of Management of Mercedes-Benz, Ola Källenius, accompanied the Chancellor on his trip to China in mid-April. Källenius did not say anything critical about the human rights situation. Mercedes-Benz wants to expand its involvement in China despite the human rights violations. 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. The European Center for Constitutional and Human Rights (ECCHR) filed a complaint against the car manufacturers Mercedes-Benz, BMW and Volkswagen with the Federal Office for Economic Affairs and Export Control (BAFA), which is responsible for monitoring the Supply Chain Act, as early as 2023. “The three car manufacturers have not yet been able to credibly prove that they can exclude Uyghur forced labour in their supply chains,” Dolkun Isa, president of the World Uyghur Congress, told Table.Media.

Electric luxury cars are antisocial and harm people in the Global South

Many of the electric cars produced by Mercedes-Benz belong to the luxury class. Because of their size and weight, these cars are harmful to the environment and take up a lot of public space. The costs of the environmentally harmful economic practice in Germany are borne primarily by people in the Global South. When producing vehicles with electric drive systems, it is important to bear in mind that companies in South America, for example, mine lithium for batteries and destroy local ecosystems and the livelihoods of indigenous communities in the process.

Formula 1 – an outdated travelling circus

It is no longer in keeping with the times to send such a large entourage as the Formula 1 circus to and fro around the world several times a year. The emissions associated with this should not be offset, but avoided entirely by withdrawing from Formula 1. It is up to the Supervisory Board to finally decide to exit Formula 1. Announcements to make the racing series supposedly climate-friendly by using synthetic fuels and the purchase of pollution certificates are merely greenwashing, because racing with combustion engines and climate protection do not go together. Synthetic fuels cannot be a solution for the future, if for no other reason than their high energy requirements during production. The Group must recognize this and act accordingly.
