



Mercedes-Benz

MERCEDES-BENZ SOUTH AFRICA LIMITED

(Pretoria, Republic of South Africa)
(as Issuer)

unconditionally and irrevocably guaranteed by

DAIMLER AG

(Stuttgart, Federal Republic of Germany)
(as Guarantor)

Supplement to the ZAR35,000,000,000 Domestic Medium Term Note Programme

On 30 June 2008, Mercedes-Benz South Africa Limited (the **Issuer**), established a ZAR18,000,000,000 Domestic Medium Term Note Programme (the **Programme**) pursuant to a programme memorandum dated 30 June 2008, which was amended by a supplement dated 24 May 2011, and updated by programme memoranda dated 8 August 2013, 21 December 2015 and 19 December 2018 (the **Programme Memorandum**). This supplement to the Programme Memorandum (this **Supplement**) dated 30 July 2019 (the **Supplement Date**) is published for the purposes of updating the Programme by updating the Programme Memorandum in various respects. This Supplement will apply to all Notes issued under the Programme and will in respect of such Notes, supplement the Programme Memorandum.

This Supplement is supplemental to, and should be read in conjunction with the Programme Memorandum in respect of all Notes issued under the Programme. This Supplement is deemed to be incorporated in, and to form part of, the Programme Memorandum.

Where any term is defined within the context of a particular clause or section in the Programme Memorandum, the term so defined, unless it is clear from the clause or section in question that the term so defined has limited application to the relevant clause or section, shall bear the meaning ascribed to it for all purposes in this Supplement, unless the context otherwise requires. Expressions defined in the Programme Memorandum shall bear the same meaning in supplements to the Programme Memorandum, which do not themselves contain their own definition, and in this Supplement.

In the event of any conflict between the provisions or definitions of the Programme Memorandum and the provisions or definitions of this Supplement, the provisions or definitions, as the case may be, of this Supplement shall prevail. The remaining provisions of the Programme Memorandum, particularly the Terms and Conditions, shall apply, subject to any amendments required by this Supplement. All references to the Programme Memorandum shall mean the Programme Memorandum as supplemented by this Supplement.

Arranger

Mercedes-Benz South Africa Limited

JSE Debt Sponsor

The Standard Bank of South Africa Limited,
acting through its Corporate and Investment Banking division

Supplement to the Programme Memorandum dated 19 December 2018

IMPORTANT NOTICE

Capitalised terms used in this section shall bear the same meanings as used in the Terms and Conditions set out in the Programme Memorandum as supplemented by this Supplement, except to the extent that they are separately defined in this section or clearly inappropriate from the context.

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from this Supplement that would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made and that this Supplement contains all information required by law and the Debt Listings Requirements of the JSE. The Issuer accepts full responsibility for the accuracy of the information contained in this Supplement.

The JSE takes no responsibility for the contents of this Supplement, the Applicable Pricing Supplements, or the annual financial statements of the Issuer and/or the Guarantor, and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the aforementioned documents and any amendments or supplements thereto and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of this Supplement and listing of the Notes is not to be taken in any way as an indication of the merits of the Issuer and/or the Guarantor or of the Notes and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

The Issuer, having made all reasonable enquiries, confirms that this Supplement contains or incorporates all information with respect to itself which is material in the context of the issue and the offering of any particular Tranche of Notes, that the information contained or incorporated in this Supplement is true and accurate in all material respects and is not misleading as at the date of this Supplement, that the opinions and the intentions expressed in this Supplement are honestly held and that there are no other facts, the omission of which would make this Supplement or any of such information or expression of any such opinions or intentions misleading in any material respect.

The Programme Memorandum and this Supplement are to be read and construed with any amendment or supplement thereto and in conjunction with any other documents which are deemed to be incorporated therein by reference (see the section headed "*Documents Incorporated by Reference*" in the Programme Memorandum) and, in relation to any Tranche of Notes, should be read and construed together with the Applicable Pricing Supplement. The Programme Memorandum and this Supplement shall be read and construed on the basis that such documents are incorporated into and form part of the Programme Memorandum and this Supplement, as the case may be.

The Arranger, the Dealer(s), the JSE Debt Sponsor or any of their respective subsidiaries or holding companies or a subsidiary of that holding company (**Affiliates**), other professional advisers named herein and the JSE have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger, the Dealer(s), the JSE Debt Sponsor nor any of their Affiliates or other professional advisers as to the accuracy or completeness of the information contained in this Supplement or any other information provided by the Issuer or the Guarantor. The Arranger, the Dealer(s), the JSE Debt Sponsor and other professional advisers do not accept any liability in relation to the information contained in this Supplement or any other information provided by the Issuer and/or the Guarantor in connection with the Programme.

No Person has been authorised by the Issuer to give any information or to make any representation not contained in or inconsistent with this Supplement or any other document entered into in relation to the Programme or any other information supplied by the Issuer in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, the Arranger, the Dealer(s), the JSE Debt Sponsor or other professional advisers.

Neither this Supplement nor any other information supplied in connection with the Programme is intended to provide a basis for any credit or other evaluation, or should be considered as a recommendation by the Issuer, the Guarantor, the Arranger, the Dealer(s), the JSE Debt Sponsor and other professional advisers that any recipient of this Supplement or any other information supplied in connection with the Programme should subscribe for, or purchase, any Notes.

Each Person contemplating the subscription for, or purchase of, any Notes should determine for itself the relevance of the information contained in this Supplement and should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantor and its subscription for, or purchase of, Notes should be based upon any such

investigation as it deems necessary. Neither this Supplement nor any Applicable Pricing Supplement nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer, the Guarantor, the Arranger, or any of the Dealers to any Person to subscribe for or to purchase any Notes.

Neither the delivery of this Supplement nor any Applicable Pricing Supplement nor the offering, sale or delivery of any Note shall at any time imply that the information contained herein is correct at any time subsequent to the date hereof, or that any other financial statements or other information supplied in connection with the Programme is correct at any time subsequent to the date indicated in the document containing the same. The Arranger, the Dealer(s), the JSE Debt Sponsor and other professional advisers expressly do not undertake to review the financial condition or affairs of the Issuer and/or the Guarantor during the life of the Programme. Investors should review, *inter alia*, the most recent financial statements, if any, of the Issuer and/or the Guarantor when deciding whether or not to subscribe for, or purchase, any Notes.

None of the Issuer, the Guarantor, the JSE, the JSE Debt Sponsor, the Arranger or the Dealer(s) makes any representation or warranties as to the settlement procedures of the CSD or the JSE.

This Supplement does not constitute an offer or an invitation by or on behalf of the Issuer, the Guarantor, the JSE Debt Sponsor, the Arranger or the Dealers to any person to subscribe for or purchase any of the Notes. The distribution of this Supplement and the Programme Memorandum and the offering of the Notes are intended for South Africa only. The distribution of this Supplement and the Programme Memorandum and the offering of the Notes in certain jurisdictions may be restricted by law. No representation is made by the Issuer, the Guarantor, the JSE Debt Sponsor, the Arranger or the Dealers that this Supplement or the Programme Memorandum may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder and none of them assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the JSE Debt Sponsor, the Arranger or the Dealers or which would permit a public offering of the Notes or distribution of this Supplement or the Programme Memorandum in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Supplement, the Programme Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction other than in South Africa. Persons into whose possession this Supplement, or the Programme Memorandum or any Notes comes are required by the Issuer, the Guarantor, the JSE Debt Sponsor, the Arranger and the Dealers to inform themselves about and to observe any such restrictions.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act), or the securities laws of any state in the United States of America and the Notes may not be offered, sold, delivered or transferred within the United States of America or to, or for the account or benefit of, any U.S. persons (as defined in the Regulation S of the Securities Act). In addition, there are restrictions on the distribution of the Programme Memorandum and this Supplement in South Africa, the European Union and the United Kingdom. For a more complete description of certain restrictions on the offering, sale and delivery of Notes and distribution of the Programme Memorandum and this Supplement, see the section of the Programme Memorandum headed “*Subscription and Sale*”.

All references in this Supplement to “*Rand*”, “*ZAR*”, “*South African Rand*”, “*R*” and “*cent*” refer to the currency of the Republic of South Africa.

The price/yield and amount of a Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

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AMENDMENTS TO THE PROGRAMME MEMORANDUM

The following amendments are made to the Programme Memorandum:

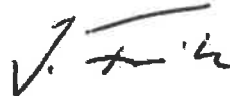
The section headed "Description of Mercedes-Benz South Africa Limited" from pages 6 – 9 of this Supplement shall replace the section headed "Description of Mercedes-Benz South Africa Limited" from pages 76 – 79 of the Programme Memorandum in its entirety.

SIGNED at _____ this 7th day of August 2019.

For and on behalf of
MERCEDES-BENZ SOUTH AFRICA LIMITED



Name: C Spohr
Capacity: Director
Who warrants his authority hereto



Name: JOHANNES FRITZ
Capacity: Director
Who warrants his authority hereto

DESCRIPTION OF MERCEDES-BENZ SOUTH AFRICA LIMITED

*This section serves as a brief description of Mercedes-Benz South Africa Limited (the **Issuer**). Further information is available on the Issuer's website at www.mercedes-benzsa.co.za. For the avoidance of doubt, the information available on the Guarantor's website, as well as the Issuer's website, are not incorporated by reference in this Programme Memorandum.*

1. LEGAL STATUS

Mercedes-Benz South Africa Limited (the **Issuer** or the **Company**) is a public company with limited liability duly incorporated in accordance with the company laws of South Africa. The Issuer was incorporated on 31 January 1962.

The financial year end of the Issuer is 31 December.

The annual audited financial statements of the Issuer are drawn up in accordance with IFRS and the Companies Act.

Registration number: 1962/000271/06

2. BUSINESS

The Issuer is a wholly owned subsidiary of the Guarantor, Daimler AG. The Issuer has a manufacturing plant in East London, which has been manufacturing and assembling vehicles in South Africa for over 60 years, and its South African headquarters is in Zwartkop, Gauteng.

The Zwartkop office is the operating hub of the sales and marketing, finance and controlling, media and communications, information technology, dealer network, after-sales services and supply chain divisions for Mercedes-Benz in the region. The Issuer and/or its subsidiaries markets and finances Mercedes-Benz passenger cars and smart cars; Mercedes-Benz trucks, vans and buses; FUSO and Western Star trucks for South Africa and for certain African countries.

In East London, Mercedes-Benz passenger cars (C-Class) are manufactured for local and export markets in both left- and right-hand drive. The plant also assemble FUSO and Mercedes-Benz commercial vehicles.

The Issuer decided to conduct a restructuring programme to strengthen the corporate structure of the Issuer, to create the conditions to unlock market potential and to optimally focus on the needs of the Issuer's customers. On 1 January 2019, the Issuer entered into an Asset-for-Share transaction in terms of Section 42 of the Income Tax Act with Daimler Trucks and Buses Southern Africa (Pty) Ltd whereby the Trucks and Buses business of the Issuer was disposed of in exchange for 100% shareholding in Daimler Trucks and Buses Southern Africa. The general distribution agreements that were previously held by the Issuer, were transferred to Daimler Trucks and Buses Southern Africa when Daimler Trucks and Buses Southern Africa started trading on 1 January 2019.

3. COMPANY SECRETARY

The company secretary and the address of the company secretary of the Issuer is:

Mr. Denis Peterson

123 Wierda Road R576/M10 West, Zwartkop, Centurion, 0046.

4. MANAGEMENT AND THE BOARD

Board of Directors as at the Supplement Date (the **Board**):

4.1. Executive Directors

- (a) Mr. Andreas Engling (Chief Executive Officer)
- (b) Mr. Johannes Herbert Fritz (Co-Chief Executive Officer)
- (c) Mr. Carsten Spohr (Chief Financial Officer)
- (d) Mr. Abram Mojela Kgotle

Independent Non-Executive Directors

- (a) Dr. Joachim Schmidt (Independent) (Chairman of the Board of Directors)
- (b) Ms. Sindi Zilwa (Independent)

- (c) Ms. Fikile De Buck (Independent)
- (d) Ms. Thuthu Mbhele (Independent)
- (e) Mr. Nozipho January-Bardill (Independent)
- (f) Ms. Britta Seeger (Non-Exec)
- (g) Mr. Ulrich Bastert (Non-Exec)
- (h) Dr. Joerg Burzer (Non-Exec)
- (i) Mr. Matthias Luhrs (Alternate Director: Ms Britta Seeger)
- (j) Mr. Florian Hohenwarter (Alternate Director: Dr Joerg Burzer)

4.2. **Board Committees**

The Board is assisted by the following specialist committees as at the Supplement Date:

4.3. **Audit and Risk Committee**

- (a) Ms. Fikile De Buck (Chairperson)
- (b) Ms. Sindi Zilwa
- (c) Ms. Thuthu Mbhele

4.4. **Social and Ethics Committee**

- (a) Mrs. Nozipho January-Bardill (Chairperson)
- (b) Mrs. Fikile De Buck
- (c) Ms. Sindi Zilwa
- (d) Mr. Andreas Engling (Ex-Officio)

4.5. **Group Executive Committee**

- (a) Mr. Andreas Engling (Chief Executive Officer)
- (b) Mr. Johannes Herbert Fritz (Co- Chief Executive Officer)
- (c) Mr. Carsten Spohr (Chief Financial Officer)
- (d) Mr. Abey Kgotle
- (e) Mr. Jasper Robert Hafkamp
- (f) Mr. Joerg Essig
- (g) Ms. Nadia Trimmel

5. **CORPORATE GOVERNANCE AND REGULATORY ENVIRONMENT**

5.1. **Board of Directors**

The Board is responsible for directing the Issuer towards achieving high standards of corporate governance based on local and international corporate practice and is ultimately accountable for achieving the Issuer Group's strategy, operating performance and financial results within the Daimler Group's corporate governance frameworks.

5.2. **Role and purpose of the Board**

The role and purpose of the Board is to oversee and provide strategic guidance to the business.

5.3. **Board Committees**

5.3.1. **Audit and Risk Committee**

The Audit Committee complies with its statutory duties as set out in the Companies Act and is established to assist the Board in:

- (a) Identifying and managing financial and other risks;
- (b) The evaluation of the adequacy of the assurance systems;

- (c) The review and preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards; and
- (d) Addressing statutory and regulatory issues, as required.

5.3.2. **Social and Ethics Committee**

The Social and Ethics The Social and Ethics Committee performs the functions as set out in the Companies Act:

- (a) To monitor the Company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to—
 - i. social and economic development, including the Company's standing in terms of the goals and purposes of—
 - aa) the 10 principles set out in the United Nations Global Compact Principles;
 - bb) the OECD recommendations regarding corruption;
 - cc) the Employment Equity Act, 1998; and
 - dd) the Broad-Based Black Economic Empowerment Act, 2003;
 - ii. good corporate citizenship, including the Company's—
 - aa) promotion of equality, prevention of unfair discrimination, and reduction of corruption;
 - bb) contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
 - cc) record of sponsorship, donations and charitable giving;
 - iii. the environment, health and public safety, including the impact of the Company's activities and of its products or services;
 - iv. consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws; and
 - v. labour and employment, including—
 - aa) the Company's standing in terms of the International Labour Organization Protocol on decent work and working conditions; and
 - bb) the Company's employment relationships, and its contribution toward the educational development of its employees;
- (b) to draw matters within its mandate to the attention of the Board as occasion requires; and
- (c) to report, through one of its members, to the shareholders at the Company's annual general meeting on the matters within its mandate.

5.4. **Company Secretary Responsibilities:**

- (a) The Company's secretary is accountable to the Company's Board.
- (b) The Company secretary's duties include, but are not restricted to—
 - vi. providing the directors of the Company collectively and individually with guidance as to their duties, responsibilities and powers;
 - vii. making the directors aware of any law relevant to or affecting the Company;
 - viii. reporting to the Company's Board any failure on the part of the Company or a director to comply with the Memorandum of Incorporation or rules of the Company or the Act;
 - ix. ensuring that minutes of all shareholders meetings, board meetings and the meetings of any committees of the directors, or of the Company's audit committee, are properly recorded in accordance with the Act;

- x. certifying in the Company's annual financial statements whether the Company has filed required returns and notices in terms of the Act, and whether all such returns and notices appear to be true, correct and up to date;
- xi. ensuring that a copy of the Company's annual financial statements is sent, in accordance with the Act, to every person who is entitled to it; and
- xii. carrying out the functions of a person designated in terms of section 33(3) of the Companies Act.

5.5. External Audit

The external auditors of the Issuer are, at present, KPMG Incorporated.

5.6. Code of Corporate Practices and Conduct set out in King IV (King IV)

The Issuer is 100% owned by the Guarantor, which is listed on the stock exchanges of Frankfurt and Stuttgart. As such, the Issuer follows international best practice and DAG guidelines. These guidelines include comprehensive policies dealing with –

- (a) upholding Human Rights compliance with applicable laws and internal regulations;
- (b) appropriate behaviour within the Daimler Group and in dealings with Government officials, business partners and customers;
- (c) dealing with conflict of interest;
- (d) prevention of all forms of corruption;
- (e) protection of company assets; and
- (f) principles of social responsibility.

The Board has adopted King IV and endorses the code of corporate practices as set out in the King IV report and confirms that the Issuer is compliant with the provisions thereof.

For more information please see document headed "*Corporate Governance Report*" which is available on the Issuer's website at <http://www.mercedes-benzsa.co.za/investor-relations/information/king-iv-report/>.

For the avoidance of doubt, King IV applies to the Issuer only.

ISSUER

MERCEDES-BENZ SOUTH AFRICA LIMITED

(registration number 1962/000271/06)

Wierda Road
Zwartkop
Pretoria, 0157
South Africa
PO Box 1717
Pretoria, 0001
South Africa
+27 12 673 1630
Contact: Mr K Kwakwa

GUARANTOR

DAIMLER AG

(registration number HRB 19360)

Mercedesstrasse 137
D-70327 Stuttgart
Federal Republic of Germany
096-0255
70546 Stuttgart
Federal Republic of Germany
+49 711 17 93372
Contact: Director: Corporate Finance

ARRANGER

MERCEDES-BENZ SOUTH AFRICA LIMITED

(registration number 1962/000271/06)

Wierda Road
Zwartkop
Pretoria, 0157
South Africa
PO Box 1717
Pretoria, 0001
South Africa
+27 12 673 1630
Contact: Treasury Analyst

JSE DEBT SPONSOR

**THE STANDARD BANK OF SOUTH AFRICA LIMITED,
acting through its Corporate and Investment Banking division**

(registration number 1962/000738/06)

30 Baker Street
3rd Floor East
Rosebank, 2196
South Africa
PO Box 61344
Marshalltown, 2107
South Africa
+27 11 721 5594
Contact: Head: Debt Capital Markets

**CALCULATION AGENT, PAYING AGENT AND
ISSUER AGENT**

**RAND MERCHANT BANK,
a division of FIRSTRAND BANK LIMITED**

(registration number 1929/001225/06)
1 Merchant Place
Cnr Fredman Drive and Rivonia Road
Sandton, 2196
South Africa
P O Box 786273
Sandton, 2146
South Africa
+27 11 282 8000
Contact: Head: Debt Capital Markets

TRANSFER AGENT

**COMPUTERSHARE INVESTOR SERVICES
PROPRIETARY LIMITED**

(registration number 2004/003647/07)
Rosebank Towers
15 Bierman Avenue
Rosebank, 2196
South Africa
P O Box 61051
Marshalltown, 2107
South Africa
+27 11 370 7843
Contact: Mr C Lourens

LEGAL ADVISORS TO THE ISSUER, ARRANGER AND DEALER

BOWMAN GILFILLAN INCORPORATED

(registration number 1998/021409/21)
11 Alice Lane
Sandton, 2196
South Africa
P O Box 785812
Sandton, 2146
South Africa
+27 11 669 9354
Contact: Mr C van Heerden

AUDITORS TO THE ISSUER AND GUARANTOR

KPMG INCORPORATED

(registration number 1999/21543/21)
85 Empire Road
Parktown, 2193
South Africa
Private Bag X9
Parkview
Randburg, 2122
South Africa
+27 60 997 5810
Contact: Audit Partner