

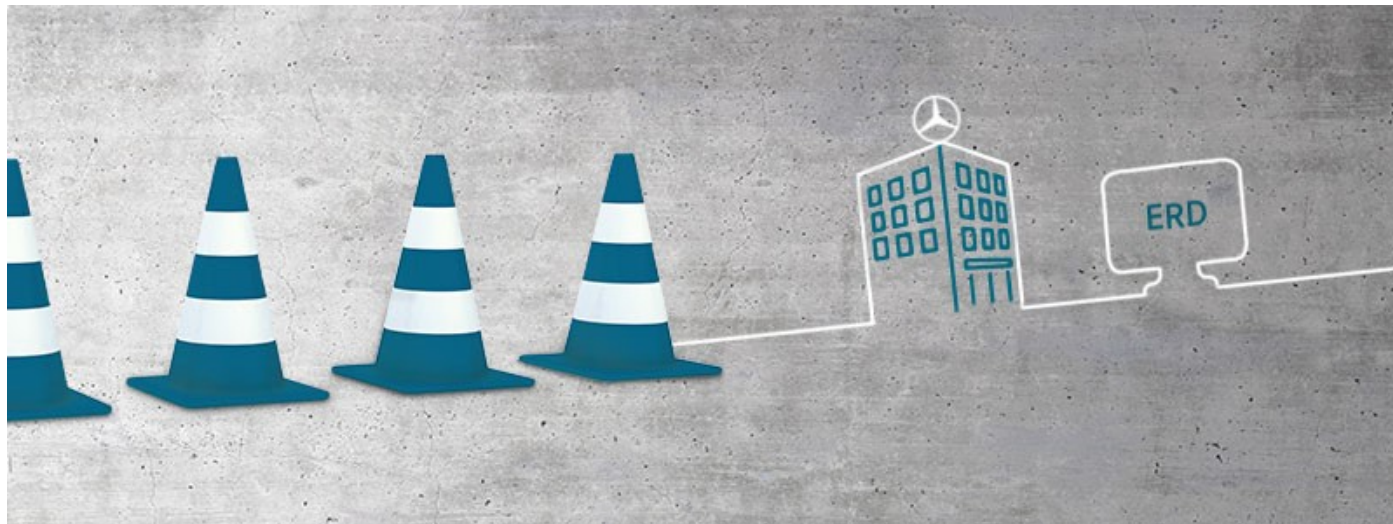
## Board Policy B 73.3

### Contact Person

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### Policy Owner

Dr. Roberto Klimmek - FD/G - Daimler AG (0400)



### Purpose of Policy / Management Summary

The purpose of this policy is to define key principles for the establishment and working methods of supervisory and advisory boards.

The selection of board members will be made by the business division or functional division that is in charge, in agreement with the competent HR unit for the business division or functional division.

For the board composition, a reasonable level of professional and business knowledge and experience must be ensured.

### Changes to Previous Version

11/01/2019:

Changes as part of Project Future:

- Adaptations of Section 2 "Definitions" for the correct mapping of the new structures according to Future
- Further clarification of Section 3.1 "Selection of board members"
- Update of the annex "Key Group Companies"

### Action Requirement

[For members of Group company managing bodies](#)

Please enact this policy immediately and communicate it to the affected employees.

[For Daimler AG managers](#)

Please familiarize yourself with the provisions of this policy and comply with them.

[For Daimler AG employees](#)

## Board Policy B 73.3

Please familiarize yourself with the provisions of this policy and comply with them.

[For members of managing bodies of Framework Light companies](#)

This is an indispensable policy. Your company falls within the scope of application of this policy. Please enact this policy immediately.

### Scope of application

This policy applies to all employees and members of governing bodies

**- of the levels V-4**

**— as well as —**

**- with the functions CEO or CFO**

**— as well as —**

**- of the organizational units** Corporate Development (FD) and Legal (IL/L)

[Description profile for scope of application](#)

This policy applies to natural persons who have been chosen for a mandate or hold a mandate. The policy also applies to:

- Employees of Daimler AG and of controlled Group companies who are concerned with selecting board members, assuming mandates, holding these mandates, or resigning from these mandates
- Local M&A data maintenance staff and local M&A data approvers in GENESIS
- CEOs and CFOs of controlled Group companies.

For mandates that are not initiated by or in the interest of Daimler AG or its controlled shareholdings, please see the Daimler Integrity Code.

### Period of Validity of this Version

11/1/2019 - 10/31/2024

### Last Revision of this Version

### Topic

M&A/Real Estate (Subsidiary Management)

### Approval

Britta Seeger MS, Hubertus Troska GRC, Martin Daum T, Markus Schäfer RD&MBC-COO, Ola Källenius COB & MBC, Renata Jungo Brüngger IL, Harald Wilhelm FC, Wilfried Porth HR

10/8/2019

Sammelgenehmigung durch BoM/ Collective approval by BoM

## Board Policy B 73.3

### Documentation

Published in the Enterprise Regulations Database (ERD) in the Daimler Employee Portal at 11/1/2019.

### Mandatory documents

Policy Documents

Board Policy: 7 Pages

Annex: Key Group Companies of Daimler AG and Key Division Companies: 1 Page

### Helpful documents

- [Web training "Know Your Responsibilities"](#)

## 1 Objective

The purpose of this policy is to define key principles for the establishment and working methods of supervisory and advisory boards.

## 2 Definitions

"Shareholding"

of Daimler AG under this policy means any company in which Daimler AG holds direct or indirect shares. This includes controlled and non-controlled shareholdings.

"Controlled shareholdings"

of Daimler AG under this policy are all companies in which Daimler AG directly or indirectly holds the majority of the shares, or over which it can directly or indirectly exercise a controlling influence in some other manner.

"Key Group companies of Daimler AG"

under this policy are companies in which the Board of Management of Daimler AG reserves the right to appoint boards.

"Key companies"

- **of the Daimler Trucks & Buses division** under this policy are companies in which the Board of Management of Daimler Truck AG reserves the right to appoint boards.
- **of the Mercedes-Benz Cars & Vans division** under this policy are companies in which the Board of Management of Mercedes-Benz AG reserves the right to appoint boards.

The current list of these is attached to this policy as Annex "**Key Group Companies of Daimler AG and Key Division Companies.**"

"Mandates"

under this policy are seats initiated by Daimler AG or a controlled shareholding in supervisory or advisory boards (Board of Directors (non-managing directors), Supervisory Board, Advisory Board, etc.) of natural persons who have an employment or consulting relationship with Daimler AG or a controlled shareholding. This includes mandates in controlled shareholdings and mandates in supervisory or advisory boards of other, non-controlled shareholdings, including external or charitable institutions, if the mandate is being held on the initiative of Daimler AG or a controlled shareholding. This does not include activities for associations or cooperation on expert commissions.

This policy defines key principles for the establishment and working methods of supervisory and advisory boards.

### 3 Principles for the establishment and working methods of supervisory and advisory boards

Supervisory and advisory boards must be set up and board members appointed only if the board is prescribed by law, the articles of association, or a legal agreement. The following requirements on the working methods must be taken into account where permissible by law and taking account of the company's situation:

- The administrative work for meetings should be kept to a reasonable minimum, meaning as few meetings as possible.
- Resolutions should be adopted by way of circulation or in a telephone or video conference.
- If meetings are necessary and a meeting location is not prescribed by law or the articles of association, meetings will be held at the most cost-effective and convenient location.

#### 3.1 Selection of board members

Vacancies or newly appointed mandates must be reported to M&A and the HR head responsible for the business division or functional division in a timely manner (with advance notice) by the responsible business division or functional division, in order to agree on recommendations for appointment with the internal decision-making levels and to initiate a compliance check on the candidate by HR based on the risk.

Board members will be selected from the recommendations for appointment by the business division or functional division that is in charge of the relevant mandate under the Daimler AG schedule of responsibilities or specific regulation, always in agreement with the competent HR unit. The selection of candidates from other divisions will be made in coordination with the responsible head of the business division or functional division to which the candidate belongs. The same applies to re-election or termination of a mandate.

In general, when making a selection, the significance and type of business activity must be taken into account for the respective mandate. Therefore, performing a mandate is always related to a function. Generally, managers from the Daimler Group are chosen to take on mandates.

First, it must be remembered that any person chosen to take over a mandate is obligated to immediately disclose any current or future conflicts of interest to the Daimler AG business division or functional division responsible for the mandate before accepting a mandate. This is without prejudice to other disclosure obligations. Board members cannot perform operational tasks with regard to the mandate at the same time, and in particular cannot be given signature authority for the bank accounts.

Supervisory and advisory boards must be set up and board members appointed only if the board is prescribed by law, the articles of association, or a legal agreement.

The selection of board members will be made by the business division or functional division that is in charge, in agreement with the competent HR unit.

Therefore, performing a mandate is always related to a function.

Current or future conflicts of interest of the board member must always be disclosed to the Daimler AG business division or functional division responsible.

The internal decision-making level is dependent on the significance of the mandate; this is without prejudice to the rights of consent by other boards (such as Daimler AG's Supervisory Board).

- The competent Board of Management of Daimler AG will decide on candidates for mandates with key Group companies and key division companies.
- The Board of Management member of Daimler AG in charge of the division will decide on candidates for all other mandates. The Board of Management member can delegate his or her decision-making authority within the division. This delegation can be made to a management level no lower than L1.

Board members on a board must meet all of the related board members' obligations for consultation and control of management under locally applicable law, and the respective articles of association and/or rules of procedure. The disclosure obligations described above must also be observed while holding the mandate.

Holding a mandate is generally tied to the existence of an employment or consulting relationship with Daimler AG or one of its controlled shareholdings. If the employment or consulting relationship ends, all mandates must be surrendered no later than the time that termination takes effect. This also applies to termination of a contractual relationship upon commencing retirement. In the event of partial retirement, all mandates must be surrendered no later than the time the "release period" begins.

Exceptions are possible only in justified, individual cases. They must be limited in term and require consent by the Board of Management member in charge of the division along with the HR Director of Daimler AG. If a Board of Management member of Daimler AG, Mercedes-Benz AG, Daimler Truck AG or Daimler Mobility AG is to hold a mandate after leaving the company, this will require the consent of the competent Supervisory Board.

### 3.2 Board composition and requirements for board members

When appointing supervisory and advisory boards in controlled shareholdings, alongside any criteria under the law or articles of association (e.g. gender quotas) a reasonable level of professional and business knowledge and experience – including financial and controlling expertise – must be ensured.

For controlled shareholdings, the relevant supervisory or advisory board must have an overall composition so that the members in sum have the knowledge, skills and professional experience needed for proper performance of the tasks required by the law, articles of association, rules of procedure, etc. Specifically, the following professional requirements must be taken into account:

- Market knowledge (especially for sales companies)
- Financial expertise (accounting and bookkeeping)

Holding a mandate is generally tied to the existence of an employment or consulting relationship.

For the board composition, a reasonable level of professional and business knowledge and experience must be ensured.

- Technical expertise (where relevant)
- Management experience
- Risk management experience (financial risks, non-financial risks, legal risks and compliance risks)
- Any requirements related to a listing on the stock exchange or related to official, e.g. banking supervision, regulations
- Any requirements from general or national diversity requirements (e.g. required international scope, gender quota, local empowerment, etc.)
- Need for an HR representative (on the shareholder side) if the Supervisory Board is based on co-determination.

From a personal standpoint, a board member must be willing:

- to immediately disclose any conflicts of interest
- to personally hold the mandate in his or her own responsibility, i.e. without taking instructions and in an independent manner
- to exercise the rights of participation, to obtain information and to collaborate based on his or her mandate
- to observe the loyalty, due diligence and confidentiality obligations relating to the mandate.

If there is an intention to surrender the mandate (e.g. for personal reasons), generally three months' notice must be given to the business division or functional division manager, M&A, and the competent HR head. The notice period can be shortened on mutual agreement.

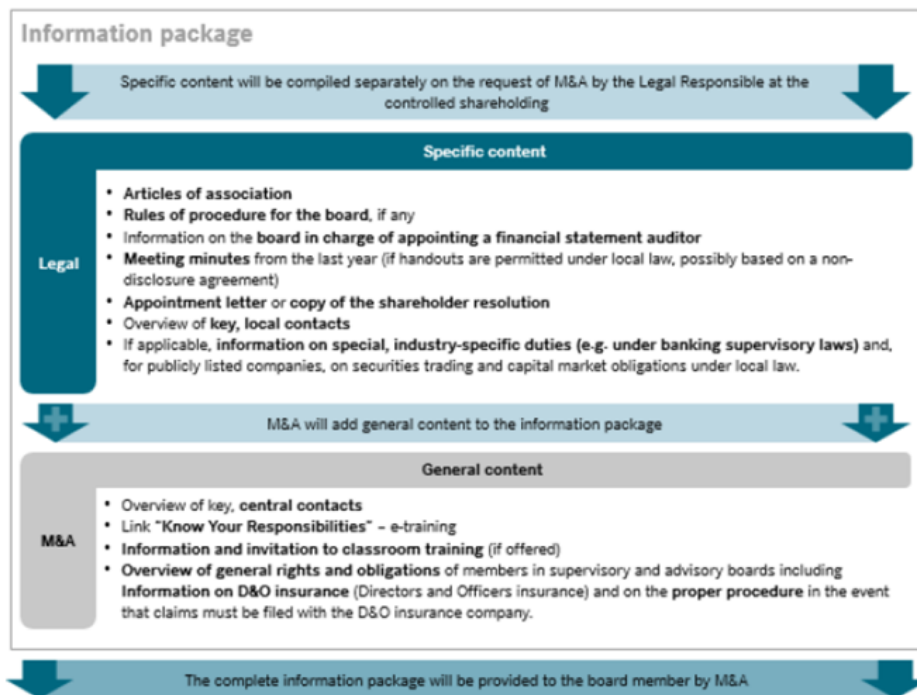
### 3.3 Qualification of board members

Daimler AG will help all designated board members perform the mandate responsibly by offering them training courses. Immediately after being selected or appointed, all board members must complete the web-based training course "[Know Your Responsibilities](#)." The e-training will inform all board members of their rights and duties. The link to the training course is part of an information package that will be sent by M&A to all board members immediately after they are elected or appointed (see also the policy profile on this policy and the further applicable regulations).

The information package contains **general information** that is relevant for all board members and **specific information** that pertains to the respective controlled shareholding.

Immediately after being selected or appointed, all board members must complete an e-training course.

The information package comprises the following:



If the mandate is with a non-controlled shareholding or external or charitable institution, the information will include general content only. The board member must obtain specific content from the relevant shareholding or institution.

### 3.4 Reservation of consent and reporting obligations to the Board of Management and Supervisory Board

Consent and reporting obligations as listed in the rules of procedure for the Board of Management and Supervisory Board of Daimler AG must be observed.

If a member of an executive body as defined in Section 32 of the Mitbestimmungsgesetz (MitbestG – German Codetermination Act) (managing directors, supervisory board) is appointed or removed from office or granted discharge at a shareholding of Daimler AG with equal employee-shareholder representation in which Daimler AG, Mercedes-Benz AG, Daimler Truck AG or Daimler Mobility AG has a direct stake of at least 25%, the exercise of the voting rights of the respective company at the shareholders' meeting of the relevant shareholding company requires prior consent by the shareholder representatives on the Supervisory Board of the respective company. The obligations under Section 32 MitbestG are otherwise unaffected.

### 3.5 Compensation of board members

Holding a mandate on the board is considered part of the employment or consulting relationship and is covered by the compensation under that contractual relationship.



Therefore, holding the mandate will not be additionally compensated in any way (not even through share-based compensation or a meeting fee). Where permissible by law in consideration of labor law requirements, the board member will ensure that with regard to the mandate, no compensation is defined, or he/she will waive this compensation. If this is not permissible by law, or not considered reasonable after written agreement with the persons in charge of selecting candidates, the board member is required to report the compensation to his or her responsible HR manager.<sup>1</sup> The compensation for the mandate will then be offset under the relevant stipulations in the employment or consulting agreement with salary or bonus payments under this contractual relationship.

To hold a mandate on stock-listed shareholdings or for pensioners who are assuming / holding a mandate, in individual cases a different regulation can be defined; this requires consent by the Board of Management of Daimler AG. If the board member is a member of the Board of Management of Daimler AG or a controlled shareholding with a German stock corporation as its legal form, or is a member of an executive body of a company that has equal employee-shareholder representation under German law, the lack of a compensation waiver for the mandate requires consent of the Supervisory Board of Daimler AG or the controlled shareholding in which the person is member on the Board of Management or executive body.

If, by way of exception, payments are made to hold a mandate, the board member is required to report to his/her responsible HR manager on all payments received in relation to holding the mandate (= obligation to provide). The total compensation received and promised in a financial year (salaries, profit sharing, rights of pre-emption and other share-based payments, meeting fees, expense reimbursements, insurance payments, commissions and indirect benefits of all kinds) must be reported in the first 30 calendar days of the financial year for the past financial year in a single list to the responsible HR manager.

### **3.6 Trustee agreements with board members as owners of obligatory shares**

If national law requires that a board member hold one or more shares of the shareholding in order to hold a mandate on the board ("obligatory shares"), Daimler AG will transfer the required number of shares to the board member for his or her term, or arrange for this transfer where legally permissible if it does not hold the required number of shares in the shareholding.

All financial rights relating to this obligatory share (particularly dividends or rights of pre-emption) must, where legally possible, be assigned to Daimler AG or the controlled shareholding that directly holds the shares

<sup>1</sup> depending upon the responsible person: main administrative office or HR department

There is no separate compensation for holding a mandate.

in the relevant shareholding. Details, such as the exercise of voting rights, will be governed by a trustee agreement.

#### **4 Data updates and data maintenance**

All changes relating to supervisory and advisory boards in the GENESIS shareholding management and information system must be updated immediately by the local M&A data maintenance staff. Responsibility for data accuracy lies with the local M&A data approver of the respective shareholding (for controlled shareholdings, this is the CFO; for non-controlled shareholdings, this is the division controller).

#### **5 Concept for confirming Corporate Governance with controlled shareholdings**

Once a year, the CEO or CFO of a controlled shareholding will review and confirm – possibly with the assistance of the Legal Responsible established in GENESIS – the status of Corporate Governance ("Annual Governance Review") in its company, such as:

- Up-to-date status of articles of association and rules of procedure
- Board members
- Proper performance of the required board meetings
- Implementation of Daimler policies.

Every year, the process will be automatically managed and documented by the GENESIS shareholding management system.

**Key Group Companies of Daimler AG and Key Division Companies (glossary for rules of procedure and annexes for the Supervisory Board and Board of Management of Daimler AG/Mercedes-Benz AG/Daimler Truck AG)**

Key Group companies of Daimler AG

Long name of company	Company code	Country
Mercedes-Benz AG	2724	Germany
Daimler Truck AG	2725	Germany
Daimler Mobility AG	8101	Germany

Key companies of the Mercedes-Benz Cars & Vans division

Long name of company	Company code	Country
Mercedes-Benz USA, LLC	1336	USA

Key companies of the Daimler Trucks & Buses division

Long name of company	Company code	Country
Daimler Trucks North America LLC	1331	USA
Mitsubishi Fuso Truck and Bus Corporation	4156	Japan
EvoBus GmbH	0245	Germany